



**SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION**

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Public Hearing  
March 22, 2011

Finance Committee

# SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION



## HIGH LEVEL SUMMARY

- BUDGET EXPENDITURES

■ 2010-11	\$3,954,863		
■ 2011-12	<u>\$4,066,514</u>		
■ Change	+ \$ 111,651	+ 2.8%	



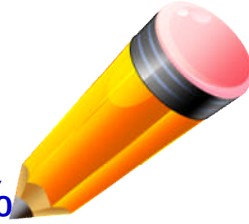
- LOCAL TAX REVENUES

■ 2010-11	\$3,324,034		
■ 2011-12	<u>\$3,390,514</u>		
■ Change	+ \$ 66,480	+ 2.0%	



- LOCAL TAX RATE

■ 2010-11	.0686 per \$100		
■ 2011-12	<u>.0698 per \$100</u>		
■ Change	+ .0012 per \$100	+ 1.7%	



# SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION

How does this Budget Impact the Average Sea Isle City Homeowner?



Calendar Year	Net Assessed Value	Fiscal Year	Fiscal Year School Tax Levy	School Tax Rate
2010	\$4,846,091,487	2010/11	\$3,324,034	.0686
2011	\$4,859,385,190	2011/12	\$3,390,514	.0698

Sea Isle City Average Residential Property Assessed Value \$735,000

IMPACT ON AVERAGE HOME		
2010-2011 School Tax on an Average Home	2011-2012 School Tax on an Average Home	Annual Increase in School Tax on an Average Home
\$504.15	\$512.83	<b>\$8.68 for full year</b>



**1.7% increase**

# SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION

## Expenditures



<b>Expenditures:</b>	<b>09/10</b>	<b>10/11 Revised</b>	<b>11/12</b>
Instruction	\$723,000	\$636,000	\$573,000
Benefits	\$343,000	\$339,000	\$333,000
Tuition to Other Schools	\$1,502,000	\$1,761,000	\$2,011,000
Guidance, CST, etc	\$357,000	\$335,000	\$293,000
Administration & Operations & Maintenance	\$507,000	\$394,000	\$373,000
Transportation	\$330,000	\$324,000	\$325,000
Emergency Reserve Increase	\$91,000	\$0	\$0
Transfer to Cover Food Deficit	\$22,000	\$25,000	\$25,000
Capital Outlay	\$320,000	\$85,000	\$76,000
General Fund	\$4,196,000	\$3,898,000	\$4,009,000

## SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION

### COST DRIVERS in 2011-2012 BUDGET

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- Increased High School Enrollment +\$157,000
- Increased Special Program Costs \* +\$118,000

### COST SAVINGS in 2011-2012 BUDGET

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- Unfilled Vacancy thru Retirement - \$85,000 (salary & benefits)

\*The District has applied for Extraordinary Aid which could offset most of this cost...the Budget does not anticipate this aid

# SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION

## Comparison of Tuition Costs Between Budget Years

		Budget Year 2010-2011			Budget Year 2011-2012			Difference
		#	Tuition <sup>1</sup>	Subtotal	#	Tuition <sup>1</sup>	Subtotal	
CMC VOTECH	Regular & Special Ed		\$6,235	\$12,470		\$6,451	\$6,451	(\$6,019)
	Prior Yrs Tuition Adj. <sup>2</sup>			\$956			\$26,824	\$25,868
OCEAN CITY	Grade 1 - 5	19	\$15,943	\$302,917	17	\$16,162	\$274,754	(\$28,163)
	Grade 6 - 8	27	\$17,208	\$464,618	24	\$18,250	\$438,010	(\$26,608)
	Grade 9 - 12	48.5	\$16,600	\$805,100	58	\$16,585	\$961,930	\$156,830
	Prior Yrs Tuition Adj. <sup>2</sup>			\$53,879			\$69,991	\$16,112
CMC SPECIAL SERVICES DIST	Various Special Ed		\$33,425	\$100,276		\$33,425	\$100,276	\$0
	Prior Yrs Tuition Adj.			(\$4,402)			(\$5,747)	(\$1,345)
	Extended School Year <sup>2</sup>		\$5,012	\$25,060		\$5,012	\$20,048	(\$5,012)
	Special Program Cost						\$150,000	\$150,000
	IDEA Offset						(\$32,000)	(\$32,000)
	<b>TOTAL</b>			<b>\$1,760,874</b>			<b>\$2,010,537</b>	<b>\$249,683</b>



## Comparison of Tuition Costs Between Budget Years

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### **FOOTNOTES TO PREVIOUS PAGE**

**<sup>1</sup> Regular & Special Ed have been combined and tuition figures are weighted averages**

**<sup>2</sup> Prior Year tuition adjustments true up the tuition costs of prior school years. A receiving district cannot charge a rate higher than the actual cost per student which is unknown until after the completion of the school year. The expenditures are audited and the average costs are certified. Extraordinary costs are excluded from the actual cost per pupil calculation and billed separately. For the 2010-2011 Budget Year the adjustment arises from the 2007-2008 and 2008-2009 school years. For the 2011-12 Budget year, the adjustment arises from the 2009-2010 school year.**



## COMMITMENT TO SHARED SERVICES

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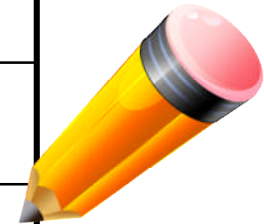
- Shared CST Services with Ocean City (proposed)
- Transportation Cooperative
- Budget Software with Asbury Park
- ACES
- Cooperative Purchasing
- Shared Services with City for groundskeeping/snow removal
- Shared Administrative Services with Ocean City
- Shared Technical Services with Ocean City (proposed)

# SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION

## Cost Per Pupil – How is this calculated?



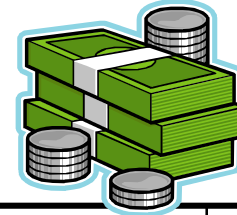
	2009-10 Revised Budget	2010-11 Revised Budget	2011-12
<b>Total General Fund Expense</b>	<b>\$4,195,710</b>	<b>\$3,897,698</b>	<b>\$4,009,251</b>
<b>Less Outgoing Tuition</b>	<b>(\$1,502,295)</b>	<b>(\$1,760,784)</b>	<b>(\$2,010,537)</b>
<b>Less all Transportation</b>	<b>(\$330,154)</b>	<b>(\$324,000)</b>	<b>(\$325,130)</b>
<b>Less Emergency Reserve</b>	<b>(\$91,107)</b>	<b>(\$0)</b>	<b>(\$0)</b>
<b>Less Capital Outlay</b>	<b>(\$320,298)</b>	<b>(\$84,979)</b>	<b>(\$75,802)</b>
<b>Subtotal</b>	<b>\$1,951,856</b>	<b>\$1,727,935</b>	<b>\$1,597,782</b>
<b>Students at SICPS</b>	<b>60 PK thru 4th</b>	<b>51 PK thru 3<sup>rd</sup></b>	<b>53 * PK thru 3<sup>rd</sup></b>
<b>Cost Per Pupil</b>	<b>\$32,531</b>	<b>\$33,881</b>	<b>\$30,147 *</b>



\* Enrollment estimate could prove optimistic...should enrollment in 2011-12 be the same as 2010-11 (48 students) the Cost Per Pupil would be \$33,287

# SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION

## Revenue

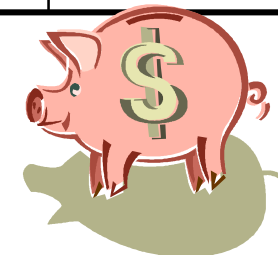


Budgeted Revenue:	09/10	10/11 Revised	11/12
Budgeted Fund Balance	\$443,000	\$251,000	\$267,000
Cap Reserve Withdrawal	\$193,000	\$ 84,000	\$76,000
Emerg Reserve Withdrawal	\$0	\$85,000	\$0
Tuition Reserve Withdrawal	\$0	\$0	\$80,000
Local Tax Levy	\$3,196,000	\$3,324,000	\$3,390,000
Unrestricted Misc Revenues	\$15,000	\$15,000	\$15,000
State Aid	\$349,000	\$139,000	\$181,000
Total Operating Budget	\$4,196,000	\$3,898,000	\$4,009,000
Federal Aid	\$115,000	\$57,000	\$57,000
Total Revenues/Sources	\$4,311,000	\$3,955,000	\$4,066,000

# SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION

## RECAP OF SURPLUS POSITION

	General Fund (Unrestricted)	Emergency Reserve (Restricted)	Tuition Reserve (Restricted)	Capital Reserve (Restricted)	General Fund (Restricted)
<b>06/30/10 Audited Balances</b>	\$246,184	\$131,107	\$80,000	\$176,891	\$250,723
<b>(Appropriation)/ Addition Anticipated 10-11</b>	\$244,000	(\$85,040)	\$0	(\$41,262)	(\$250,723)
<b>06/30/11 Anticipated Balances</b>	\$490,184	\$46,067	\$80,000	\$135,629	\$0
<b>(Appropriation) Budget 2011-12</b>	(\$266,677)	(\$0)	(\$80,000)	(\$75,802)	\$0
<b>06/30/12 Anticipated Balances</b>	\$223,507	\$46,067	\$0	\$59,827	\$0



# SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION

## Budget History

Budget Year	Operating Expenses	Total Expenses	Total Expenses w/ Fed Funding
2006-07	\$4,185,000	\$4,237,000	\$4,349,000
2007-08	\$4,111,000	\$4,130,000	\$4,222,000
2008-09	\$3,911,000	\$3,972,000	\$4,044,000
2009-10	\$3,822,000	\$4,196,000	\$4,256,000
2010-11	\$3,813,000	\$3,898,000	\$3,954,000
2011-12	\$3,933,000	\$4,009,000	\$4,066,000

# SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION

## Budget History

Budget Year	Budget Outcome - Municipal Action	Taxes	Federal & State Aid	Surplus	Other
2006-07	Defeated – Cut \$30,000	\$3,258,000	\$540,000	\$528,000	\$28,000
2007-08	Defeated – Cut \$30,000	\$3,196,000	\$534,000	\$404,000	\$38,000
2008-09	Defeated – No Cuts	\$3,196,000	\$420,000	\$398,000	\$23,000
2009-10	Defeated – No Cuts	\$3,196,000	\$409,000	\$635,000	\$15,000
2010-11	Defeated – No Cuts	\$3,324,000	\$196,000	\$419,000	\$15,000
2011-12		\$3,390,000	\$238,000	\$423,000	\$15,000



**SUMMARY OF 2011-2012 BUDGET**

**Budget calls for Operating Pre K-3<sup>rd</sup> Grade for 2011-2012**

- **Increase in Expenditures of \$112,000 driven by**
  - **Increased High School Enrollment**
  - **Increased Special Program Costs**
- **Tax increase of 2%**

***Wednesday April 27, 2011***

**School Elections and Budget Vote**

**Polls open from 3 PM to 9 PM**

**THANK YOU**

# **2012-2013 AND BEYOND**

# What has Changed?

- Loss of \$338,000 in Aid Last Spring created a hole that is difficult to climb out of

Two months of State Aid for 2009-10 taken back	<b>(\$71,000)</b>
State Aid for 2010-11 Cut	<b>(\$210,000)</b>
Federal Aid for 2010-11 Cut	<b>(\$58,000)</b>

<b>Taxes increased \$128,000</b>
<b>Expenses Reduced (\$356,000)</b>
<b>Margins Reduced</b>

- Change in CAP law July 2010
  - CAP went from 4% to 2%
  - CAP waivers for reduced aid or reduced surplus eliminated

## **Here's the important point –**

Up until the change in the cap regulations, the board could raise taxes to offset the reduced surplus or reduced aid...the New Law took this ability away.



# Consolidation Pressures

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- Governor Christie on Consolidation – The 2% Cap will force consolidation...first will come shared services...then consolidation
- Board recognizes it cannot operate the school indefinitely and it cannot voluntarily enter into a complete send/receive with Ocean City
- Board has asked the Commissioner of Education to order the expansion of the current send/receive between Sea Isle City BOE and Ocean City BOE to include grades K-12

## SEA ISLE CITY SCHOOL 2011-2012 BUDGET PRESENTATION

What will be the impact of an ordered expansion of the send/receive?

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- K-12 Children will go to school in Ocean City
  - Board will explore Pre-K Options
- Personnel will not be guaranteed a job in Ocean City
- Costs for Sea Isle City District will be reduced by roughly \$777,000 (including maintenance of building) to \$937,000 (without maintenance of building)
- SIC District will be considered non-operating...and may be forced to regionalize
  - In 2009, half the non-operating districts in NJ were forced to regionalize with virtually no tax impact
  - The remaining 13 non-operating districts have not been acted upon
  - If the District is forced to regionalize, the school building and land are transferred to the City of Sea Isle City



## **FUTURE FACILITY ISSUES**

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- No current safety issues at the school
- Items that need to be addressed in the future
  - Temporary Trailer removal
  - Gymnasium Lighting
  - Handicap Accessible Bathrooms replaced (due to trailer removal)
  - Handicap Accessible Ramp replaced (due to trailer removal)
  - Ventilation System upgrade & Air Conditioning
  - Security Surveillance upgrade
  - Classroom Door & Locks replacement
  - Additional items identified in 2006 Facilities Plan

Cost Estimate \$1.5 to \$2.0 million



## **SUMMARY 2012-13 AND BEYOND**

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**Forecast for 2012-2013 is that District cannot operate the Pre K-3<sup>rd</sup> Grade School under current regulatory constraints**

- **District has asked the DOE to order expansion of send/receive with Ocean City to include K-12**
  - **Associated savings (\$777,000 to \$937,000)**
  - **Allows District to operate within regulatory constraints**