

2013-2014 Budget Discussion



South Orange-Maplewood
School District

February 25, 2013

Overview of Presentation

- ▶ Budget development process
- ▶ Alignment of budget to district goals and strategy
- ▶ Budget resource assumptions
- ▶ Anticipated expenditures
- ▶ Redirect resources to impact student achievement
- ▶ Budget reductions
- ▶ Estimated tax impact
- ▶ Banked cap
- ▶ Multi-year Projections
- ▶ Next steps



Budget Development

November: Baseline Data for Budget Development

- Enrollment Projections
- Free and Reduced Lunch Eligibility
- Transported Student Data
- Salaries and Benefits
- School Facilities
 - Annual Comprehensive Maintenance Plan
- Comprehensive Annual Financial Report
- General Fund Free Balance Status
- Budget Calendar and Priorities

December: School Budget Development – Budget Analyses

- Health Care
- District Management Council
- Montrose School
- Maplewood Middle School Addition
- Technology/PARCC Assessments



Budget Development continued

January Budget Development Update

- Alignment of budget to district goals and strategy
- Comparative spending to other districts
- Revenue assumptions and historical trends
- Spending considerations
 - Required spending
 - Variable spending
- Redirect resources to impact student achievement
- Estimated tax impact
- Updated budget calendar



Goal One: Student Learning

The South Orange–Maplewood Public Schools will promote the intellectual growth of all students, challenging and inspiring them to do their best.

- ▶ CHS Strategic Plan and high school transformation
 - Structural changes
 - Increased AP participation
 - Online Courses
 - Alternative program at CHS
- ▶ Middle school transformation
 - IB Middle Years Programme
 - World Language – 6th grade
 - Increased enrollment
 - Opening new classrooms Maplewood Middle
- ▶ Elementary
 - Math in Focus 3rd-5th grade
 - K-2 Reading Intervention
 - In-class enrichment
- ▶ Special education services increase in-district support



Goal Two: Professional Staff

The staff of the South Orange-Maplewood Public Schools will consistently and collaboratively lead students of diverse backgrounds and learning styles to learn at or above the appropriate grade-level standards.

- ▶ Teacher evaluation system
- ▶ Peer Assistance and Review
- ▶ Professional development – IB middle years programme
- ▶ National Board Certification
- ▶ Evaluation feedback tool for administrators
- ▶ Teachers' College Elementary Writing
- ▶ Centralized Professional Development
- ▶ Elementary Subject Leaders



Goal Three: Engagement and Outreach

The South Orange–Maplewood Public Schools will timely and effectively communicate with parents, students, staff and members of the South Orange–Maplewood community regarding important information, events and news related to our District, schools, staff and students.

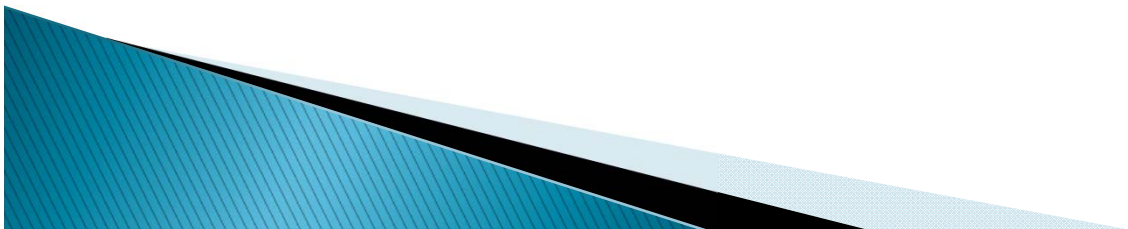
- ▶ Increased use of technology
 - Online Progress Reports and Report Cards
 - Online Free and Reduced Lunch applications
 - Electronic Student Handbooks
 - Increase use of electronic internal forms
- ▶ Centralized data processing
- ▶ Communications strategic plan



Goal Four: Resource Management

The South Orange–Maplewood Public Schools will pursue and achieve Goals 1–3 while slowing the rate of increase in operating expenditures.

- ▶ Health Benefit Reform – Direct 15
- ▶ Energy efficiencies
 - Light fixture replacement
 - Motion sensor lights
 - Technology shut down
- ▶ Transportation efficiencies
- ▶ Maintenance and custodial hours



State level policy initiatives

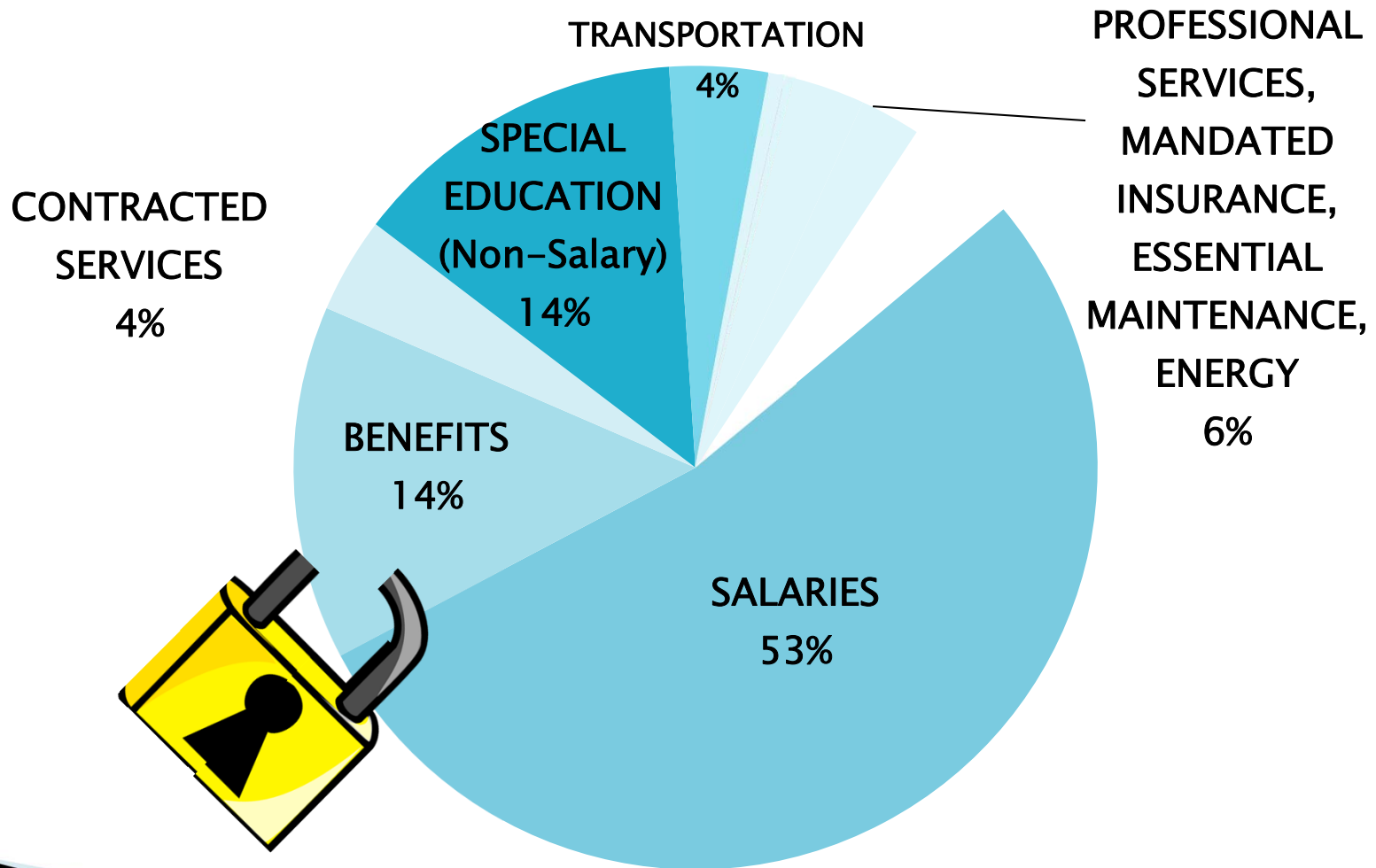
- ▶ **EE4NJ: Excellent Educators for New Jersey**
 - Draft regulations to be released March 6
 - Anticipating increased requirements for observations of instruction and assessments of student learning
- ▶ **CCSS: Common Core State Standards**
 - Alignment of curriculum
 - Professional Development
- ▶ **PARCC: Performance Assessments of Readiness for College and Career**
 - Replacing NJASK and HSPA
 - Administered online, requiring additional technology



2013-14 Budget Resource Assumptions

- ▶ State aid for 13-14 remains at same level as 12-13
- ▶ The amount of state aid will not be known until after the Governor's budget address in February.
- ▶ Federal grants reduced to 75% of 12-13 levels
- ▶ Excess surplus from 2011-12 audit: \$2,152,272
- ▶ Revenues dependent on local sources.
- ▶ Local taxes will increase no more than 2% for operating budget
- ▶ Banked cap is available.
- ▶ These assumptions are subject to change given the uncertain economic climate.

Required Spending 95.2% of Operating Budget



Based on 2012-13 Operating Budget

Leaving 4.8% variable costs for things like...

- Student Materials
- Teacher training/Professional Development
- General supplies for departments
- Unexpected or new State mandates throughout the year (*PARCC, Teacher evaluations*)
- Or other possible improvements to programs, instruction or facilities.....



Revenue 2013-14 at 2% tax impact

Revenue Source	Budgeted 2012-13	Proposed 2013-14
Operating Budget Local Tax Levy	101,959,453	103,998,642
State Aid	4,509,487 (includes \$433,589 additional aid 2011)	4,075,898
Fund Balance	1,517,905	2,152,272
Miscellaneous	40,000	40,000
Debt Service	3,776,445	4,123,451
State/Federal	3,112,600	2,548,755
Total Revenue	114,915,890	116,939,018

Required Expenses 2013-14

(before adjustments)

Expense Category	Budgeted 2012-13	Anticipated 2013-14	\$ Increase
Salaries	59,838,037	60,758,174	\$920,137
Health and Dental Expense	12,065,912	13,211,612	\$1,145,700
Tuition Expense	9,681,784	10,644,458	\$962,674
Energy Expense	2,565,003	2,595,000	\$29,997
Transportation Expense	4,654,399	4,675,066	\$20,667
Other Required Expense	16,999,617	17,286,110	\$286,493
Total Required Expense	105,804,752	109,170,420	\$3,365,668

Variable Expenses 2013-14


(before adjustments)

Expense Category	Budgeted 2012-13	Anticipated 2013-14	\$ Increase
Classroom/ Student Supply Expense	1,427,342	1,464,997	\$37,655
Textbooks Expense	422,086	417,579	(\$4,507)
Technology Expense	1,778,577	2,528,025	\$749,448
Professional Development Expense	250,761	256,905	\$6,144
Other Variable Expense	1,455,927	1,792,641	\$336,714
Total Variable Expense	5,334,693	6,460,147	\$1,125,454

Reduce Expenditures to 2% Tax Levy Cap for Operating Budget

Estimated Total Required Operating Budget Spending	\$109,170,420
Plus Total Estimated Operating Budget Variable Costs	\$6,460,147
Less Estimated Total Operating Budget Revenue not from Taxes (exclusive of Debt Service)	(\$8,816,925)
Local Taxes Need to support the budget	\$106,813,642
Total Revenue raised by taxes to support a 2% increase in tax levy (2012-13 levy: \$101,959,453)	\$103,998,642
Reductions to be identified for a 2% tax increase in operating budget	(\$2,815,000)

Analyze every line to identify expenditure reduction areas.

- ▶ Reduce non-classroom expenses first
 - ▶ Consolidate class sections within class size policy and review under-enrolled high school classes
 - ▶ Reduce cost of programs by altering delivery
 - ▶ Take advantage of personnel changes and retirements
 - ▶ Centralize programs to maximize efficiencies
 - ▶ Technology efficiencies: Online progress reports, report cards, attendance
 - ▶ General education scheduling efficiencies
 - ▶ In-district special education services/programs
 - ▶ Special Education Scheduling efficiencies/ enrollment changes
 - ▶ Support staff efficiencies
 - ▶ Transportation efficiencies
 - ▶ Centralized Professional Development
 - ▶ Centralized Summer Programming
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Revised Budget Assumptions

Technology – Budget Analysis Request for Additional Technology Equipment	(\$670,000)
No start-up expenses for Montrose: Budget Analysis identified potential start-up expenses for 2014-15 opening	(\$190,000)
Total Budget Reduction – Revised Budget Assumptions	(\$860,000)

Non-Personnel Adjustments

Supplies Centralized Reduce Supplies and Textbook purchases	(\$150,000)
Professional Development Centralized	(\$20,000)
Technology efficiencies (reduction in printing and postage)	(\$15,000)
Tuition reduction – Less students being classified and sent out of district as a result of in-district support programming	(\$180,000)
Total Budget Reduction – Non-Personnel	(\$365,000)

Personnel Adjustments

Increase 2.0 fte's Elementary/Middle School Enrollment	
Increase 2.0 fte's Middle School World Language – 6 th grade	
Increase 1.0 fte Elementary Social Worker	
Reduce 1.0 fte Central Office Secretary (vacant position)	(\$60,000)
Reduce 3.0 fte's CHS Teaching Staff (scheduling efficiencies)	(\$255,000)
Reduce 2.0 fte CHS Dean and Student Assistance Counselor	(\$170,000)
Reduce 3.0 fte's Elementary Specials (scheduling efficiencies)	(\$255,000)
Reduce 2.0 fte's Elementary Enrichment (program restructuring)	(\$170,000)
Reduce 6.0 fte's Special Education Teaching Staff (enrollment changes and scheduling efficiencies)	(\$510,000)
Reduce 2.0 fte's Curriculum Specialists (program restructuring)	(\$170,000)
Total Budget Reduction - Personnel	(\$1,590,000)

Summary Reductions for 2013-14 Budget

Revised Budget Assumptions	(\$860,000)
Non-personnel Budget Reductions	(\$365,000)
Personnel Budget Reductions	(\$1,590,000)
Total Budget Reductions	(\$2,815,000)

What is the estimated tax impact?

Tax Levy CAP	\$103,998,642
Operating Budget Tax Impact (est.)	2.00%
Debt Service	\$ 3,890,983
Local Tax	\$107,889,625
Operating and Debt Service Tax Impact (est.)	2.47%

Tax Impact average assessed household
value (based on 2012 figures):


Maplewood: \$181

South Orange: \$191

Banked cap Available for Use

Budget Year Adjustment Became Available	Enrollment Adjustment	Health Care Adjustment	Total Adjustment / Banked Cap Available	Banked Cap Expires with School Year Budget	Tax Impact if Banked Cap Used
2011–2012	\$346,441	\$643,322	\$989,763	2013–2014	2.97%
2012–2013	\$506,833	\$0	\$506,833	2014–2015	3.47%
2013–2014*	\$72,405	\$168,408	\$240,813	2015–2016	3.70%
Total	\$925,679	\$811,730	\$1,737,409		

* 2013–2014 figures are anticipated based on preliminary budget data



Banked Cap Adjustment Consideration

- Additional \$475,000 in General Fund
- Increase technology budget to purchase equipment for PARCC Assessment:
 - Equipment – 700 Chromebooks and 28 storage/charging stations (\$250,000)
 - Wi-Fi Upgrades (\$200,000)
 - Increased internet bandwidth (\$25,000)



Tax impact with \$475,000 of banked cap adjustment

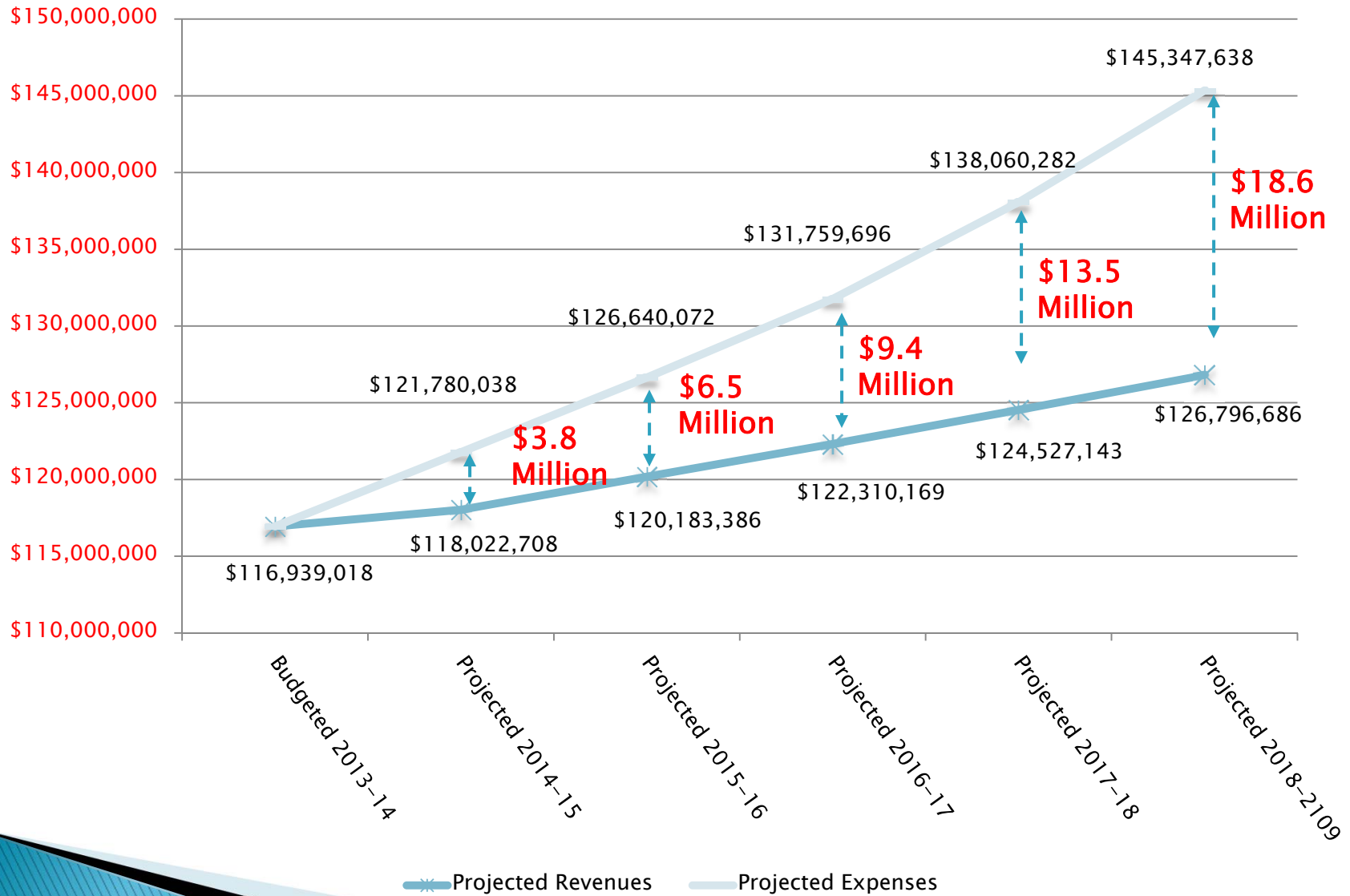
	At 2%	With banked cap
Tax Levy CAP	\$103,998,642	\$104,473,642
Operating Budget Tax Impact (est.)	2.00%	2.47%
Debt Service	\$ 3,890,983	\$3,890,983
Local Tax	\$107,889,625	\$108,364,625
Operating and Debt Service Tax Impact (est.)	2.47%	2.93%

Tax Impact average assessed household value (based on 2012 figures):

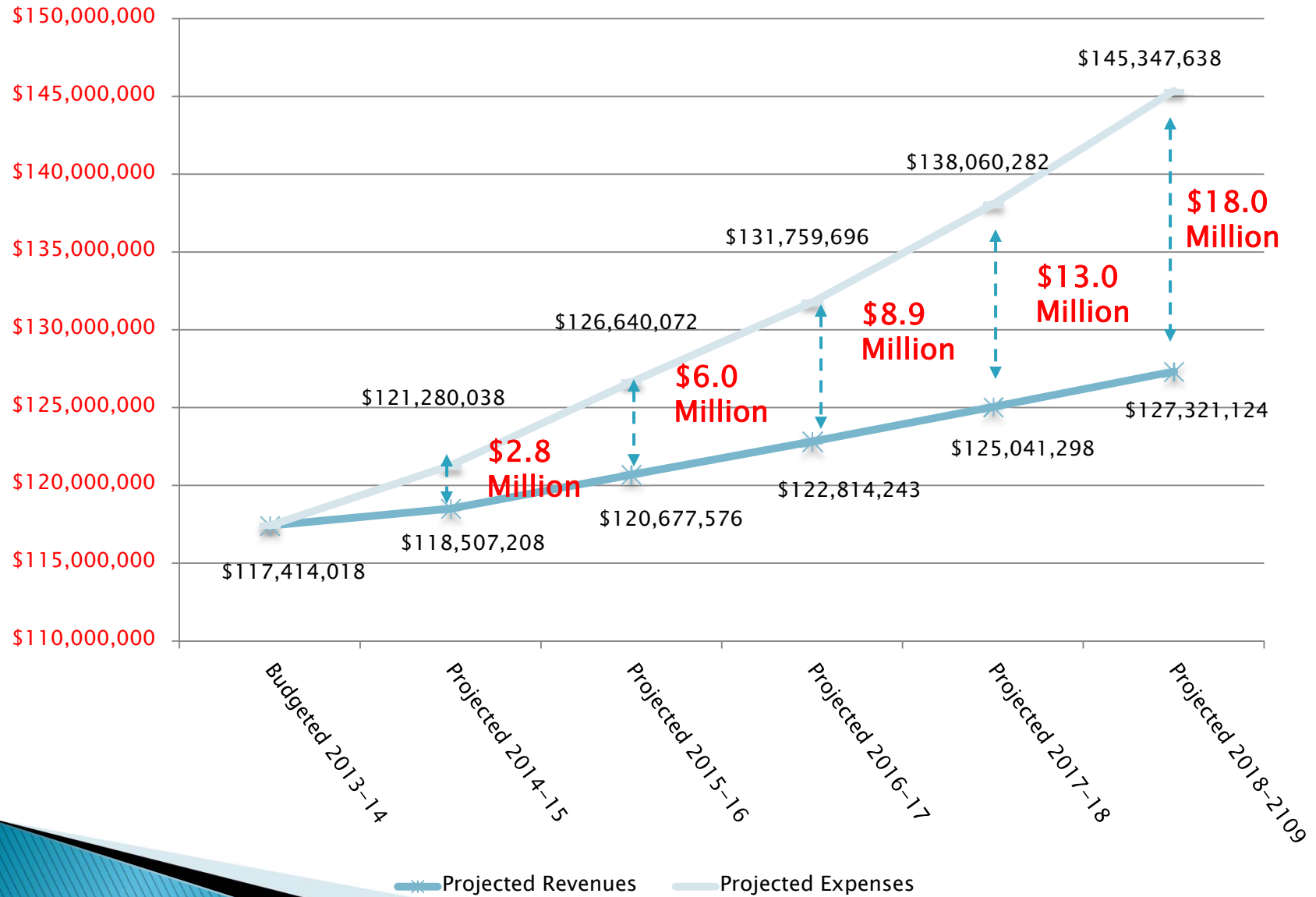
Maplewood: \$199 (+\$18)

South Orange: \$212 (+\$21)

5-Year Budget Projection with 2% Operating Tax Levy Cap



5-Year Budget Projection with \$475,000 Banked Cap 2% Operating Tax Levy Cap Projected Years



What next? Budget Calendar

- ▶ **Tues, Feb 26** Governor's State Budget Message
- ▶ **Thurs, Feb 28** State Aid Notices
- ▶ **Mon, Mar 4** *Additional BOE meeting: BOE consider/adopt preliminary budget to send to Essex Co Supt for approval to advertise*
- ▶ **Tues, Mar 5** *Address Maplewood Township Committee*
- ▶ **Mon, Mar 11** *Address Village of South Orange Board of Trustees*
- ▶ **Mon, Mar 18** BOE meeting
- ▶ **Wed, Mar 27** BOE Public Hearing/action to levy 2013-14 school tax

