

2014-2015 Proposed



South Orange-Maplewood
School District

March 11, 2014

Overview of Presentation

- ▶ Budget development process
- ▶ Tax Levy Cap Adjustments and Banked Cap
- ▶ Revenues Proposed 2014-15 Budget
- ▶ Budget Development Guiding Principle: District Goal Four
 - Alignment of budget to district goals and strategy
 - Rein in spending: Major Cost Drivers
- ▶ Expenses Proposed 2014-15 Budget
- ▶ Expense Adjustments and Reductions
- ▶ Multi-year Projections
- ▶ Estimated tax impact

Budget Development

November:

- Baseline Data for Budget Development

December:

- Budget Analyses

January:

- Revenue assumptions
- comparative spending
- historical trends

February:

- Alignment of budget to district goals and strategy
- Redirection of resources to impact student achievement

March:

- Proposed budget for discussion

Budget Materials Available

- ▶ Budget Presentations: 1/27 & 2/24 & 3/4 meetings
- ▶ Baseline Budget Data Memo 11/18/13
- ▶ Budget Analyses 12/16/13
- ▶ 2014-15 Proposed Budget - Side by Side View
- ▶ 2014-15 Proposed Budget – Comparative View
- ▶ 2014-15 Proposed Budget – Annotated View
- ▶ 2014-15 Proposed Budget – Cost Center View
- ▶ 2014-15 Proposed Budget – Staffing Comparison
- ▶ 2014-15 Proposed Budget – Multi-year Projections

Tax Levy Cap Adjustments & Banked Cap

Tax Levy at 2% of 2013-14	Enrollment Adjustment	Health Care Adjustment	Total Allowable Tax Levy
\$106,563,115	\$544,210	\$426,037	\$107,533,362

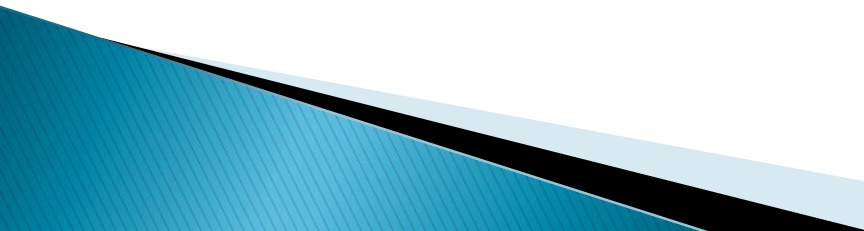
Budget Year Adjustment	Enrollment Adjustment	Health Care Adjustment	Total Adjust/Cap Available	Banked Cap Expires with SY Budget	Banked Cap 2015-16 Budget
2011-2012	\$346,441	\$643,322	\$989,763	2014-2015	\$0
2012-2013	\$506,833	\$0	\$506,833	2015-2016	\$506,833
2013-2014	\$0	\$409,103*	\$409,103	2016-2017	\$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

Revenue Proposed Budget 2014-15

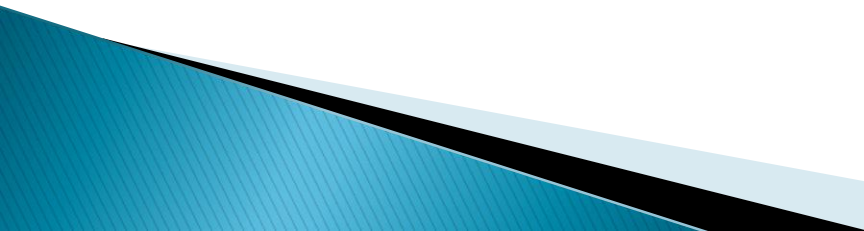
Revenue Source	Budgeted 2013-14	Proposed 2014-15
Operating Budget Local Tax Levy	104,473,642	106,563,115
State Aid	4,075,898	4,216,218
Capital Reserve	589,000	0
Fund Balance	2,152,272	1,949,406
Miscellaneous	40,000	40,000
Debt Service	4,123,451	4,235,179
State/Federal	2,549,881	2,752,626
Total Revenue	118,004,144	119,756,544

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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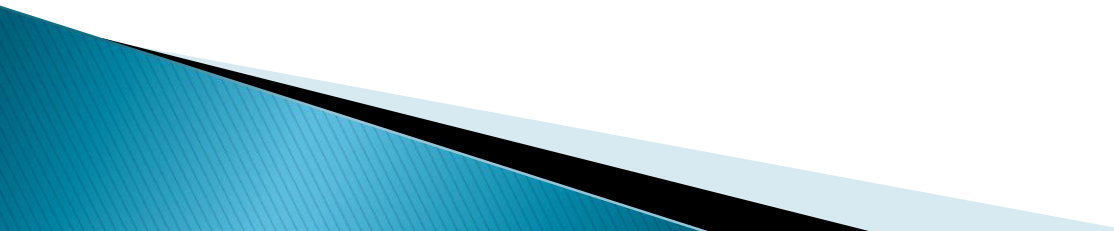
District Goal Four - Development of a Budget that Reins in Spending:

- ▶ 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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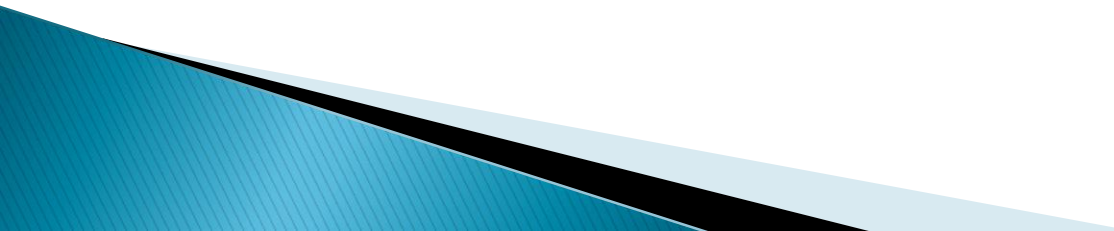
District Goal Four - Development of a Budget that Reins in Spending:

- ▶ 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

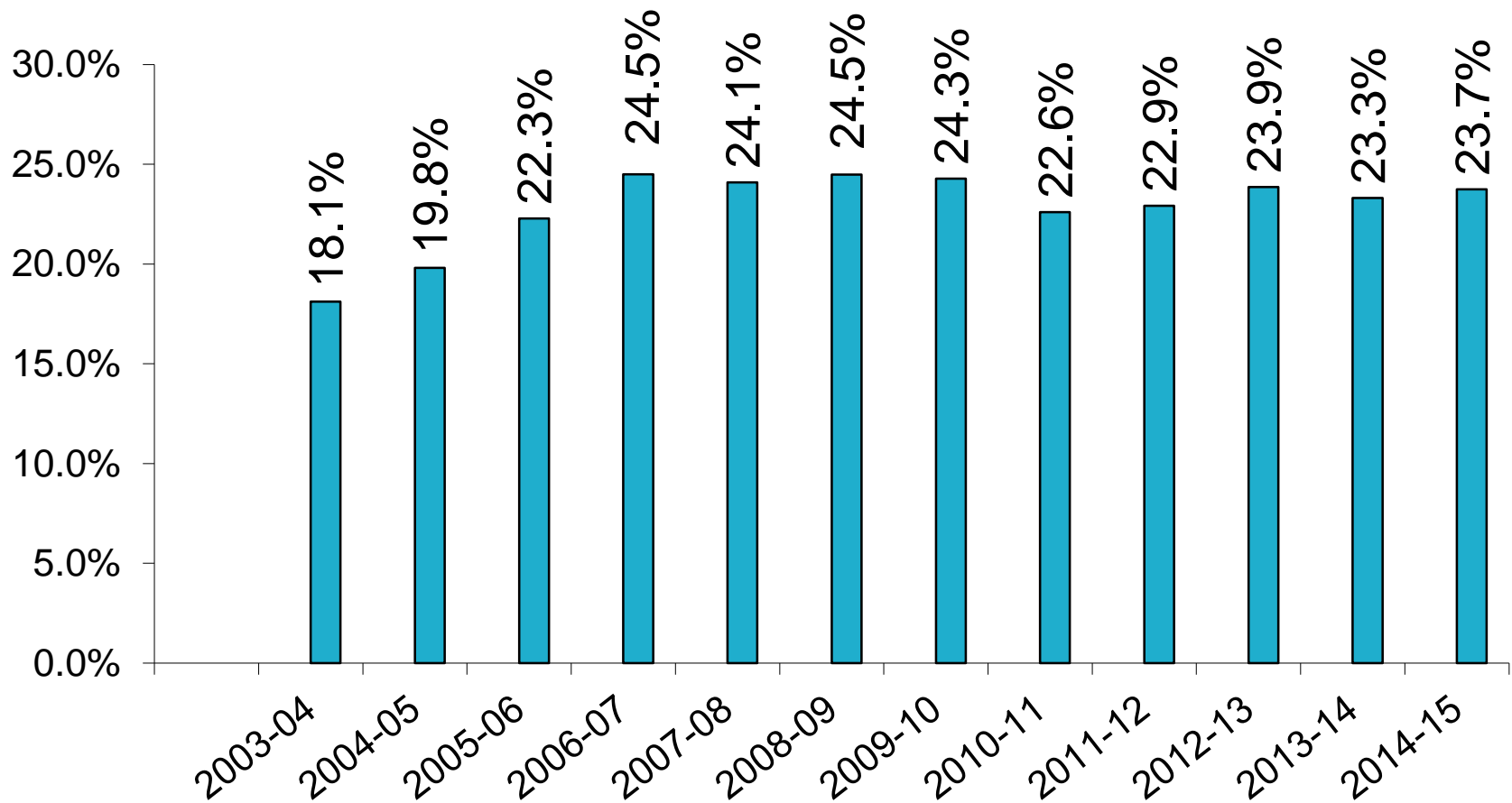
 - ▶ Reduce cost of programs by altering delivery
 - Enrichment program
 - Technology efficiencies – online classes
 - Restructuring of Professional development
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Certain Expenses Proposed Budget 2014-15

Expense Category	Budgeted 2013-14	% Total Operating	Proposed 2014-15	% Total Operating
Salaries	59,168,169	51.9%	59,668,344	51.7%
Health Benefits	13,240,194	11.6%	14,118,198	12.2%
Tuition Expense	10,235,316	9.0%	11,291,248	9.8%
Energy Expense	2,595,000	2.3%	2,455,000	2.1%
Transportation Expense*	3,832,495	3.4%	3,912,847	3.4%
Textbooks/Supplies	1,967,872	1.7%	1,829,307	1.6%
Maintenance/Security*	8,787,102	7.7%	8,838,376	7.7%

* Excludes salaries

Special Education Expenses as a Percent of Total Budget



Summary

Reductions for 2014-15 Budget

Revised Budget Assumptions <i>(e.g., assumptions regarding contracts, spending, insurance costs, contracted services, etc.)</i>	(\$855,000)
Non-personnel Budget Reductions <i>(e.g., summer programs, professional development, electronic reporting, maintenance spending, professional services, energy usage, etc.)</i>	(\$670,000)
Personnel Budget Reductions	(\$1,275,000)
Total Budget Reductions <i>(approximate)</i>	(\$2,800,000)

Personnel Adjustments compared to 2013-2014 Adjusted Budget

Reduce 1.0 fte Child Study Team	(1.0) FTE's
Reduce 1.0 fte Secretary	(1.0) FTE's
Reduce 0.5 fte Transportation Personnel (scheduling efficiencies)	(0.5) FTE's
Reduce 2.0 fte Elementary Enrichment Add 1.0 fte Gifted and Talented (program restructuring)	(1.0) FTE's
Reduce 4.0 fte's CHS Teaching Staff (scheduling efficiencies)	(4.0) FTE's
Reduce 2.0 fte's Elementary Specials (scheduling efficiencies)	(2.0) FTE's
Reduce 6.0 fte's Special Education Teaching Staff (enrollment changes and scheduling efficiencies)	(6.0) FTE's
Total Personnel Adjustments 2014-15 Preliminary Budget	(15.5) FTE's

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

Tax Impact average assessed household value (based on 2013 figures):

Maplewood: \$190

South Orange: \$239

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

