

Strategic Directions 2016-2017 Preliminary Budget



South Orange-Maplewood
School District

January 25, 2016

Overview of Presentation

- ▶ Budget development process
- ▶ Revenue Assumptions
- ▶ Estimated Tax Impact
- ▶ Enrollment Projections
- ▶ Historical Trends
- ▶ Comparative Spending
- ▶ Guiding budgeting principle: District Goal Four
- ▶ Budget requests and considerations
- ▶ Budget Projections
- ▶ 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
- Debt Service Status
- Budget Process, Calendar, and Priorities

Budget Development

December: Budget Development – Budget Analyses

Board requested:

Special Education – Internal Review

Prior Year Updates and other Considerations:

Technology Investment

Enrollment Changes and Building Capacity

Summer Programming

Access and Equity Policy

Legal Expenses

Transportation Update

Additional areas being considered, including, but not limited to:

Energy Consumption

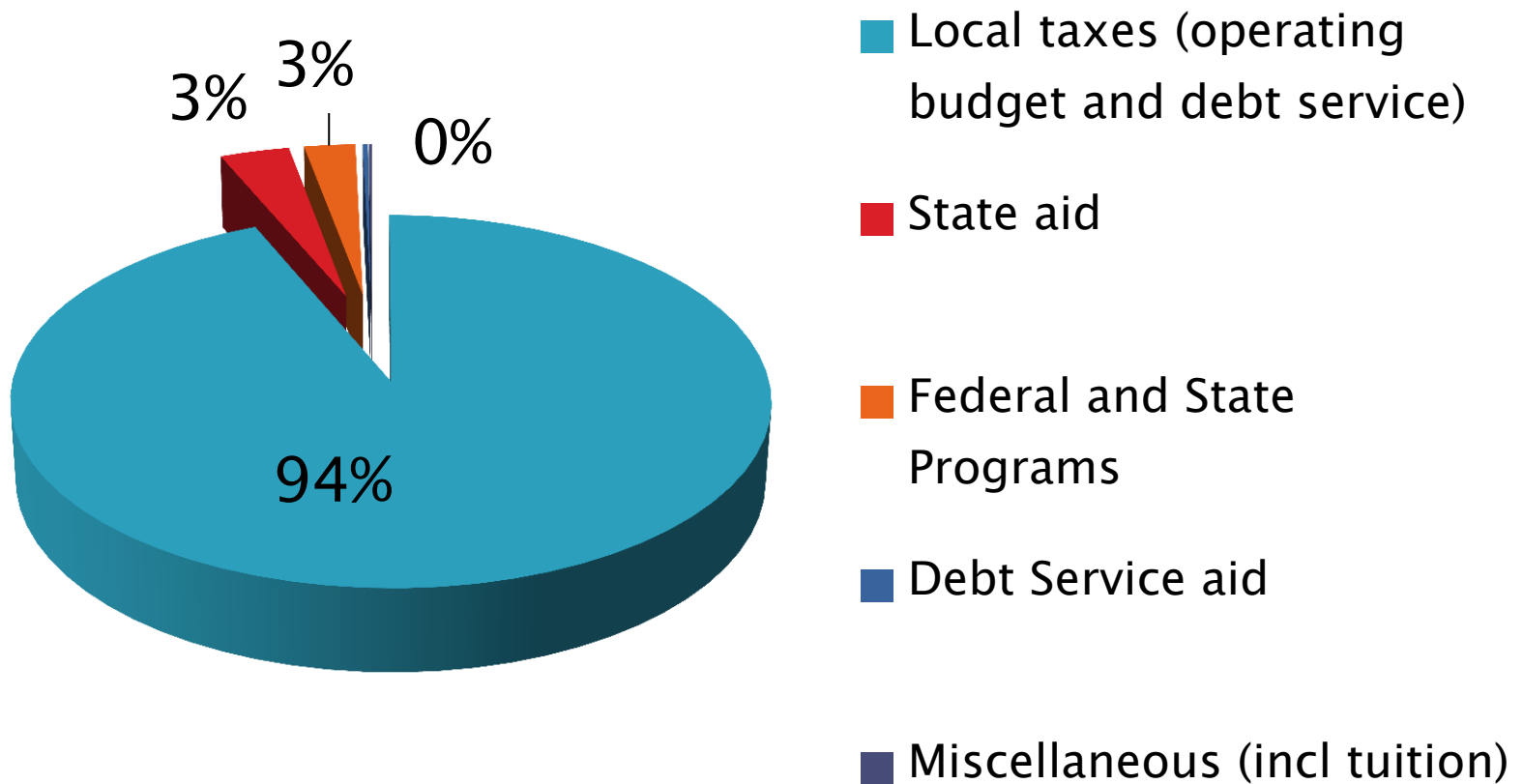
Paper/copying expenses

Contracted Services

2016-17 Budget Resource Assumptions

- ▶ State aid for 16-17 remains at same level as 15-16
 - The amount of state aid will not be known until after the Governor's budget address in February.
- ▶ Federal grants budgeted slightly less than 15-16
- ▶ Excess surplus from 2014-15 audit: \$2,275,894
- ▶ Revenues dependent on local sources.
- ▶ Banked cap is available.
 - (*\$409,103 through 2016-17, \$970,247 through 2017-18, \$147,754 through 2018-19 = total \$1,527,104 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.

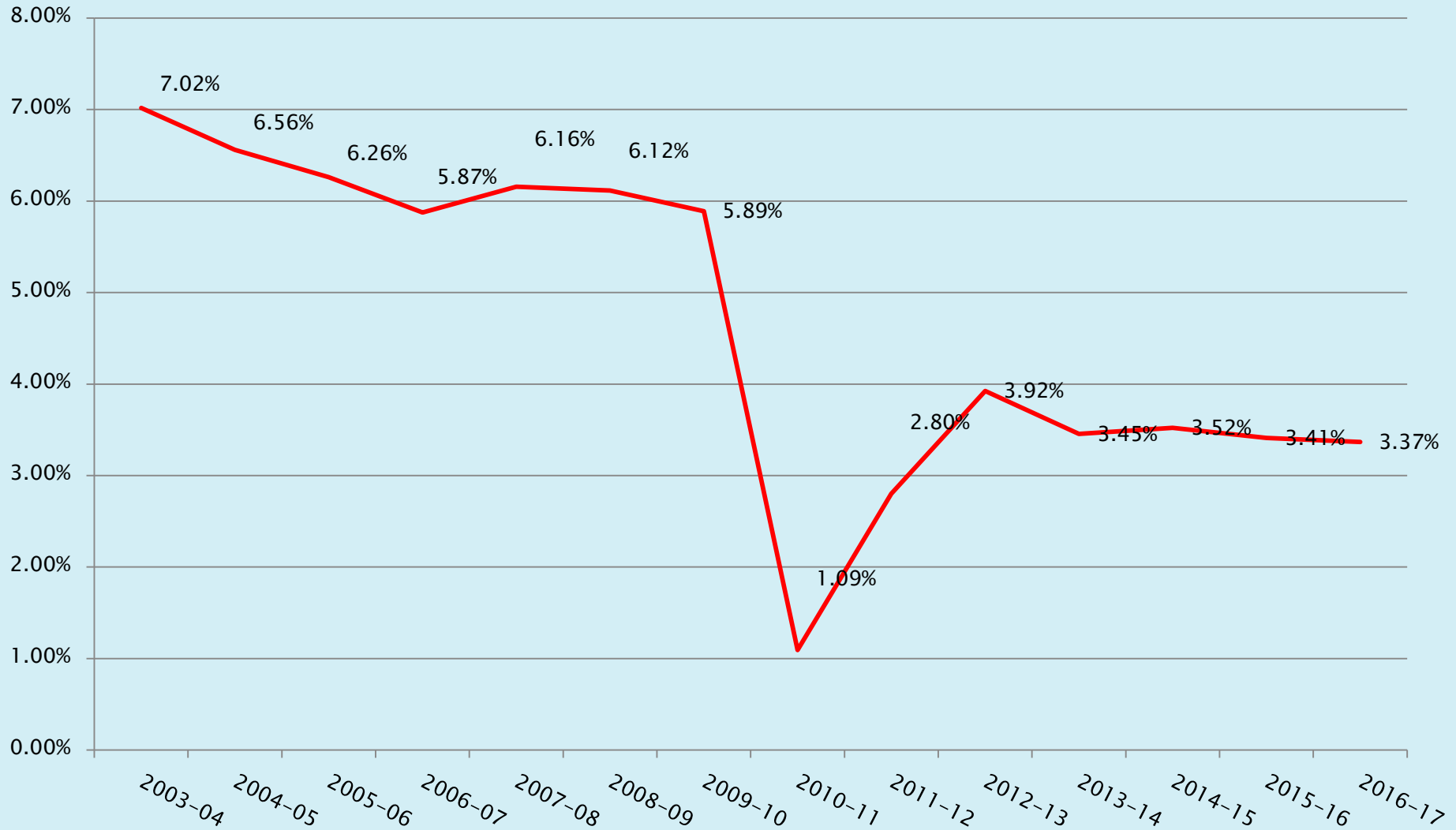
Where does school budget revenue come from?



Revenue 2016-17

Revenue Source	Budgeted 2015-16	Assumptions 2016-17
Operating Budget Local Tax Levy	109,134,877	111,317,575 (at 2% tax increase)
State Aid	4,216,218	4,216,218
Capital Reserve	338,530	0
Fund Balance	2,471,003	2,275,894
Miscellaneous (incl. tuition)	275,000	275,000
Debt Service	4,119,440	4,152,635
State/Federal	3,039,712	3,011,086
Total Revenue	123,594,780	125,248,408

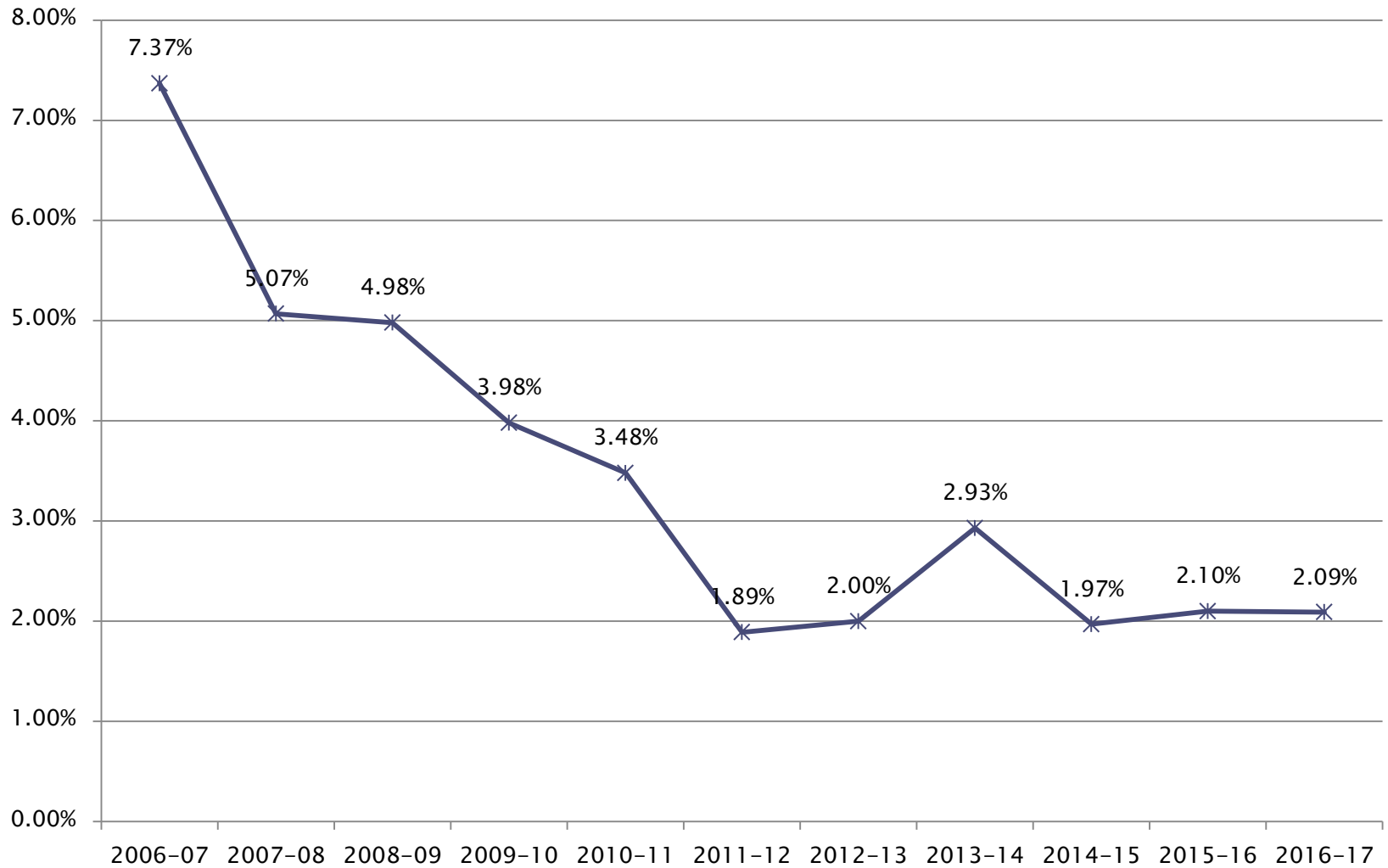
State Aid as a Percent of Revenue



What is the estimated tax impact?

Tax Levy CAP	\$111,317,575
Operating Budget Tax Impact (est.)	2.00%
Debt Service	\$ 3,830,933
Local Tax	\$115,148,508
Operating and Debt Service Tax Impact (est.)	2.09%

Year over Year Tax Impact



Tax Levy Cap Adjustments & Banked Cap

Tax Levy at 2% of 2015-16	Enrollment Adjustment	Health Care Adjustment	Total Allowable Tax Levy
\$111,317,574	\$0	unknown at this time	\$111,317,574

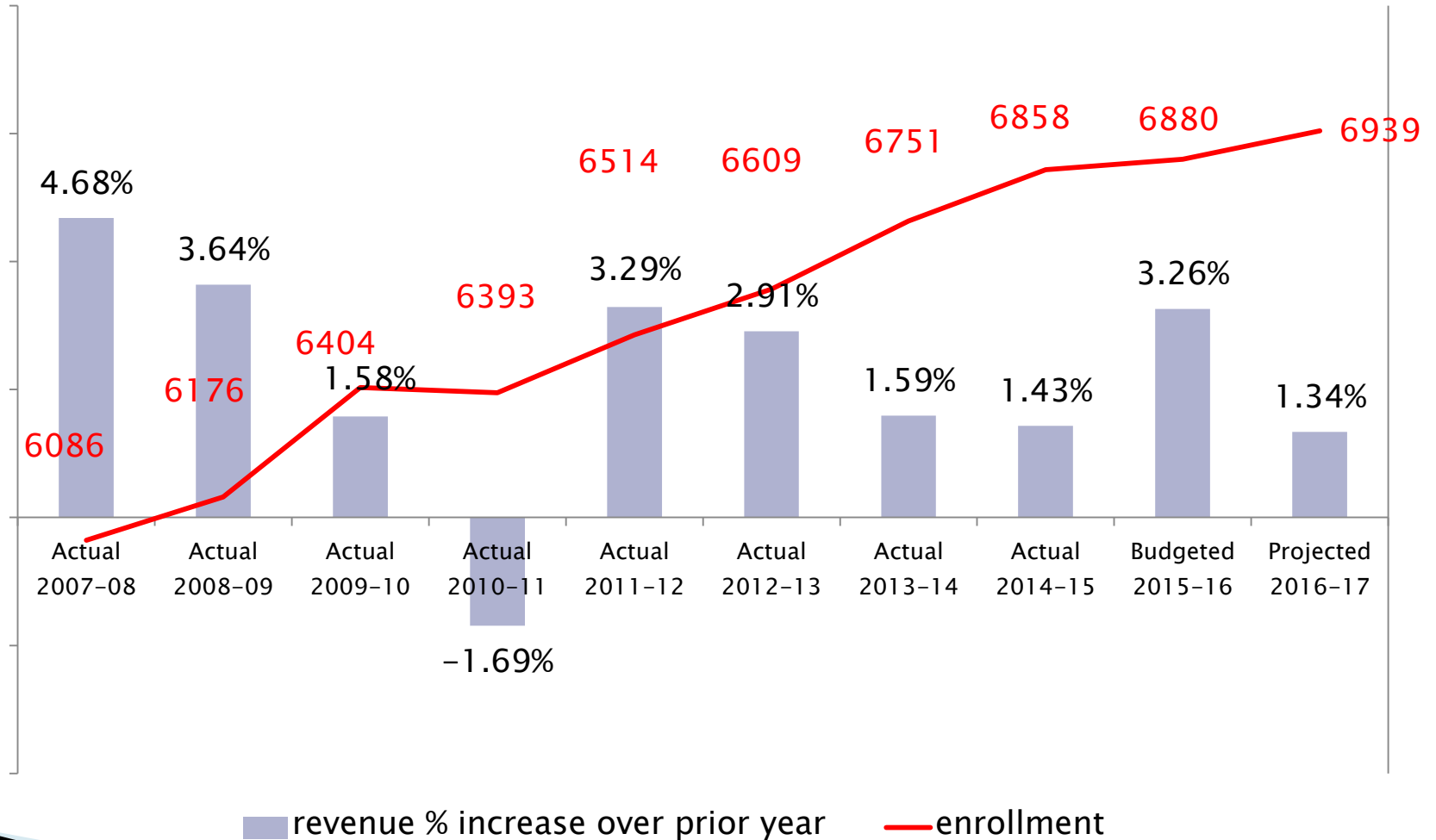
Budget Year Adjustment	Enrollment Adjustment	Health Care Adjustment	Total Adjust/Cap Available	Banked Cap Expires with SY Budget	Banked Cap 2016-17 Budget
2012-2013	\$506,833	\$0	\$506,833	2015-2016	\$0
2013-2014	\$0	\$884,103	\$409,103*	2016-2017	\$409,103
2014-2015	\$544,210	\$426,037	\$970,247	2017-2018	\$970,247
2015-2016	\$588,254	\$0	\$147,754#	2018-2019	\$147,754
Total			\$2,033,937		\$1,527,104

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

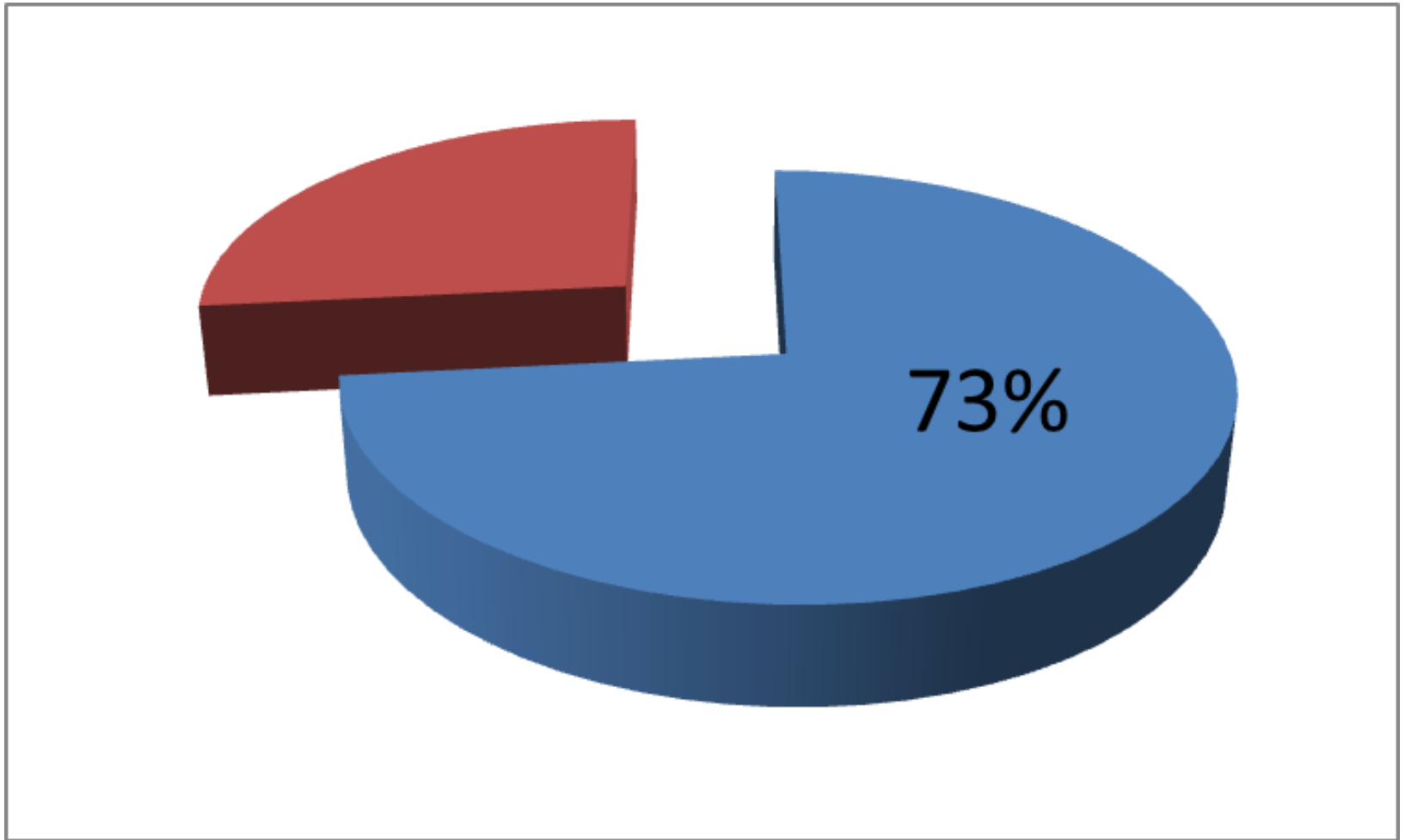
\$588,254 minus \$440,500

Multi-Year Impact

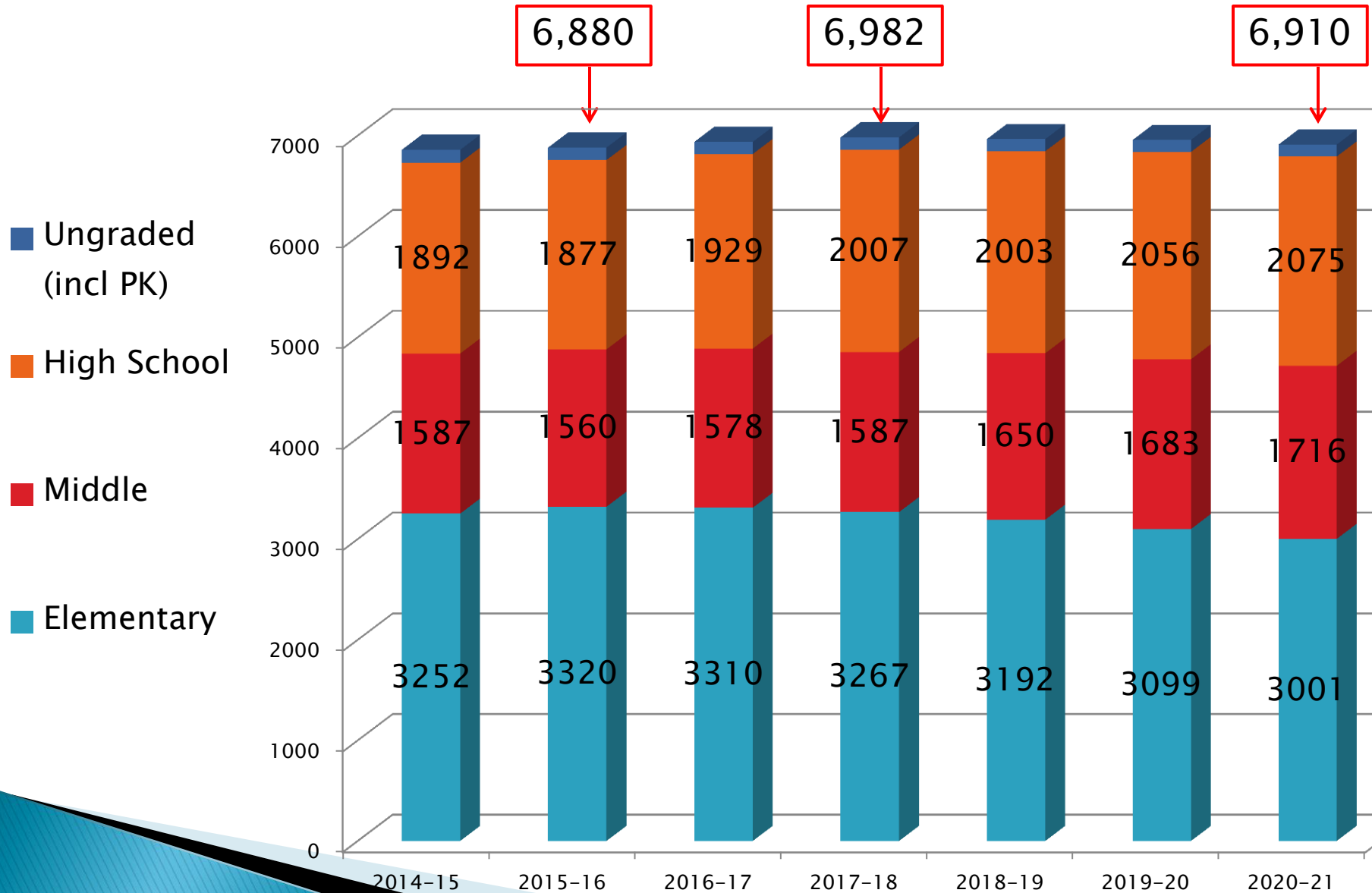
Percentage Change of Revenues from Prior Year



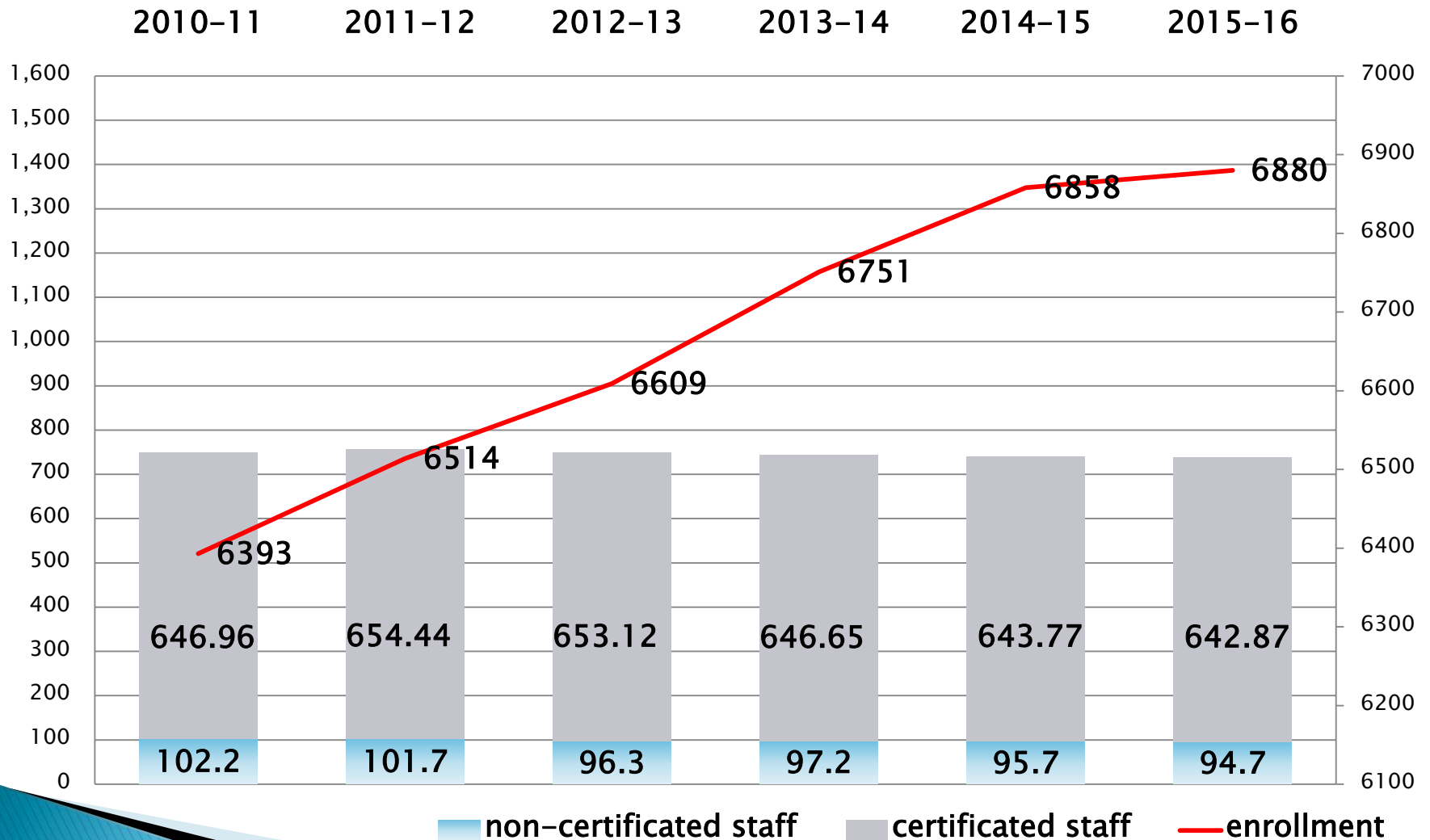
Staffing as a percent of budget



Projected District Enrollment



Staffing compared to enrollments

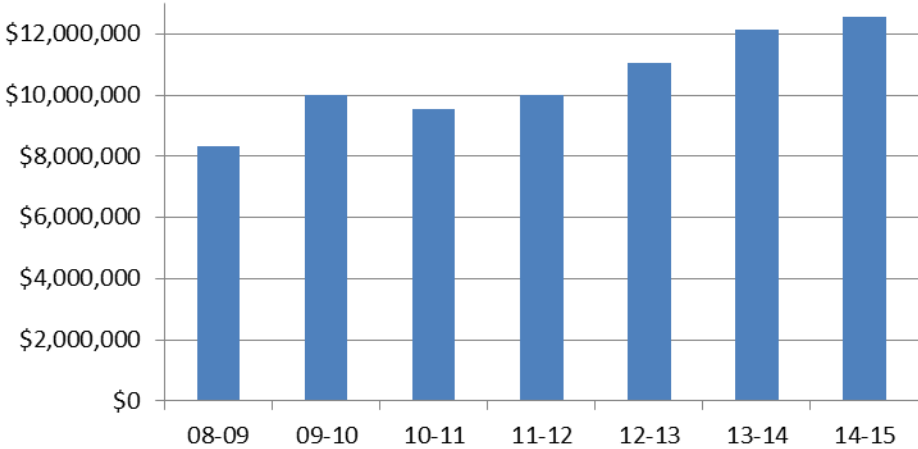


District Goal Four: Resource Management which calls for the achievement of other goals while **slowing the rate of increase in operating expenses**

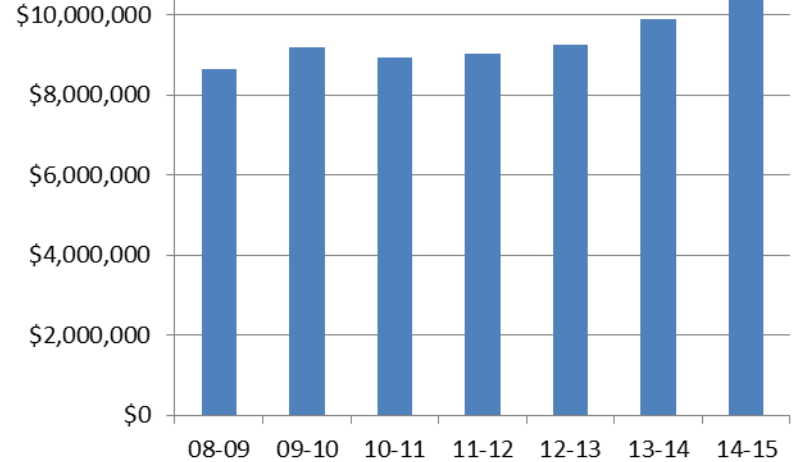
Analyses, past and present, represent areas identified for resource management, such as:

- Health insurance and employee benefits
- Maintenance Expenses
- Energy Expenses
- Transportation
- Out of District Tuition
- Legal Expenses

Health Cost Trend Analysis

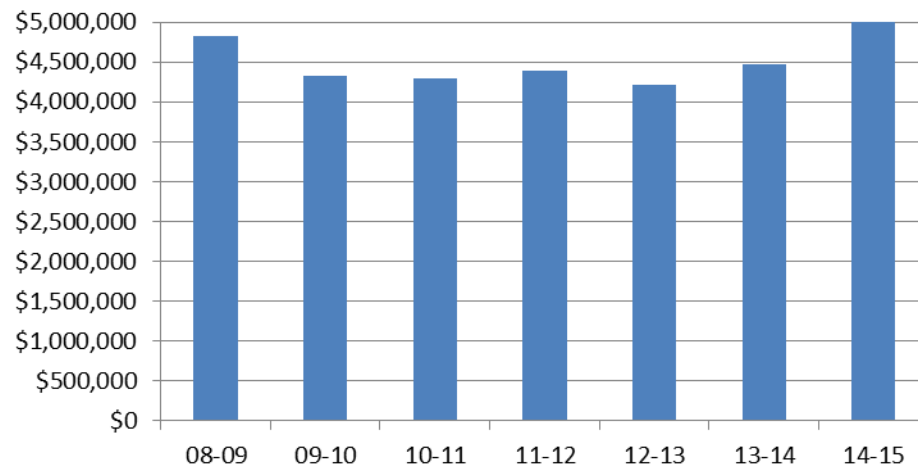


Tuition Cost Trend Analysis

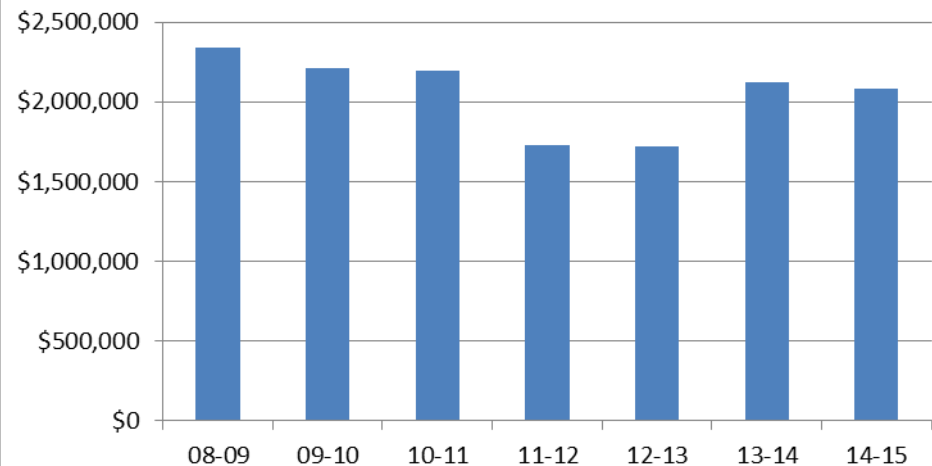


Resource Management

Transportation Cost Trend

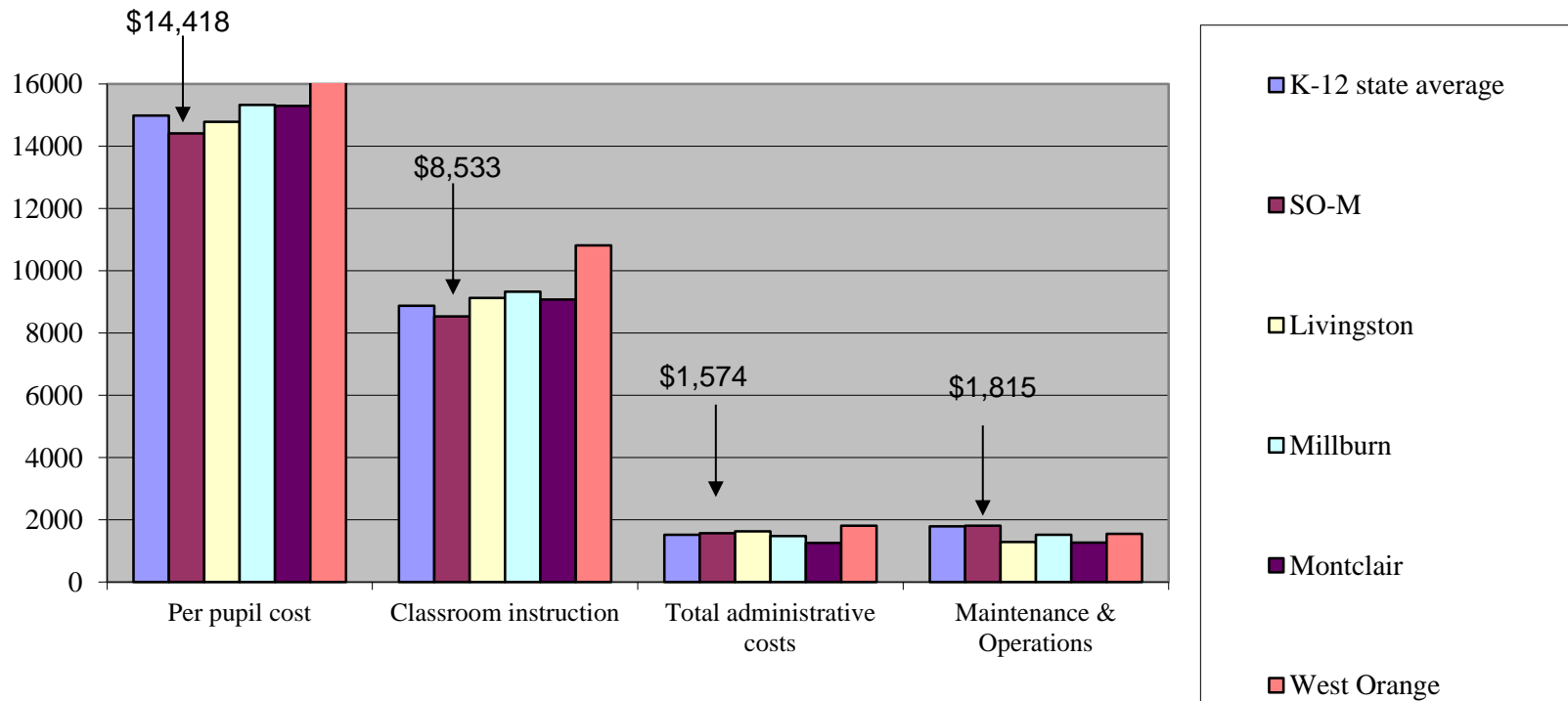


Energy Cost Trend Analysis



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

**South Orange Maplewood
Per Pupil Costs
Comparative Spending**



Source: Dept. of Education Taxpayer's Guide to Education Spending Budget 2014-15

District Goal Four: Resource Management which calls for the **achievement of other goals** while slowing the rate of increase in operating expenses

- Access and Equity Policy
- Strategic Plan:

The goal of the Strategic Plan is to create a new system which prepares students for a future that we have yet to imagine.

This plan will be a collaborative effort so that the plan ultimately represents the values of our community and the needs of our students.

GOAL ONE: Student Learning: Promote the intellectual growth of all students

- Access and Equity Policy
 - Summer School Programming
 - Academic Intervention
 - Enrollment and Class Size Considerations
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GOAL TWO: Professional Staff: Consistently and collaboratively lead students of diverse backgrounds and learning styles to learn at or above the appropriate grade-level standards

- Learning Walks
 - Cultural Competency
 - Restorative Justice
 - Differentiated Instruction
 - Technology Infusion
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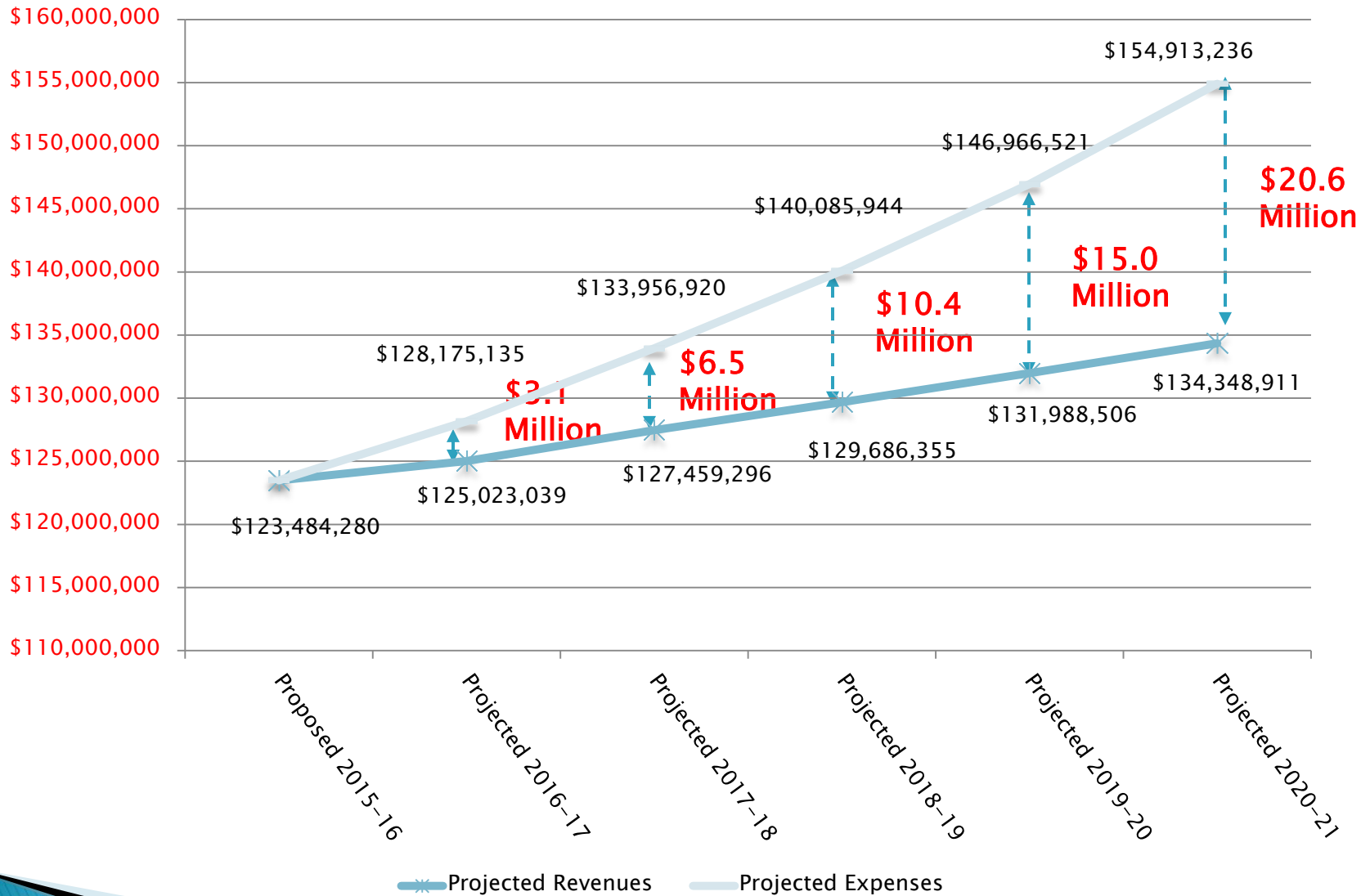
GOAL THREE: Engagement and Outreach: Communicate effectively with parents, students and the South Orange Maplewood community.

- Let's Talk
 - Website Re-design
 - Education Summit/Strategic Plan Development
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2016-17 Budget Requests/Considerations

- Staffing and supply requests for Enrollment Increases
- Enrollment Plan: Redistricting Considerations
- Access and Equity
 - Staffing requests for Academic Support
 - Supplies/textbooks for AP/accelerated enrollments
 - Additional Professional Development
- STEAM initiatives
- Second Year Expansion - Montrose Early Learning Center
- Seth Boyden enrollments (free/reduced lunch population)
- Increased technology – maintenance, replacement, support
- Increasing Tuition expenses and 504 Accommodations
- Increased Paraprofessional Staffing needs
- Security Enhancements

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



What next? Budget Calendar

- ▶ **Mon, Feb 22** **BOE meeting: Budget Discussion**
- ▶ Tues, Feb 23 Governor's State Budget Message
- ▶ Thurs, Feb 25 State Aid Notices
- ▶ *Mon, Mar 7* *(tentative) BOE Budget Workshop*
- ▶ *Mon, Mar 14* *(tentative) Community Forum to discuss budget*
- ▶ **Mon, Mar 21** **BOE meeting: BOE consider/adopt preliminary budget to send to Essex Co Supt for approval to advertise**
- ▶ **Tues, Mar 22** Last day to submit 2016-17 Budget to County
- ▶ **Mon, Apr 18** **BOE meeting**
- ▶ *Mon, Apr 25* *Public Hearing/action to levy 2016-17 school tax*