

2015-2016

Projected Budget Discussion



South Orange-Maplewood
School District

February 23, 2015

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
- Debt Service Status
- Budget Calendar and Priorities

Budget Development

December: Budget Development – Budget Analyses

- Technology Investment
- Enrollment Changes and Building Capacity
- Montrose School
- Summer Programming
- Gifted and Talented Program
- Healthcare
 - Review of Alternative Options
 - Statutory Employee Contributions
 - Impact of Affordable Care Act

Budget Development

January: Budget Development Continued

- Budget Development & Enrollment Projections
- Alignment of budget to district goals and strategy
- Comparative spending
- Revenue assumptions and historical trends
- Redirection of resources to impact student achievement
- Estimated tax impact

District Goal Four - Development of a Budget that Supports:

❖ The attainment of district goals

- Student proficiency – benchmarks, performance targets, increased participation in AP courses
- Rigorous curricula, differentiated instruction, and expanded learning opportunities
 - CHS Strategic plan to be reconfigured around middle states/ online learning opportunities
 - Implementation of gifted and talented strategy
- Centralized Professional Development
 - Teacher Evaluations and Learning Walks
 - Cultural competency training
 - Implementation of ACHIEVE NJ regulations

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
 - 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 Engagement (Tentative: Budget Meeting: March 4, Community Forum: March 12)

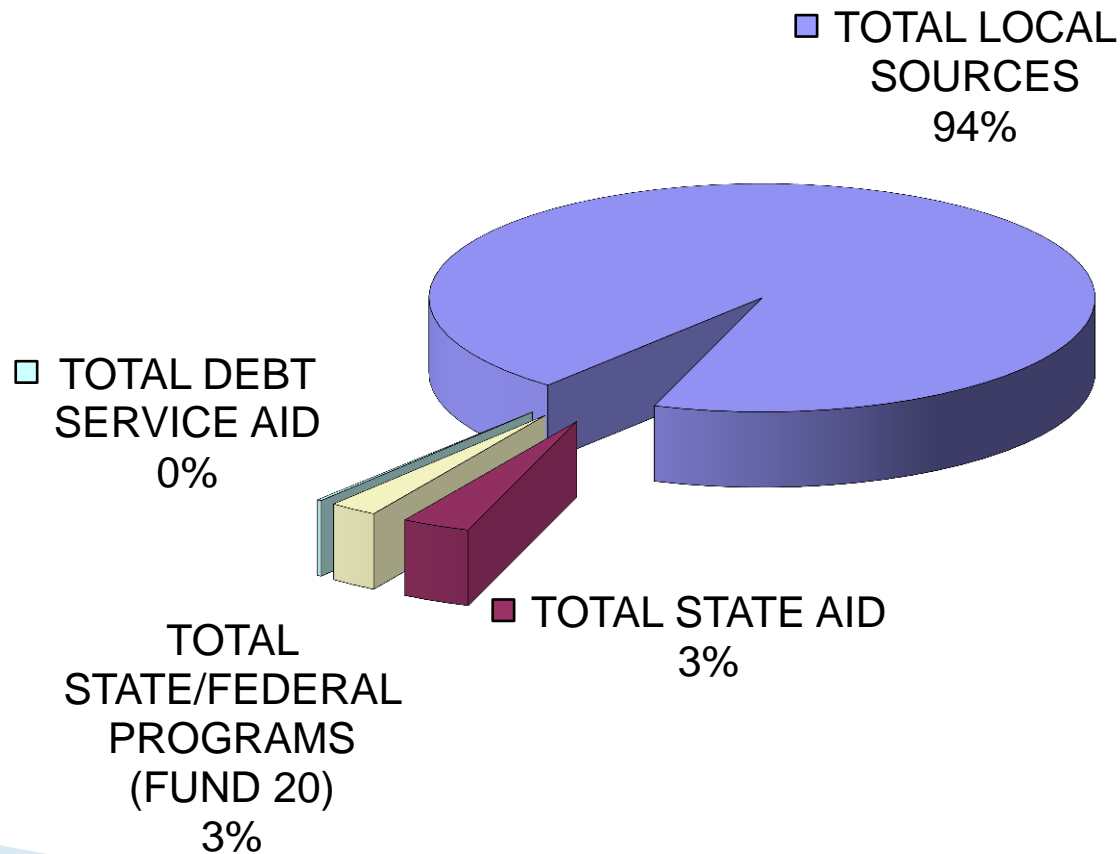
2015-16 Budget Requests/Considerations

- Enrollment Increases (additional fte's)
- Middle School Schedules (additional fte's)
- STEM initiatives (additional fte's)
- Additional academic intervention (additional fte's)
- Additional professional development
- Montrose Early Learning Center (additional fte's)
- Seth Boyden enrollments (free/reduced lunch population)
- Gifted and Talented Program
- Increased technology – maintenance, replacement, support
- Middle states accreditation: excellence by design
- Supplies/textbooks for increased ap/accelerated enrollments
- Educational equity consultant/OCR agreement

Analyze every line to identify expenditure reductions

- ▶ Reduce non-classroom expenses first
 - Technology efficiencies: online progress reports, report cards, attendance
 - Technology building support
 - Health insurance/employee benefits
- ▶ Consolidate class sections within class size policy and review under-enrolled high school classes
 - General education scheduling efficiencies
 - Reduce cost of programs by altering delivery
- ▶ Take advantage of personnel changes and retirements
 - Organizational restructuring
- ▶ Centralize programs to maximize efficiencies
 - Centralized professional development
 - Efficacy of summer programming

Where does school budget revenue come from?



2015-16 Budget Resource Assumptions

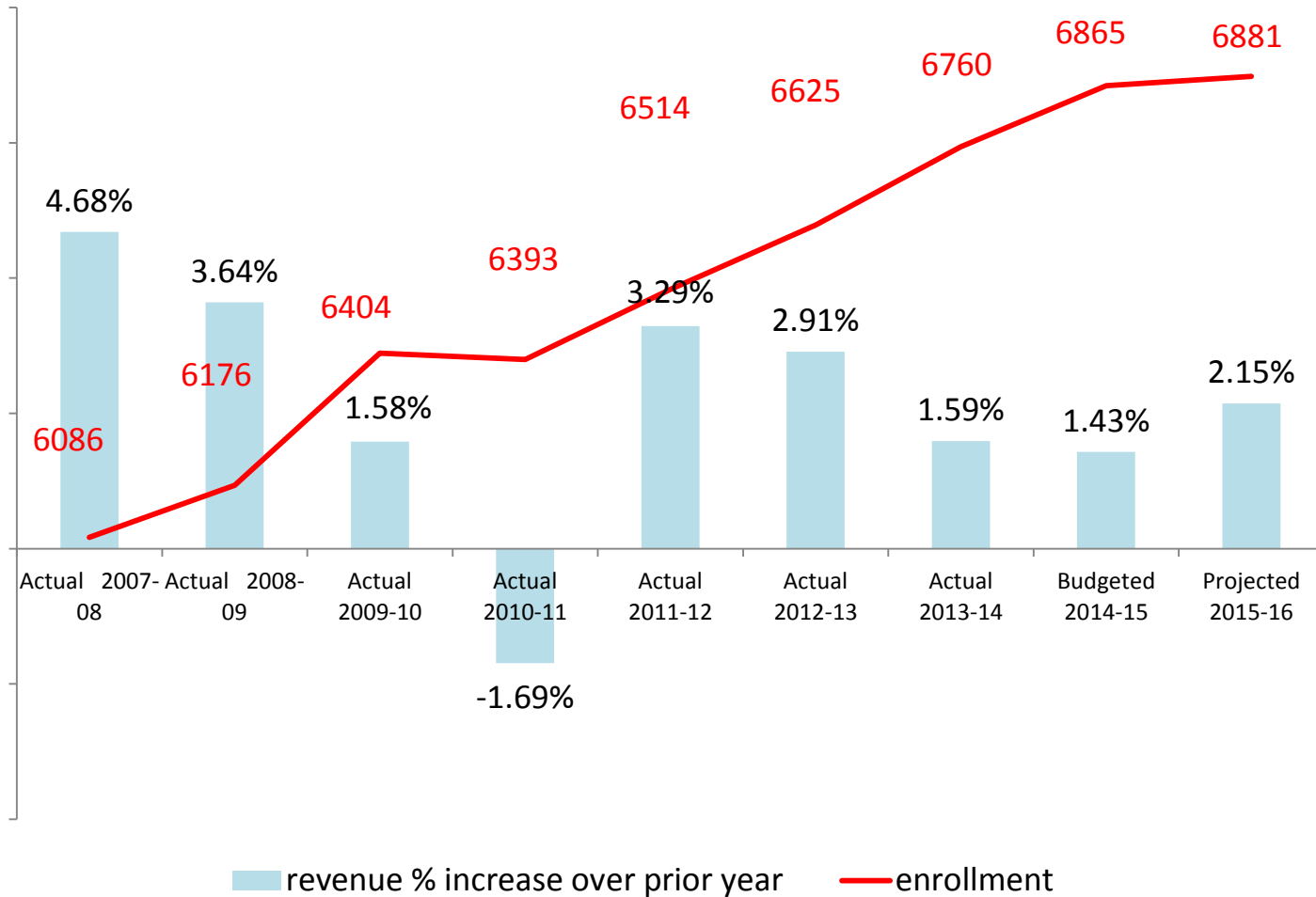
- ▶ State aid for 15-16 remains at same level as 13-14
 - *does not include PARCC readiness and Per Pupil Growth received 14-15*
 - *state aid will be announced after the Governor's budget address*
- ▶ Federal grants are budgeted slightly less than 14-15 levels
- ▶ Excess surplus from 2013-14 audit: \$2,471,003
- ▶ Revenues dependent on local sources.
- ▶ Banked cap is available
 - *(\$506,833 through 2014-15, \$409,103 through 2015-16, \$970,247 through 2016-17 = total \$ 1,886,183 banked cap available)*
- ▶ These assumptions are subject to change given the uncertain economic climate.

Projected Revenue 2015-16

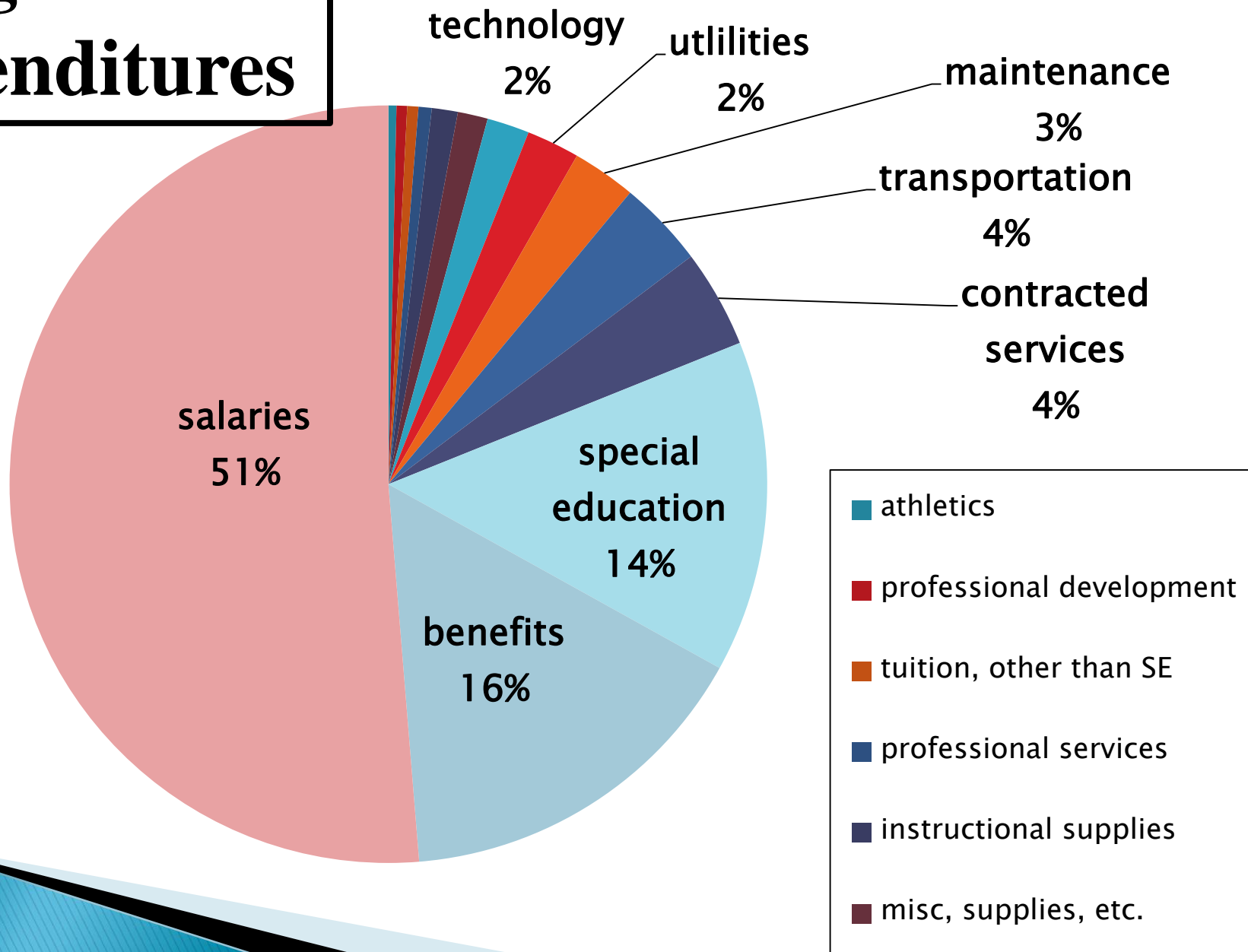
Revenue Source	Budgeted 2014-15	Proposed 2015-16
Operating Budget Local Tax Levy	106,563,115	108,694,377
State Aid	4,216,218	4,075,898
Fund Balance	1,949,406	2,471,003
Miscellaneous	40,000	50,000
Debt Service	4,171,789	4,119,440
State/Federal	2,752,626	2,853,493
Total Revenue	119,693,154	122,264,211

Multi-Year Impact

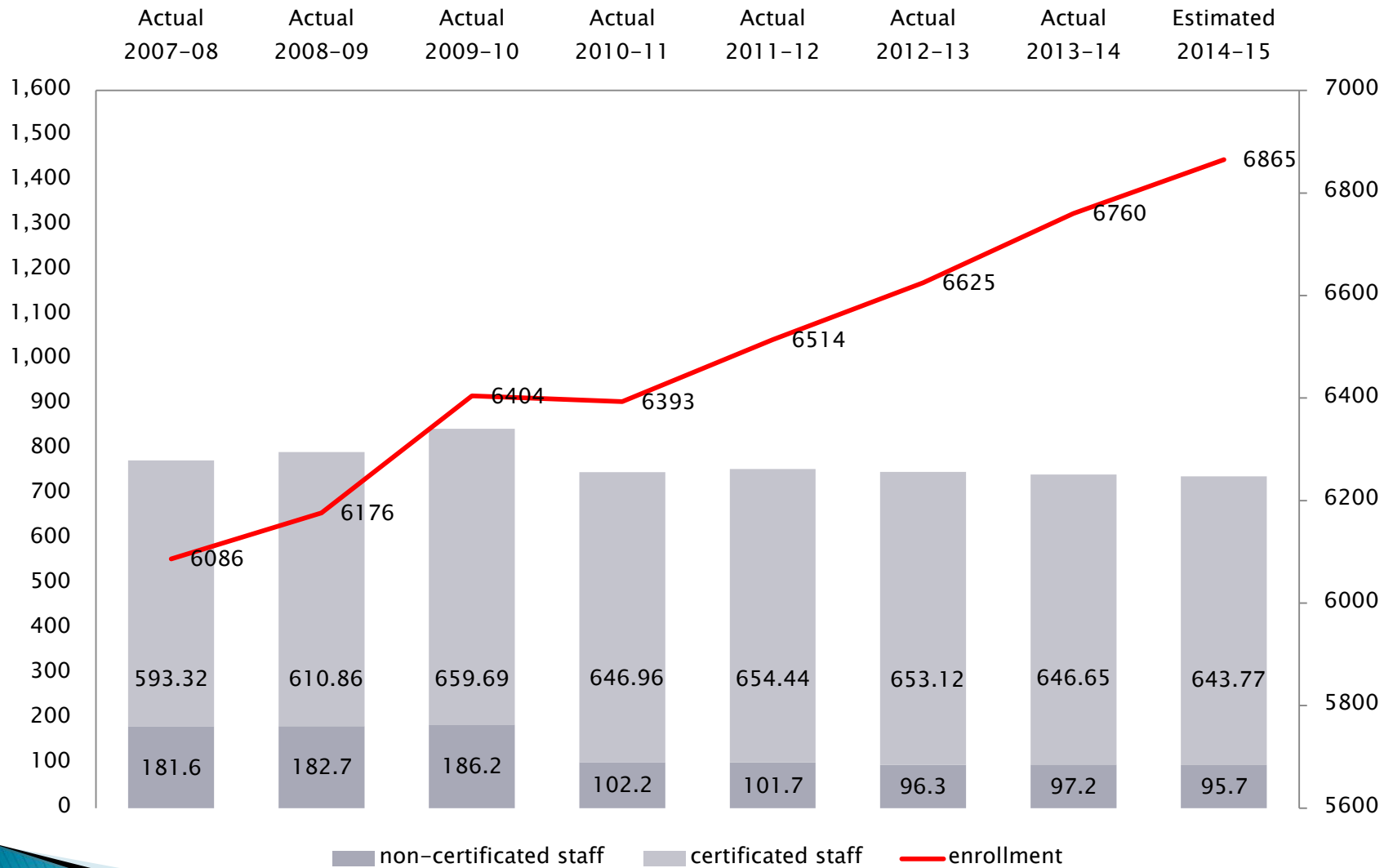
Percentage Change of Revenues from Prior Year



Budgeted Expenditures



Staffing compared to enrollments



Current Personnel Adjustments compared to 2014-2015 Budget

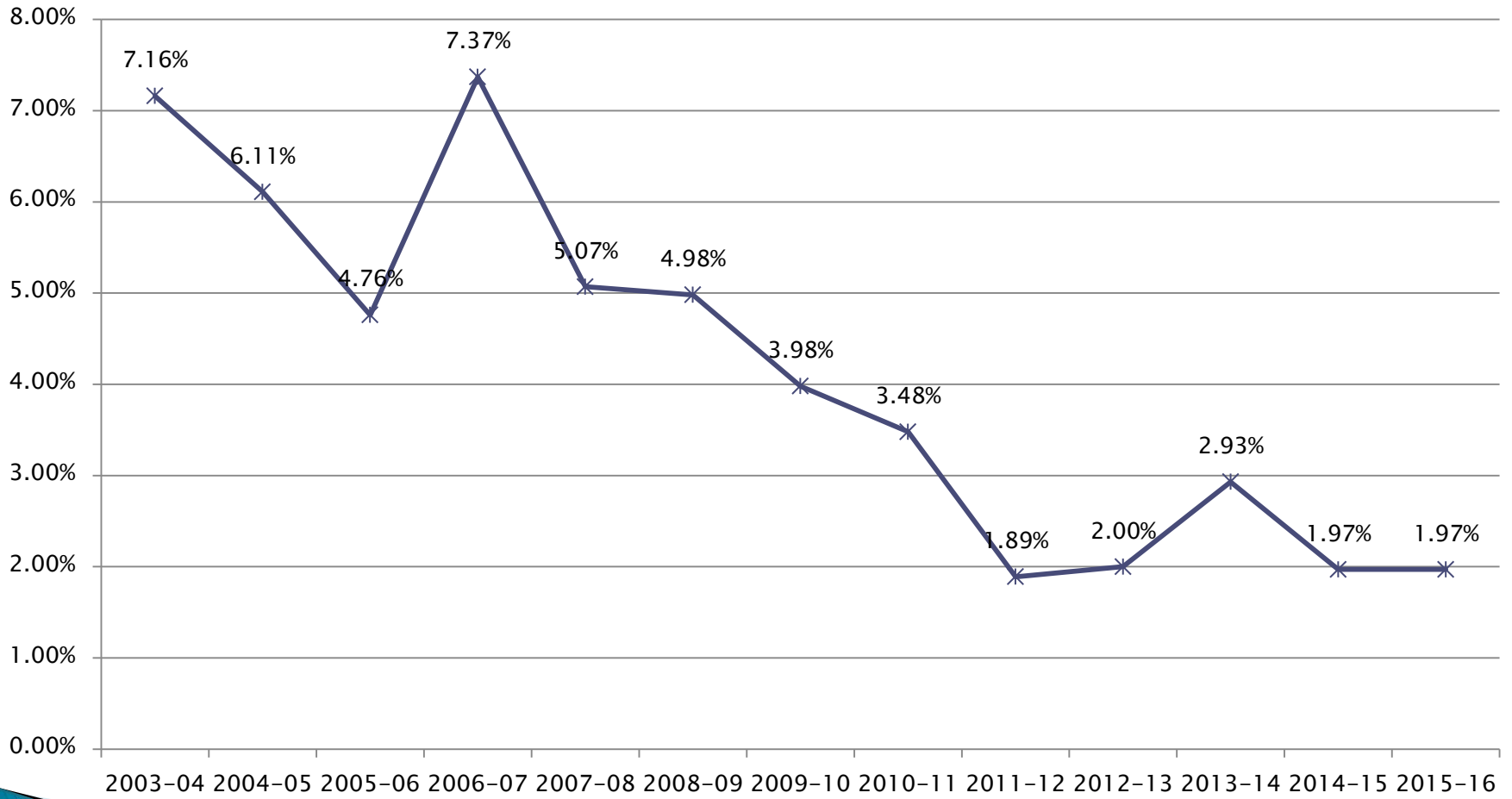
Additional 1.0 fte Secretary	1.0 FTE's
Middle School Behavioral Program	1.0 FTE's
Enrollment increases/program adjustments – certificated staff	9.1 FTE's
Total Personnel Adjustments (unrealized reductions) to 2014-15 Budget	11.1FTE's

What is the estimated tax impact?

Tax Levy CAP	\$108,694,377
Operating Budget Tax Impact (est.)	2.00%
Debt Service	\$ 3,879,339
Local Tax	\$112,573,716
Operating and Debt Service Tax Impact (est.)	1.88%

Year over Year Tax Impact

Tax Impact



Tax Levy Cap Adjustments & Banked Cap

Tax Levy at 2% of 2014-15	Enrollment Adjustment	Health Care Adjustment	Total Allowable Tax Levy
\$108,694,377	\$588,254	\$0	\$109,282,631

Budget Year Adjustment	Enrollment Adjustment	Health Care Adjustment	Total Adjust/Cap Available	Banked Cap Expires with SY Budget	Banked Cap 2015-16 Budget
2011-2012	\$346,441	\$643,322	\$989,763	2014-2015	\$0
2012-2013	\$506,833	\$0	\$506,833	2015-2016	\$506,833
2013-2014	\$0	\$409,103*	\$409,103	2016-2017	\$409,103
2014-2015	\$544,210	\$426,037	\$970,247	2017-2018	\$970,247
Total			\$2,875,946		\$1,886,183

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

What next? Budget Calendar

- ▶ **Mon, Feb 23** BOE meeting: Budget Discussion
- ▶ **Tues, Feb 24** Governor's State Budget Message
- ▶ **Thurs, Feb 26** State Aid Notices
- ▶ **March 4** *(tentative) BOE Budget Workshop*
- ▶ **March 12** *(tentative) Community Forum to discuss budget*
- ▶ **Mon, Mar 16** BOE meeting: BOE consider/adopt preliminary budget to send to Essex Co Supt for approval to advertise
- ▶ **April XX** *Address Maplewood Township Committee and Village of South Orange Board of Trustees*
- ▶ **Mon, Apr 27** BOE meeting: Public Hearing/action to levy 2015-16 school tax