

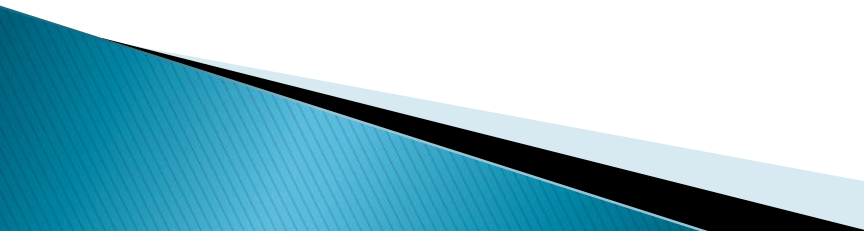
Strategic Directions 2016-2017 Preliminary Budget




South Orange-Maplewood
School District

Budget Workshop
March 2, 2016

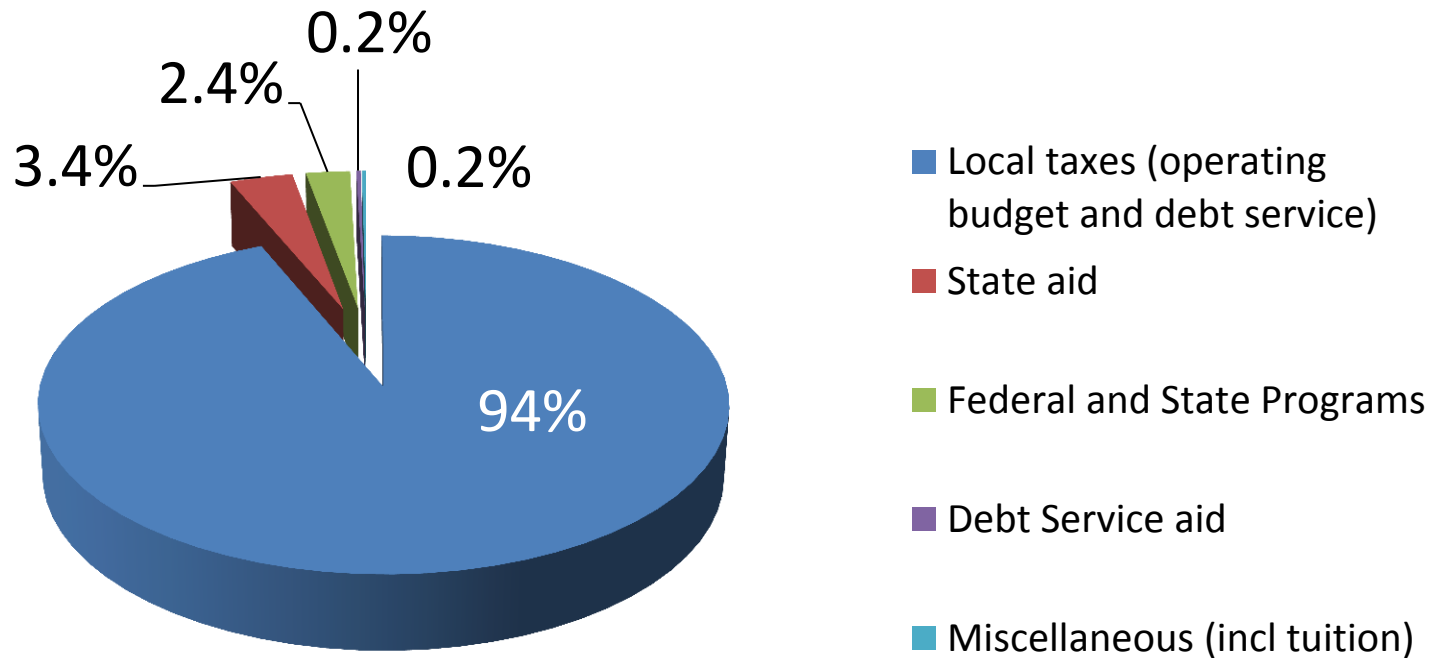
Overview of Presentation

- ▶ Strategic Planning
 - ▶ Revenue Sources and Tax Levy Caps
 - ▶ Revenues and Tax Impact
 - ▶ Historical Enrollment Trends
 - ▶ Budget Considerations
 - ▶ Expenses Proposed 2016-17 Budget
 - ▶ Spending and Personnel Adjustments
 - ▶ Expiring Banked Cap (Taxing Authority) - \$409,103
 - ▶ Next Steps
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Strategic Planning in light of Economic Constraints

- We will re-imagine and redesign all aspects of student scheduling, use of facilities and administrative structures to guarantee alignment with mission.
 - We will maximize community expertise and external resources to provide multiple pathways for student and professional growth and learning.
 - Learning takes place within and beyond the classroom. Opportunities to learn and develop skills through online resources, collaborative partnerships, collective projects, field experiences, internships, mentoring opportunities and service projects.
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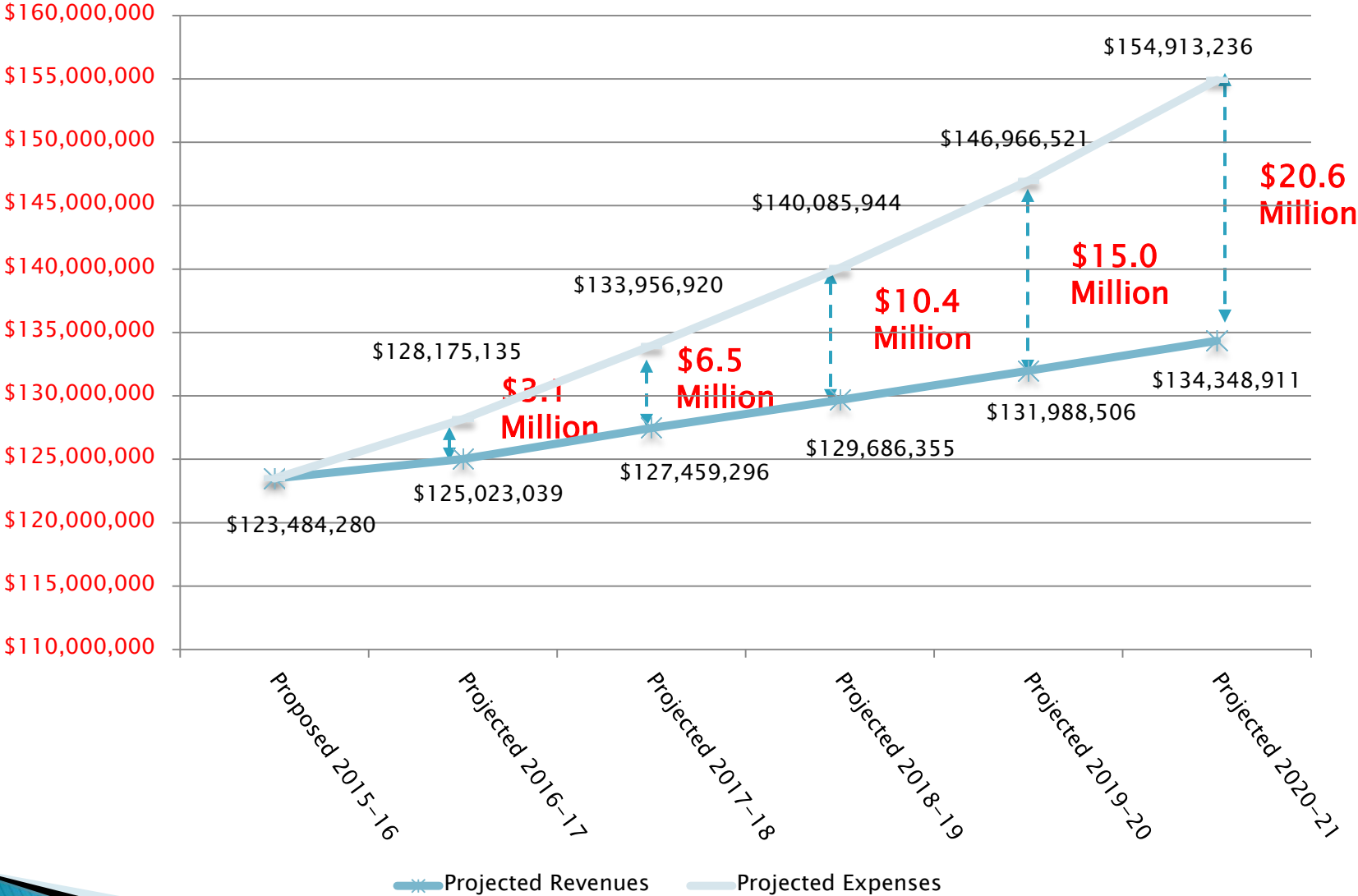
Where does school budget revenue come from?



Tax Levy CAP

- ▶ The State of NJ imposed a 2% CAP on the allowable tax levy increase.
 - Adjustments in prior years for increases in health care and enrollment increases.
 - We only took advantage of the adjustments twice in the past and have allowed the adjusted taxing authority to expire
 - (\$989,763 expired 2011-12 and \$506,833 expired 2012-2013)
 - There is currently over \$1.5 million dollars in adjustments available with \$409,103 expiring this year.
- ▶ If within the allowable cap, the budget does not get voted on other than the Board of Education approval.
- ▶ Projected expenses are rising at more than 2% annually.

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



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	\$0	\$111,317,574

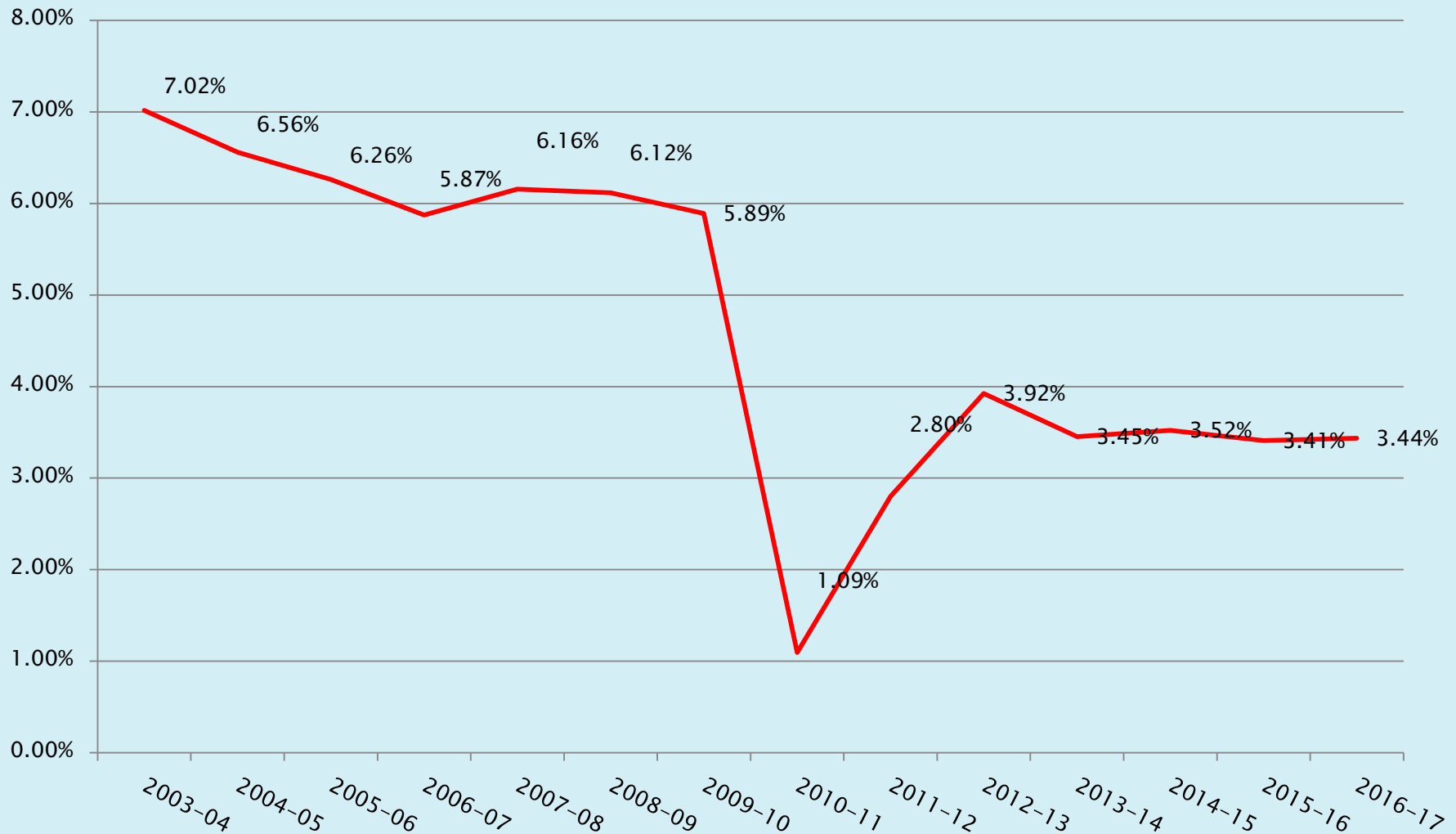
Budget Year Adjustment	Enrollment Adjustment	Health Care Adjustment	Total Adjust/Cap Available	Banked Cap Expires with SY Budget	Banked Cap 2016-17 Budget
2012-2013	\$506,833	\$0	\$506,833	2015-2016	\$0
2013-2014	\$0	\$884,103	\$409,103*	2016-2017	\$409,103
2014-2015	\$544,210	\$426,037	\$970,247	2017-2018	\$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

2016-17 Budget Resource Assumptions

- ▶ Revenues dependent on local sources.
- ▶ Local taxes will increase no more than 2% for operating budget
- ▶ **State aid for 16-17 increased by \$91,349 over 15-16 aid levels**
- ▶ Federal grants budgeted slightly less than 15-16
- ▶ Excess surplus from 2014-15 audit: \$2,275,894
- ▶ Banked cap (taxing authority) is available.
 - (*\$409,103 through 2016-17, \$970,247 through 2017-18, \$147,754 through 2018-19 = total \$1,527,104 banked cap available*)

State Aid as a Percent of Revenue

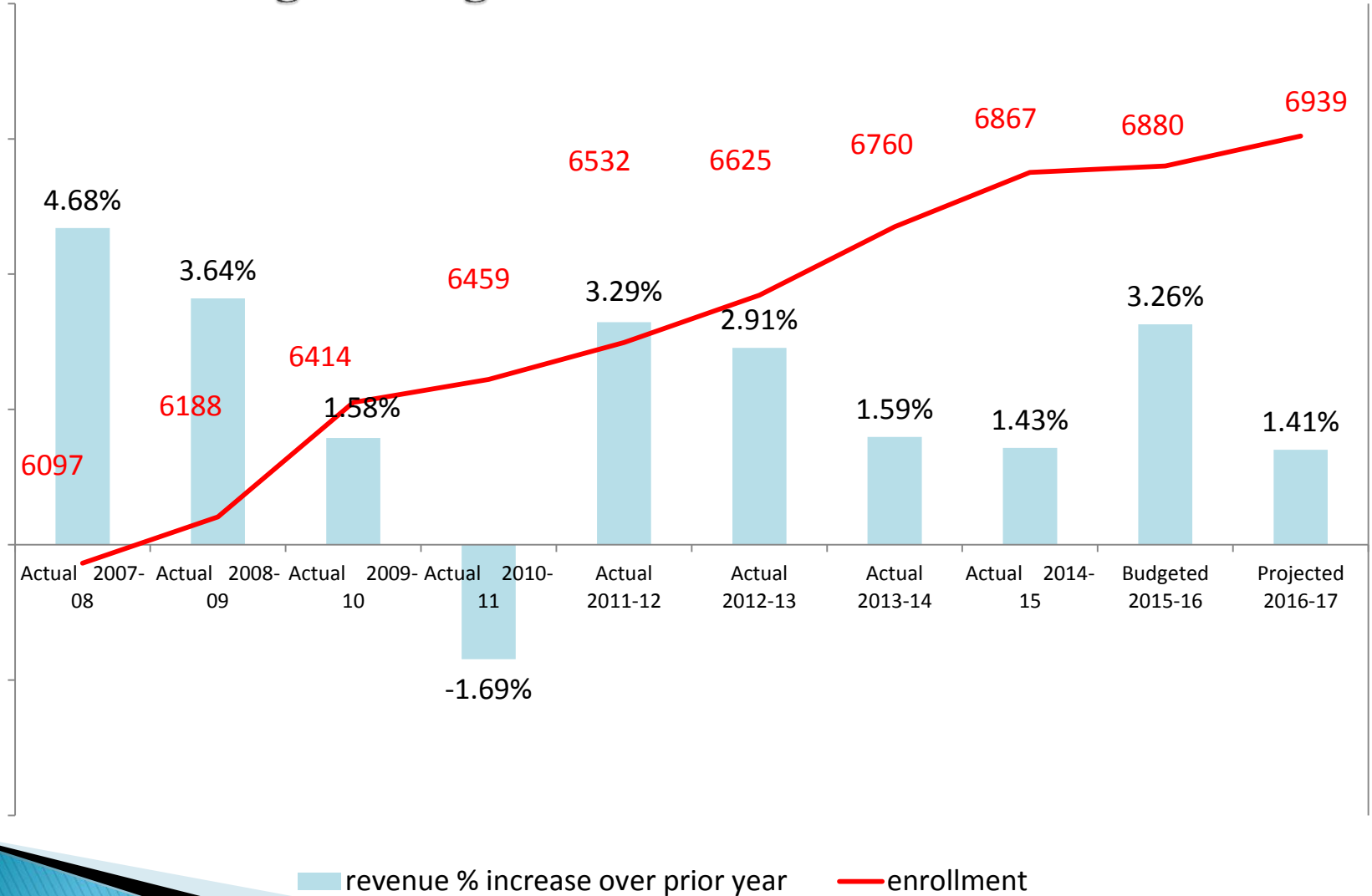


Revenue 2016-17

Revenue Source	Budgeted 2015-16	Proposed 2016-17
Operating Budget Local Tax Levy	109,134,877	111,317,574 (at 2% tax increase)
State Aid	4,216,218	4,307,567
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	3,002,631
Total Revenue	123,594,780	125,331,301

Multi-Year Impact

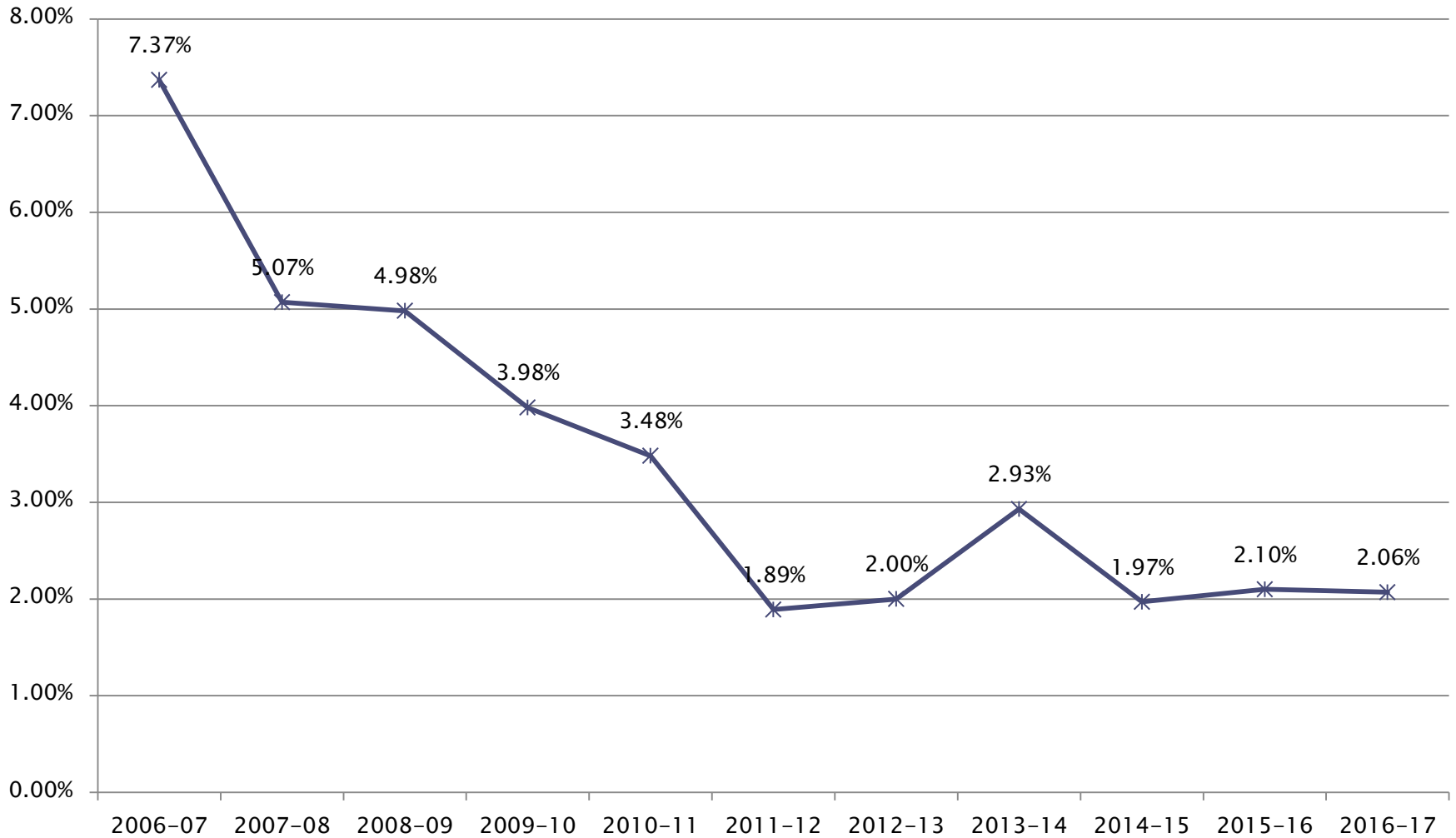
Percentage Change of Revenues from Prior Year



Tax Impact

	General Fund Taxes	Debt Service Taxes	Total to be raised by Taxes
2015–2016 School Year Budget	\$ 109,134,877	\$ 3,688,091	\$ 112,822,968
2016–2017 School Year Budget	\$ 111,317,574	\$ 3,833,697	\$ 115,151,271
Incremental Tax Dollar Impact	\$ 2,182,697	\$ 145,606	\$ 2,328,303
Incremental Tax Percent Impact	2.00%	3.94%	2.06%

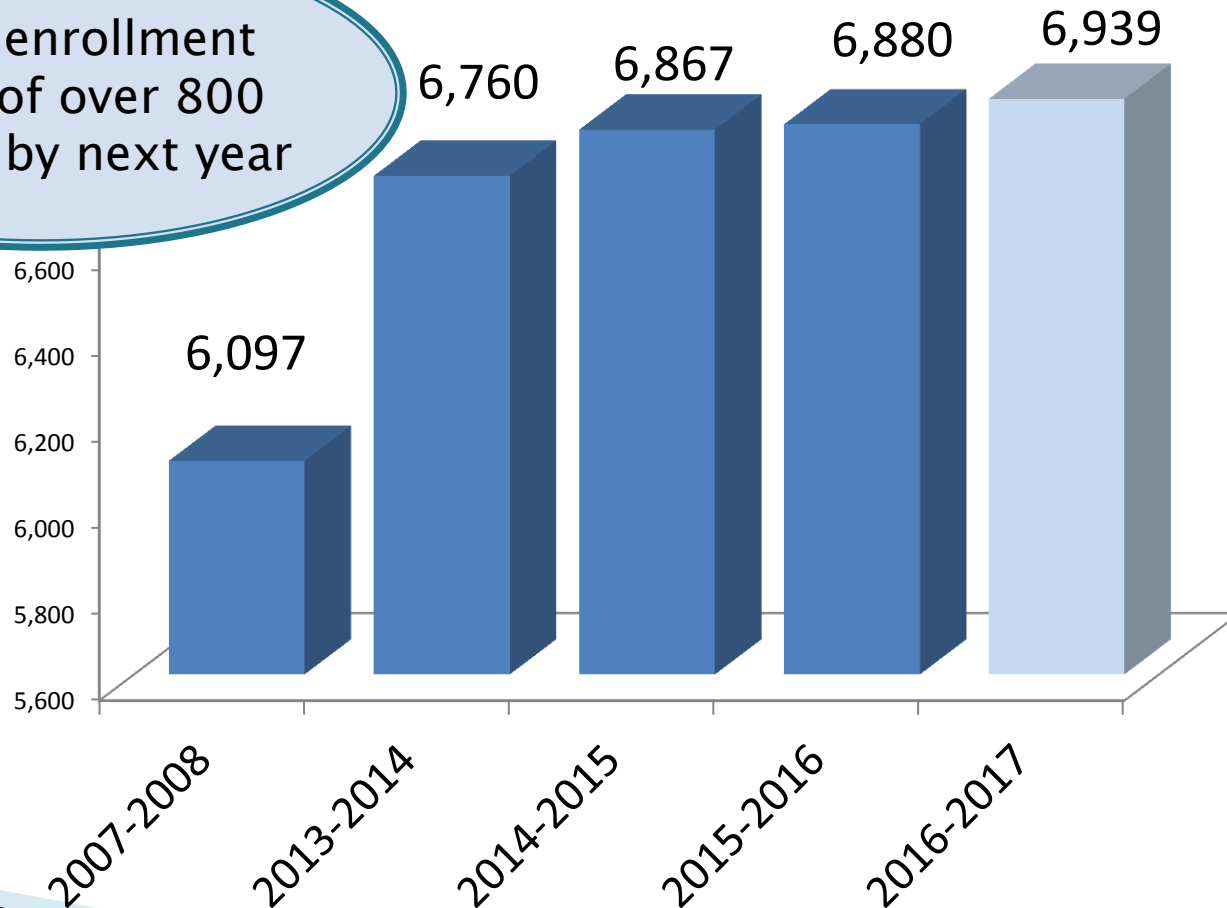
Year over Year Tax Impact



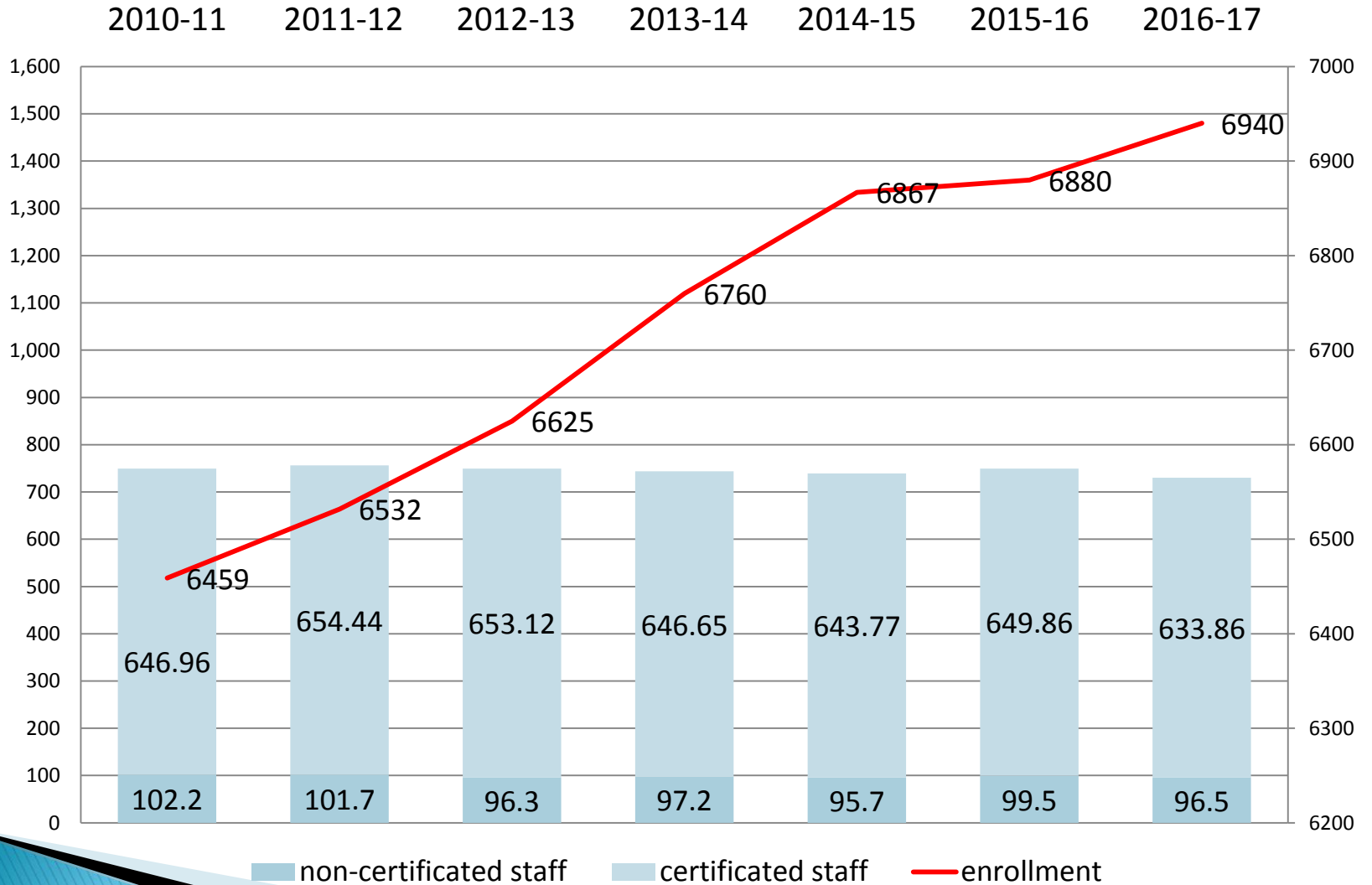
Historical Enrollment Growth

Total District Enrollment

Ten year enrollment increase of over 800 students by next year



Staffing compared to enrollments



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

Expenses Proposed Budget 2016-17


Expense Category	Budgeted 2015-16	% Total Operating	Proposed 2016-17	% Total Operating
Salaries	61,265,112	51.3%	61,257,857	50.6%
Health Benefits	13,722,232	11.5%	13,901,006	11.5%
Tuition Expense	12,203,235	10.2%	13,000,633	10.7%
Energy Expense	2,480,000	2.1%	2,552,500	2.1%
Transportation Expense*	4,622,018	3.9%	4,648,665	3.8%
Textbooks/Supplies	2,167,278	1.8%	2,061,708	1.7%
Maintenance/Security*	9,030,969	7.6%	9,192,272	7.6%

* Excludes salaries

Ongoing Ways SOMSD Contains Costs

- Health insurance contributions
 - Establishing Special Education programs in district
 - Montrose Early Childhood Center
 - Shared services with Maplewood and South Orange
 - Energy conservation measures
 - Capital Upgrades
 - Cooperative purchasing with other districts and consortiums
 - Purchasing through bidding process for reduced costs
 - Contracted Services
 - Grants - Pep grant, Sustainable Jersey for Schools
 - In-house transportation services
 - Rental of facilities
- 

Spending reductions for 16-17

- ▶ Supplies
 - ▶ Technology – replacements/repairs only
 - ▶ Professional Development
 - ▶ Memberships
 - ▶ Periodicals
 - ▶ Elementary Library Supplies
 - ▶ Reference Materials Media Centers
 - ▶ Textbooks
 - ▶ Paraprofessional oversight
 - ▶ Limited increases to athletics/extracurricular
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Professional Development

Centralized Coordination

- ▶ External resources:
 - Language Arts K – 5 (Teachers' College)
 - Differentiated Instruction
 - Cultural Competency/Restorative practices
 - Instructional leadership practices (calibration of evaluations)
 - Strengthening Student Engagement – learning targets
 - Universal Design for Learning – planning for instruction to meet the needs of diverse learners (*free from State*)
- ▶ Internal: Staff members with expertise in the area(s)
 - Math K-12 (*including free from RAC for Focus Schools*)
 - Language Arts grades 6-12
 - Gifted & Talented Instructional Strategies
 - Integrating Technology in Content area instruction

Personnel reductions for 16-17

- ▶ Change to supervisor structure
- ▶ Change to high school administrative/support structure
- ▶ Adjustments to academic support structures
- ▶ Restructure media specialist/technology programming
- ▶ Net reduction of approximately 10 classroom teachers

Anticipate Net Reduction: 19 fte's

Supervisor Structure

Position	Current	Proposed
ELA Supervisor K-8	1.0	0.0
Math Supervisor 9-12	1.0	0.0
ELA Supervisor 9-12	1.0	1.0
Math & Science Supervisor K-8	1.0	1.0
Science Supervisor 9-12	1.0	1.0
Social Studies Supervisor 9-12	1.0	1.0
Fine Arts Supervisor K-12	1.0	1.0
Health/P.E. & Nursing Services Supervisor K-12	1.0	1.0
World Language & ELL K-12	1.0	1.0

Reductions will be obtained through attrition and remaining supervisor responsibilities will be covered by current staff

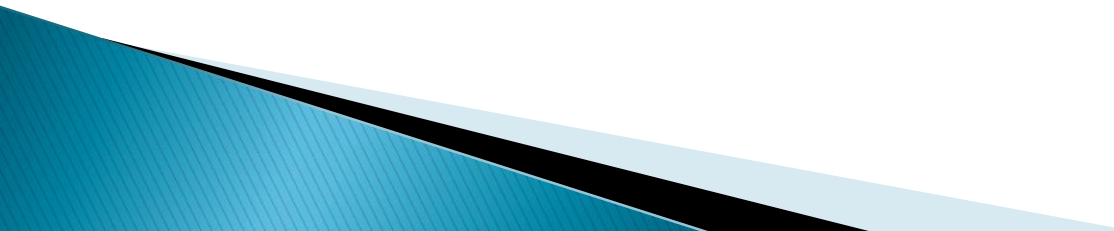
High School Support Structure

Position	Current	Proposed
Guidance Counselors	11.0	10.0
Deans	2.0	1.0
Dean Support Staff	3.0	1.0

- ▶ The Dean of Students will work primarily with students in grade 9 and address school wide disciplinary issues as needed.
- ▶ High School Assistant Principals will assume discipline responsibilities in grades 10-12

Middle School Library Media Specialist Structure

Beginning implementation of STEAM focus:

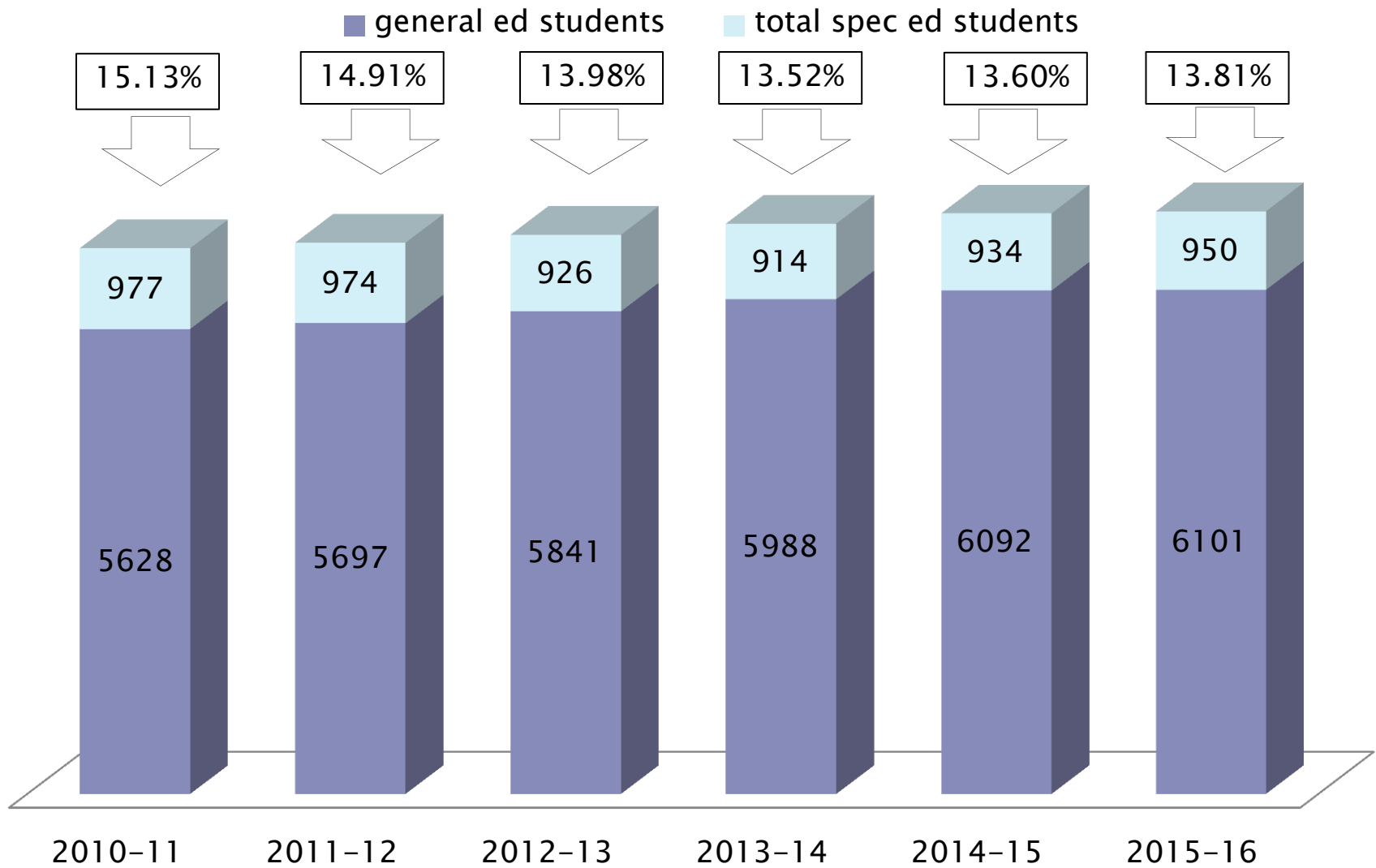
- Anticipate conversion of part of media center to maker space
 - Coordination between media center and technology instruction
 - Reduction of 1 media specialist. Remaining FTE shared time between two building
 - Teachers and students will continue to have ongoing access to libraries
 - Continued incorporation of technology into the classroom
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Department of Special Services

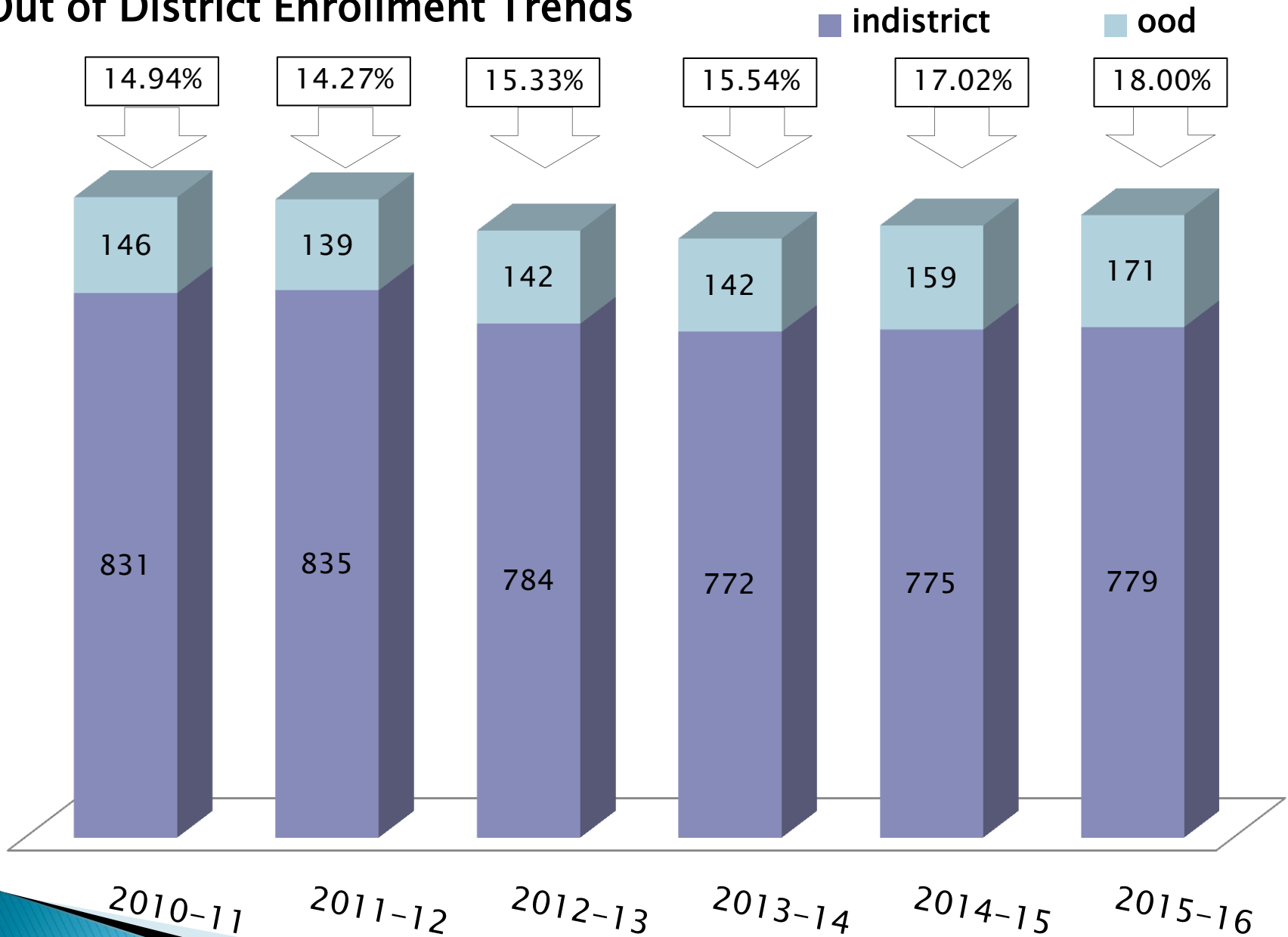
The goal and vision for all students, and in particular for students with disabilities, is to provide a supportive academic, social, and emotional environment that will provide students the skills needed to sustain an independent adult life to the maximum extent possible.

Services are designed to provide learning in the “least restrictive environment” and include a variety of placement options such as regular class placement with support, self-contained programs, and specialized placements

Special Education Enrollment Trends



Out of District Enrollment Trends



Special Education Budget Adjustments

- ▶ **New/expanded programs to support students in least restrictive environment :**
 - Create class for younger elementary students with multiple disabilities.
(1 additional elementary school teacher)
 - Expand iStep program at SOMS to provide additional therapeutic support.
(1 additional school behavior specialist)
 - Reassignment of elementary and CHS teachers to create full continuum of services to support success in least restrictive environment. *(Neutral)*
 - Hire additional Learning Disabilities Teacher Consultant (LDTC) to help manage increased pace of referrals
(1 additional LDTC)

- ▶ **Corresponding Anticipated Reductions in Costs of Out of District Tuition:**
 - 5 kindergarten students to remain in district
 - 10 middle school students to remain in district
 - 2 CHS students to return from OOD placements

Personnel adjustments for 16-17

DISTRICT

- ▶ (2 FTE's) supervisor positions
- ▶ (1 FTE) district secretary (reported to supervisor)
- ▶ + 1 FTE LDTC (increased referrals)
- ▶ **DISTRICT NET: (2 FTE'S)**

ELEMENTARY

- ▶ (1 FTE's) instructional coaches
- ▶ (2 FTE's) academic intervention
- ▶ + 1 FTE elementary classroom teacher
- ▶ +1 FTE special ed (MD Classes)
- ▶ **ELEMENTARY NET: (1 FTE'S)**

MIDDLE SCHOOL

- ▶ (2 FTE's) middle school teachers
- ▶ (1 FTE's) middle school media specialists
- ▶ +1 FTE Behavioral Specialist (iStep)
- ▶ **MIDDLE SCHOOL NET:(2 FTE's)**

HIGH SCHOOL

- ▶ (9 FTE's) high school teachers
- ▶ (1 FTE's) high school guidance
- ▶ (1 FTE) hs media specialist
- ▶ (1 FTE's) high school deans
- ▶ (2 FTE's) deans' secretaries
- ▶ **HIGH SCHOOL NET: (14 FTE'S)**

Total Net Reduction: 19 fte's

Tax Levy CAP	\$111,317,574
Operating Budget Tax Impact (est.)	2.00%
Debt Service	\$ 3,833,697
Local Tax	\$115,151,271
Operating and Debt Service Tax Impact (est.)	2.06%

Tax Impact at 2.00% Cap

Estimated Impact average assessed household value (based on 2015 figures):
 Maplewood: \$165
 South Orange: \$216

Tax Levy CAP	\$111,726,677
Operating Budget Tax Impact (est.)	2.37%
Debt Service	\$ 3,833,697
Local Tax	\$115,560,374
Operating and Debt Service Tax Impact (est.)	2.43%

Tax Impact with \$409,103 adjustment

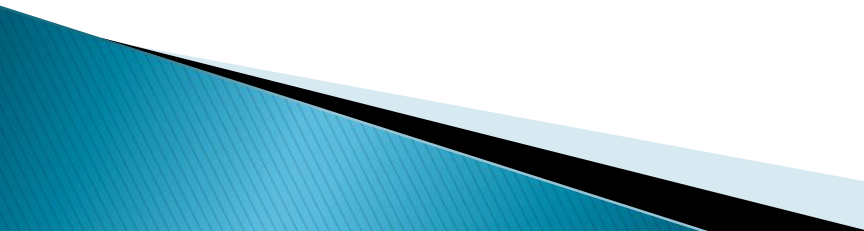
Estimated Impact average assessed household value (based on 2015 figures):
 Maplewood: \$180
 South Orange: \$233

Personnel adjustments for 16-17 with additional \$409,103

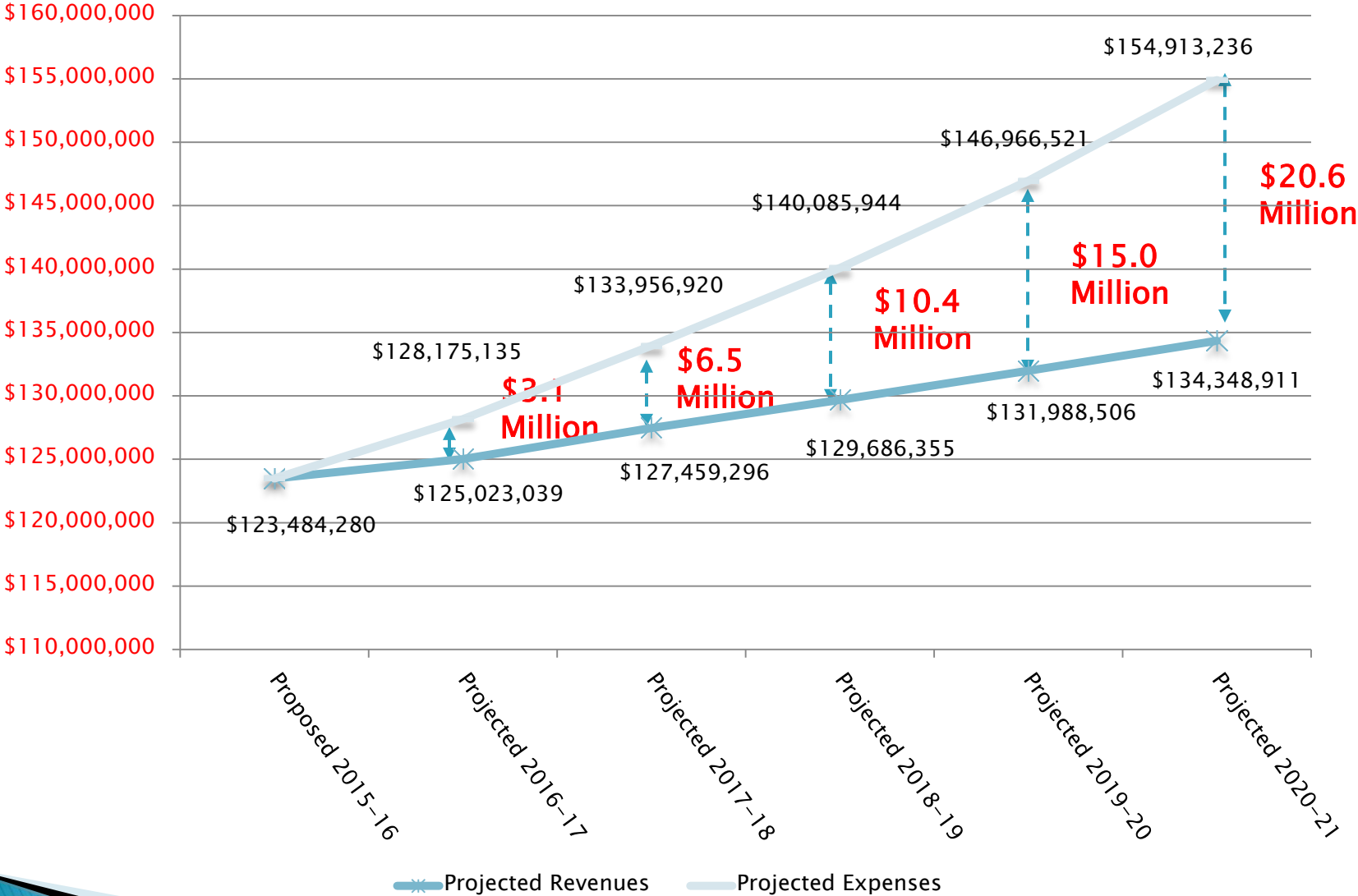
ELEMENTARY

- ▶ Add back 2 FTE's academic intervention
- ▶ Additional 2 FTE's elementary classroom teacher
- ▶ Elementary enrollments continue to exceed projections, specifically at the Kindergarten level, which then increases future year grade projections
- ▶ Increase of over 600 elementary students over the past 10 years. An increase of over 65 students in the past year alone.


What next? Budget Calendar

- ▶ **Mon, Mar. 7** **Community Forum to discuss budget (7:00 pm)**
 - ▶ **Mon, Mar 21** **BOE meeting: BOE consider/adopt preliminary budget to send to Essex Co Supt for approval to advertise (7:30 pm)**
 - ▶ **Tues, Mar 22** **Last day to submit 2016-17 Budget to County**
 - ▶ **Mon, Apr 18** **BOE meeting (7:30 pm)**
 - ▶ **Mon, May 2** **Public Hearing/action to levy 2016-17 school tax (7:00 pm)**
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5-Year Budget Projection (2% Operating Tax Levy Cap Projected Years)



Strategic Planning in light of Economic Constraints

- We will re-imagine and redesign all aspects of student scheduling, use of facilities and administrative structures to guarantee alignment with mission.
 - We will maximize community expertise and external resources to provide multiple pathways for student and professional growth and learning.
 - Learning takes place within and beyond the classroom. Opportunities to learn and develop skills through online resources, collaborative partnerships, collective projects, field experiences, internships, mentoring opportunities and service projects.
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Summary

- ▶ Tax Levy Cap imposed by New Jersey at 2% with allowances
 - ▶ Adjustment allowances available over \$1.5 million with \$409,103 expiring this year.
 - ▶ Expenses increase at a higher rate than 2% annually.
 - ▶ We will continue to face annual cuts if we don't change the way we provide services.
 - ▶ Strategic Directions calls for the redesign of all aspects of student scheduling, use of facilities and administrative structures to guarantee alignment with mission.
 - ▶ Budget includes the start of restructuring as the Strategic Plan is developed.
 - ▶ Proposed personnel reductions include a net 19 fte's.
 - ▶ The adjustment allowance would allow for the return of 4 fte's.
- 