

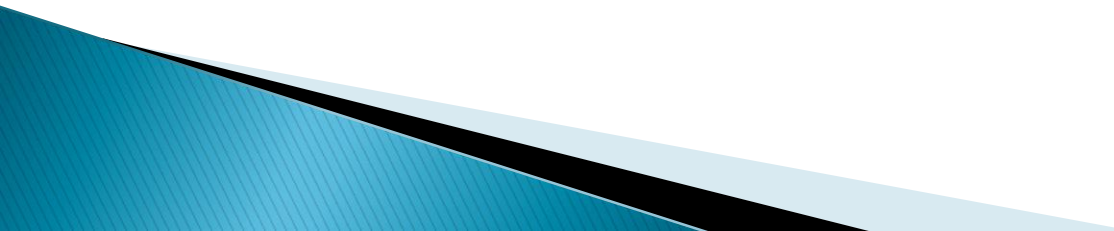
2013-2014 Budget Hearing



South Orange-Maplewood
School District

March 21, 2013

Overview of Presentation

- ▶ Budget Development Process
 - ▶ Budget Materials
 - ▶ Required and Variable Expenses
 - ▶ Revenues, Expenses and Adjustments
 - ▶ Total Allowable Tax Levy
 - ▶ Banked Cap Available future year budgets
 - ▶ Multi-year Projections
 - ▶ Estimated tax impact
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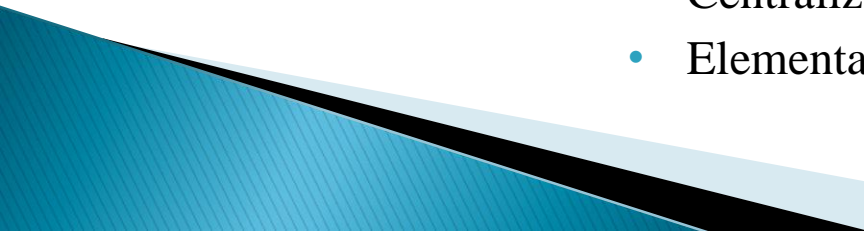
Guiding Principle:

District Goal Four calls for the development of:

“A transparent, efficient budget that aligns with and supports the attainment of district goals and that reins in spending on the budget categories that are rising at a faster rate than the cost of living.”

“...aligns with and supports the attainment of district goals...”

- ▶ Goal One: Student Learning - calls for rigorous curriculum and expanded learning opportunities:
 - IB Middle School Years Programme
 - CHS Strategic Plan
 - Alignment with Core Curriculum and PARCC Assessment
 - Special Education Programming

 - ▶ Goal Two: Professional Development – calls for a performance evaluation system and compensation system driven by objective measures tied to student learning and district goals
 - Focused PD on IB and differentiated instruction
 - Teacher Evaluations and Learning Walks
 - National Board Certification
 - Centralized professional development
 - Elementary Subject Leaders
- 

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

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

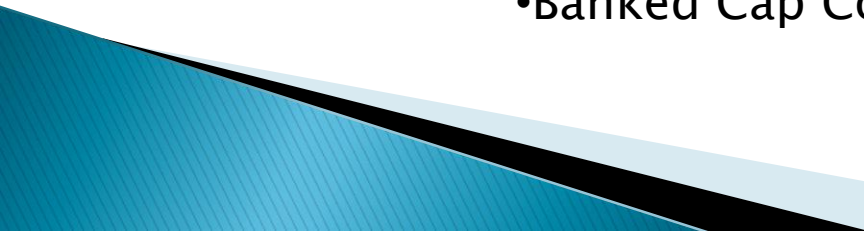
- Health Care
- District Management Council
- Montrose School
- Maplewood Middle School Addition
- Technology/PARCC Assessments

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

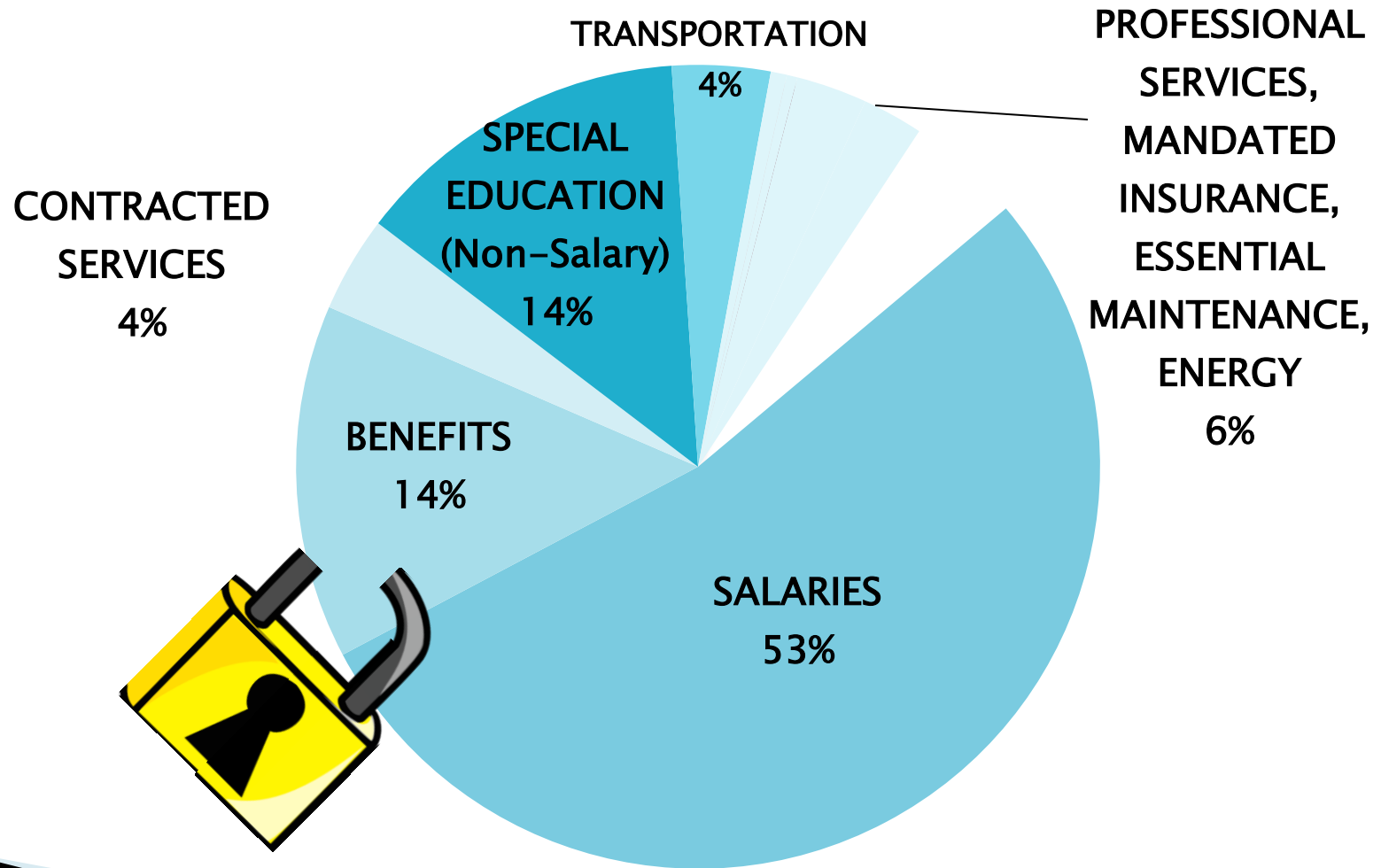
February Budget Development Update

- Budget projections – required and variable spending
 - Identified reductions to reduce tax levy
 - Banked Cap Consideration
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Budget Materials Available

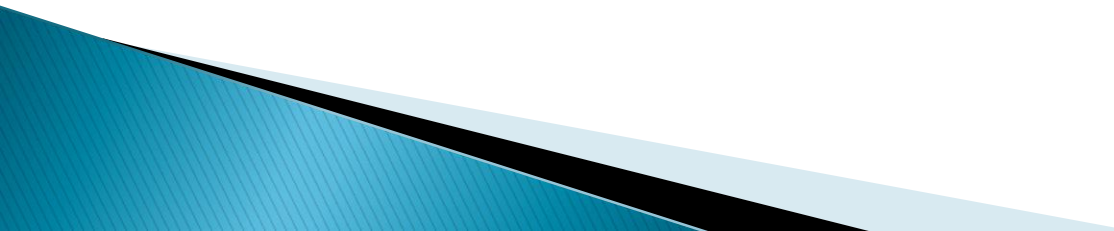
- ▶ Budget Presentations on web: 1/25, 2/28, 2/25, 3/4
- ▶ 2013–14 Budget – Side by Side View
- ▶ 2013–14 Budget – Comparative View
- ▶ 2013–14 Budget – Annotated View
- ▶ 2013–14 Budget – Cost Center View
- ▶ 2013–14 Budget – Staffing Comparison
- ▶ 2013–14 Budget – Multi–year Projections
- ▶ Certified Resolution approving budget for submittal to County for review (3.4.13)
- ▶ Resolutions for Budget Hearing

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 State mandates throughout the year
 - Or other possible improvements to programs, instruction or facilities.....
- 

Revenue Advertised 13-14 Budget

| Revenue Source | Budgeted 2012-13 | Proposed 2013-14 |
|------------------------------------|--|------------------|
| Operating Budget Local Tax Levy | 101,959,453 | 104,473,642 |
| State Aid | 4,509,487 (includes \$433,589 add'l 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 | 2,549,881 |
| Capital Outlay | | 589,000 |
| Total Revenue | 114,915,890 | 118,004,145 |

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 |

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) |

Personnel Adjustments compared to 2012–2013 Budget

| | |
|--|---------------------|
| Increase 2.0 fte's Elementary/Middle School Enrollment | 2.0 FTE's |
| Increase 2.0 fte's Middle School World Language – 6 th grade | 2.0 FTE's |
| Increase 1.0 fte Elementary Social Worker | 1.0 FTE's |
| Reduce 1.0 fte Central Office Secretary (vacant position) | (1.0) FTE's |
| Reduce 3.0 fte's CHS Teaching Staff (scheduling efficiencies) | (3.0) FTE's |
| Reduce 2.0 fte CHS Dean and Student Assistance Counselor | (2.0) FTE's |
| Reduce 3.0 fte's Elementary Specials (scheduling efficiencies) | (3.0) FTE's |
| Reduce 2.0 fte's Elementary Enrichment (program restructuring) | (2.0) FTE's |
| Reduce 6.0 fte's Special Education Teaching Staff (enrollment changes and scheduling efficiencies) | (6.0) FTE's |
| Reduce 2.0 fte's Curriculum Specialists (program restructuring) | (2.0) FTE's |
| Total Personnel Adjustments 2013-14 Preliminary Budget | (14.0) FTE's |

Total Allowable Tax Levy 2013–2014 Budget

| Tax Levy at 2% of 2012–13 | Health Care Adjustment | Total Allowable Tax Levy |
|------------------------------|---------------------------|-----------------------------|
| \$103,998,642 | \$884,103 | \$104,882,745 |

- Preliminary budget includes \$475,000 of adjustment
 - 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)
- Remaining \$409,103 allowable tax levy becomes banked cap available for future year budgets

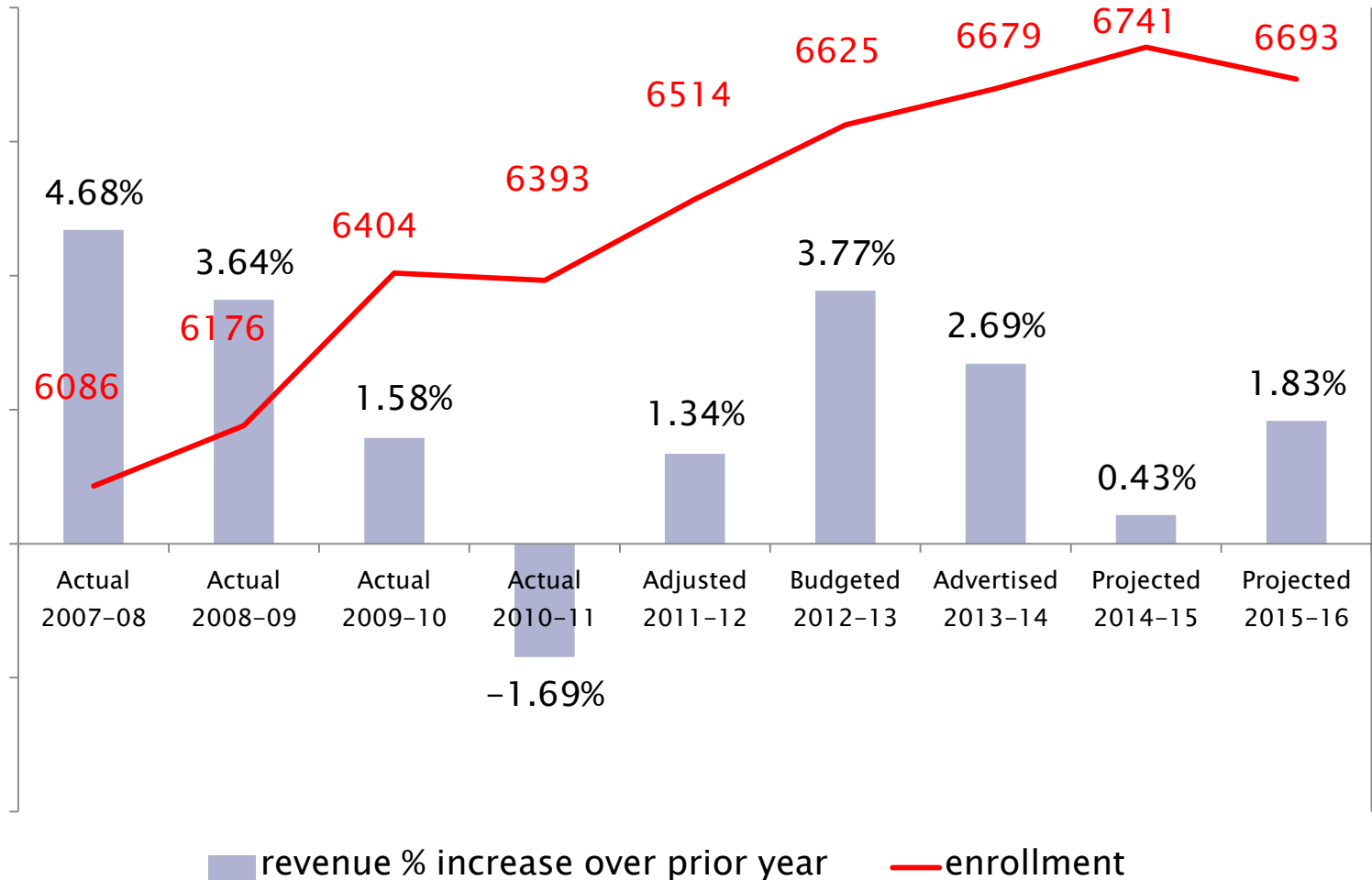
Banked cap Available for Use in 2014–2015 Budget

| Budget Year Adjustment Became Available | Enrollment Adjustment | Health Care Adjustment | Total Adjustment / Banked Cap Available | Banked Cap Expires with School Year Budget |
|---|-----------------------|------------------------|---|--|
| 2011–2012 | \$346,441 | \$643,322 | \$989,763 | 2014–2015 |
| 2012–2013 | \$506,833 | \$0 | \$506,833 | 2015–2016 |
| 2013–2014 | \$0 | \$409,103* | \$409,103 | 2016–2017 |
| Total | | | \$1,905,699 | |

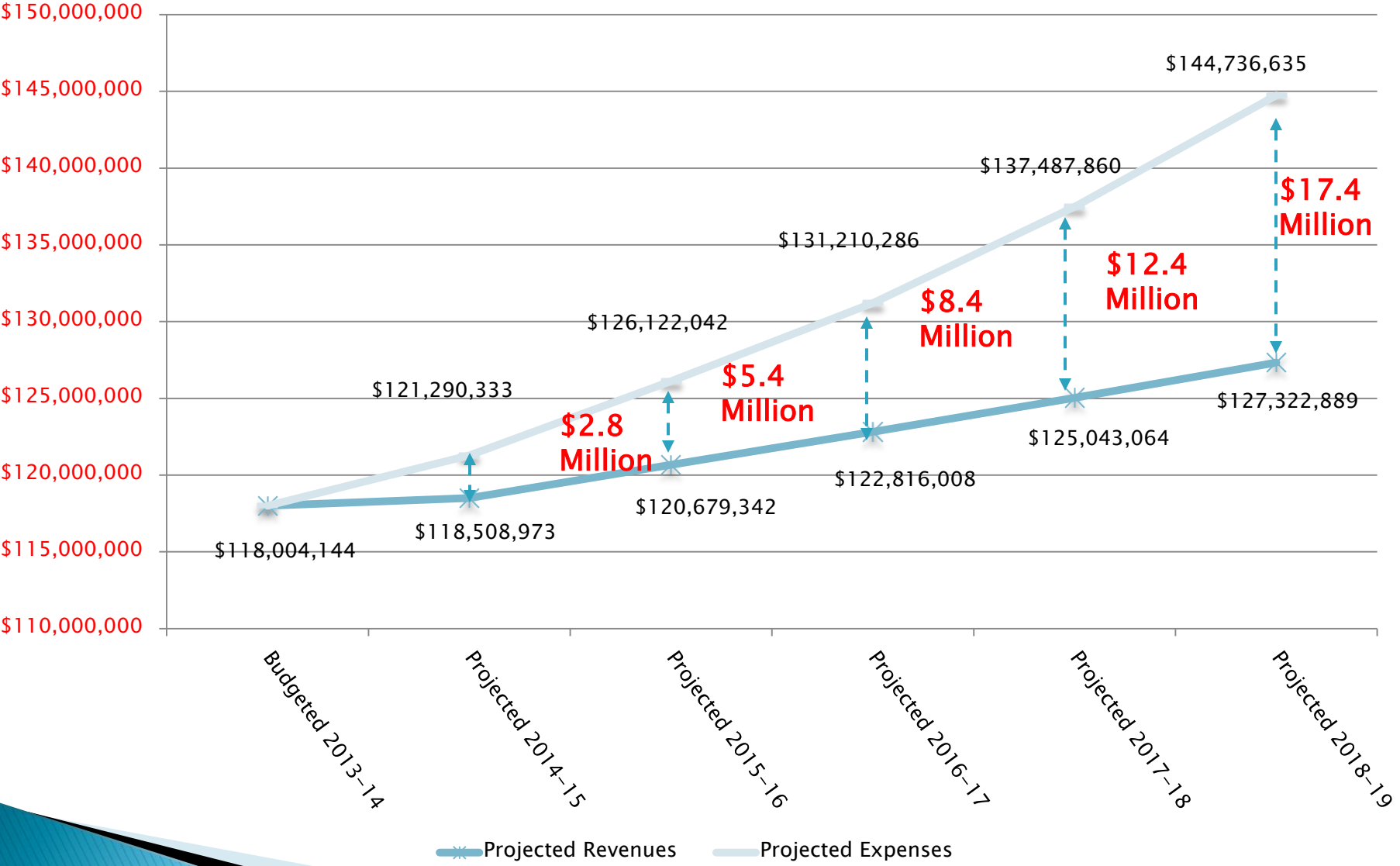
* \$884,103 minus \$475,000

Multi-Year Impact

Percentage Change of Revenues from Prior Year



5-Year Budget Projection (2% Operating Tax Levy Cap Projected Years)



What is the estimated tax impact?

| | |
|--|---------------|
| Tax Levy CAP | \$104,473,642 |
| Operating Budget Tax Impact (est.) | 2.47% |
| Debt Service | \$ 3,890,933 |
| Local Tax | \$108,364,575 |
| Operating and Debt Service Tax Impact (est.) | 2.93% |

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

Maplewood: \$199

South Orange: \$212