

2018-2019 Preliminary Budget



South Orange-Maplewood
School District

March 19, 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	5,033,885	10.7%
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	133,056,276	1.88%

Additional Revenue

2,460,449

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

Projected Appropriations 2018-19

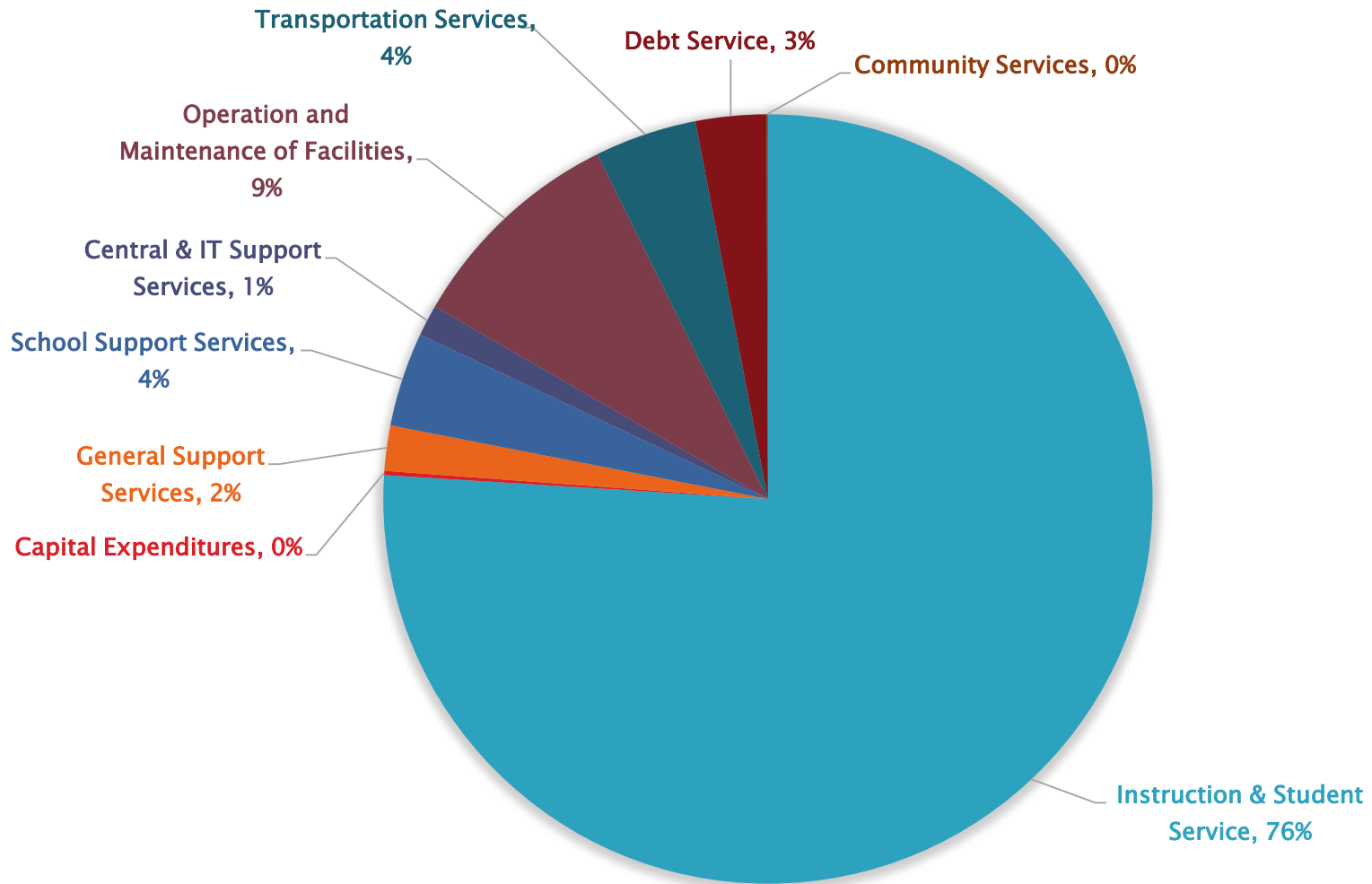
Category	2017-2018 Revised Budget	Proposed	Change
Salaries & Contract Services	72,188,213	76,665,448	4,477,235
Health Benefits	14,712,700	15,525,519	812,819
Tuition	14,001,027	15,125,603	1,124,576
Transportation	5,729,206	6,067,456	338,250
Other Benefits	3,334,861	3,338,442	3,581
School / Department	3,351,906	3,164,665	-187,241
Technology, curriculum, Maintenance & Operation, Utilities, BOE/Central Admin, Legal, Special Services	17,446,863	17,465,589	18,726
Encumbrances	1,905,619		-1,905,619
Local Grants	421,145		-421,145
Total	133,091,540	137,352,722	4,261,182

Legal Service

Year	Legal Fees	Judgements	Total
2015-2016	Board Attorney	169,849	
	Other	<u>65,016</u>	
	Total	234,864	212,852
			447,716
2016-2017	Board Attorney	258,621	
	Other	<u>153,452</u>	
	Total	412,073	209,070
			621,143
2018-2019			
Appr.	480,000	220,000	700,000

As of 12/31/17 the district expended \$244,792 in legal fees and are estimating \$488,000 in legal fees by 6/30/18.

PROPOSED 2018-2019 BUDGET



2018–19 Revenue vs. Appropriations

	2017–2018 Revised	2018–2019 Preliminary	Diff	% Diff
Revenues	133,091,540	133,070,235	-21,305	-0.02%
Expenditures	133,091,540	137,352,722	4,261,182	3.20%
2018–2019 Budget Gap to Close			4,282,487	

Managing the \$4.3 Million Budget Gap

▶ Health / Enrollment Adj.	\$ 326,831
▶ Banked Cap	\$ 147,754
▶ Maintenance Reserve	\$1,000,000
▶ Spending Freeze	<u>\$2,807,902</u>
	\$4,282,487

Managing the \$4.3 Million Budget Gap

- ▶ 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	133,070,235	137,352,722	4,282,487
Expenditures	137,352,722	137,352,722	0
	-4,282,487	0	

Estimated Tax Impact

Tax Levy CAP	\$118,070,306
Operating Budget Tax Impact (est.)	2.00%
Debt Service	*\$3,701,848
Local Tax	\$121,772,154
Operating & Debt Tax Impact (est.)	1.87%
Banked Cap & Adj	\$474,585
Local Tax	\$122,246,739
Tax Impact (est.)	2.3%

*Debt Service minus Debt Service Aid (\$371,427)

Estimated House Hold Tax Impact

Maplewood				
2017	Average assessed value of \$396,992 at	1.76 =	6,989	
2018	Average assessed value of \$396,992 at	1.83 =	7,260	
	Est. avg. per house hold increase		\$271	

South Orange				
2017	Average assessed value of \$459,258 at	1.75 =	8,047	
2018	Average assessed value of \$459,258 at	1.78 =	8,163	
	Est. avg. per house hold increase		\$116	

Based on 2017 Property Assessment Data

2018–2019 Appropriations

Appropriations are aligned with district goals

- ▶ Staffing remains level
- ▶ Data Warehouse / Multiple Measures
- ▶ Online Registration
- ▶ Professional Development in Restorative Practices

2018–2019 Appropriations

Appropriations are aligned with district goals

STEM Re-alignment

- ▶ Curriculum development
- ▶ Technology resources
- ▶ Professional development
- ▶ Program enhancements
- ▶ Text books
- ▶ Summer school / in school

2018–2019 Appropriations

Appropriations are aligned with district goals

- ▶ \$115,000 – Curriculum development
- ▶ \$269,000 – Tech resources / Data Warehouse
- ▶ \$190,000 – PD for STEM & Restorative Practices
- ▶ \$380,000 – Prg Enhancements/Text books
- ▶ \$280,000 – Summer school / in school

- ▶ \$20,000 – Gifted and Talented

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 — Cancelled
- ▶ Mar 10 ————— Budget Workshop
- ▶ Mar 13 ————— Governor's State Budget Message
- ▶ Mar 15 (est.) ————— State Aid Notices
- ▶ Mar 19 ————— BOE: meeting: Budget Discussion
- ▶ Mar 26 ————— BOE: Approve Preliminary Budget
- ▶ Mar 29 ————— BOE meeting - Last day to submit 2018-19 Budget to County
- ▶ Apr 30 ————— Special meeting - *Public Hearing on Budget /action to levy 2018-19 school tax*

FAQ



Why does the pie chart show the district budgeted 0% for capital expenditures?

- ▶ There is a rounding error. Capital funds are allocated to purchase new school vehicles
- ▶ The district is looking to bond to improve district facilities.

What is the rationale for out of district placements?

- ▶ Specific students needs must be met.
- ▶ Placements are selected to match student needs.

What is the rationale for out of state placements?

- ▶ These are unilateral placements supported by court decisions

Why are students placed in “non-approved” out of district schools?

- ▶ State pre-approves schools
- ▶ 6A:14–6.5, 18A:46–14
- ▶ Naples case
- ▶ Students sent to non-approved schools are approved by the state before placement

What proactive action is the district taking to address out of district placements?

- ▶ Began addressing this by adding staff to improve programs and services.
- ▶ Strengthened social emotional programs which resulted in students returning to the district.
- ▶ Working on strengthening intervention and support services.
- ▶ Plan on providing professional development to improve quality of programs and services.
- ▶ Positioning the district for a data driven approach toward instruction.

Audit Report

▶ Reserve for Excess Surplus	\$ 2,389,338
◦ 16-17 Included as tax relief for 2018-19	
▶ Reserve for Excess Surplus	\$ 2,389,338
◦ Included in current budget	
◦ 15-16 tax relief for 17-18	
▶ Capital Reserve	\$ 1,845,184
◦ Can only be used for capital projects	
▶ Maintenance Reserve	\$ 1,000,000
◦ Can only be used for maintenance	
▶ Year end Encumbrances	\$ 1,905,619
◦ Goods/services order before 7/1/17	
▶ Unassigned Fund Balance	\$ 2,943,701
◦ Required emergency fund	
▶ Fund Balance	\$12,473,181