

2018-2019 Preliminary Budget



South Orange-Maplewood
School District

February 20, 2018

Projected Revenue 2018–19

Revenue Source	2017–18	Projected 2018–19	% Change
Operating Budget Local Tax Levy	115,755,202	118,070,306 (at 2% tax increase)	2.0%
State Aid	4,307,567 <u>241,960</u> 4,549,527	4,549,527	0.0%
Capital Reserve	0	0	
Audited Fund Balance	2,389,338	2,389,338	0.0%
Miscellaneous (incl. tuition)	375,000	475,000	26.7%
Debt Service	4,169,235	4,073,275	-2.3%
State/Federal	3,357,525	3,014,472	-10.22%
Total Revenue	130,595,827	132,571,918	1.51%

Additional Revenue

1,976,091

Tax Levy Cap Adjustments & Banked Cap

Year	Allowable Adjustments (Health / Enrollment)	Adjustments / Banked Cap Used	Banked Cap Available
2013-2014	884,103	475,000	409,103
2014-2015	970,247	0	970,247
2015-2016	588,254	440,500	*147,754
2016-2017	0	409,103	0
2017-2018	823,744	1,793,991	0

***\$147,754 of banked cap expires if not used for 2018-2019**

2018-2019 Allowable Adjustments & Available Banked Cap	
Allowable Adjustments (Health / Enrollment)	Available
326,831	147,754

2018–2019 Appropriations

Appropriations are aligned with district goals

- ▶ Staffing remains level
- ▶ Curriculum and technology funds used to support Math & Science initiative
- ▶ Data Warehouse
- ▶ Multiple Measures
- ▶ Online Registration
- ▶ Professional Development in Restorative Practices

Projected Appropriations 2018-19

Category	2017-2018 Revised Budget	Proposed	Change
Salaries & Contract Services	72,188,213	76,922,017	4,733,804
Health Benefits	14,712,700	15,559,900	847,200
Tuition	14,001,027	15,147,411	1,146,384
Transportation	5,729,206	6,038,480	309,274
Other Benefits	3,334,861	3,304,061	-30,800
School / Department	3,351,906	3,164,665	-187,241
Technology, curriculum, Maintenance & Operation, Utilities, BOE/Central Admin, Special Services	17,446,863	17,237,996	-208,867
Total	*130,764,776	137,374,530	6,609,754

*Does not include year end encumbrances as of 6/30/17 and local grants.

2018–19 Revenue vs. Appropriations

	2017–2018 Revised	2018–2019 Preliminary	Diff	% Diff
Revenues	130,764,776	132,571,918	1,807,142	1.38%
Expenditures	130,764,776	137,374,530	6,609,754	5.05%
2018–2019 Budget Gap to Close			4,802,612	

Managing the \$4.8 Million Budget Deficit

▶ Additional Medicaid	\$ 13,959
▶ Health / Enrollment Adj.	\$ 326,831
▶ Banked Cap	\$ 147,754
▶ Maintenance Reserve	\$1,000,000
▶ **Spending Freeze and Breakage	\$3,314,068

**Estimate

Managing the \$4.8 Million Budget Deficit

- ▶ Spending Freeze – Temporary hold on non critical facility projects, supplies, etc.
- ▶ Maximize use of SEMI Funding
- ▶ Increased use of E-rate funding
- ▶ Using Gov Deals for selling obsolete equipment
- ▶ Using co-op purchasing agreements to maximize buying power.
- ▶ Using shared service agreements to maximize buying power.

2018-19 Preliminary Proposed Budget

	Projected	Final (Preliminary)	Diff
Revenues	132,571,918	137,374,530	4,802,612
Expenditures	137,374,530	137,374,530	0
	-4,802,612	0	

Estimated Tax Impact

Tax Levy CAP	\$118,070,306
Operating Budget Tax Impact (est.)	2.00%
Debt Service	*\$3,744,806
Local Tax	\$121,815,112
Operating & Debt Tax Impact (est.)	1.93%
Banked Cap & Adj	\$474,585
Local Tax	\$122,289,697
Tax Impact (est.)	2.34%

*Debt Service minus Anticipated Debt Service Aid
(\$328,469)

Next Steps



Tentative Budget Calendar

- ▶ ~~Jan 22~~ ~~BOE meeting: First Budget Presentation (Revenue)~~
- ▶ ~~Feb 3~~ ~~Budget Workshop (Revenue)~~
- ▶ Feb 20 BOE meeting: Budget Discussion
- ▶ Mar 7 Budget workshop
- ▶ Mar 10 Budget Workshop
- ▶ Mar 13 Governor's State Budget Message
- ▶ Mar 15 (est.) State Aid Notices
- ▶ Mar 19 BOE: meeting: Approve preliminary budget
- ▶ Mar 20 BOE meeting - Last day to submit 2018-19 Budget to County
- ▶ Apr 30 (Tentative) Special meeting - *Public Hearing on Budget /action to levy 2018-19 school tax*