

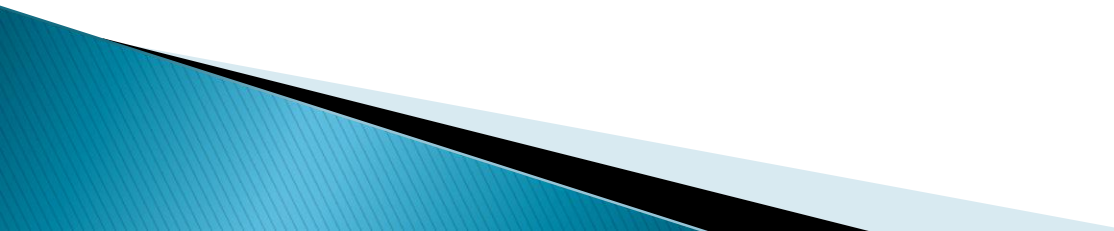
# 2015-2016 Budget Proposal



South Orange-Maplewood  
School District

March 4, 2015

# Overview of Presentation

- ▶ Budget development process
  - ▶ Tax Levy Cap Adjustments and Banked Cap
  - ▶ Estimated tax impact at 2% Operating Budget increase
  - ▶ Revenues Proposed 2015-16 Budget
  - ▶ Budget Considerations in the Proposed Budget
  - ▶ Expense Adjustments and Reductions
  - ▶ Expenses Proposed 2015-16 Budget
  - ▶ Expense Adjustments and Reductions
  - ▶ Estimated tax impact with tax cap adjustment
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# Budget Development

November:

- Baseline Data for Budget Development
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December:

- Budget Analyses
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January:

- Enrollment Projections
  - Comparative spending
  - Historical Trends
  - Revenue assumptions
- 

February:

- Budget Considerations/Requests
- Tax Cap Adjustments and Banked Cap
- Estimated 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 is the estimated tax impact at 2% operating budget?

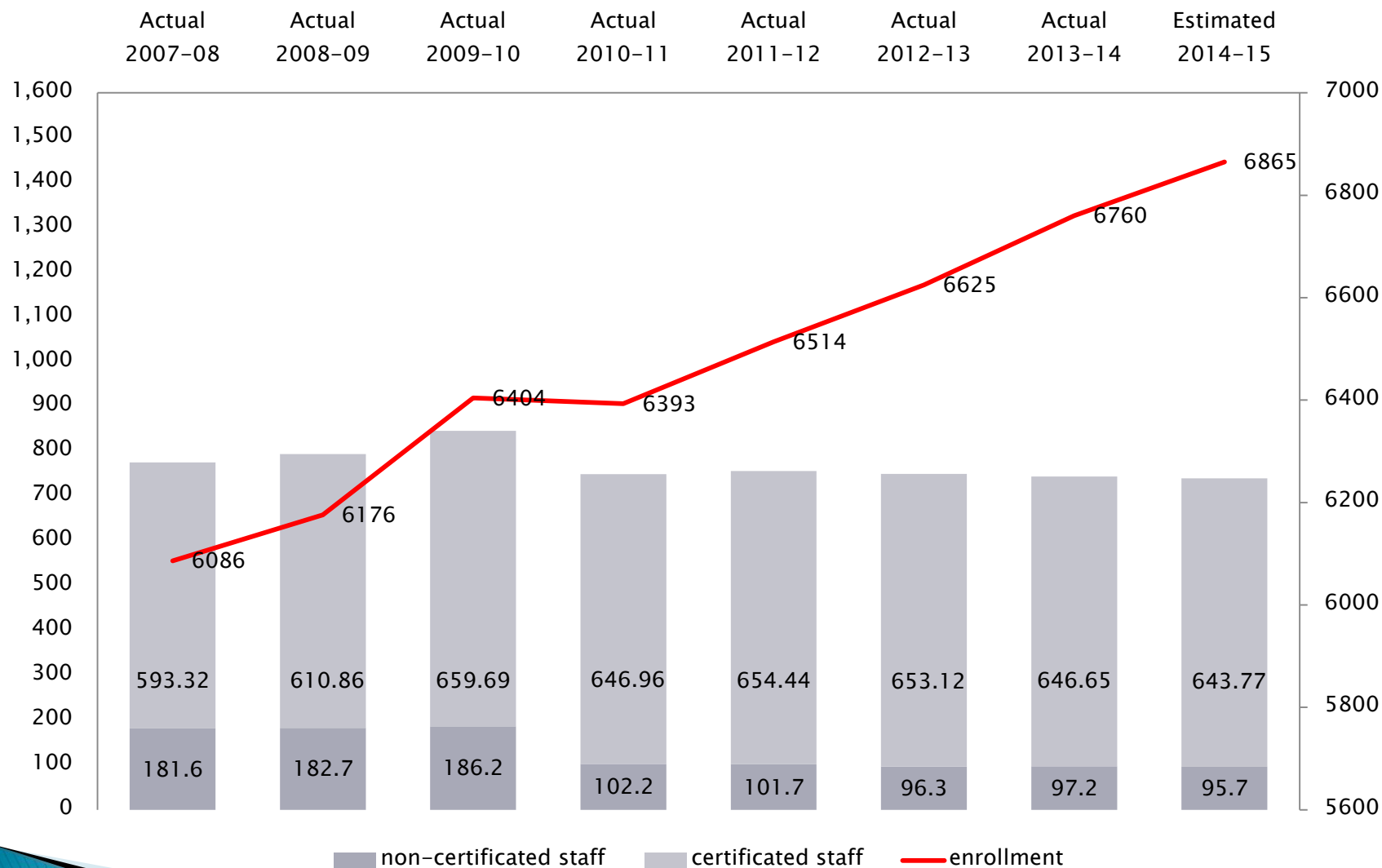
Tax Levy CAP	\$108,694,377
Operating Budget Tax Impact (est.)	2.00%
Debt Service	\$ 3,688,091
Local Tax	\$112,382,468
Operating and Debt Service Tax Impact (est.)	1.70%

Estimated Tax Impact average assessed household value (based on 2014 figures):

Maplewood: \$109

South Orange: \$239

# 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 /Additional Social Worker	1.0 FTE's
Enrollment increases/program adjustments – certificated staff	9.1 FTE's
<b>Total Personnel Adjustments (unrealized reductions) to 2014-15 Budget</b>	<b>11.1FTE's</b>

# Tax Levy Cap Adjustments & Banked Cap

## ASSUMING USE OF \$330,000 ENROLLMENT ADJUSTMENT

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	\$409,103*	\$409,103	2016-2017	\$409,103
2014-2015	\$544,210	\$426,037	\$970,247	2017-2018	\$970,247
2015-2016	\$258,254#	\$0	\$258,254	2018-2019	\$258,254
Total			\$2,144,437		\$1,637,604

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

# \$588,254 minus \$330,000


# Revenue Proposed Budget with \$330,000 Adjustment

Revenue Source	Budgeted 2014-15	Proposed 2015-16
Operating Budget Local Tax Levy	106,563,115	109,024,377
State Aid	4,216,218	4,216,218
Capital Reserve	0	338,530
Fund Balance	1,949,406	2,471,003
Tuition (Montrose ELC)	0	200,000
Miscellaneous	40,000	75,000
Debt Service	4,171,789	4,119,440
State/Federal	2,752,626	3,039,112
Total Revenue	119,693,154	123,483,680

# 2015-16 Budget Considerations

- Enrollment Increases (middle schools, special ed, CHS)
- Middle School Schedules
- STEM initiatives
- Professional development
- Montrose Early Learning Center
- Seth Boyden enrollments (free/reduced lunch population)
- Increased technology – maintenance, replacement, support
- Middle states accreditation: excellence by design
- Educational equity consultant/OCR agreement
- Opening new classrooms
- Increased OOD Placements and increased transportation

# **Analyze every line to identify expenditure reductions**

- ▶ Adjustments for enrollment changes
  - ▶ Employee contributions – health care
  - ▶ Reduction of summer programs
  - ▶ Central Office reorganization
  - ▶ Middle School behavioral services
  - ▶ Restructuring of administrative and coaching support
- 

# Personnel Adjustments compared to 2014-2015 Adjusted Budget

<p>ADDITIONS - MONTROSE</p> <p>1.0 FTE - Director 1.0 FTE – Nurse 1.0 FTE – Secretary 2.0 (to 4.0 depending on enrollment) FTE’s Pre-K Teachers</p>	<p>5.0 FTE’s</p>
<p>ADDITIONS - MIDDLE SCHOOL SCHEDULES and 7<sup>th</sup> GRADE TEAMS</p> <p>2.0 FTE’s Classroom Teachers 1.6 FTE’s Physical Education</p>	<p>3.6 FTE’s</p>
<p><b>Total Personnel Additions 2015-16 Proposed Budget</b></p>	<p><b>8.6 FTE’s</b></p>

# Personnel Adjustments compared to 2014-2015 Adjusted Budget

Reduce 1.0 fte Guidance Counselor	(1.0) FTE's
Reduce 2.0 fte's Secretary	(2.0) FTE's
Reduce 1.0 Gifted and Talented (program restructuring)	(1.0) FTE's
Reduce 1.0 fte Central Office position (restructuring)	(1.0) FTE's
Reduce 2.0 fte's Elementary classroom teachers	(2.0) FTE's
Reduce 3.0 fte's Elementary World Language	(3.0) FTE's
Reduce 1.0 fte High school classroom	(1.0) FTE's
Reduce 1.0 fte's Related Arts	(1.0) FTE's
Reduce 1.0 fte's Reading Intervention teachers	(1.0) FTE's
<b>Total Personnel Reductions 2015-16 Proposed Budget</b>	<b>(13.0) FTE's</b>

**Net Change to 2014-15 Adjusted Budget: (4.4) FTE's**

# Expenses Proposed Budget 2015-16 with \$330,000 Adjustment

Expense Category	Budgeted 2014-15	% Total Operating	Proposed 2015-16	% Total Operating
Salaries	59,625,194	51.6%	61,119,696	51.2%
Health Benefits	14,118,198	12.2%	13,722,232	11.5%
Tuition Expense	11,291,248	9.8%	12,203,235	10.2%
Energy Expense	2,455,000	2.1%	2,480,000	2.1%
Transportation Expense*	3,912,847	3.4%	4,509,516	3.8%
Textbooks/Supplies	1,943,049	1.7%	2,155,859	1.8%
Maintenance/Security*	8,838,377	7.7%	9,031,940	7.6%

\* Excludes salaries

# What is the estimated tax impact with \$330,000 Adjustment?

Tax Levy CAP	\$109,024,377
Operating Budget Tax Impact (est.)	2.31%
Debt Service	\$ 3,688,091
Local Tax	\$112,712,468
Operating and Debt Service Tax Impact (est.)	2.00%

Estimated Tax Impact average assessed household value (based on 2014 figures):

Maplewood: \$121

South Orange: \$253

# Personnel Adjustments if Using Additional Tax Cap Adjustments above \$330,000

Add back 1.0 fte Reading Specialist	\$85,000
Tax Impact Operating Budget – 2.39% Tax Impact with Debt Service – 2.08%	Tax Impact average assessed household value (based on 2014 figures): Maplewood: \$124 South Orange: \$257
Add back 3.0 fte's Elementary World Language	\$255,000
Tax Impact Operating Budget – 2.55% Tax Impact with Debt Service – 2.23%	Estimated Tax Impact average assessed household value (based on 2014 figures): Maplewood: \$130 South Orange: \$265
Add back 3.0 fte's Elementary World Language Add back 1.0 fte Reading Specialist	\$340,000
Tax Impact Operating Budget – 2.63% Tax Impact with Debt Service – 2.31%	Tax Impact average assessed household value (based on 2014 figures): Maplewood: \$133 South Orange: \$268

# What next? Budget Calendar

- ▶ ***Thurs, Mar 12***      *Community Forum on the 2015-16 Budget*  
*7:30 PM – District Meeting Room*

Feedback can also be sent to Board members at: [budget@somsd.k12.nj.us](mailto:budget@somsd.k12.nj.us)

- ▶ **Mon, Mar 16**      BOE meeting: BOE consider/adopt preliminary budget to send to Essex Co Supt for approval to advertise
- ▶ **Mon, Apr 27**      BOE meeting: Public Hearing/action to levy 2015-16 school tax