

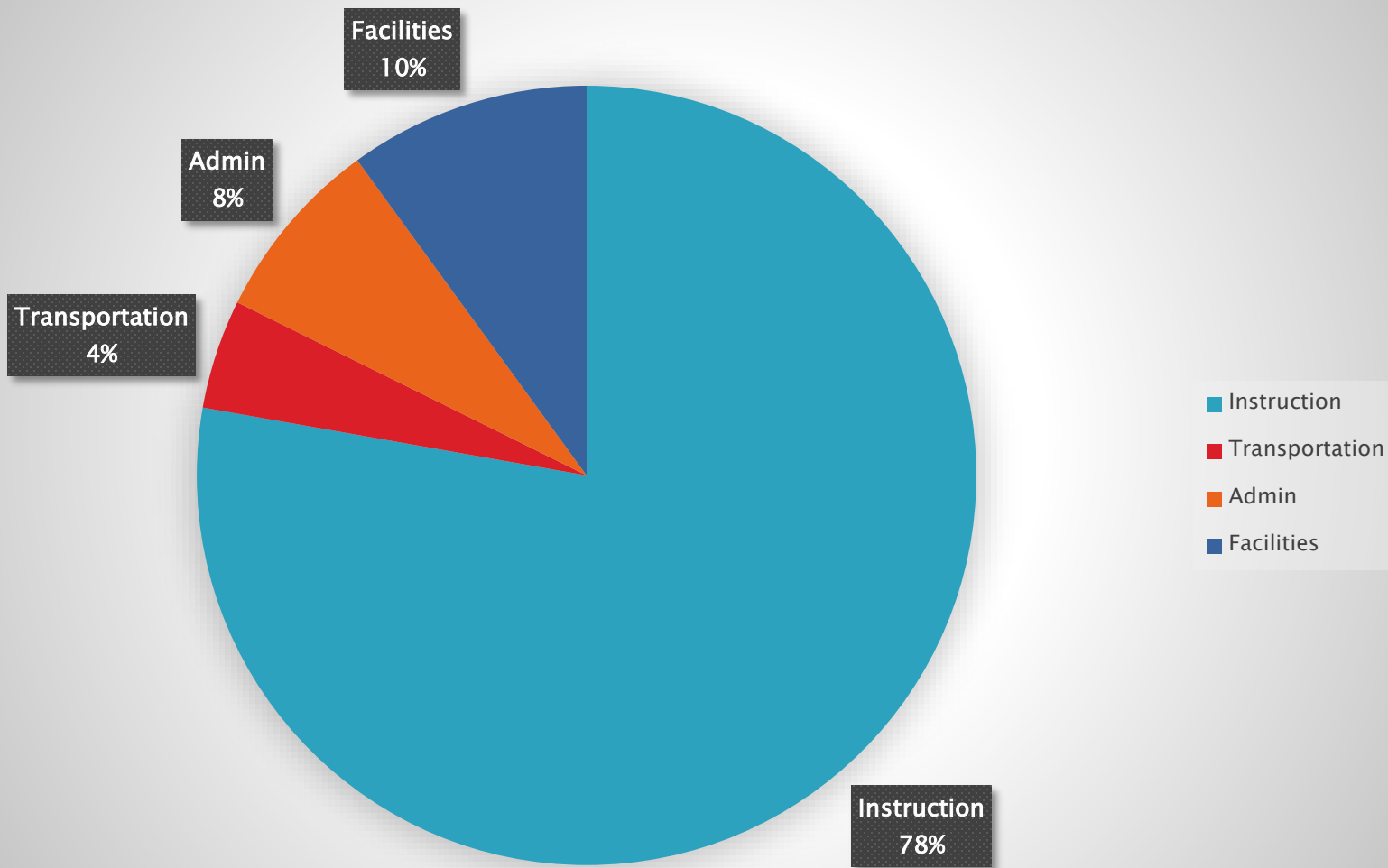
# 2019-2020 Preliminary Budget



South Orange-Maplewood  
School District

March 18, 2019

# Appropriations



About 80% of funds are for instruction.

# Projected Revenue 2019-20

Revenue Source	2018-19	Projected 2019-20	Change
Local Tax Levy (2% incr.)	118,544,891	120,915,789	2,370,898
State Aid	5,033,885	5,600,317	566,432
Fund Balance	2,389,338	2,389,338	0
Misc. Rev.	475,000	275,000	-200,000
Debt Service	4,073,275	4,061,475	-11,800
State/Federal	3,283,813	2,982,126	-301,687
Medicaid	109,055	107,098	-1,957
PEEA (\$1,481,481)	0	2,982,126	2,982,126
Maintenance Reserve	1,000,000	0	-1,000,000
Required Fund Balance Spending Freeze	2,807,901	0	-2,807,901
Local Grants	443,326	0	-443,326
Year End Encumbrances	1,168,585	0	-1,168,585
<b>Total Revenue</b>	<b>139,329,069</b>	<b>139,271,541</b>	<b>-57,528</b>

# 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
2018-2019	326,831	147,754	0

## 2019-2020 Allowable Adjustments & Available Banked Cap

Allowable Adjustments (Health / Enrollment)	Available
0	0

# Estimated Tax Impact

Tax Levy CAP	\$120,915,789
Operating Budget Tax Impact (est.)	2.00%
Debt Service	*\$3,688,929
Local Tax	\$124,604,718
Operating & Debt Tax Impact (est.)	1.93%
Banked Cap	\$0
Local Tax	\$124,604,718
Tax Impact (est.)	1.93%

\*Debt Service minus Anticipated Debt Service Aid  
(\$372,546)

# Estimated House Hold Tax Impact

Maplewood			
2018	Average assessed value of \$497,500 at	1.82 =	9,055
2019	Average assessed value of \$497,500 at	1.85 =	9,201
	Est. avg. per house hold increase		<b>\$147</b>

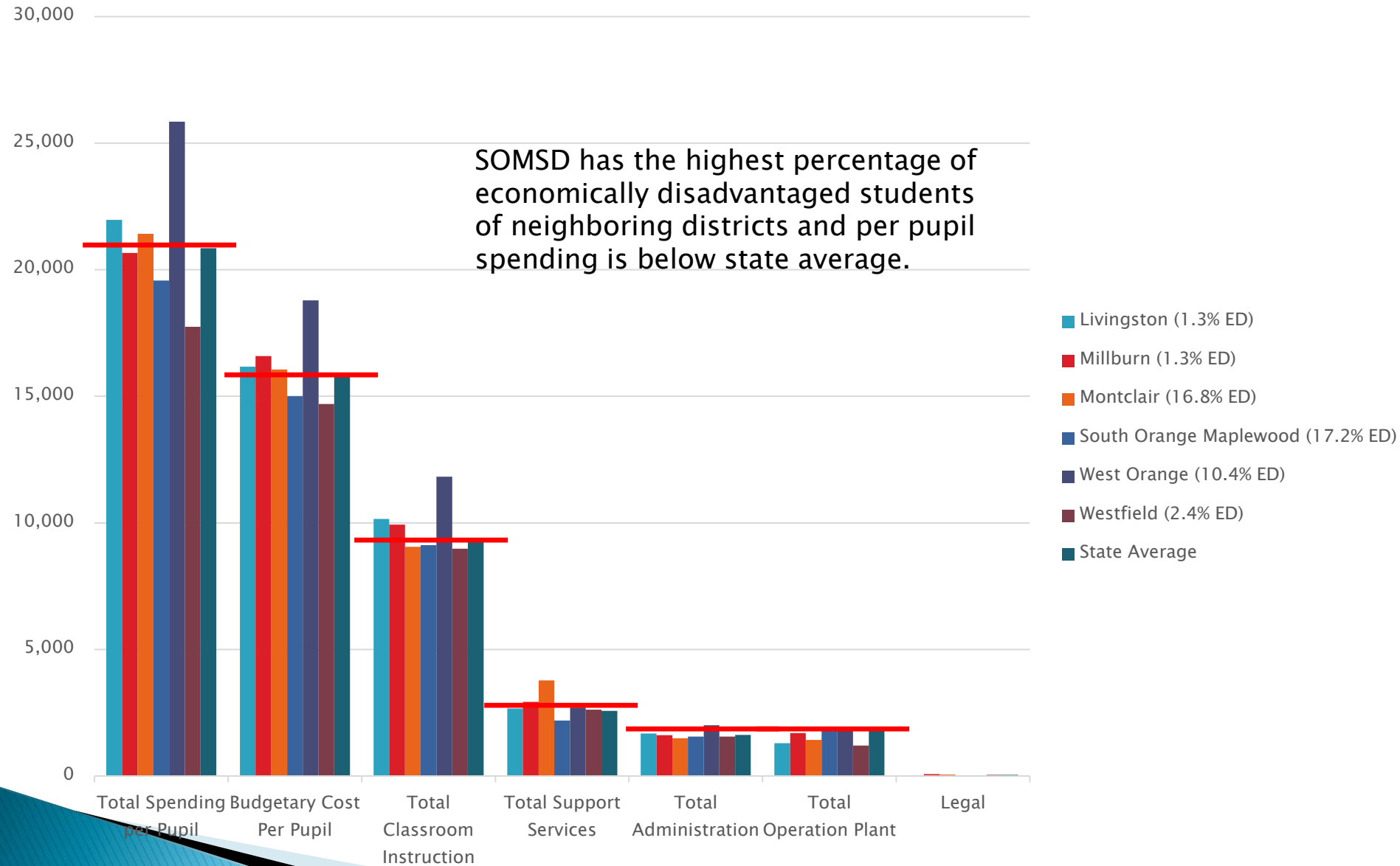
South Orange			
2018	Average assessed value of \$581,000 at	1.79 =	10,396
2019	Average assessed value of \$581,000 at	1.84 =	10,682
	Est. avg. per house hold increase		<b>\$286</b>

Based on 2018 Property Assessment Data

# Comparative Cost of Spending Against the State Average

## K-12 Configurations, 3500+ Enrollment

SOMSD has the highest percentage of economically disadvantaged students of neighboring districts and per pupil spending is below state average.



# Projected Appropriations 2019–20

Category	2018–2019 Revised Budget	Proposed	Change
Salaries & Contract Services	78,276,774	80,117,686	1,840,912
Health Benefits	15,525,519	15,525,519	0
Tuition	15,704,777	15,345,475	-359,302
Transportation	6,067,456	6,249,333	181,877
Other Benefits	3,338,442	3,469,506	131,064
School / Department	3,572,644	5,069,420	1,496,775
Special Services, Technology, curriculum, Maintenance & Operation, Utilities, Central Admin	17,450,742	16,986,405	-464,337
Total	139,936,354	142,763,344	2,826,990
Local Grants	443,326	0	-443,326
Year End Encumbrances	1,168,585	0	-1,168,585
Grand Total	141,548,265	142,763,344	1,215,079



# 2019–2020 Appropriations

- ▶ Chinese teacher
- ▶ Tuition funding down
- ▶ Continue PD for data warehouse & Assessment
- ▶ Continue PD for restorative practices
- ▶ No staff reductions

# 2019–20 Revenue vs. Appropriations

	2018–2019	2019–2020 Preliminary	Diff	% Diff
Revenues	139,936,354	139,680,494	-255,860	-0.18%
Expenditures	139,936,354	142,763,344	2,826,990	2.02%
2019–2020 Budget Gap to Close			3,082,850	

# Managing the \$3.9 Million Budget Deficit

- ▶ Maintenance Reserve           \$1,000,000
- ▶ \*\*Spending Freeze and  
Breakage                           \$2,082,850

\*\*Estimate

Revenues already accounted for surplus, health / enrollment adjustments, banked cap, SEMI funding, and shared services.

Appropriations were reduced since the last presentation.

# 2019–20 Preliminary Proposed Budget

	Projected	Final (Preliminary)	Diff
Revenues	139,680,494	142,763,344	3,082,850
Expenditures	142,763,344	142,763,344	0
	-3,082,850	0	

# Next Steps



# Tentative Budget Calendar

- ▶ ~~Feb 25~~ ~~BOE meeting: Budget Discussion~~
- ▶ ~~Mar First Week~~ ~~State Aid Notices~~
- ▶ ~~Mar 11~~ ~~Budget workshop meeting~~
- ▶ Mar 18 BOE approves preliminary budget
- ▶ Apr 22 Last day to receive approval from county office
- ▶ April 29<sup>th</sup> (Tentative) Public Hearing on Budget to levy 2019-20 school tax

# Audit Report

▶ Year end Encumbrances	\$ 1,168,585
◦ Goods/services order before 7/1/18	
▶ Capital Reserve	\$ 1,845,184
◦ Can only be used for capital projects	
▶ Maintenance Reserve	\$ 1,453,759
◦ Available as of 7/1/2018	
▶ Designated Maintenance Reserve	\$ 1,000,000
◦ Used in the 18-19 school year	
▶ Reserve for Excess Surplus	\$ 2,389,338
◦ 18-19 Included as tax relief for 2019-20	
▶ Reserve for Excess Surplus	\$ 2,389,338
◦ Included in current budget	
◦ 16-17 tax relief for 18-19	
▶ Designated for Subsequent Year	\$ 2,807,902
◦ 2017-18 spending freeze funds for 2018-19	
▶ Unrestricted Fund Balance	\$ 3,036,154
◦ Maximum 2% Reserve	
▶ Fund Balance	\$16,090,260