


2014-2015 Preliminary Budget



South Orange-Maplewood
School District

January 27, 2014

Overview of Presentation

- ▶ Budget development process
 - ▶ Comparative spending
 - ▶ Guiding budgeting principle: District Goal Four
 - Alignment of budget to district goals and strategy
 - Rein in spending: Major Cost Drivers
 - ▶ Revenue assumptions and historical trends
 - ▶ Redirect resources to impact student achievement
 - ▶ Estimated tax impact
 - ▶ Next steps
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Budget Development

November: Baseline Data for Budget Development

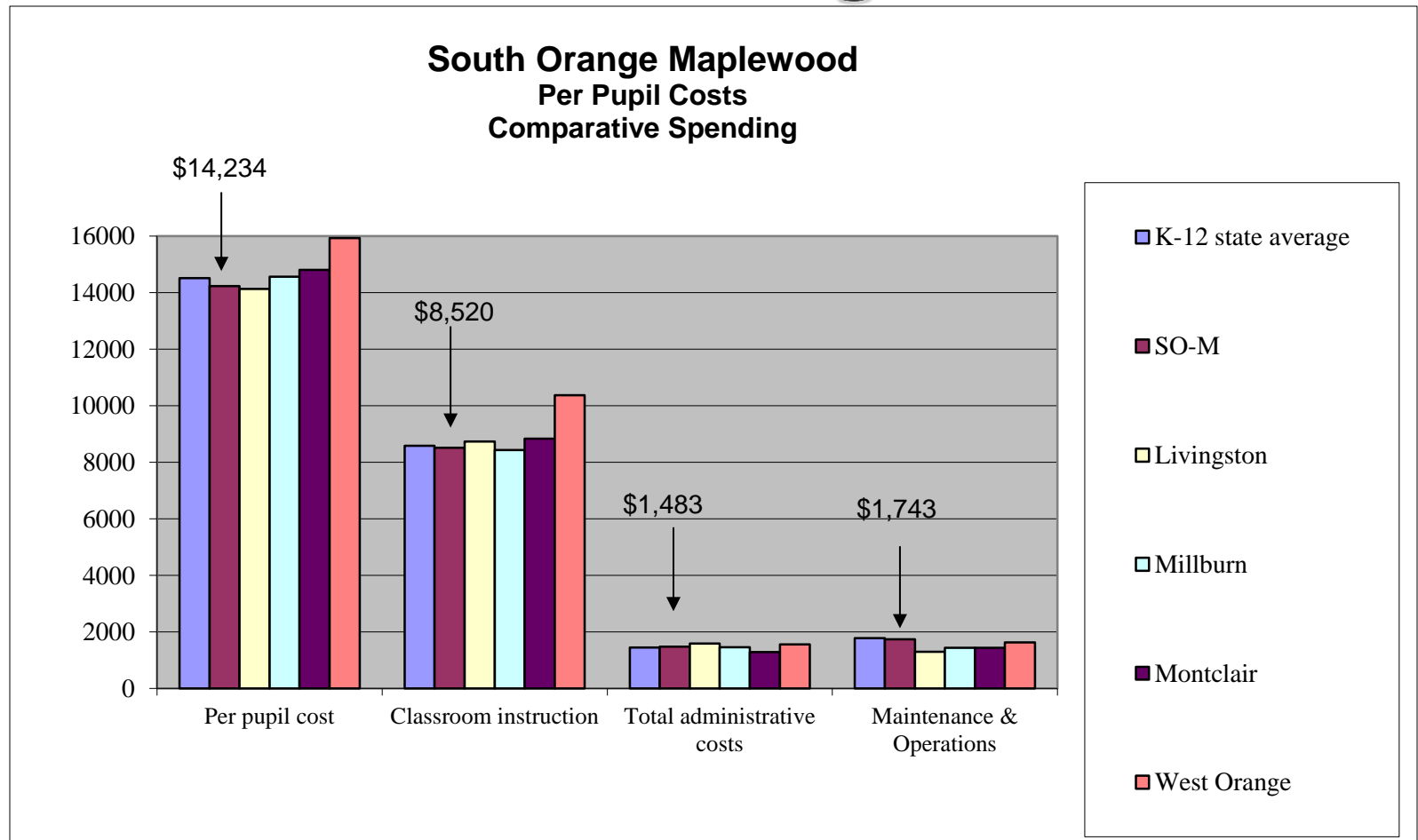
- Enrollment Projections
- Free and Reduced Lunch Eligibility
- Transported Student Data
- Salaries and Benefits
- School Facilities
 - Annual Comprehensive Maintenance Plan
- Comprehensive Annual Financial Report
- General Fund Free Balance Status
- Budget Calendar and Priorities

Budget Development

December: Budget Development – Budget Analyses

- Technology Investment:
 - Online Learning Experience to Date
 - PARCC Readiness
 - 1:1 Computing Pilots
- District Management Council
- Montrose School
- Enrollment Changes and Building Capacity
- Charter School Tuition
- Choice District Program
- Energy Usage

How do we compare with other like districts or state averages?



Source: Dept. of Education Taxpayer's Guide to Education Spending
Budget 2012-13

District Goal Four - Development of a Budget that Supports:

❖ The attainment of district goals

- Alignment with Core Curriculum and PARCC Assessment
- Special Education Programming
- Online Learning Opportunities
- Centralized Professional Development
- Teacher Evaluations and Learning Walks

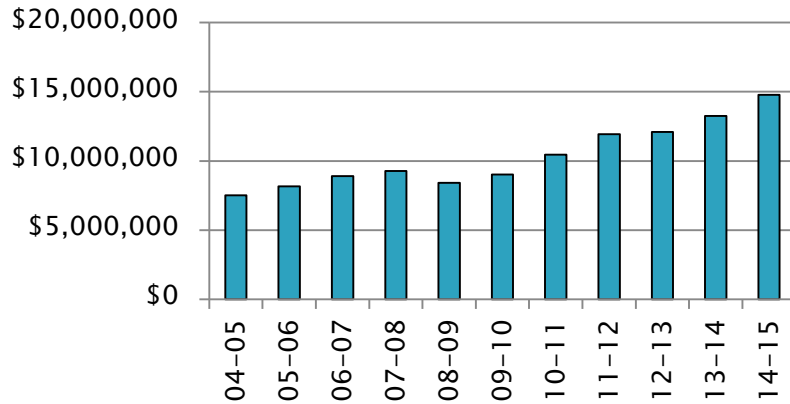
❖ Reins in spending on categories rising faster than the cost of living

- Health benefits: Employee contributions (NJ Reform), Direct 15
- Special Education Costs: Opportunities Review, In-district programming
- Maintenance expenses: Year over year reductions. Facilities condition assessment
- Energy expenses: increased usage – additional space, additional air conditioning, additional technology, colder winter; Direct Install, Energy Audit, Facility Upgrades
- Transportation: Increased efficiency (in-district and non-public schools)

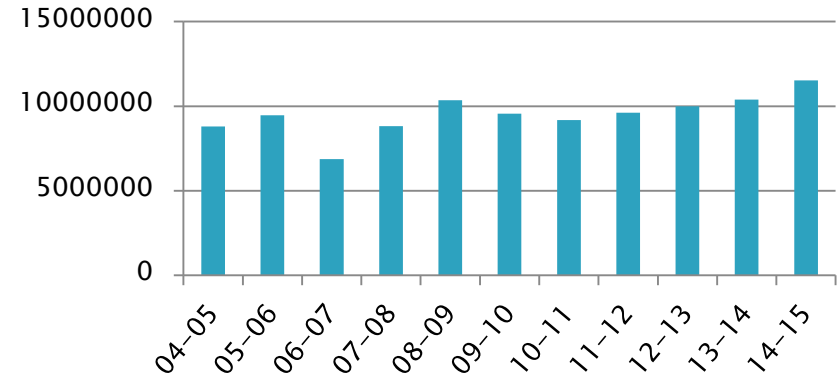
❖ Produced in an efficient and transparent manner

- Communication with District Administrators
- Community Forum

Health Cost Trend Analysis

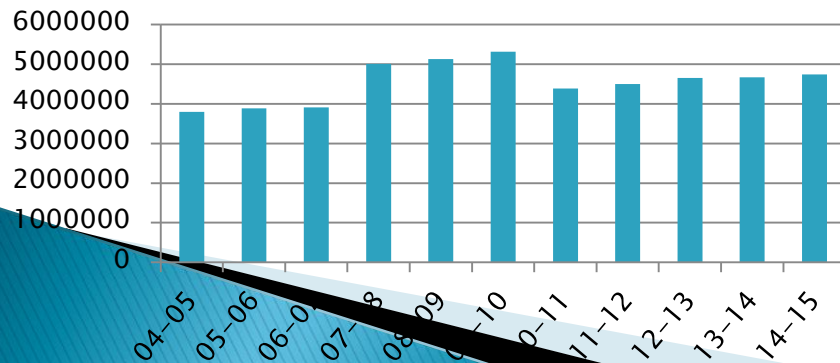


Tuition Cost Trend Analysis

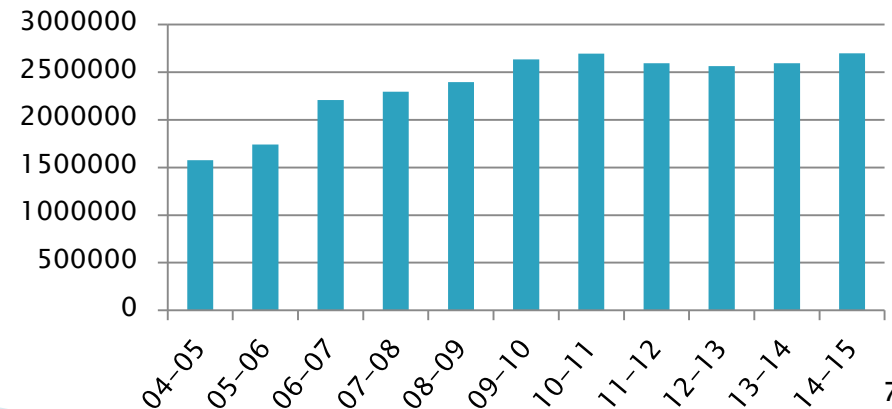


Major cost drivers

Transportation Cost Trend



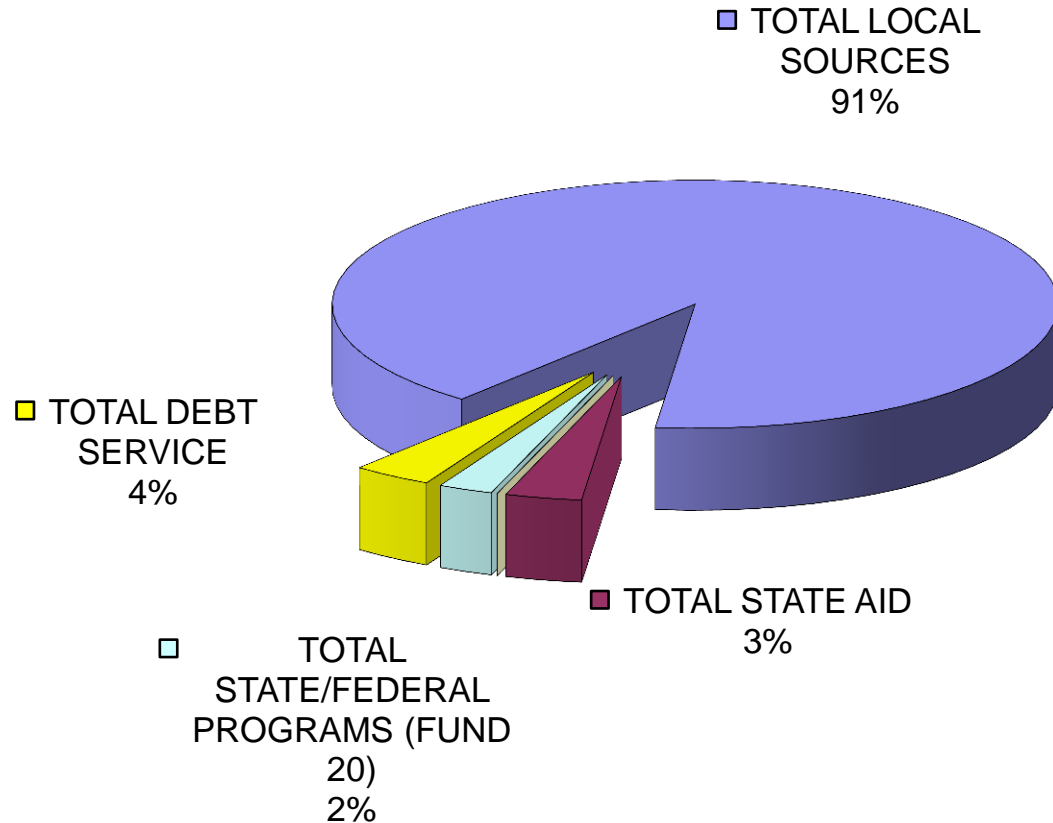
Energy Cost Trend Analysis



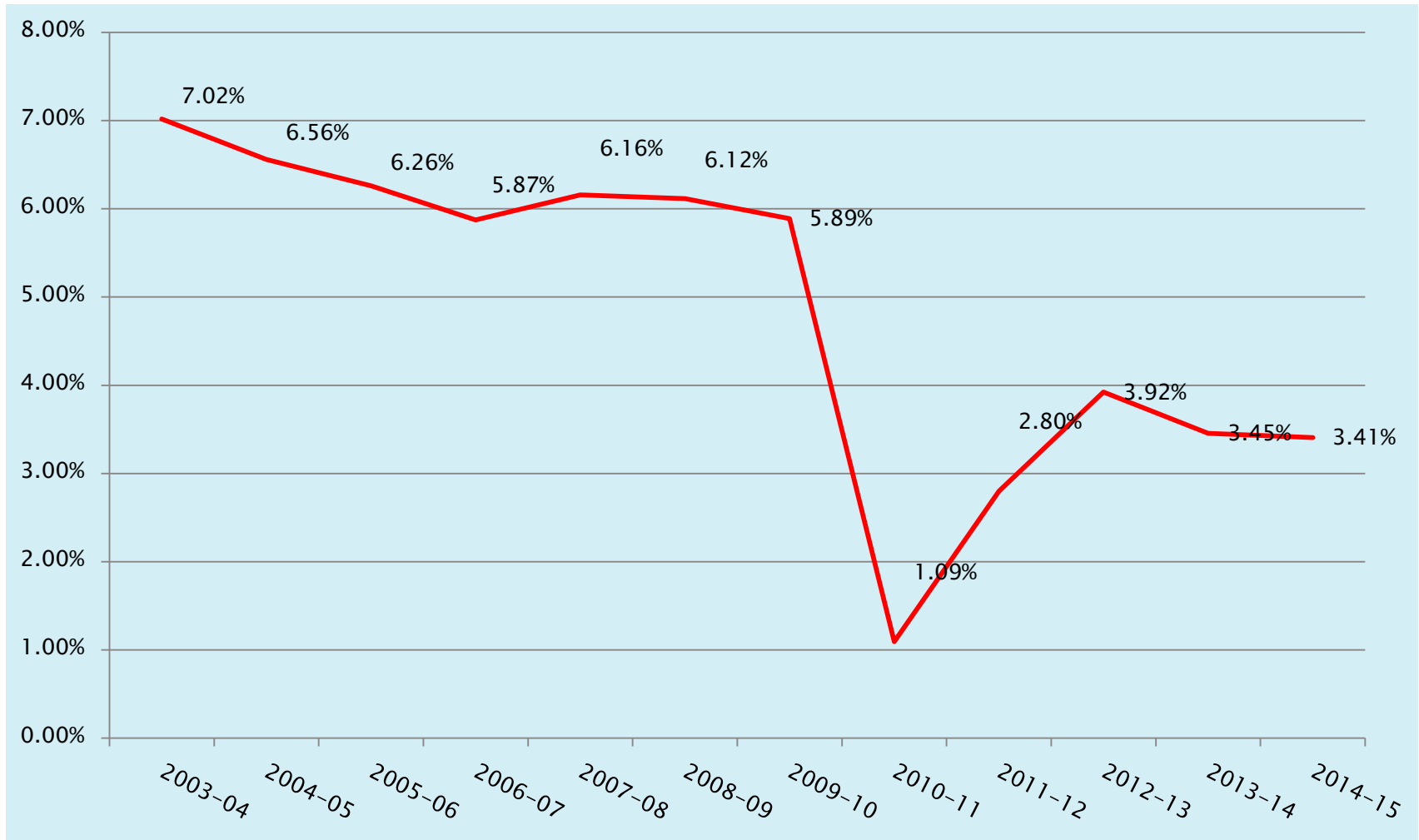
2014-15 Budget Resource Assumptions

- ▶ State aid for 14-15 remains at same level as 13-14
- ▶ The amount of state aid will not be known until after the Governor's budget address in February.
- ▶ Federal grants remain at same level as 13-14
- ▶ Excess surplus from 2012-13 audit: \$1,949,406 (\$200,000 less than 11-12 audit)
- ▶ Revenues dependent on local sources.
- ▶ Banked cap is available.
 - *(\$989,763 through 2013-14 budget, 506,833 through 2014-15, \$409,103 through 2015-16 = total \$1,905,699 banked cap available)*
- ▶ Local taxes will increase no more than 2% for operating budget
- ▶ These assumptions are subject to change given the uncertain economic climate.

Where does school budget revenue come from?



State Aid as a Percent of Revenue

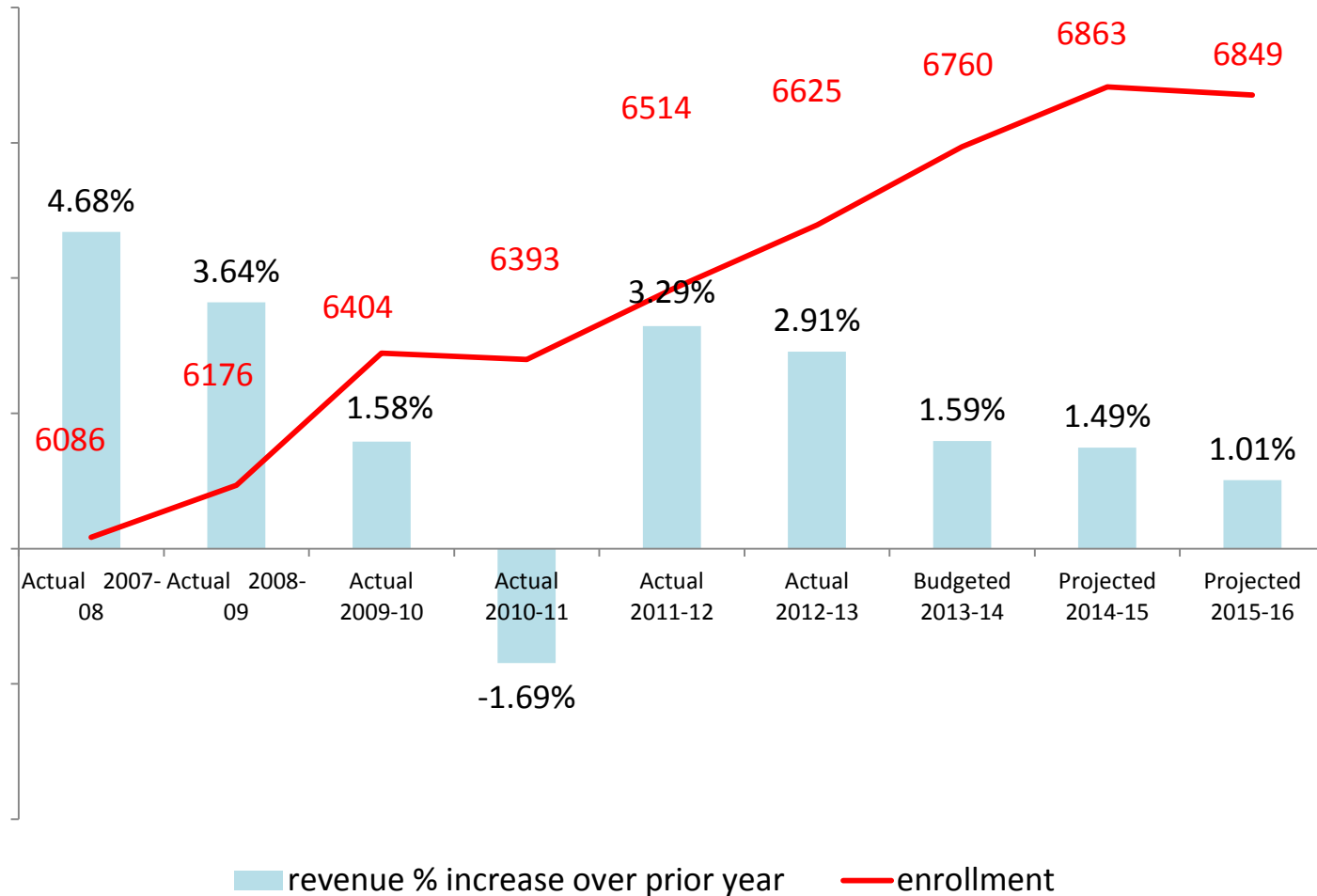


Revenue 2014-15

Revenue Source	Budgeted 2013-14	Proposed 2014-15
Operating Budget Local Tax Levy	104,473,642	106,563,115
State Aid	4,075,898	4,075,898
Capital Reserve	589,000	0
Fund Balance	2,152,272	1,949,406
Miscellaneous	40,000	40,000
Debt Service	4,123,451	4,235,179
State/Federal	2,549,881	2,899,802
Total Revenue	118,004,144	119,763,400

Multi-Year Impact

Percentage Change of Revenues from Prior Year



Analyze every line to identify expenditure reductions *(projected reductions \$2.8 million)*

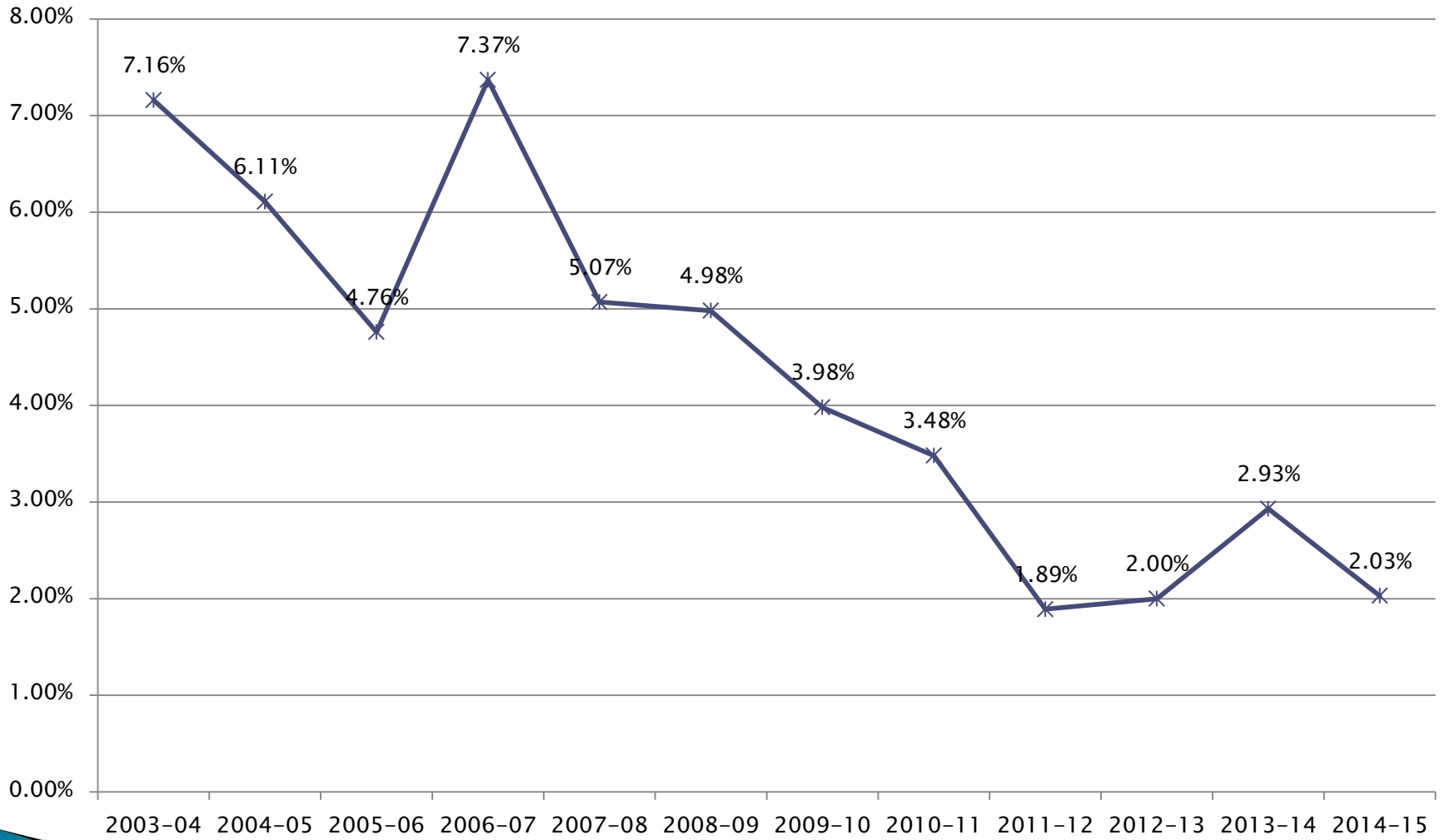
- ▶ Special Education efficiencies (District Mgmt Council)
- ▶ General education scheduling efficiencies
- ▶ Support staff efficiencies
- ▶ Transportation efficiencies
- ▶ Centralized Professional Development
- ▶ Centralized Summer Programming
- ▶ Continued Initiatives to Conserve Energy

What is the estimated tax impact?

Tax Levy CAP	\$106,563,115
Operating Budget Tax Impact (est.)	2.00%
Debt Service	\$ 3,999,551*
Local Tax	\$110,562,666
Operating and Debt Service Tax Impact (est.)	2.03%

* Estimated March 2014 bond sale

Year over Year Tax Impact



What next? Budget Calendar

- ▶ **Mon, Jan 27** BOE meeting: Budget Discussion
 - ▶ **Mon, Feb 24** BOE meeting: Budget Discussion
 - ▶ **Tues, Feb 25** Governor's State Budget Message
 - ▶ **Thurs, Feb 27** State Aid Notices
 - ▶ **Mon, Mar 17** BOE meeting: BOE consider/adopt preliminary budget to send to Essex Co Supt for approval to advertise
 - ▶ **April XX** *Community Forum and address Maplewood Township Committee and Village of South Orange Board of Trustees*
 - ▶ **Mon, Apr 28** BOE meeting: Public Hearing/action to levy 2014-15 school tax
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