

**PRELIMINARY BUDGET ANALYSIS  
FEBRUARY 24, 2011**

**Proposed Reductions for 2011-2012 Watchung School District Budget.(1)**

<b><u>TRANSPORTATION</u></b>	<b>-\$65,000</b>	
<i>Consolidation of busing route resulting in one less route. Utilization of new busing contractor.</i>		
<b><u>SPECIAL EDUCATION</u></b>	<b>-\$60,000</b>	
<i>Reduce out of district special education tuition.</i>		
<b><u>UTILITIES</u></b>	<b>-\$60,000</b>	
<i>Reduction of utility allocations.(2)</i>		
<b><u>OVERHEAD REDUCTIONS</u></b>	<b>-\$25,000</b>	
<i>Reduce teachers' classroom supply allocation. Eliminate BOE Workshop. Reduction of staff workshops and mileage reimbursement. Reduction in legal services, advertising and postage.</i>		
<b><u>MAINTENANCE</u></b>	<b>-\$15,000</b>	
<i>Reduction of maintenance items at Bayberry and Valley View. Elimination of maintenance workshop.</i>		
<b><u>ADMINISTRATION</u></b>	<b>-\$55,000</b>	
<i>Elimination of secretarial position (includes health benefits).</i>		
<b><u>EXTRA CURRICULAR AND CO-CURRICULAR</u></b>	<b>-\$30,000</b>	
<i>Partial elimination of after school sports/clubs TBD.(3)</i>		
<b>TOTALS</b>	<b>-\$310,000</b>	<b><u>-\$310,000</u></b>

**FOOTNOTES:**

**1. PLEASE BE ADVISED THAT THIS IS A WORKING DOCUMENT AND THAT ALL NUMBERS AND/OR AREAS OF REDUCTION ARE SUBJECT TO CHANGE**

2. Through better energy cost savings initiatives, we are reducing our budgeted utility allocation by \$60,000, however, this estimate is subject to change according to utility pricing.
3. This will be determined by demand as well as reductions in certain activities.

**ANTICIPATED INCREASES TO THE TAX LEVY:**

<i>Teacher Compensation as per new Contract (Represents 2.21% increase)</i>	\$54,000
<i>Increased Unemployment compensation obligations</i>	\$105,000
<i>12% increase in Health Benefits</i>	\$185,000
<i>PERS obligation (Employee Pension)</i>	\$52,000
<i>Revenue Shortfall</i>	\$161,000
	<b>\$557,000</b>