



The School District of

**SOUTH ORANGE
& MAPLEWOOD**

2023-2024 Final Budget: April 27, 2023

Dr. Ronald G. Taylor, Superintendent of Schools

Mr. Eric Burnside, School Business Administrator

Opening Statement



Superintendent's Update

As you will see in this presentation our budget process was extremely challenging this year. Some of those challenges include:

- + A working budget shortfall due to unexpected increases in health benefits of \$1.25 Million, Special Education of \$2.25 Million, and out-of-district transportation of \$500k.
- + With the implementation of thoughtful measures such as a halt on discretionary spending, we are confident that we can cover the \$4 to \$5 million needed for the rest of the year. It will be necessary to also utilize \$1 million from next year's unassigned fund balance.
- + These are all unforeseen increases that we unfortunately experienced in the same year. According to our auditor, they are seeing this in many other school districts, especially the districts that belong to the state health plan.
- + With some careful consideration of spending and hiring these challenges will be considerable but accomplishable.



Superintendent's Update

- + While these challenges are significant, we are very pleased that we can continue our investment in the academic and social-emotional supports we have put in place to continue to combat the impact of COVID 19 on our students and staff that align with our District Goals.
- + As a reminder, some of those investments are as follows...

Continued Student Support Investments



Continued Investments...

Sample of support maintained for SOMSD Students for 2023-2024 school year...

- + 4 District Academic Coaches (zero in 2020, two in 21-22, four in 22-23);
- + 2 Challenge Day activities each for MMS, SOMS and CHS;
- + Maintaining the 2 additional STEM Support Teachers for our Middle Schools;
- + 1 Additional non-special services mental health support staff at each Middle School;
- + 1 Fulltime Community and School Safety and Security Director; and,
- + Expanded Summer School/Extended School Year/Summer Enrichment.



Continued Investments...

Sample of support maintained for SOMSD Students for 2023-2024 school year ...

- + Continued partnership with Equal Opportunity Schools (we will be a featured partner at an upcoming Essex County Executive Superintendent's monthly meeting April 2023);
- + Continued innovative Humanities Scheduling design at CHS to support previously challenged students;
- + Saturday Academy at both middle schools;
- + ELL Afterschool Program and Mentoring Programs; and,
- + SLAM Lab support at CHS (break down of services on next page).



Continued Investments...

Sample of support maintained for SOMSD Students for 2023-2024 school year ...

Under Ms. Hicks' leadership, CHS has a counseling annex in the library. It is supported by teachers and Ms. Hicks' interns*

+ Their weekly schedule includes:

- Monday -- AP Core (AP support for Black AP students), MAC Men (after school -- part of MAC), and Academic Study Hall
- Tuesday -- Lunch & Learns / Small group study skills
- Wednesday -- Wellness Groups during lunch time (meditation, etc.)
- Thursday -- Sister to Sister (MAC support Group)
- Friday -- Fun Fitness Friday
- These groups are usually at lunch or after school. Parents can sign up students via the website or counselors can recommend them.

*In previous presentations we have spoken about our efforts to engage more universities to add more socio-emotional interns to our schools



Common Thread of these and many other District investments...

- + Ensuring that all SOMSD Students... with an emphasis on Children of Color, Economically Disadvantaged , Special Education and English Language Learners and traditionally underrepresented students... have access to our most rigorous offerings with embedded interventions that triangulate support through multiple modalities (i.e. summer, after school, Saturdays etc.) ultimately resulting in them having the tools and support to realize their greatest academic potential and socioemotional growth.



Overview



Overview

- + Budget Development Process
- + Projected Revenue
- + Enrollment
- + Expenditures
- + Tax Impact
- + Budget Calendar



Budget Development Process



Budget Development Process

- + Estimate Revenue (January)
 - Calculate Maximum Local Tax Levy (Capped at 2%)
 - Estimate state & federal aid
 - Identify other sources of revenue (Interest on Bond Proceeds)
 - Determine if eligible for Tax Levy Adjustments (Enrollment, Benefits)
- + Estimate Appropriations (Expenditures) (February)
- + Balance the Budget (February / March)
 - Receive final state aid notices (March 1-2)
 - Determine if there is a surplus or deficit
 - Use goals and priorities as a guide
 - Evaluate use of banked cap & adjustments
 - Evaluate use of reserves
 - Determine Local Tax Levy
 - Balance the budget



Projected Revenue

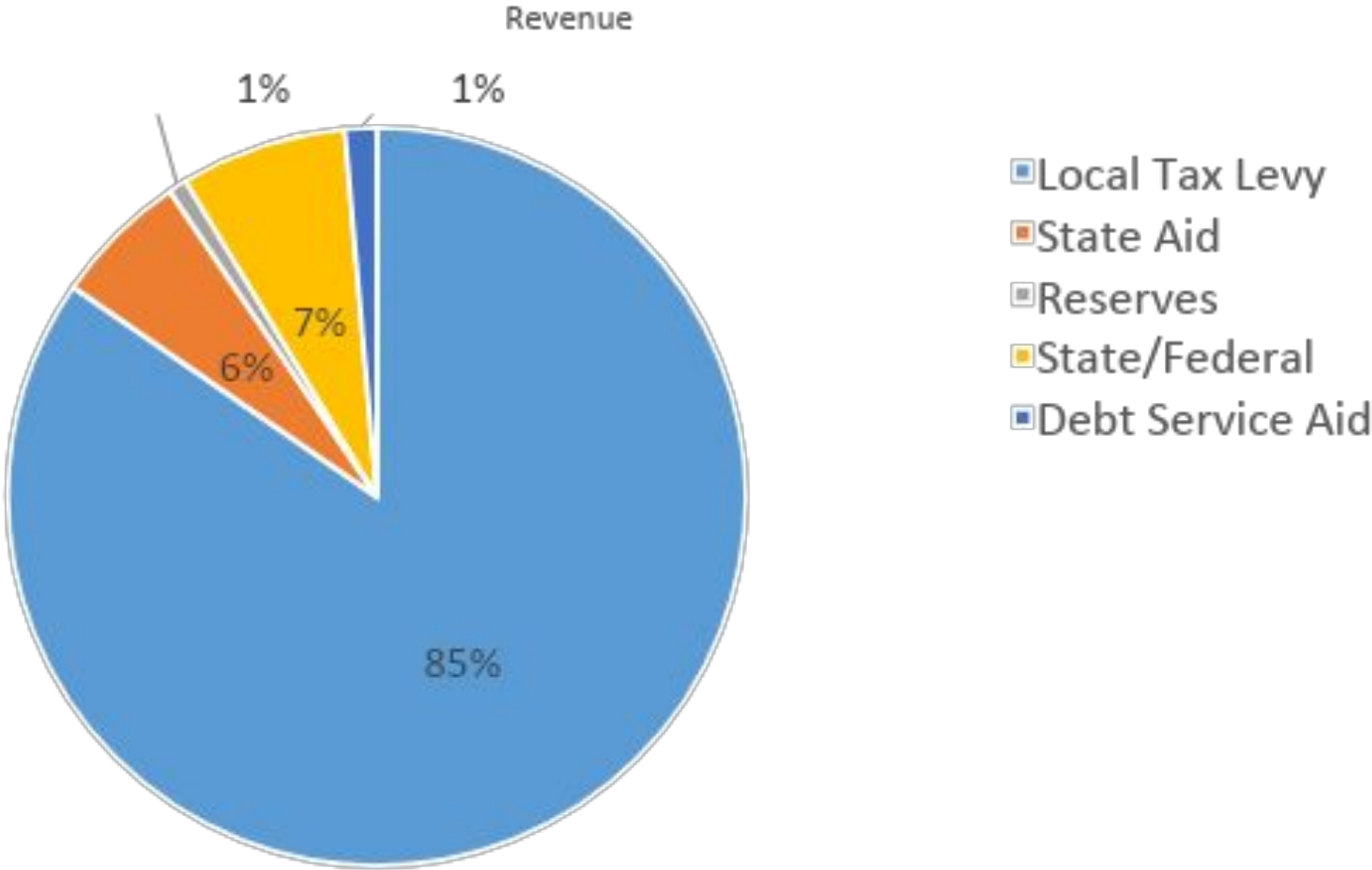


2023-24 Projected Operating

Revenue Source	2022-23	2023-24	% Change
Local Tax Levy	128,165,401	130,728,709	2.00%
Banked Cap		1,836,324	1.40%
State Aid	8,287,062	9,294,342	0.00%
Extraordinary Aid	1,000,000	1,000,000	0.00%
Audited Fund Balance	7,539,527	7,648,869	1.45%
2% Unassigned Balance		3,594,902	
Capital Reserve	648,586	407,735	-
Maintenance Reserve	0	1,000,000	-
Miscellaneous (incl. tuition)	250,000	250,000	0.00%
State/Federal	9,119,272	4,577,410	0.00%
Adjustment PY Encumbrance	2,853,652	0	
SEMI	137,879	168,888	0.00%
Non Public aid	201,798	149,630	0.00%
PEEA (Montrose)	7,262,957	7,803,095	0.00%
Sub Total	165,466,134	168,459,904	1.81%
Debt Service Tax Levy	8,535,314	7,315,751	-14.29%
Budgeted fund Balance - Debt Srv	38,432	1,687,630	
Debt Service aid	2,257,016	2,424,787	
Debt Service	10,830,762	11,428,168	
Total Revenue	176,296,896	179,888,072	2.04%



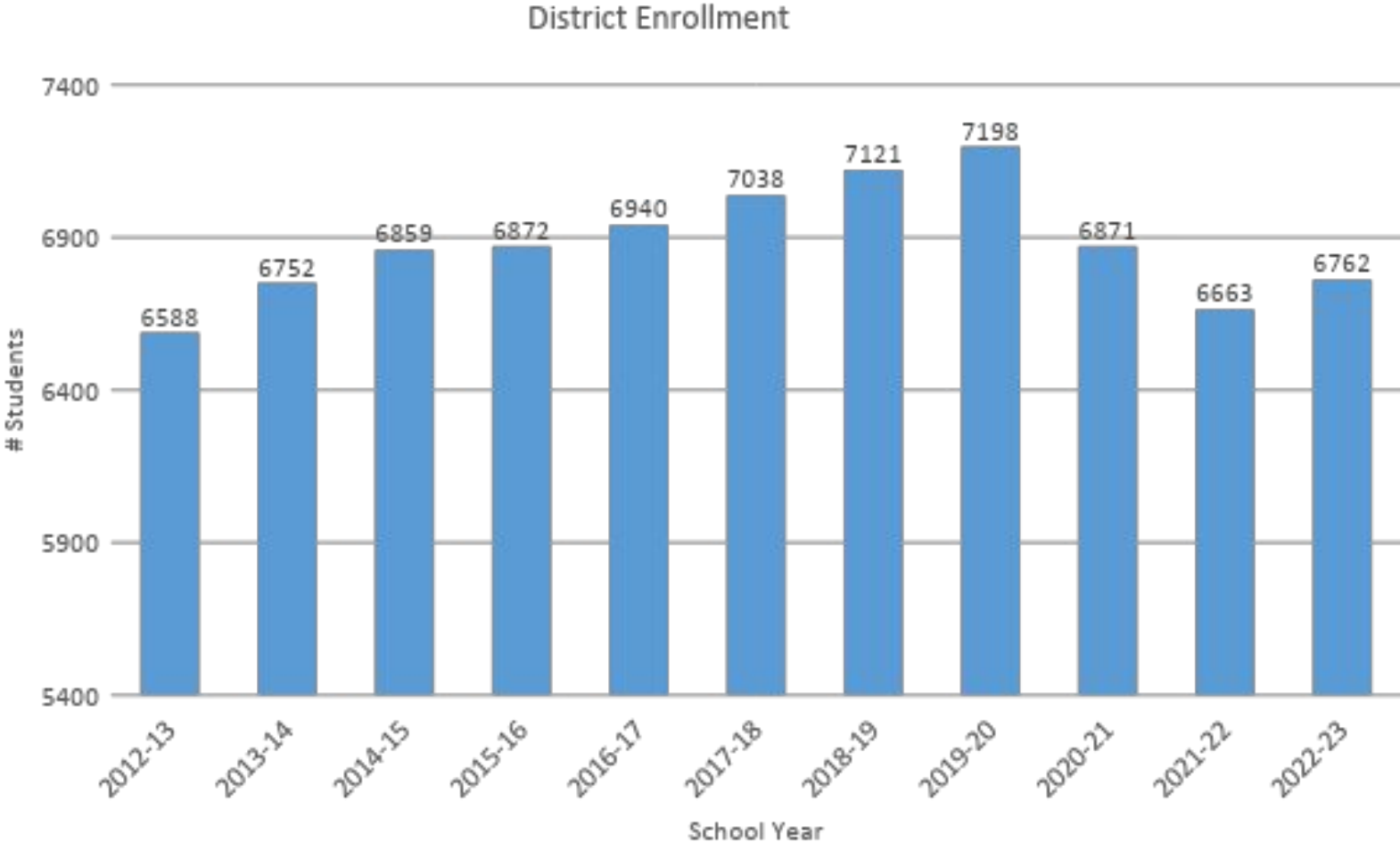
Revenue Source



Enrollment



Enrollment



Expenditures



Expenditures

Category	2022-2023 Adjusted Budget	Proposed 2023-24	Change	% Change
Salaries & Contract Services	\$ 88,978,378.00	\$ 95,199,083.00	\$ 6,220,705.00	7.0%
Benefits	\$ 15,226,146.00	\$ 17,406,135.00	\$ 2,179,989.00	14.3%
Tuition	\$ 19,623,933.00	\$ 20,379,048.00	\$ 755,115.00	3.8%
Transportation	\$ 9,783,936.00	\$ 11,448,937.00	\$ 1,665,001.00	17.0%
Other Benefits	\$ 3,591,917.00	\$ 3,291,340.00	\$ (300,577.00)	-8.4%
School / Department	\$ 4,307,499.00	\$ 4,548,734.00	\$ 241,235.00	5.6%
Special Services, Technology, curriculum, Maintenance & Operation, Utilities, Central Admin, custodial supplies	\$ 14,233,407.00	\$ 13,564,065.00	\$ (669,342.00)	-4.7%
Debt Service	\$ 10,830,762.00	\$ 11,428,168.00	\$ 597,406.00	5.5%
Total	\$ 166,575,978.00	\$ 177,265,510.00	\$ 10,689,532.00	6.4%
Grants	\$ 6,867,266.00	\$ 2,622,562.00	\$ (4,244,704.00)	-61.8%
Year End Encumbrances	\$ 2,853,652.00	\$ -	\$ (2,853,652.00)	-100.0%
Grand Total	\$ 176,296,896.00	\$ 179,888,072.00	\$ 3,591,176.00	2.0%



Salaries and Contract Services (\$6.2M Increase)

- + Budget for contractual contract increases
- + Increase funding to contract services areas (Custodians, Paras, Security)
- + Increase funding for summer programs (ESSER Funds)
- + Remove permanent subs

Tuition (\$755,000 Increase)

- + Additional funding for increases in tuition premiums for out of district placements
- + Additional funding for special education placement settlements



Transportation (1.665M Increase)

- + Increase funding in transportation for redistricting
- + Increase funding for out of district placements
- + Added transportation for remote preschool student
- + Review and explore shared services options
- + Re-evaluation of all in-district routes to match redistricting



School / Department (\$240,000 Increase)

- + The expenditure chart shows an increase because of anticipated supply needs in federal entitlement grants.



Special Services, Technology, Curriculum, etc. (\$669,000 Decrease)

- + The expenditure chart shows a slight decrease because of additional 1-time grant funds realized during the 2021-22 school year. (ESSER funding, additional funds from the maintenance reserve account).



Expenditures vs. Revenue

	2022-2023	2023-2024 Final	Diff	% Diff
Revenues	176,296,896	179,888,072	3,591,276	2.03%
Expenditures	176,296,896	179,888,072	3,591,276	2.03%
2023-2024 Budget Gap to Close			0	



Tax Impact



Estimated School Tax Impact

Revenue Source	Projected
22-23 Tax Levy	128,165,401
23-24 Tax Levy	132,565,033
Tax Impact Operating	3.43%
22-23 Debt Service	8,535,314
23-24 Debt Service	7,315,751
Tax Impact Debt Service	-14.29%
22-23 Total Tax Levy	136,700,715
23-24 Total Tax Levy	139,880,784
Tax Impact	2.33%

2023-24 Projected Debt Service

Bond Issued	Interest	Principal	Total
3/9/2014	58,575.00	390,000	448,575.00
2/15/2015	395,550.00	1,640,000.00	2,035,550.00
8/27/2019	1,493,875.00	1,750,000.00	3,243,875.00
11/4/2020	1,296,562.50	1,550,000.00	2,846,562.50
12/1/2021	679,085.00	776,000.00	1,455,085.00
12/16/2021	128,520.00	1,270,000.00	1,398,520.00
Total	4,052,167.50	7,376,000.00	11,428,167.50

2023-24 Estimated Tax Impact

Maplewood

Average assessed value of :	\$501,500	\$10,042	average est taxes CY2022
Average assessed value of :	\$505,200	<u>\$10,303</u>	average est taxes CY2023
	Difference of:	\$261	

South Orange

Average assessed value of :	\$584,474	\$11,739	average est taxes CY2022
Average assessed value of :	\$585,351	<u>\$12,082</u>	average est taxes CY2023
	Difference of:	\$343	



Budget Highlights



Highlights

- + Technology \$1.5 Million (Lease Purchase Finance)
 - Chromebooks
 - Firewall
 - Server Environment & Backup Upgrade
 - Laptops
 - Security Cameras
 - Fiber Upgrade
 - Network Wiring
 - Classroom A/V

Highlights

- + New Math Curriculum K-5 (\$825k)
- + New Roof at Clinton (Capital Reserve - \$407k)
- + New Maintenance Truck (with plow - \$75k)

Separate Proposal



Separate Proposal for BOSE

- + The district seeks the approval of the Board of School Estimate to increase the tax levy an additional \$1,560,000 for courtesy transportation at 1.25 miles and above for Elementary school students.
- + This request will result in a permanent increase in the tax levy.

2023-24 Estimated Tax Impact (Including Separate Proposal)

Maplewood

Estimated Tax Impact - Budget	\$261
<u>Estimated Tax Impact - Separate Proposal</u>	<u>\$116</u>
Total Estimated Tax Impact -Maplewood	\$377

South Orange

Estimated Tax Impact - Budget	\$343
<u>Estimated Tax Impact - Separate Proposal</u>	<u>\$136</u>
Total Estimated Tax Impact- South Orange	\$479

