

Norwin School District
2011-2012
Preliminary Education Budget

Presented by
Dr. William H. Kerr
Superintendent of Schools
Mr. John H. Wilson
Director of Business Affairs





Moving Forward from Great to EXTRAORDINARY

Mission Statement

Through quality educational experiences, the Norwin School District prepares students to become productive and responsible citizens in an ever-changing global society.



Shared Values

The Norwin School Community Believes...

All students are entitled to equal access to educational services and opportunities.

Students are entitled to learn in a non-threatening, safe, clean, healthy and stable educational environment.

On-going growth and professional development of all employees is a fundamental component of a successful school system.

Shared Values

The Norwin School Community Believes...

All students must be provided appropriate educational opportunities to meet their individual needs and learning styles.

The community must be informed, committed and actively involved in supporting education.

Quality education requires joint effort and support from parents, students, the school and the community.

Shared Values

The Norwin School Community Believes...

All educational paths that are chosen by our students are deserving of respect and dignity.

Students must be provided with the knowledge and experiences to develop skills to use and apply to new technologies.

Students must learn to understand and appreciate the varying cultures of the world so that they are prepared to function in a global society.

Shared Values

The Norwin School Community Believes...

The community shares responsibility for providing and maintaining educational facilities which sufficiently house all components of the educational system.

It is important to continually improve educational programs and services while maintaining fiscal responsibility.

Seven Guiding Principles to Ensure the Future Academic and Financial Success of the School District

- Make educational and financial investments based on best practices, proven methods, and strategies for long-term success
- Enhance the quality of educational programs and services for all students
- Continue to keep the focus on effective teaching and learning, increased student achievement, and high-performing schools
- Promote an open work environment where all employees experience empowerment, ownership, and accountability to grow professionally
- Make targeted investments, reallocate resources, and integrate new strategies to meet the changing needs of 21st century learners
- Strike a balance between what is educationally sound for students and fiscally responsible for taxpayers
- Streamline operations, maximize human and financial resources, and eliminate unnecessary spending

District Focus

- 2008-2014 Strategic Plan - Mid Point Review
- Strengthening K-12 Governance
- Advocacy for Children and Youth
- Student Achievement and Success
- School Safety and Security
- Educational Leadership and Organizational Management
- Fiscal Responsibility, Operational Efficiency, and Accountability
- Board Policy Development
- Organizational Realignment and Job Description Development
- Business Education Partnerships

Norwin At A Glance

- Approximately 5,200 students in grades K-12
- *Pittsburgh Business Times* Academic Performance Rankings:
 - Tenth-highest out of 105 districts in southwestern Pennsylvania
 - Second-highest out of 17 districts in Westmoreland County
 - 32nd-Highest out of 500 districts in all of Pennsylvania

Norwin School District

Strategic Plan Mid-Point Review

- Due to PDE on September 30, 2011
- Committee has met six (6) times and will meet one more time to finalize
- The following plans are under review or being newly developed:
 - Academic Standards and Assessment
 - Student Services
 - Special Education
 - Professional Education / Induction
 - Technology Education

Norwin School District

Strategic Plan Mid-Point Review

- New or updated narratives and strategies are now consistent with District philosophy and practices
 - College and Career Pathways Project
 - Internship Class, Student Mentorships
 - Individual Graduation Plan
 - Advanced Placement Vertical Teaming in Social Studies
 - Strategies to prepare students for High School social studies AP courses
 - STEM Education
 - Teacher training in STEM
 - Creation of extracurricular STEM opportunities for students
 - Project based STEM curriculum development
 - STEM career awareness
 - Citizenship and Character Education
 - Develop a model for citizenship and character education

Educational Initiatives

- K-4 Itinerant Schedule
- Centralized Registration
- Elementary and Secondary STEM Education (Camp Invention, Robotics Curriculum and Camps)
- Two additional Advanced Placement courses added at high school (Physics and Environmental Science)
- Middle School schedule revised: Level I languages, additional music, year-long physical education/health, common planning time
- Implementing a new three-year Health and Wellness Action Plan developed by the District Wellness Committee

Educational Initiatives

- Formative Assessment
- Understanding by Design
- Learning Paths, Pacing Guides
 - K-4 Health Curriculum
 - K-4 Computer Technology Curriculum
 - K-6 Writing Curriculum
- Norwin School District Community Foundation Educator Innovation Grants

Educational Technology Initiatives

- Center for 21st Century Learners
- E-Academy Year 3 training
- Schoolwires Website
- Electronic Newsletter
- New library software
- Skyward lesson plan training
- Ongoing technology training for all staff via academy classes

Human Resources

- School Safety and Security
- Labor – Management Relations
- Administration of Union Contracts
- Board Policy Development
- Organizational Alignment & Job Description Development
- Professional Staff Development
- Employee Performance Evaluations

Special Programs and Pupil Services

- ACCESS Funding Program
- Comprehensive Guidance Program
- Life Skills Support Classes
- Autism Support Classes
- Visually Impaired Services
- Instructional Aide Assignments

Facilities Management and Custodial Services

- Energy Education Conservation Program
- Capital Improvement Projects
- Preventative Maintenance Program
- New Custodial Supervision Model
- New Maintenance & Custodial Schedule

Business Affairs

- Demographic School Analysis: Population Projections
- Student Transportation Study
- PSERS Pension Fund Monitoring
- WIU Health Care Consortium
- Multi-Year Budgeting Process

Business Education Partnerships

- Norwin School District Community Foundation
- Norwin Community Foundation
- Norwin Council of PTAs
- Norwin Rotary
- Norwin Chamber of Commerce
- Quarterly Business-Education Roundtable

Education Budget Detail



Agenda

- Budget Process and Timetable
- Preliminary Budget 2011-12
- Fund Balance
- Projections 2012-13 and Beyond
- Comparative Financial Information

2011-12 Budget Process

- December 2010
 - Create Budget Calendar
 - Establish department allocations
- January 2011
 - Distribute budget preparation materials
 - Pass Act 1 resolution to not exceed index
- February 2011
 - Receive and review budget preparation materials
- March 2011
 - Compile budget materials for draft preliminary budget
- April 2011
 - Review draft preliminary budget administratively
 - Present draft preliminary budget to the Board
- May 2011
 - Present preliminary budget to the Board
 - Approve preliminary budget
- June 2011
 - Adopt final budget

Timetable

- Formal budget process required by the State:
 - Mandatory 30 day period between preliminary and final budget adoption
 - Final adoption by June 30, 2011
 - Tax notices mailed July, 2011
- Availability to the Public
 - Preliminary budget is available for review by the public between the preliminary and final adoptions.

Preliminary Budget 2011-12

- Major Impacts
- Summary
- Revenues
- Expenditures

2011-12 Preliminary Budget

Major Impacts

Revenue

- \$4.2M increase in assessed values (1.08%), resulting in an additional \$392,000 of revenue
- No millage change in Westmoreland County and a .13 mill decrease in Allegheny County
- Slight increases in earned income and delinquent taxes are mostly offset by decreases in real estate transfer tax, interest earnings, and IDEA funding cuts
- Basic Education Subsidy decreases by \$1.6M
- Charter School Subsidy (\$172,000) and Accountability Block Grant (\$604,000) are eliminated

2011-12 Preliminary Budget

Major Impacts

Revenue (continued)

- Debt Service Subsidy decreases \$300,000 because of bond refinancing
- Retirement Subsidy increases \$96,000 due to increase in employer contribution rate and salaries
- Federal Title II funding includes carryover of a portion of the 2010-11 grant amount (\$96,000)
- Use of Medical Access funds (\$155,000)
- \$481,000 in fund balance needed to balance the budget

2011-12 Preliminary Budget Major Impacts

Expenditures

- Total salary increase of \$286,000 (1.01%)
 - 11 professional retirements and 2 resignations
 - 6.5 professional positions not replaced
 - 4 instructional aide positions eliminated
 - Accountability tutoring programs eliminated
 - Instructional Technology program added at the elementary level
 - 1 teacher of the visually impaired and 1/2 life skills teacher added to avoid cost of outside contracting
 - Restructured custodial department to reduce part-time and overtime costs

2011-12 Preliminary Budget

Major Impacts

Expenditures (continued)

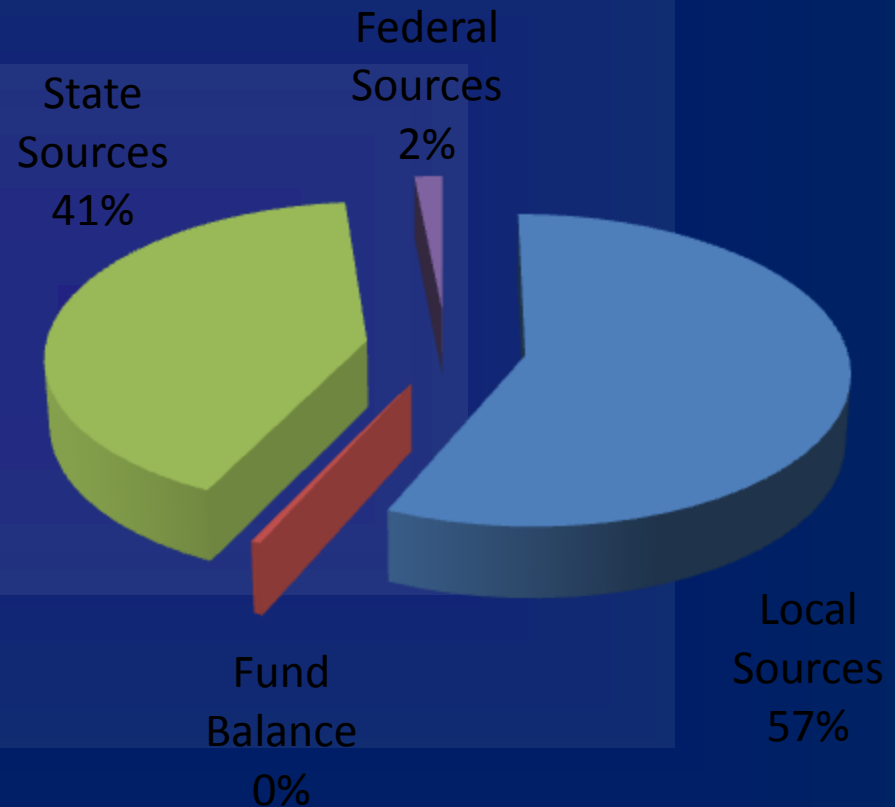
- Decrease in debt services payments of \$1.75M due to refinancing
- Net savings of \$115,000 from Energy Education contract
- \$107,000 cost reduction from building, athletic, and administration budgets
- Tuition cost increases of \$359,000
 - Career & Technology Center - \$218,000
 - Intermediate Units - \$75,200
- Does not include potential savings from transportation study

Tentative Budget Summary

- Revenue of \$56,237,000
 - Decrease of \$1.67M (2.88%) from 2010-11
 - No millage increase in Westmoreland County
 - .13 mill decrease in Allegheny County
- Expenditures of \$56,716,000
 - Decrease of \$1.2M (2.1%) from 2010-11
- Projected Unreserved Fund Balance of \$4.15M as of 7-1-2011
 - 7.35% of budgeted expenditures

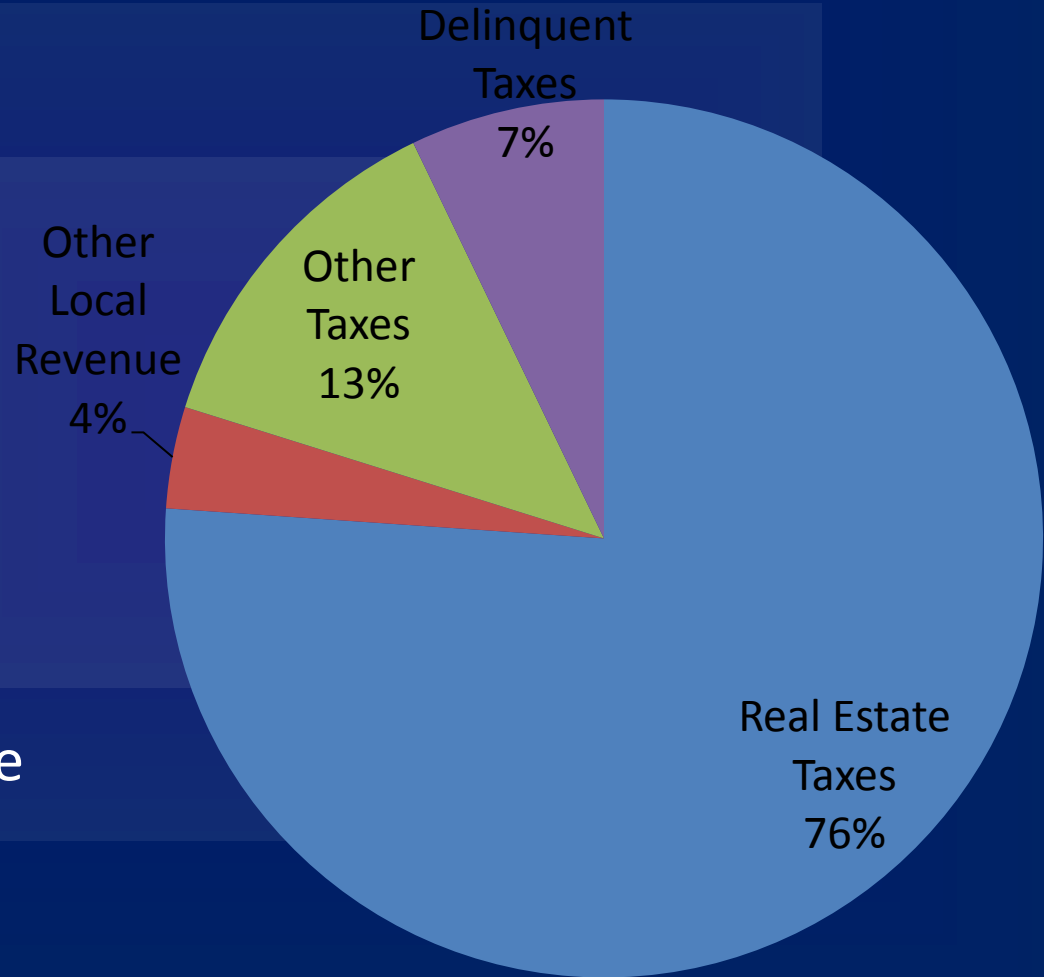
2011-12 Revenue Budget

- Local Revenue
\$31,895,000
- State Revenue
\$23,215,000
- Federal Revenue
\$877,500
- Fund Balance
\$250,000



Local Revenue

- Real Estate Taxes
\$24,270,000
- Delinquent Taxes
\$2,281,000
- Other Taxes
\$4,150,000
- Other Local Revenue
\$1,194,000

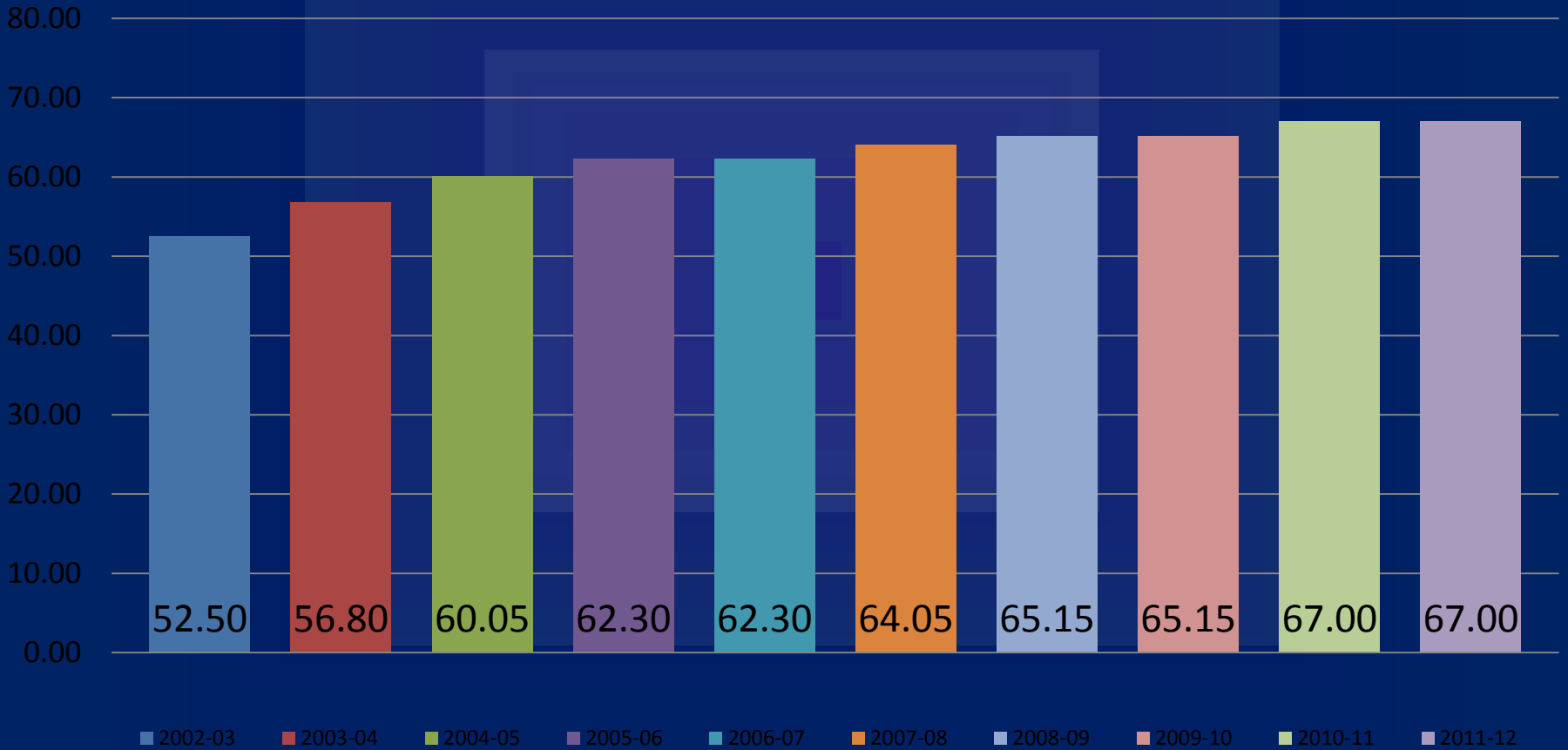


Local Revenue – Real Estate Taxes

2010-11 Tax Millage – 67

2011-12 Tax Millage – 67

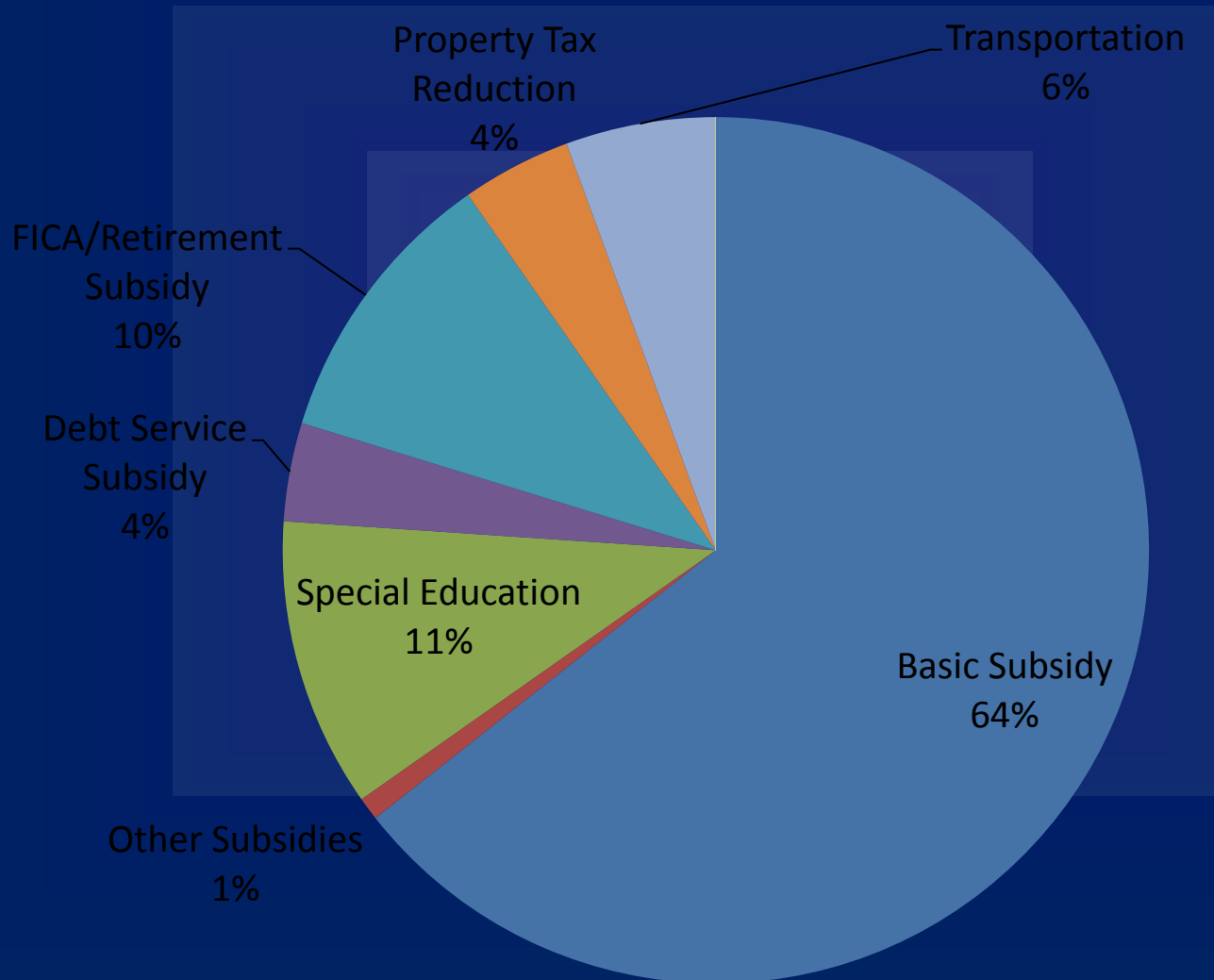
Value of 1 Collected Mill – \$362,000



State Revenue

- Basic Education Subsidy \$14,948,000
 - \$1.6M decrease (9.7%)
- Special Education Subsidy \$2,511,000
 - Level Funding
- Transportation \$1,300,000
- Property Tax Reduction \$950,000 (level funded)
- FICA and Retirement Reimbursements \$2,452,000
- Debt Service Subsidy \$854,000
- Other State Subsidies \$200,000

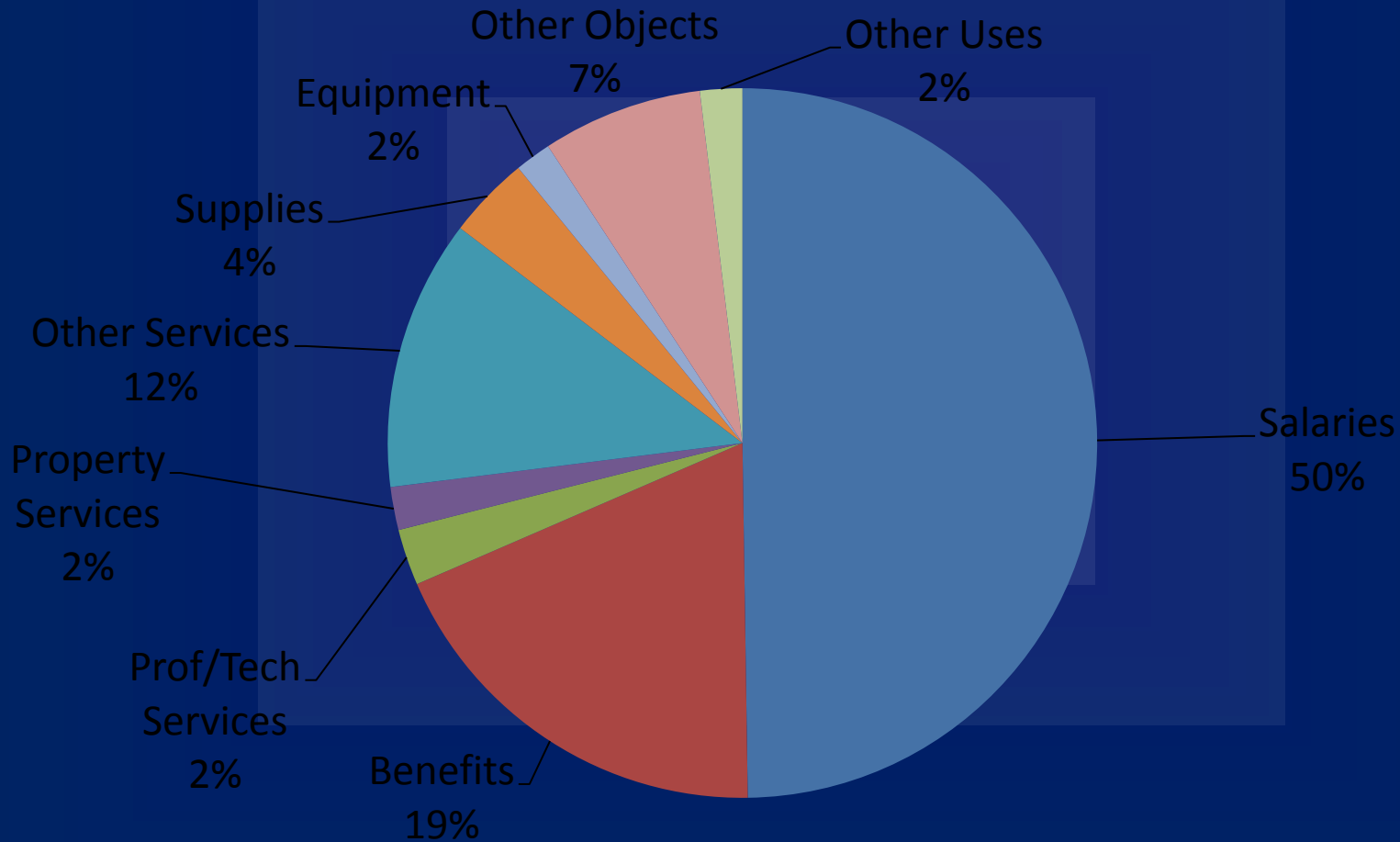
State Revenue



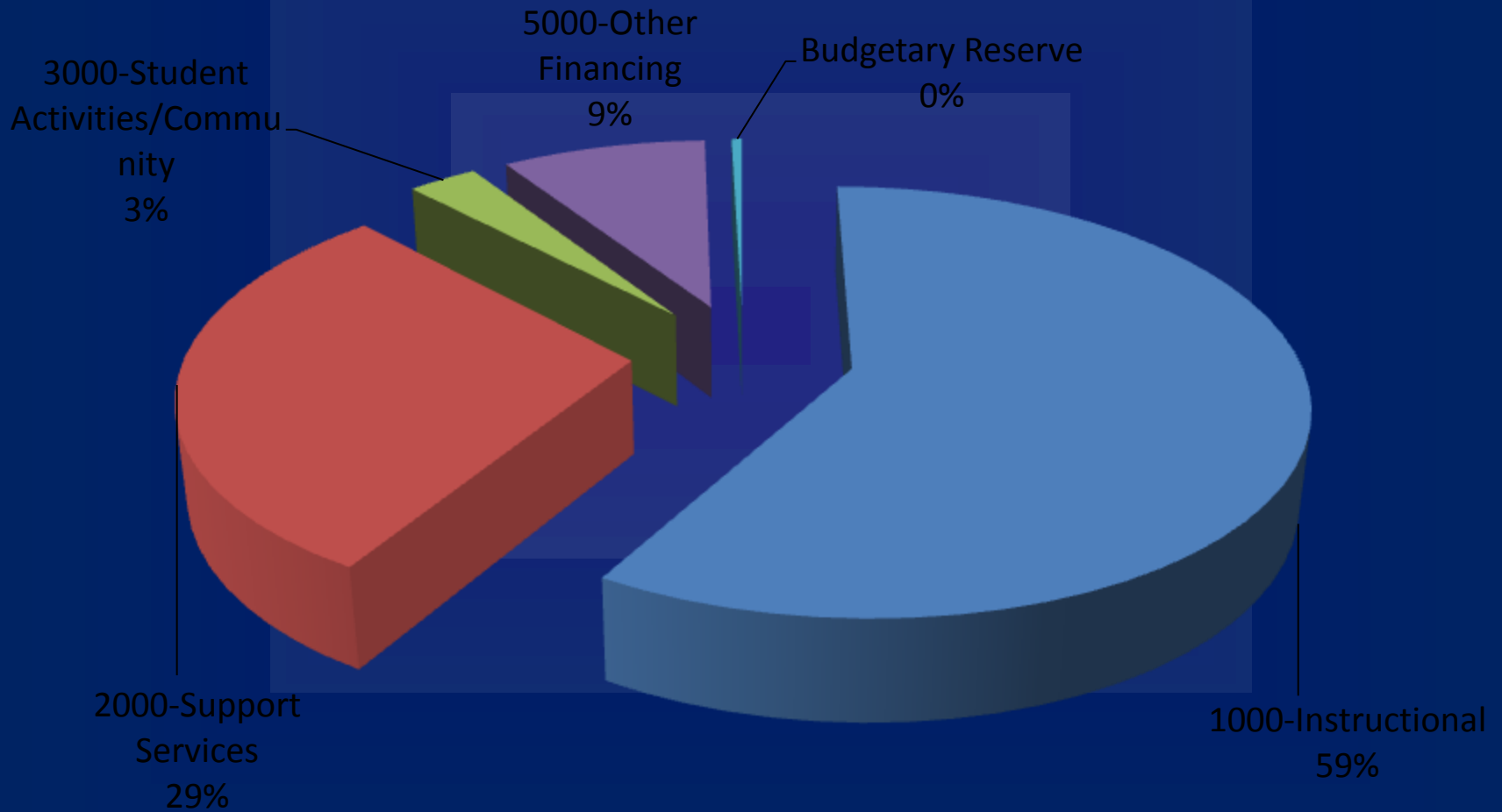
2011-12 Expenditure Budget

- Salaries \$28.6 million
- Benefits \$10.8 million
- Debt Service \$5 million
- Transportation \$3.6 million
- Maintenance \$2.1 million
- Special Education \$1.7 million
- CTC and Out of District Placement Costs \$1.7 million
- Building, Athletic, Student Activities Allocations \$1.1 million
- Technology \$807,000
- Miscellaneous \$1.3 million
 - Includes Textbooks, Library Tax, Budgetary Reserve, Administration, Staff Development, Tax Collection, Legal Services, Etc.

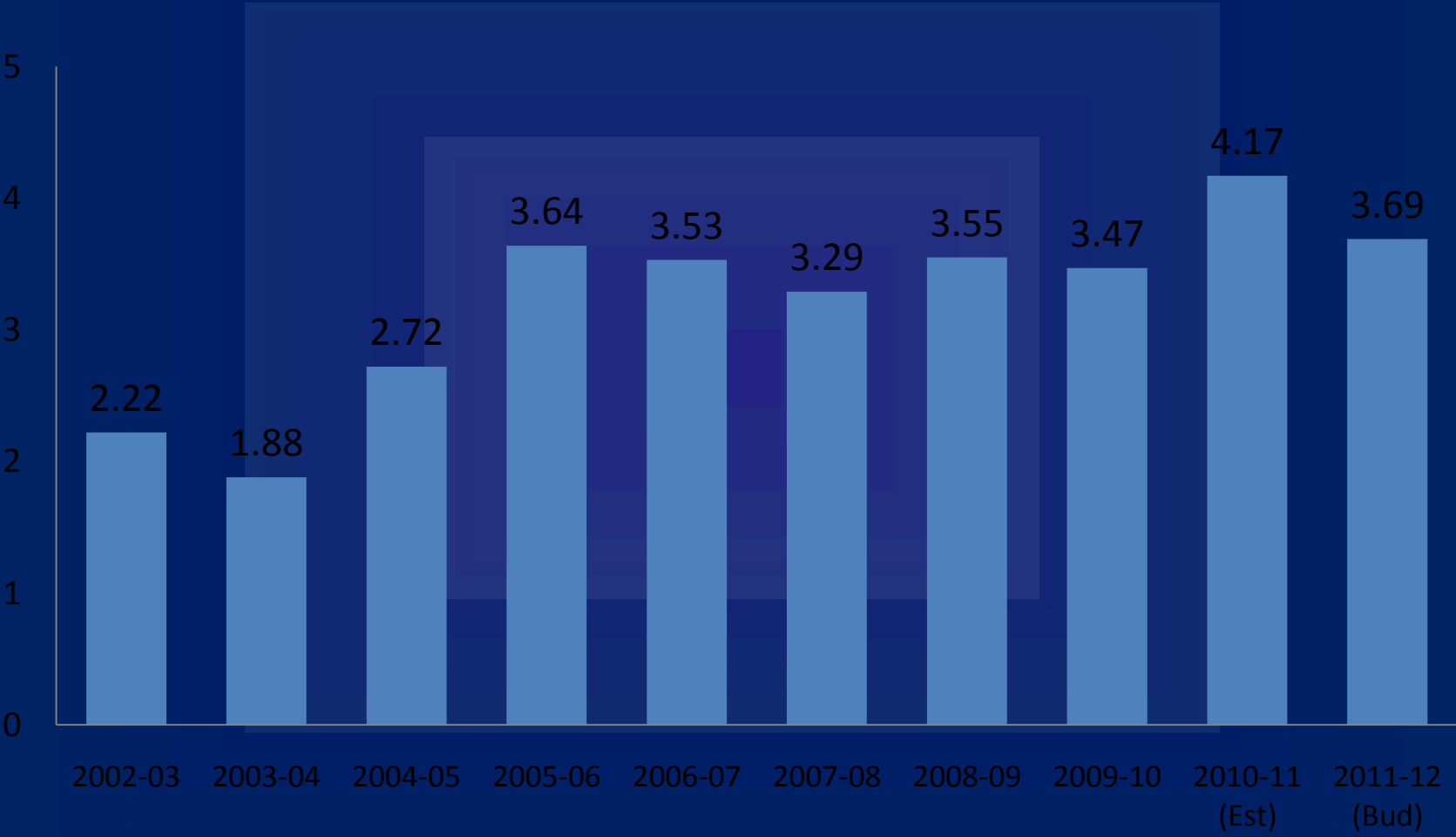
Expenditures (By Major Category)



Expenditures (By Major Function)



Unreserved Fund Balance



Fund Balance

- June 30, 2010 Fund Balance - \$3.47 million
- Projected June 30, 2011 Fund Balance - \$4.17 million
- Preliminary Budget uses \$481,000 of Fund Balance
- Use of Fund Balance
 - Non-recurring expenditures
 - Unanticipated expenditures
 - Changes in adopted State budget
 - Cash flow (investment earnings)
- Preserving Fund Balance
 - Reduce operating costs
 - Generate new sources of revenue

2012-13 Projections

- Revenue Assumptions:
 - Level funding of most State subsidies and Federal grants
 - Increases in FICA, retirement, and debt service subsidies of approximately \$310,000
 - Minimal local revenue increases resulting from assessment and income growth - \$650,000
- Expenditure Assumptions:
 - 2% net increase in salaries
 - 5% increase in benefits (health care, FICA, retirement)
 - Increase in debt service of \$1.25 million
 - All other costs are frozen

2012-13 Projections and Beyond

- Expenditures exceed revenue by \$1.88 million
- Fund Balance at 6-30-13 is \$1.8 million
- 2013-14 and Beyond
 - Net debt service increases by \$440,000 in 2013-14
 - Retirement contribution rates increase to:
 - 16.69% in 2013-14 (\$620,000)
 - 21.18% in 2014-15 (\$614,000)
 - 23.66% in 2015-16 (\$358,000)
- Act 1 Index and Exceptions
 - Index increases lagging behind increase in retirement rates
 - Possible repeal of Act 1 exceptions
- Spending cuts and/or tax increases may be required

Comparative Information

- 100 Largest PA Districts
 - Avg. Pupils per Faculty – 13.5 (Norwin – 16.5)
 - Avg. Pupils per Management – 187.2 (Norwin – 224.46)
- 100 PA Districts of Relative Wealth
 - Avg. Pupils per Faculty – 13.4 (Norwin – 16.5)
 - Avg. Pupils per Management – 187.2 (Norwin – 224.46)
- All PA Suburban Districts
 - Avg. Pupils per Faculty – 13.4 (Norwin – 16.5)
 - Avg. Pupils per Management – 172.4 (Norwin – 224.46)

Comparative Information

- Total Expenditures per Student
 - 12th Lowest in the State (bottom 2.5%)
 - Lowest in Westmoreland County
- Actual Instructional Expenditures per Student
 - 29th Lowest in the State (bottom 5.8%)
 - 2nd Lowest in Westmoreland County
- Equalized Mills (State Measure of Local Tax Effort)
 - 176th Lowest in the State (bottom 35%)
 - 2nd Lowest in Westmoreland County