

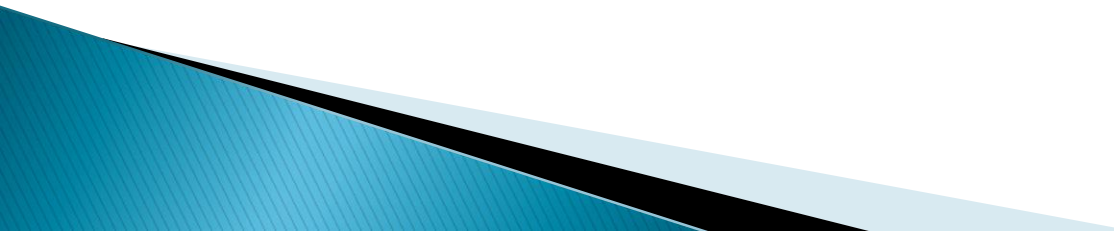
2014-2015 Preliminary Budget



South Orange-Maplewood
School District

February 24, 2014

Overview of Presentation

- ▶ Budget development process
 - ▶ Revenue – sources and historical trends
 - ▶ Guiding Principle: District Goal Four
 - Alignment of budget to district goals and strategy
 - Rein in spending: Major Cost Drivers
 - ▶ Revenue assumptions
 - ▶ Redirect resources to impact student achievement
 - ▶ Estimated tax impact
 - ▶ 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

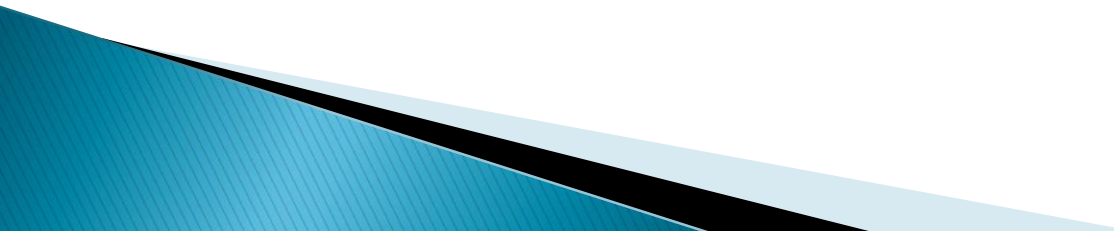
Budget Development

December: Budget Development – Budget Analyses

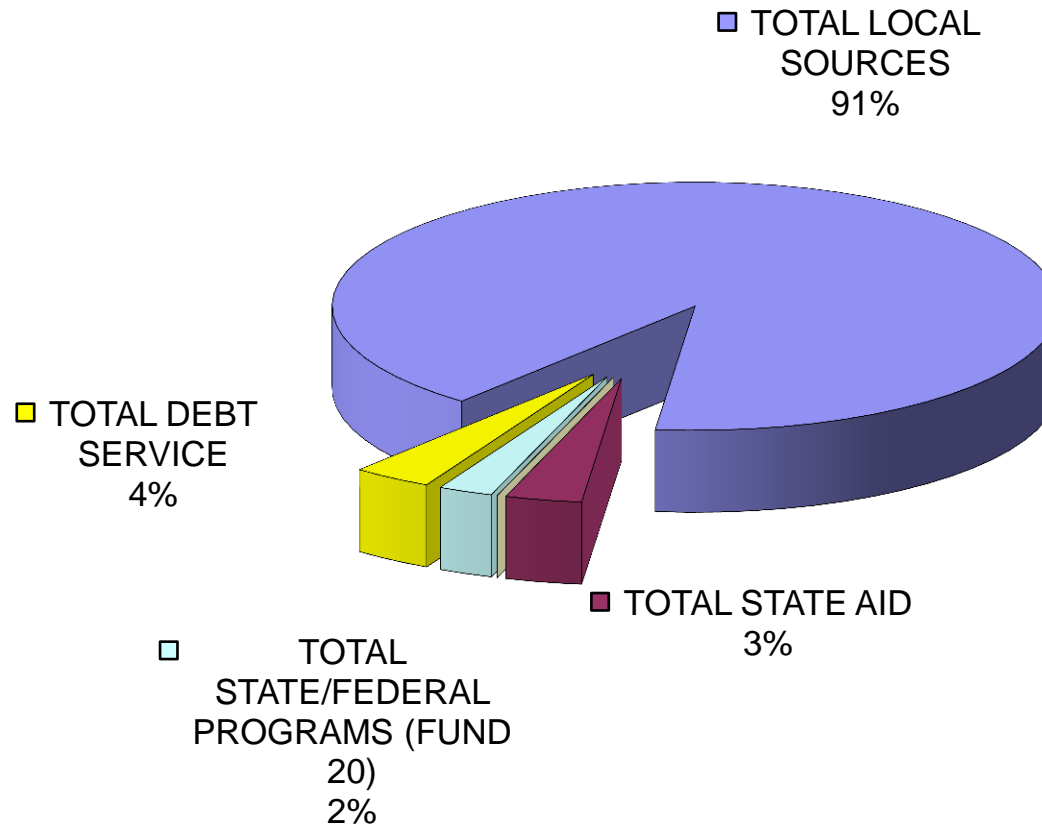
- Technology Investment:
 - Online Learning Experience to Date
 - PARCC Readiness
 - 1:1 Computing Pilots
- District Management Council
- Montrose School
- Enrollment Changes and Building Capacity
- Charter School Tuition
- Choice District Program
- Energy Usage

Budget Development

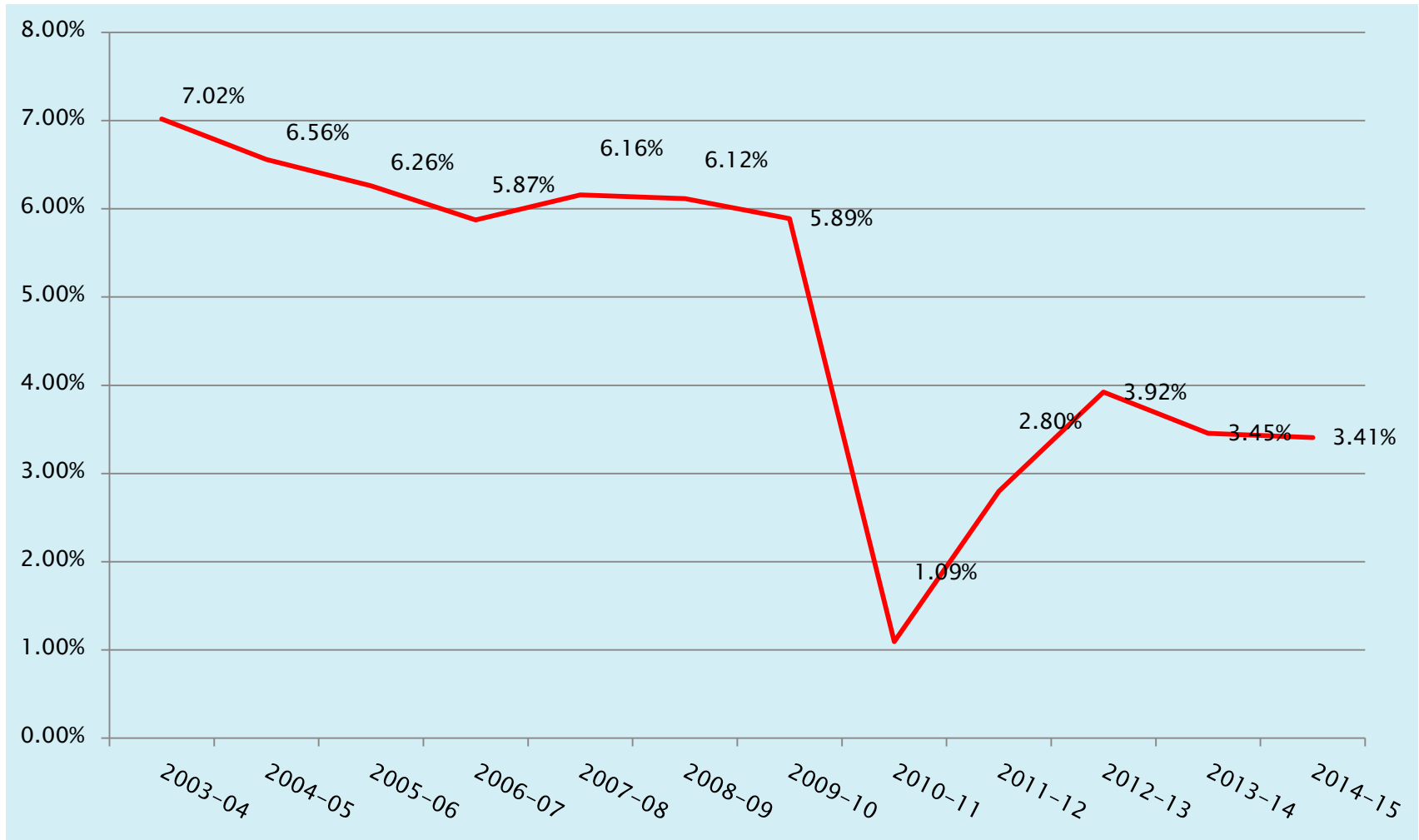
January: Budget Development Continued

- Comparative spending
 - Alignment of budget to district goals and strategy
 - Historical perspective: major cost drivers
 - Revenue assumptions and historical trends
 - Redirection of resources to impact student achievement
 - Estimated tax impact
 - Historical comparison year over year tax impact
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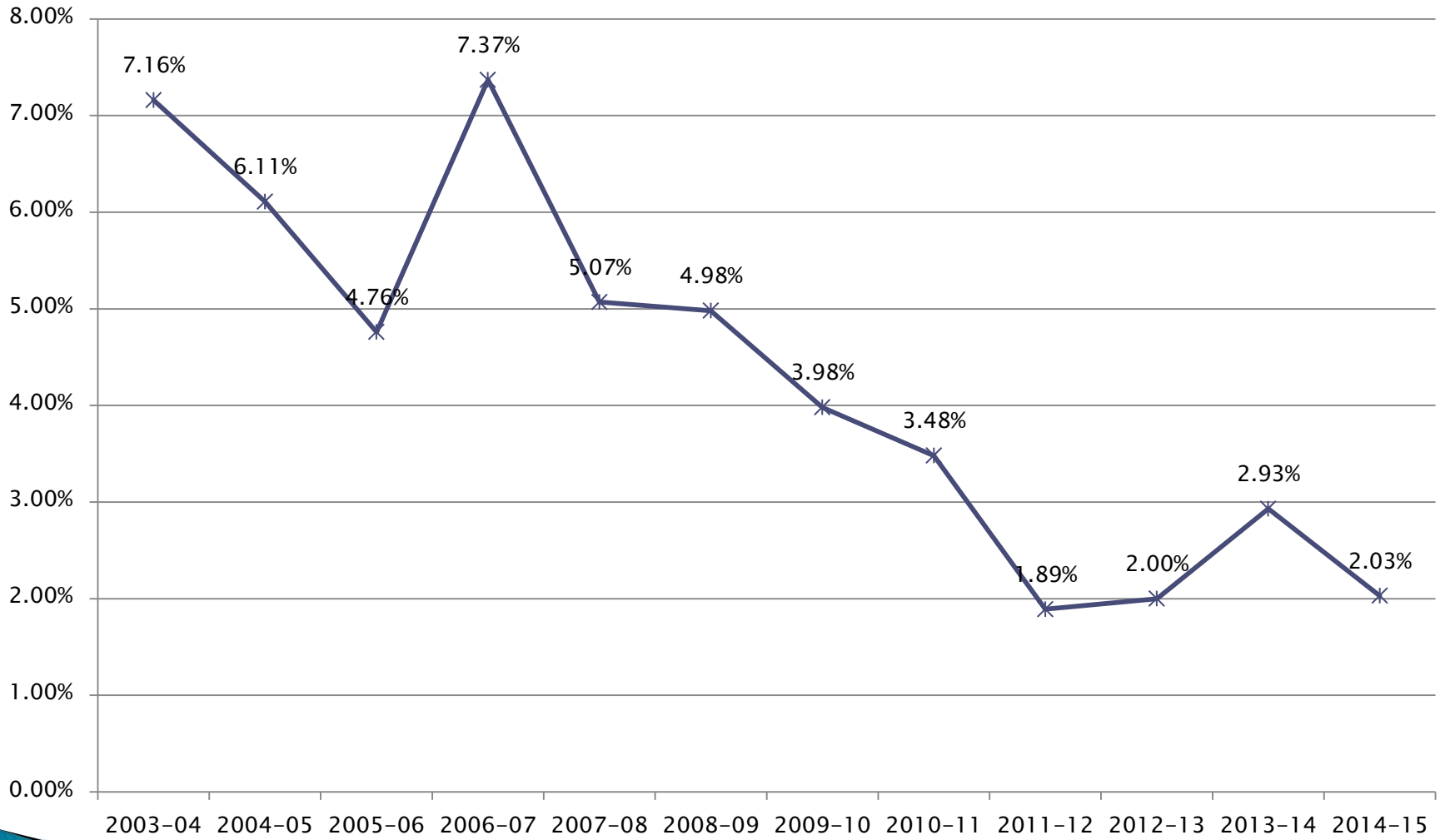
Where does school budget revenue come from?



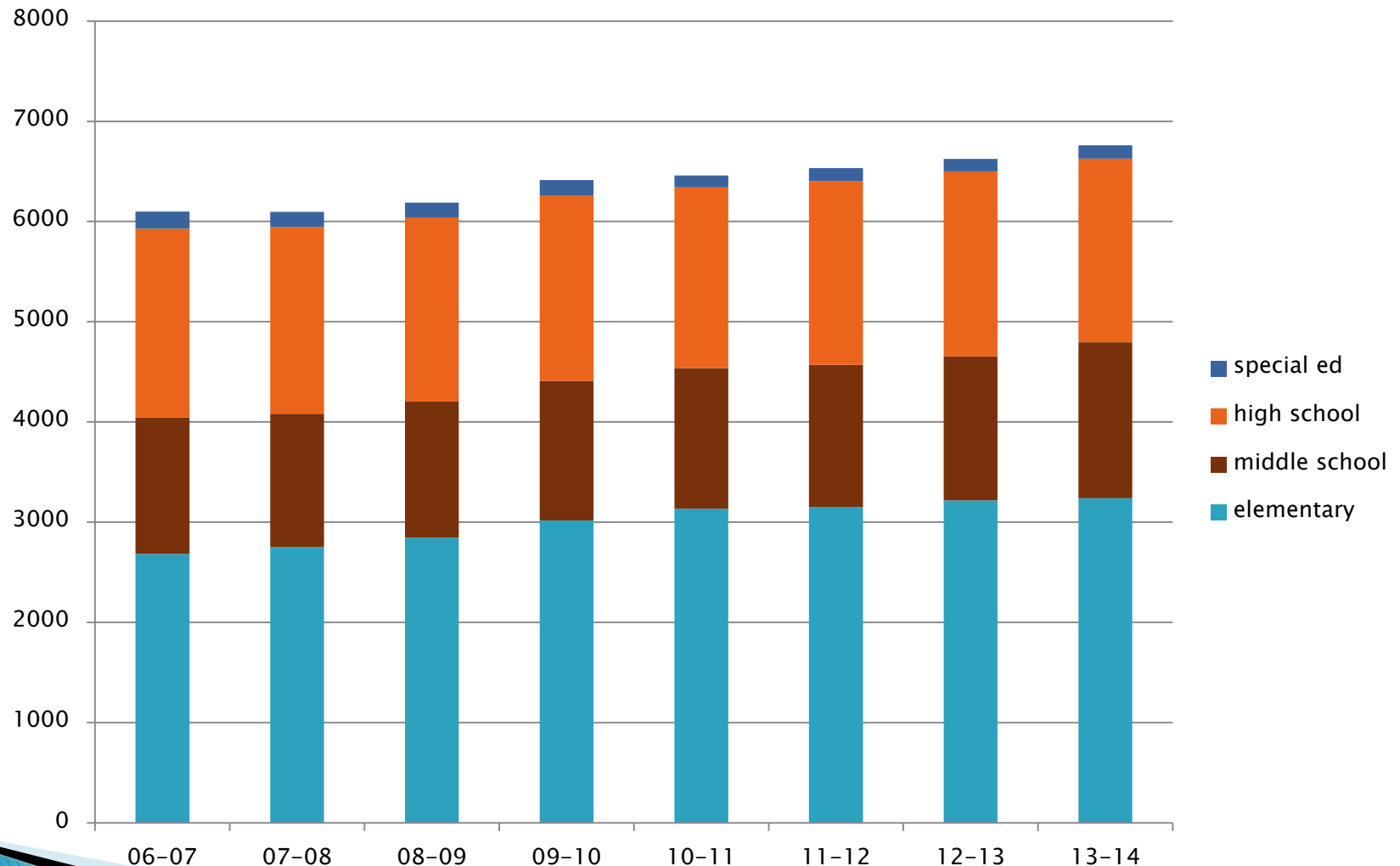
State Aid as a Percent of Revenue



Year over Year Tax Impact

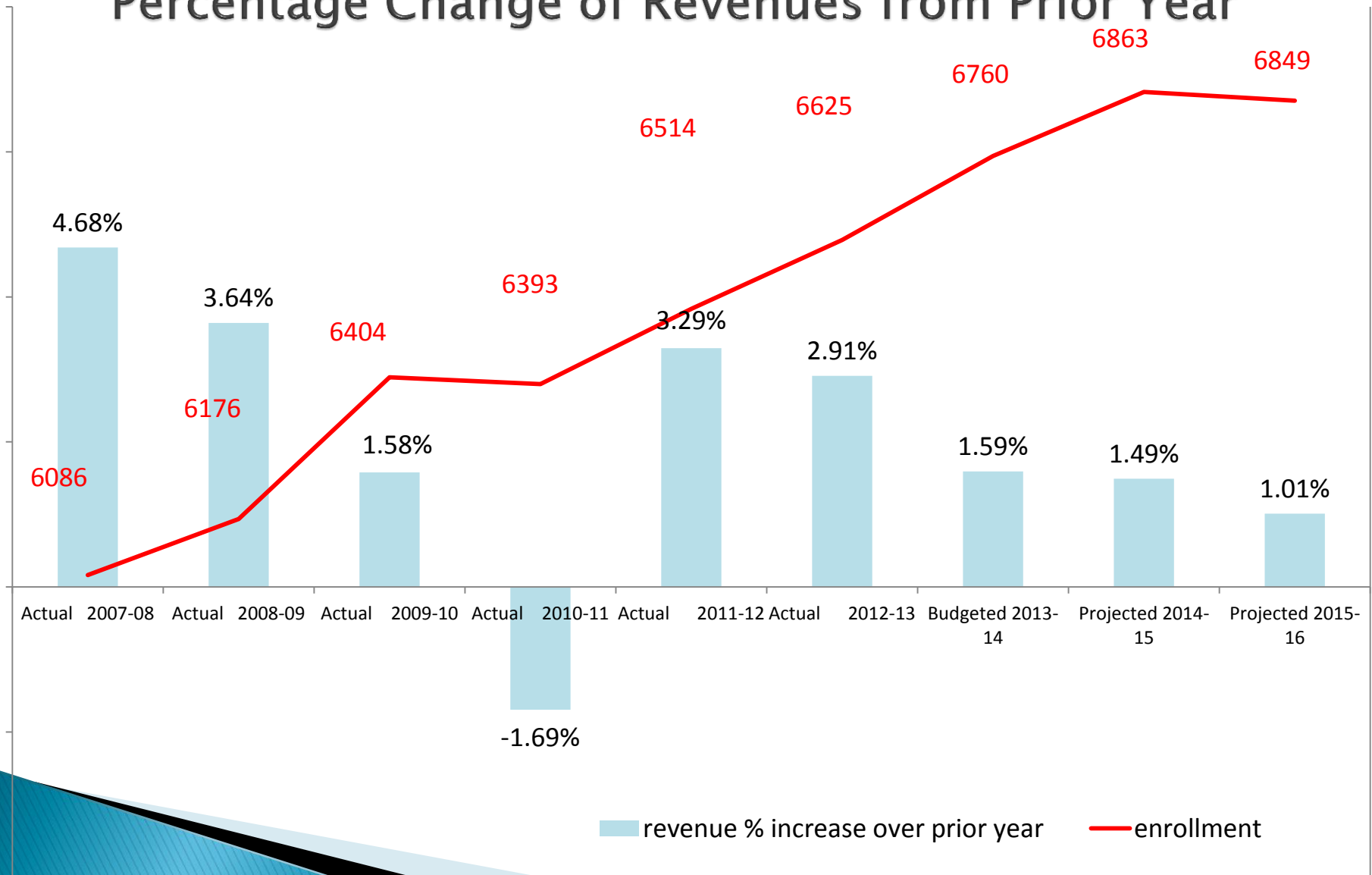


Enrollment Considerations: over 10% increase in recent years



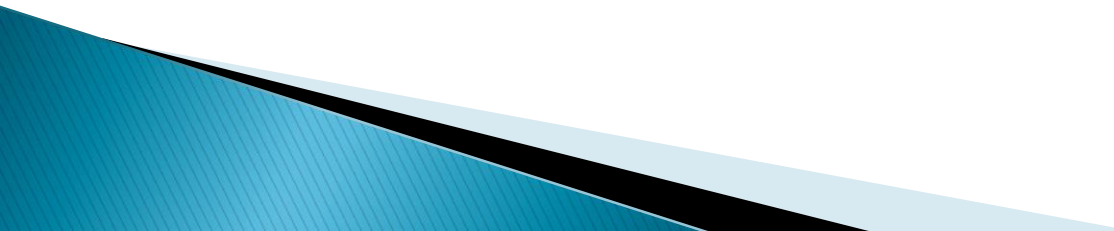
Multi-Year Impact

Percentage Change of Revenues from Prior Year



District Goal Four - Development of a Budget that Supports:

❖ **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: energy efficiencies, facility upgrades
 - Transportation: Increased efficiency (in-district and non-public schools)
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District Goal Four - Development of a Budget that Supports:

❖ **The attainment of district goals**

- Curriculum alignment with Common Core State Standards (CCSS)
 - Curriculum changes
 - Program improvements/increased opportunities
 - Summer Programs
 - After school enrichment
 - Improving test scores
- Preparation for Performance Assessments of Readiness for College and Career (PARCC)
 - Technology infusion
 - Online Learning Opportunities
 - 21st century skills – college entry and career readiness
- Compliance with Excellent Educators for New Jersey (EE4NJ)
 - Teacher Evaluations and Learning Walks
- Centralized Professional Development

2014-15 Budget Resource Assumptions

- ▶ State aid for 14-15 remains at same level as 13-14 and local taxes will increase no more than 2% for operating budget
- ▶ 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)*
- ▶ These assumptions are subject to change given the uncertain economic climate.

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	

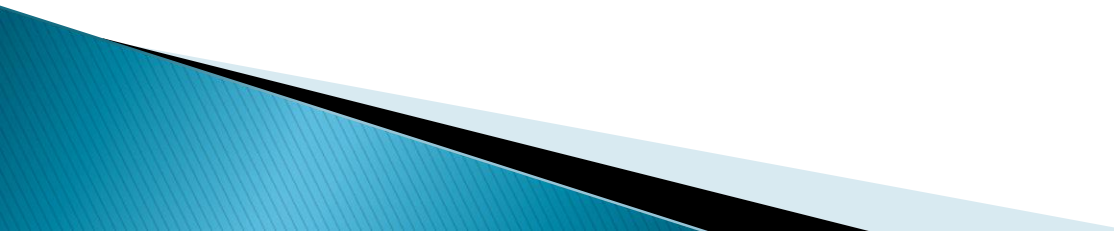
Anticipated adjustment for 2014-15 similar to 2013-14 budget year

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

Anticipated Revenue 2014-15

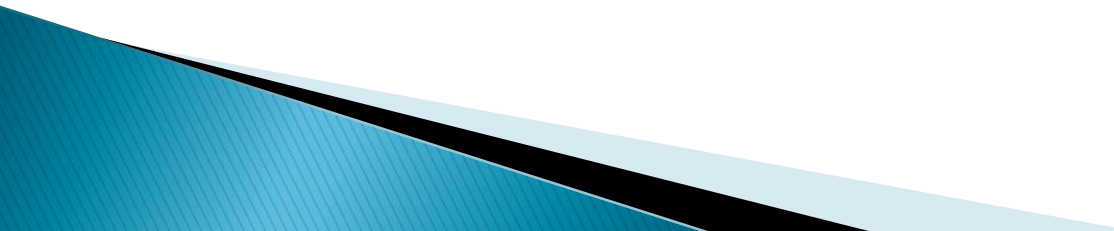
Revenue Source	Budgeted 2013-14	Proposed 2014-15
Operating Budget Local Tax Levy	104,473,642	106,563,115
State Aid	4,075,898	4,075,898
Capital Reserve	589,000	0
Fund Balance	2,152,272	1,949,406
Miscellaneous	40,000	40,000
Debt Service	4,123,451	4,235,179
State/Federal	2,549,881	2,549,881
Total Revenue	118,004,144	119,413,479

District Goal Four - Development of a Budget that Supports the attainment of district goals:

- ▶ PAARC readiness
 - ▶ EE4NJ: teacher evaluations
 - ▶ CCSS: Common Core State Standards
 - ▶ Increasing Enrollments
 - ▶ Increased Tuition expense – Charter School enrollment
 - ▶ Increased energy demands – temperatures, additional square footage, increased technology
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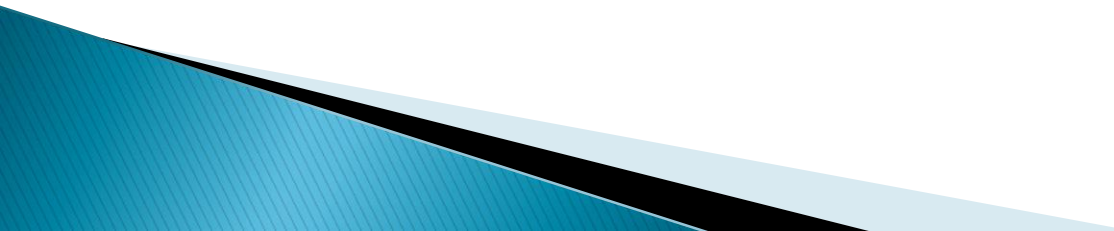
District Goal Four - Development of a Budget that Reins in Spending:

- ▶ Reduce non-classroom expenses first
 - Support staff efficiencies
 - Transportation efficiencies
 - Technology efficiencies: online progress reports, attendance, student handbooks
 - Support services reductions: Maintenance, architectural expenditures, legal fees

 - ▶ Continued Initiatives to Conserve Energy
 - Direct Install
 - Capital Projects
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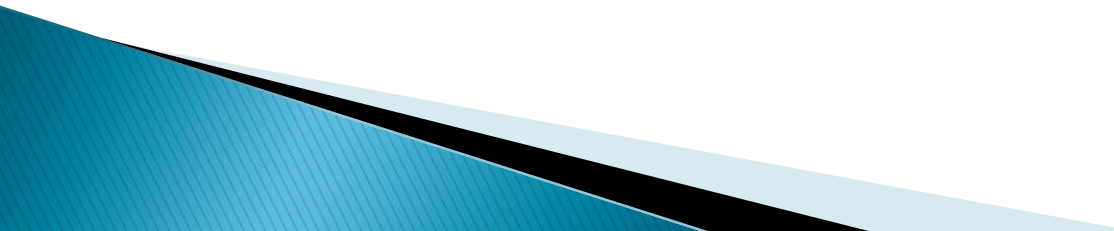
District Goal Four - Development of a Budget that Reins in Spending:

- ▶ **Special Education Efficiencies (District Management Council findings):**
 - Scheduling efficiencies
 - Management efficiencies

 - ▶ **Consolidate class sections within class size policy and review under-enrolled high school classes**
 - High school scheduling analysis – maximize class size
 - Middle school scheduling – maximize class size with increasing enrollments
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District Goal Four - Development of a Budget that Reins in Spending:

- ▶ Centralize programs to maximize efficiencies
 - Centralized summer programming
 - Centralized professional development

 - ▶ Reduce cost of programs by altering delivery
 - Enrichment program
 - Technology efficiencies – online classes
 - Restructuring of Professional development
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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

What next? Budget Calendar

- ▶ **Mon, Feb 24** BOE meeting: Budget Discussion
 - ▶ **Tues, Feb 25** Governor's State Budget Message
 - ▶ **Thurs, Feb 27** State Aid Notices
 - ▶ ***Tues, Mar 4*** *BOE Budget Workshop*
 - ▶ ***Tues, Mar 11*** *Community Forum on the 2014-15 Budget*
 - ▶ **Mon, Mar 17** BOE meeting: BOE consider/adopt preliminary budget to send to Essex Co Supt for approval to advertise
 - ▶ **Mon, Apr 28** BOE meeting: Public Hearing/action to levy 2014-15 school tax
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