



## NORRISTOWN AREA SCHOOL DISTRICT 2014-15 GENERAL FUND BUDGET DISCUSSIONS

### Responses to Questions Raised At Our Budget Committee Meeting - January 13, 2014

1. **As shared, the “Base” Act 1 Index for 2014-15 is 2.1%, and NASD’s “Adjusted” Act 1 Index is 2.4%. Please explain more about the “Adjusted” Act 1 Index? What does this indicate about the relative wealth in our District?**

Answer / Response: The Pa Department of Education establishes both the “Base” and “Adjusted” Index each year for all public school districts.

- The “Base” index is determined by statewide wages and inflation; specifically calculated by averaging the percent increases in the Pennsylvania statewide average weekly wage and the Federal employment cost index for elementary/secondary schools.
- The “Adjusted” Index takes into account the local wealth/poverty of a District via an economic indicator called the “Market Value/Personal Income Aid Ratio”, or MV/PI. The MV/PI Aid Ratio represents the relative wealth (market value and income), in relation to the state average, for each pupil in a school district. And, for school districts with a market value/personal income aid ratio (MV/PI AR) greater than 0.4000, the value of their index is adjusted upward. Our District currently has an MV/PI Aid Ratio of .4057, making us eligible for the “Adjusted” Index. More information about this Ratio, including specific values and calculations can be found on-line by following this link:

[http://www.education.state.pa.us/portal/server.pt/community/financial\\_data\\_elements/7672](http://www.education.state.pa.us/portal/server.pt/community/financial_data_elements/7672)

For reference purposes, the chart below identifies the MV/PI Aid Ratio and Act 1 Index for each Montgomery County School District.

School District	2013-14 MV/PI Aid Ratio	2014-15 Act 1 Index
Abington	0.2339	2.1%
Bryn Athyn	0.1500	2.1%
Cheltenham	0.3174	2.1%
Colonial	0.1500	2.1%
Hatboro-Horsham	0.2083	2.1%
Jenkintown	0.1840	2.1%
Lower Merion	0.1500	2.1%
Lower Moreland	0.1766	2.1%
Methacton	0.2018	2.1%
Norristown Area	0.4057	2.4%
North Penn	0.1699	2.1%
Perkiomen Valley	0.4255	2.5%
Pottsgrove	0.5276	2.7%
Pottstown	0.6474	2.9%
Souderton Area	0.3505	2.1%
Springfield Township	0.1500	2.1%
Spring-Ford Area	0.2829	2.1%
Upper Dublin	0.1500	2.1%
Upper Merion	0.1500	2.1%
Upper Perkiomen	0.4624	2.5%
Upper Moreland	0.2734	2.1%
Wissahickon	0.1500	2.1%

**2. How many Pre-Kindergarten classes do we currently operate? Are we planning on expanding this program?**

Answer / Response: We currently operate one Pre-K class at Marshall Street Elementary School. While we have no immediate plans to expand this program, we have been exploring alternative revenue sources as a means to fund any program expansion. With the collaboration and cooperation of the Norristown Area Education Foundation, a grant was submitted to the United Way in the Fall of 2013 expressly for this purpose. As of today, this grant application is still pending.

**3. Can you explain the importance of maintaining the Pre-Kindergarten program? How does our program compare to some of the Pre-K programs in our community?**

Answer / Response: As we have shared previously, a high quality preschool program provides a strong foundation for growth and development in young children. Research shows that a preschool education can provide substantial gains in children's overall development academically, socially and emotionally; therefore, maintaining a preschool program in the Norristown Area School District will enable our district to level the playing field for students academically. The preschool program is important because it has enabled our district to become eligible to apply for a number of early childhood grants, in addition to, establishing partnerships in the area of teaching and learning with local preschools and daycare centers, as evidenced by the 21<sup>st</sup> Century Community Learning Center grant.

Our district is extremely proud of our high quality pre-kindergarten program, staffed by an outstanding certified teacher and paraeducator. The student-teacher interaction and a wealth of instructional activities in literacy, art, music and the humanities are enhanced through the ratio of two adults per 15 students. Our extraordinary program is one of the finest in the county.

**4. We still see that our District has a significant number of students enrolled in charter schools. We talked last year about what specific actions that the District is taking to draw these students back to our facilities; can an update on these activities be provided.**

Answer / Response: We are, again, in the process of preparing targeted outreach (both written and telephonic), scheduling exclusive open-houses, and organizing specialized tours for our charter school families as a means to attract these students back to our buildings. As you may recall, we contracted with the Brandywine Virtual Academy (BVA) in August 2012 so that NASD may compete with our virtual charter competitors. (We are able to offer our own virtual classrooms through BVA).

**5. In 2013-14, did we budget for three additional special education teachers, and if yes, did we fill all these position?**

Answer/Response: In June 2013, with the Adoption of our 2013-14 Final Budget, one new Special Education position was created as evidenced below. As you will also see below, a second Special Education position was created in August 2013; i.e. an unfilled newly created Regular Education position was converted to a Special Education position.

Both of these positions have been filled.

### **Board Meeting Minutes:**

#### **Agenda Item Details**

**Jun 24, 2013** - Norristown Area School District Board of School Directors' Regular Meeting - 7:00 PM Board Room

#### **D. 2013-14 Final General Fund Budget**

Recommend that by adopting the attached Budget & Taxing Resolution, the 2013-14 Budget be approved as presented in the amount of \$ 134,083,500. The attached resolutions set the millage rate at 31.744 mills, or \$ 3.17 on each \$ 100.00 of assessed valuation of taxable property. This Budget carries with it a tax increase for the average property in the school district of approximately 2.69%

And further recommend that, in conjunction with the adoption of the 2013-14 General Fund Budget and effective July 1, 2013, the following positions/programs be eliminated, created, and/ or changed as follows:

- Addition of 5 new elementary Regular Education teaching positions; needed to address class size concerns at the primary levels
- **Addition of 1 new Special Education teaching position**
- Addition of 2 new English-Language-Learners teaching positions
- Elimination of 1 Maintenance Foreman (vacated through attrition); to be replaced with 1 new Custodian for NAHS

- Elimination of 2 full-time special education paraprofessionals (vacated through attrition); to be replaced with 4 PT (4-hour/day) paraprofessionals.
- Elimination of 1 Home & School Visitor position (vacated through attrition); to be replaced with 1 Student Locator (EANA Support) and 1 per diem Psychologist
- Elimination of 1 part-time Staff Nurse (vacated through attrition)
  - Elimination of 1 12-month (8 hour per day) Bus Driver (currently vacant); to be replaced with a 10-month (5 hour per day) Bus Driver
  - Elimination of the 12-month Career Counselor, AAS, (vacated through attrition); to be replaced with a 10-month position via attrition (with job title & affiliation still to be determined)
- Modification of annual work schedule for the following positions: 1 12-month Attendance clerk – to become a 10-month position
- Continuation of the School Resource Officers; 1 at each middle school and 1 at NAHS
- Expansion of Marching Arts program; to a total of 570 extra-duty/extra-pay points as outlined in the 6/10/13 document
- Expansion of Robotics program; with the expansion fully funded by NAEF

### Agenda Item Details

#### Meeting

**Aug 19, 2013** - Norristown Area School District Board of School Directors' Regular Meeting - 7:00 PM Board Room

#### C. 2013-14 Staffing

**Recommend that one new regular education position created in June 2013 with the adoption with the 2013-14 budget be converted to a special education position.**

**6. Is the District Administration requesting three more special education teachers for 2014-15?**

Answer/Response: Yes, however, please remember that this is a very preliminary request. We will take the opportunity over the next few months to closely examine the projected enrollment and program objectives before finalizing our staffing recommendations for the 2014-15 school year.

**7. In tonight's presentation, the costs associated with operating the Central Montgomery Technical High School seem to be rising. Can you please review these projections and provide additional information?**

Answer/Response: In a conference call with the Tech School on 1/14/14, we reconfirmed our understanding of our preliminary 2014-15 obligations. Costs are projected to increase as follows:

	2013-14	2014-15	Variance / Increase
Tuition Costs	\$ 1,853,500	\$ 2,232,657	\$ 379,157
Debt Service	\$ 121,730	\$ 467,734	\$ 346,004
	(Interest Pymt Only)	(Principal & Interest Due)	

It should also be noted that our enrollment at the Technical High School is currently increasing; specific trends will be shared later this Spring.

**8. In tonight's presentation, the debt service payments associated with the Central Montgomery Technical High School and the debt associated with NASD's energy projects was touched upon briefly. Can you please share specifics about the other debt service obligations of the District?**

Answer/Response: In addition to the debt related to our partnership at the Tech School and to our energy projects from the summer of 2012, NASD had bonded debt outstanding at 6/30/13 of \$ 74,565,000, as follows:

	Outstanding Balance @ 6/30/13
2003A Bond Issue	\$ 1,450,000
2004 Bond Issue	\$ 9,440,000
2006 Bond Issue	\$ 48,085,000
2010 Qualified School Construction Bond Issue (Subsidized Through the Federal Govt)	\$ 15,590,000
<b>TOTAL</b>	<b>\$ 74,565,000</b>

As you will see, the 2003A Bond Issue will be paid off during the 2013-14 fiscal year. Payments due on these bonds for 2013-14 and 2014-15 are scheduled as follows:

	2013-14				2014-15		
	Principal	Interest	Total		Principal	Interest	Total
2003A Bond	\$ 1,450,000	\$ 29,000	\$ 1,479,000		-	-	-
2004 Bond	\$ 355,000	\$ 400,481	\$ 755,481		\$ 1,880,000	\$ 358,105	\$2,238,105
2006 Bond	\$ 30,000	\$ 2,041,945	\$ 2,071,945		\$ 55,000	\$ 2,040,379	\$ 2,095,379
2010 QSCB	\$ 1,039,333	\$ 780,000	\$ 1,819,333		\$ 1,039,333	\$ 780,000	\$ 1,819,333
<b>TOTAL</b>			<b>\$ 6,125,759</b>				<b>\$ 6,152,817</b>

When looking at the published 2014-15 Preliminary Budget Document, the annual expenses related to these debt service obligations can be found in Expense Function 5100.

**9. Can the Budget Committee meeting dates and locations be more prominently displayed on our website, and perhaps posted on our TV Channel?**

Answer/Response: Yes, we will make sure that the future Budget Committee meetings are advertised on our TV Channel, and on the homepage of the NASD website.

**10. How many outstanding ACCESS claims are currently outstanding with the Commonwealth?**

Answer/Response: As a reminder, under the School-Based ACCESS Program, or SBAP, Pennsylvania school districts' are eligible to receive federal Medicaid reimbursement for medically necessary services provided to their special education students when the services meet the requirements of the state's Medicaid program and are provided in accordance with the student's IEP.

As for the question about claims, the number of outstanding claims is not readily available. We will provide this data in one of our future FAQ's documents.

**11. With the implementation of the Affordable Care Act, will NASD still need to employ school nurses?**

Answer / Response: At this point, NASD is still mandated to provide nursing services to our students. We are not aware that any relief to this requirement is on the horizon from Harrisburg or Washington.

**12. Is NASD's Central Registrar working with local code officials on issues related to student registration and/or code enforcement?**

Answer / Response: Our Central Registrar is not currently working with our local municipal code officials. While we may explore this opportunity in the future, our Registrar's time is currently focused on the management of our student population and on providing quality service to our families.

**13. Social Security benefits will only rise by 1.4% in 2014, is the Budget Committee aware of the burden placed on senior citizens in our local community by NASD school taxes?**

Answer / Response: Our School Board and Administration is acutely aware of the burden that our local community faces because of the property tax crisis in Pennsylvania. Please help us by reaching out to your legislators and reminding them that true property tax reform needs to be a priority in Harrisburg.

**14. Is the Budget Committee aware that there is a correlation between home values and a strong school district?**

Answer / Response: Our School Board and Administration recognize that home values can be influenced by the performance and reputation of the local school district. We also recognize that we need to do a better job sharing positive stories and positive news about our students, our programs, our achievements, and our mission.

Last year, we launched the "Take A Tour on Thursdays" program. This program essentially called for each and every NASD Building to hold an Open House every Thursday morning that virtually anyone and everyone was welcome to attend. In the next few weeks, we are kicking off "The Positive Challenge". This challenge calls for all of us to share seven school-centered or district-wide positive stories, news items, or quips with seven people every day. Look for more information on this initiative shortly; and be ready to share 7 positives with 7 people for all 7 days of the week!

15. **At the committee, an opinion about declining home values was shared – specifically indicating that home values in NASD are not recovering from the economic recession.**

Answer / Response: While we do not have data about home values quickly accessible by staff, we do have information about the assessed value of the properties in our District.

From our annual audit reports, as shown below, we can report that our total taxable assessed value (including both commercial and residential properties) has fluctuated between 2006-07 and 2012-13; dropping most significantly in 2008-09.

	<b>East Norriton</b>	<b>West Norriton</b>	<b>Norristown</b>	<b>Total</b>
<b>2006-07</b>	\$ 892,241,480	\$ 947,390,410	\$ 875,538,408	\$ 2,715,170,298
<b>2007-08</b>	\$ 909,399,374	\$ 948,079,147	\$ 880,713,705	\$ 2,738,192,225
<b>2008-09</b>	\$ 895,657,725	\$ 925,966,770	\$ 857,510,010	\$ 2,679,134,505
<b>2009-10</b>	\$ 903,849,921	\$ 936,649,695	\$ 851,238,908	\$ 2,691,738,524
<b>2010-11</b>	\$ 907,836,833	\$ 939,556,513	\$ 851,442,790	\$ 2,698,836,136
<b>2011-12</b>	\$ 916,815,588	\$ 942,206,852	\$ 846,972,624	\$ 2,705,995,064
<b>2012-13</b>	\$ 928,954,266	\$ 940,620,410	\$ 846,991,125	\$ 2,716,565,780

However, we can also see the improvements in the total assessed value each year since then.