

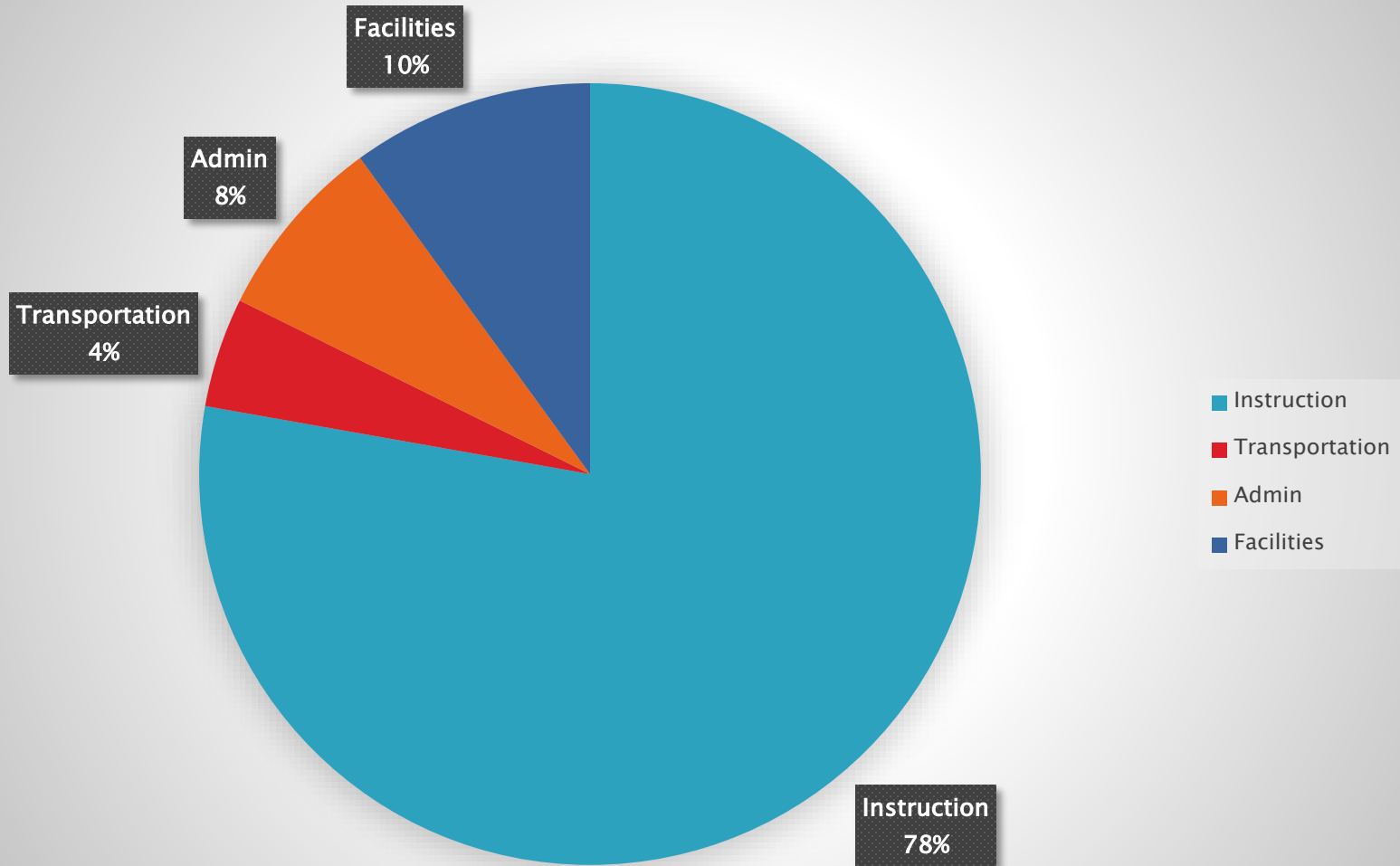
2019-2020 Preliminary Budget



South Orange-Maplewood
School District

February 25, 2018

Appropriations



About 80% of funds are for instruction.

Overview of Presentation

- ▶ Budget Development Process
- ▶ Anticipated Revenue Sources
- ▶ Enrollment Data
- ▶ Tax Impact
- ▶ Appropriations
- ▶ Next steps

Budget Development Process



Budget Development Process

- Estimate Revenue
 - Increase tax levy by 2%
 - Estimate state & federal aid
 - Identify other sources of revenue
 - Calculate spending adjustments
- Estimate Appropriations (Expenditures)
- Balance the Budget
 - Determine if there is a surplus or deficit
 - Evaluate use of spending adjustments
 - Use goals and priorities as a guide
 - Balance the budget

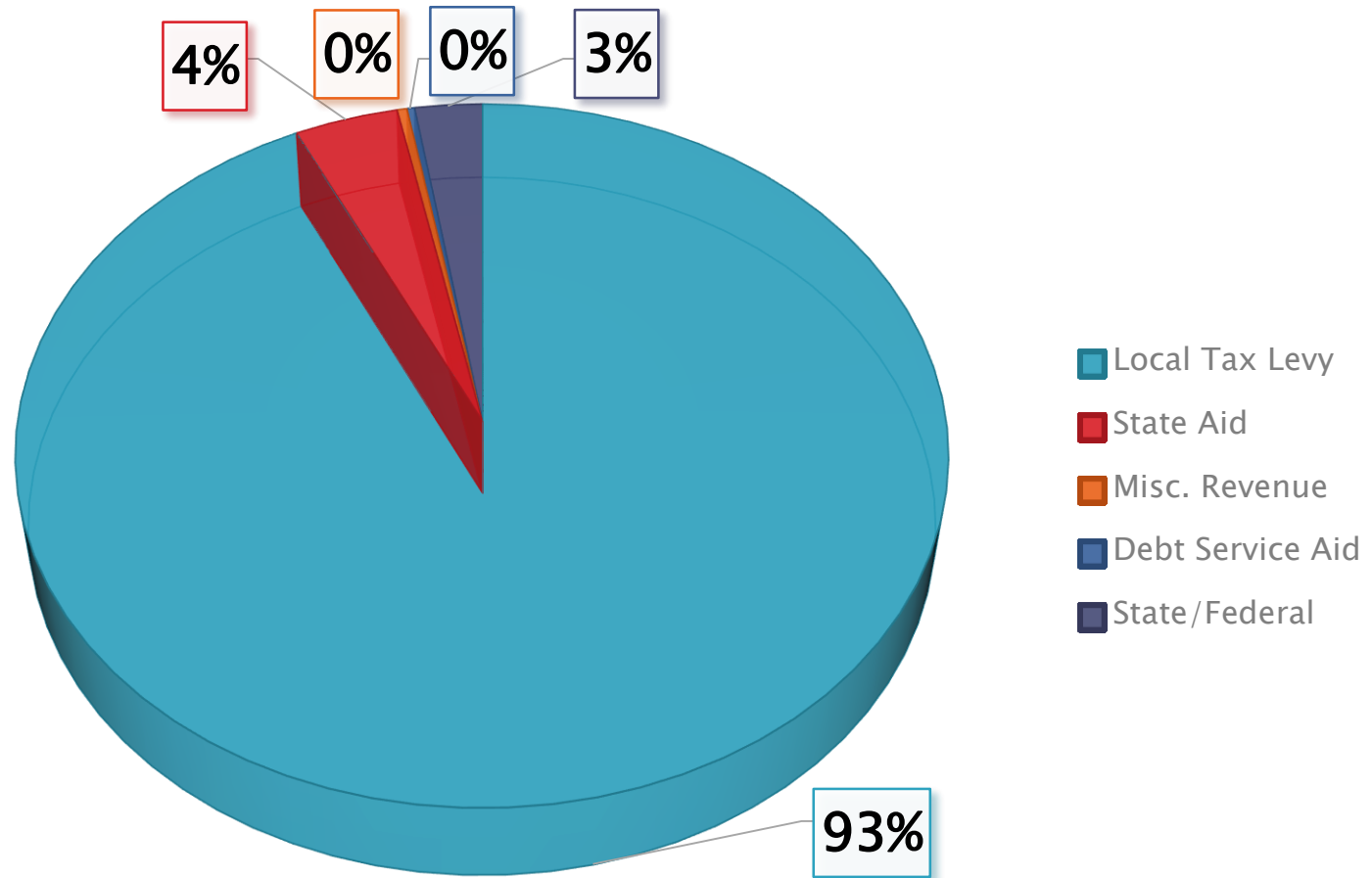
Anticipated Revenue Sources



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	5,033,885	0
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	0	1,481,481	1,481,481
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
Total Revenue	139,329,069	137,246,192	-2,082,877

2018–2019 Revenue Sources



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

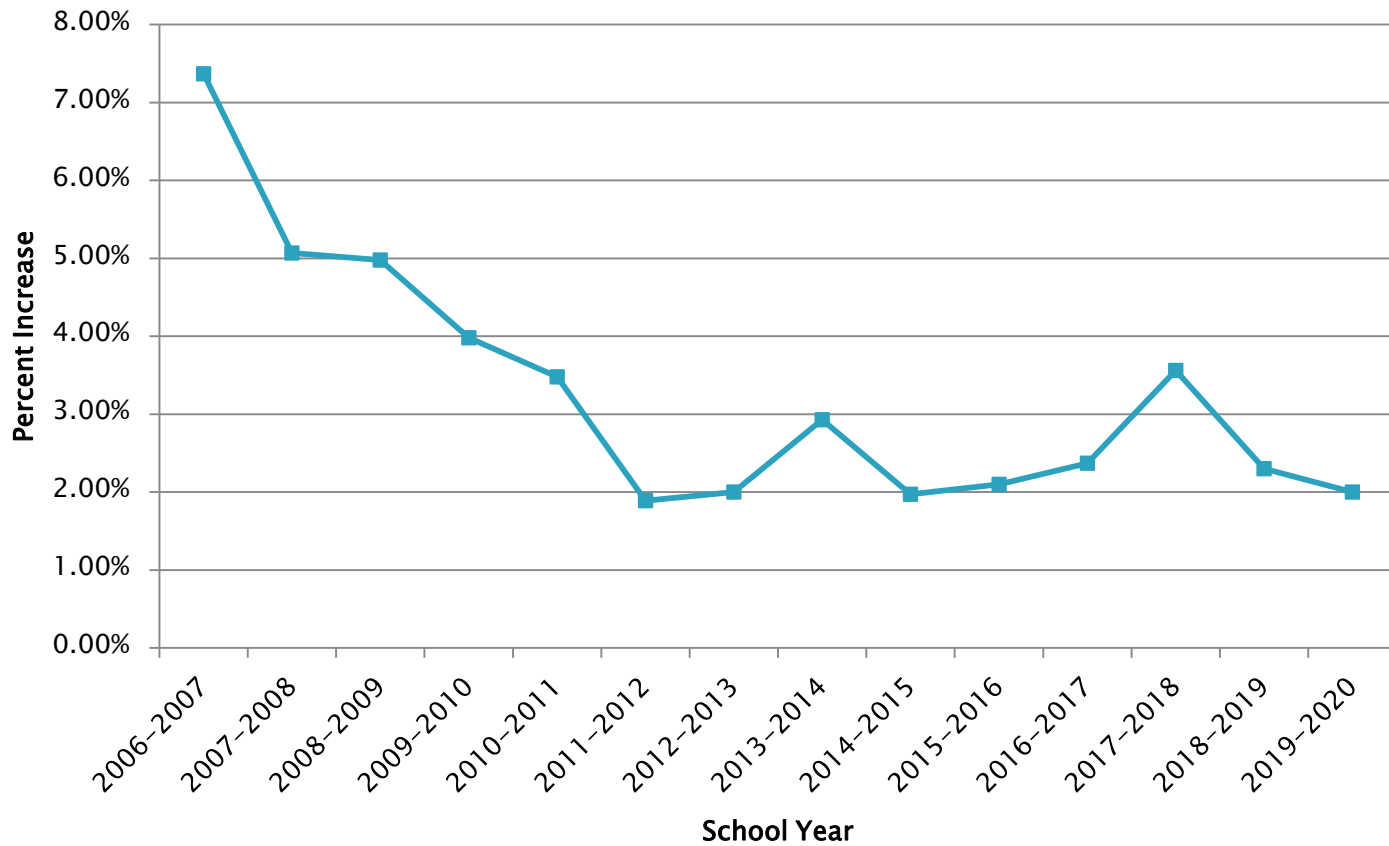
2019-2020 Allowable Adjustments & Available Banked Cap	
Allowable Adjustments (Health / Enrollment)	Available
0	0

Estimated Tax Impact

Tax Levy CAP	\$120,915,789
Operating Budget Tax Impact (est.)	2.00%
Debt Service	*\$3,764,333
Local Tax	\$124,680,122
Operating & Debt Tax Impact (est.)	1.94%
Banked Cap	\$0
Local Tax	\$124,680,122
Tax Impact (est.)	1.94%

*Debt Service minus Anticipated Debt Service Aid
(\$297,142)

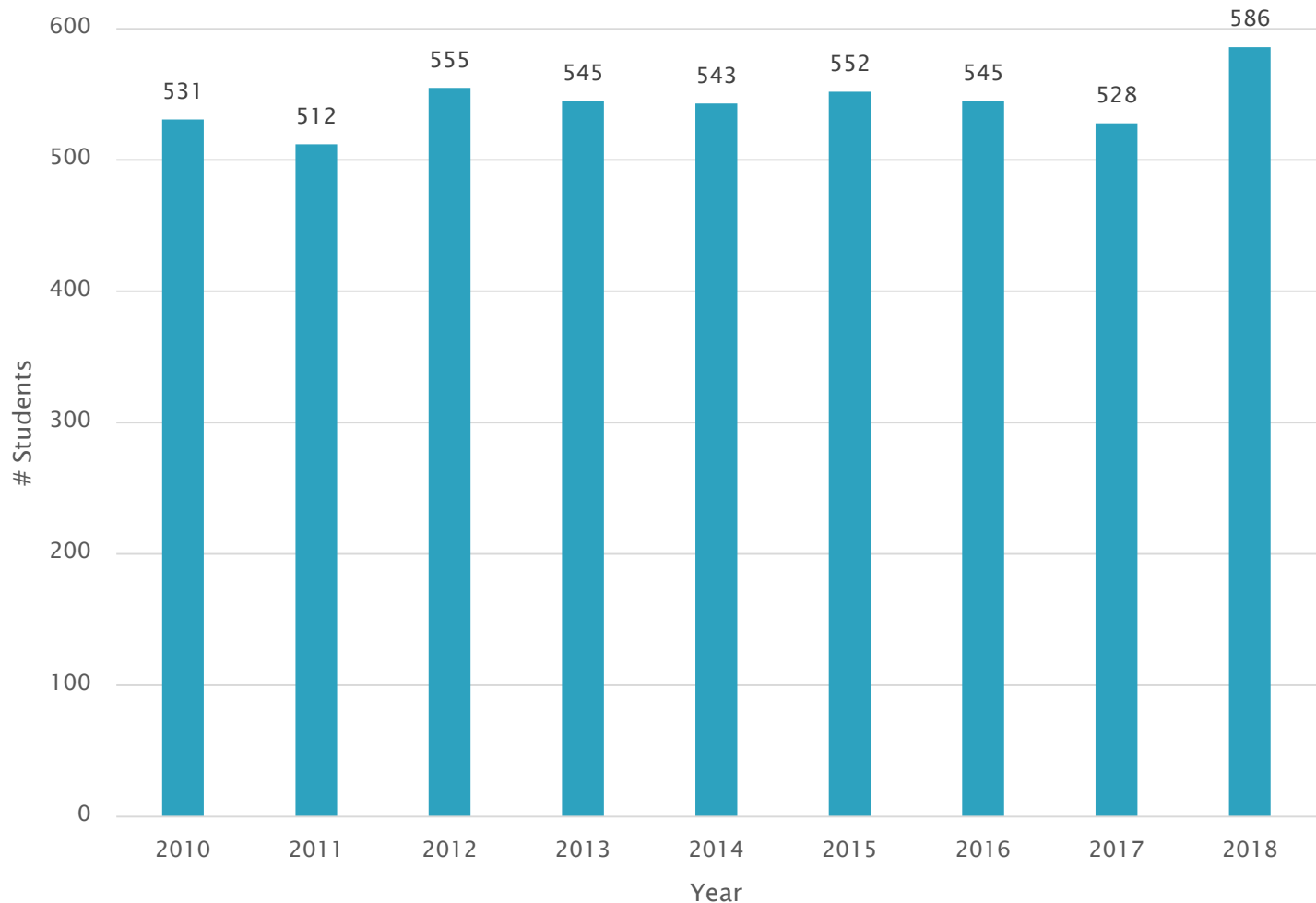
Year Over Year Tax Impact



ENROLLMENT DATA

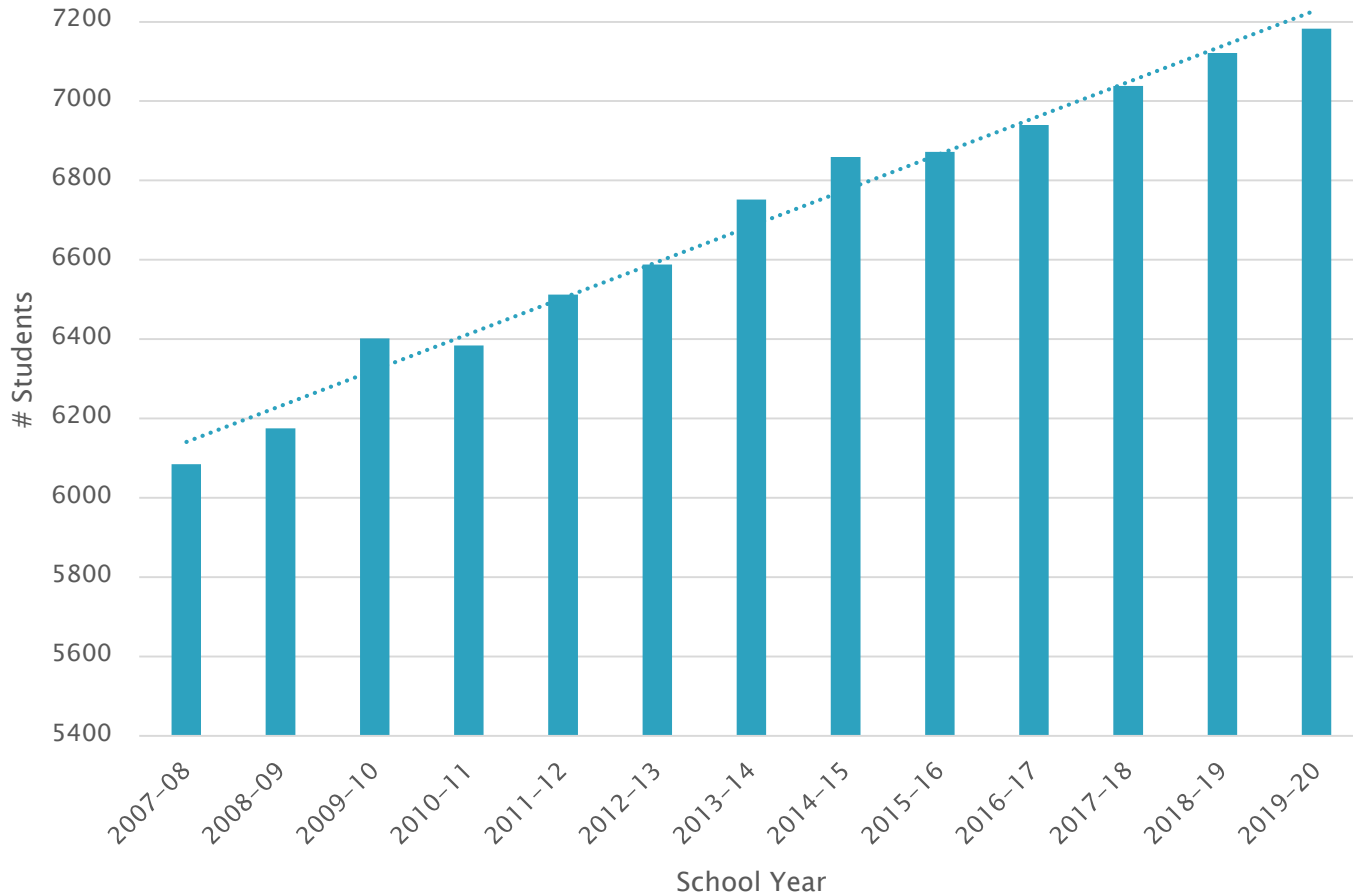
»» South Orange & Maplewood

Kindergarten Enrollment History



Since 2010, when the district began offering full day kindergarten to all students, kindergarten enrollment ranged from 512 to 555 students. This year kindergarten enrollment increased by 58 students.

Enrollment

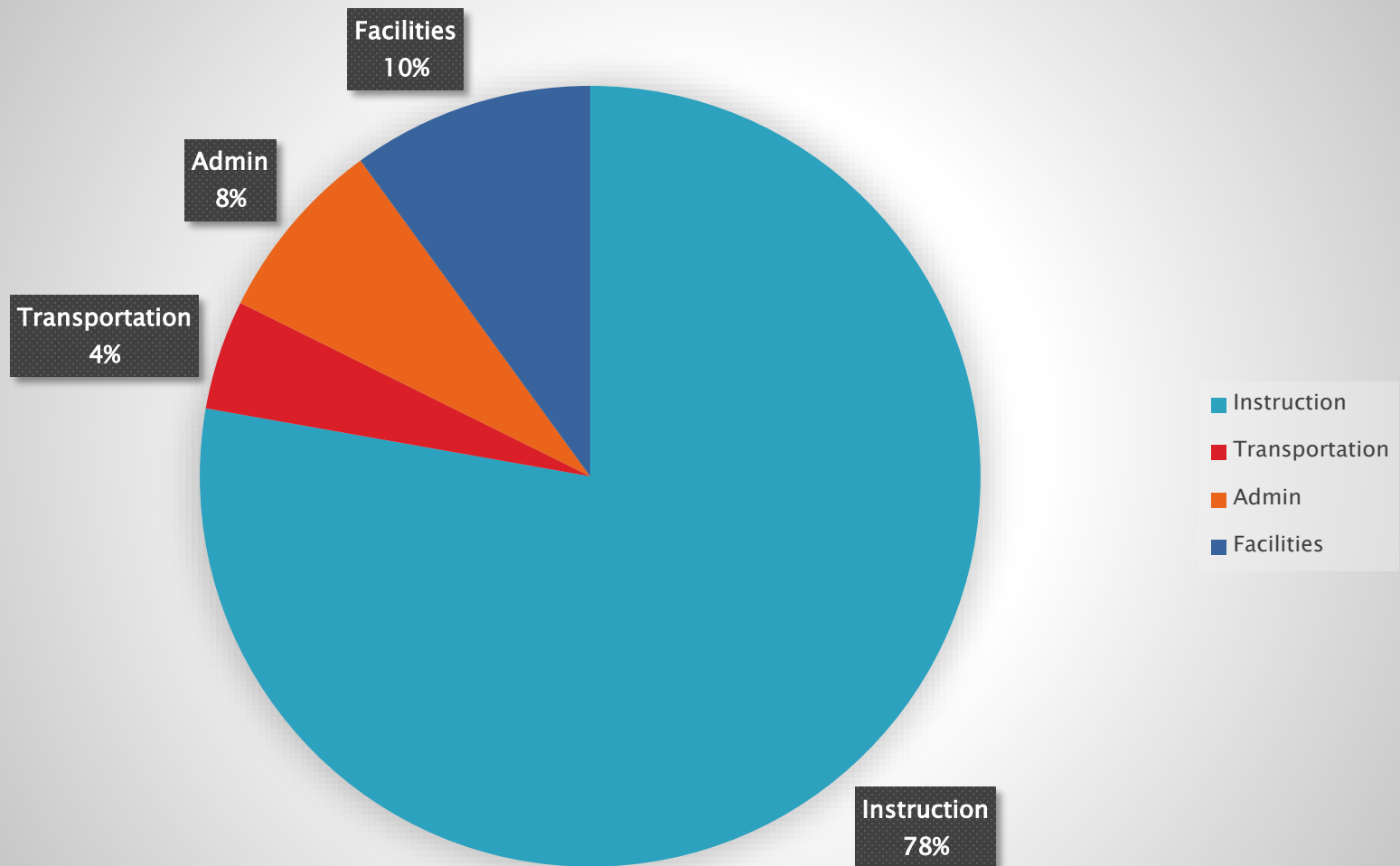


District enrollment increased by 17% or 1036 students over the last 11 years. Enrollment is project to increase to 7183 students next year.

Projected Appropriations 2019-20

Category	2018-2019 Revised Budget	Proposed	Change
Salaries & Contract Services	78,276,774	80,035,725	1,758,951
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	3,438,306	99,864
School / Department	3,572,644	4,053,104	480,459
Special Services, Technology, curriculum, Maintenance & Operation, Utilities, Central Admin	17,450,742	16,950,565	-500,177
Total	139,936,354	141,598,027	1,661,673
Local Grants	443,326	0	-443,326
Year End Encumbrances	1,168,585	0	-1,168,585
Grand Total	141,548,265	141,598,027	49,762

2019–2020 Projected Appropriations



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	142,716,850	137,655,145	–5,061,705	–3.55%
Expenditures	142,716,850	141,598,027	–1,118,823	–0.78%
2019–2020 Budget Gap to Close			3,942,882	

Managing the \$3.9 Million Budget Deficit

- ▶ **Spending Adjustments \$ 293,600
- ▶ Maintenance Reserve \$1,000,000
- ▶ **Spending Freeze and Breakage \$2,649,282

**Estimate

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

2019–20 Preliminary Proposed Budget

	Projected	Final (Preliminary)	Diff
Revenues	137,655,145	141,598,027	3,942,882
Expenditures	141,598,027	141,598,027	0
	-3,942,882	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
- ▶ Week of April 29th Public Hearing on Budget to levy 2019-20 school tax