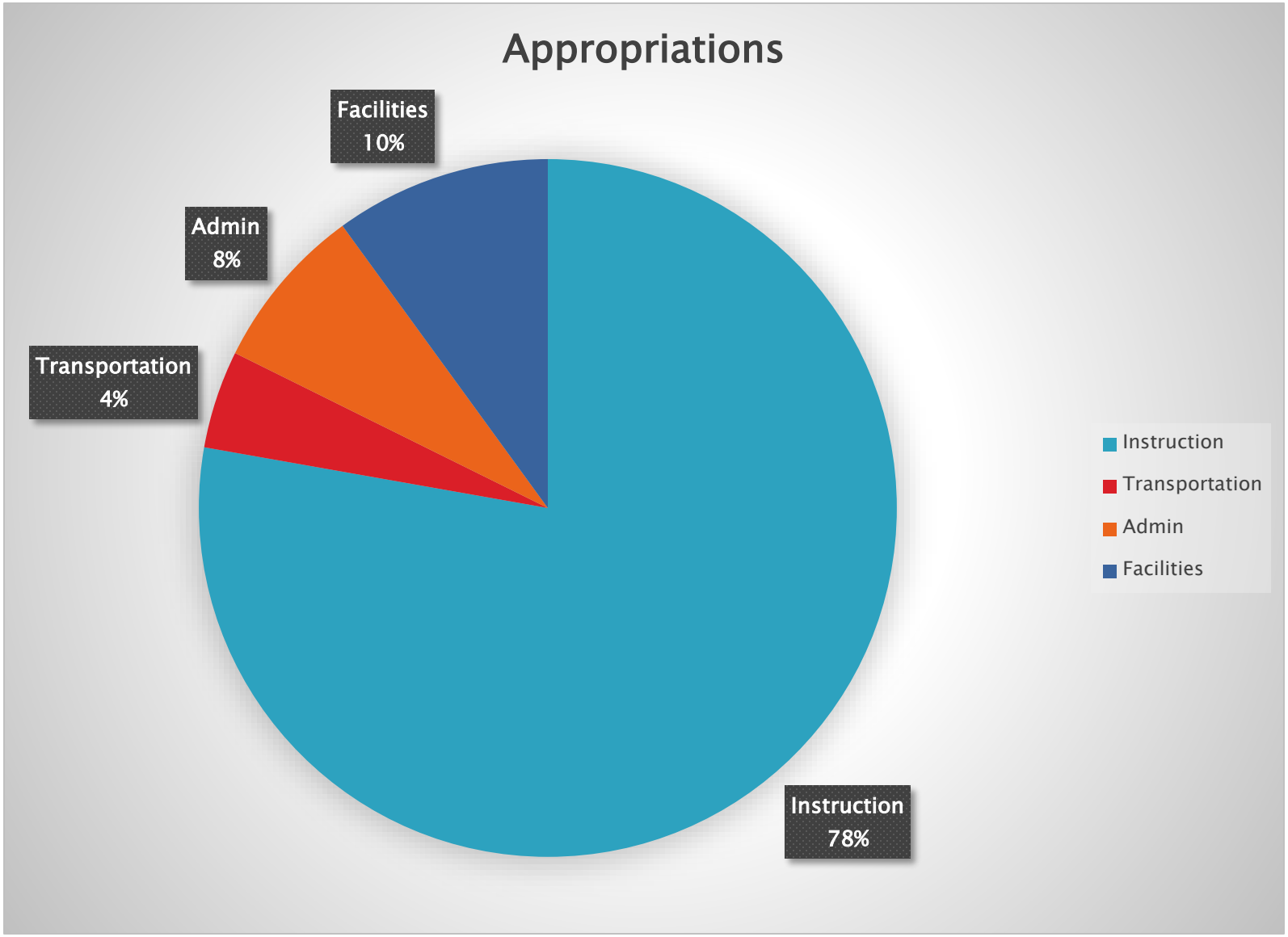
2019-2020 Preliminary Budget

The School District of
SOUTH ORANGE & MAPLEWOOD
525 Academy Street • Maplewood, NJ 07040

South Orange-Maplewood
School District

March 11, 2019



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
Total Revenue	139,329,069	139,271,541	-57,528

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		**$147**

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		**$286**

Based on 2018 Property Assessment Data

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
- Week of April 29th 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