2018-2019 Preliminary Budget

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

South Orange-Maplewood
School District

January 2018

Overview of Presentation

- Budget Development Process
- Anticipated Revenue Sources
- Base Line Enrollment Data
- Historical Spending
- Comparative Trends
- 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 banked cap & adjustments
  - Use goals and priorities as a guide
  - Balance the budget

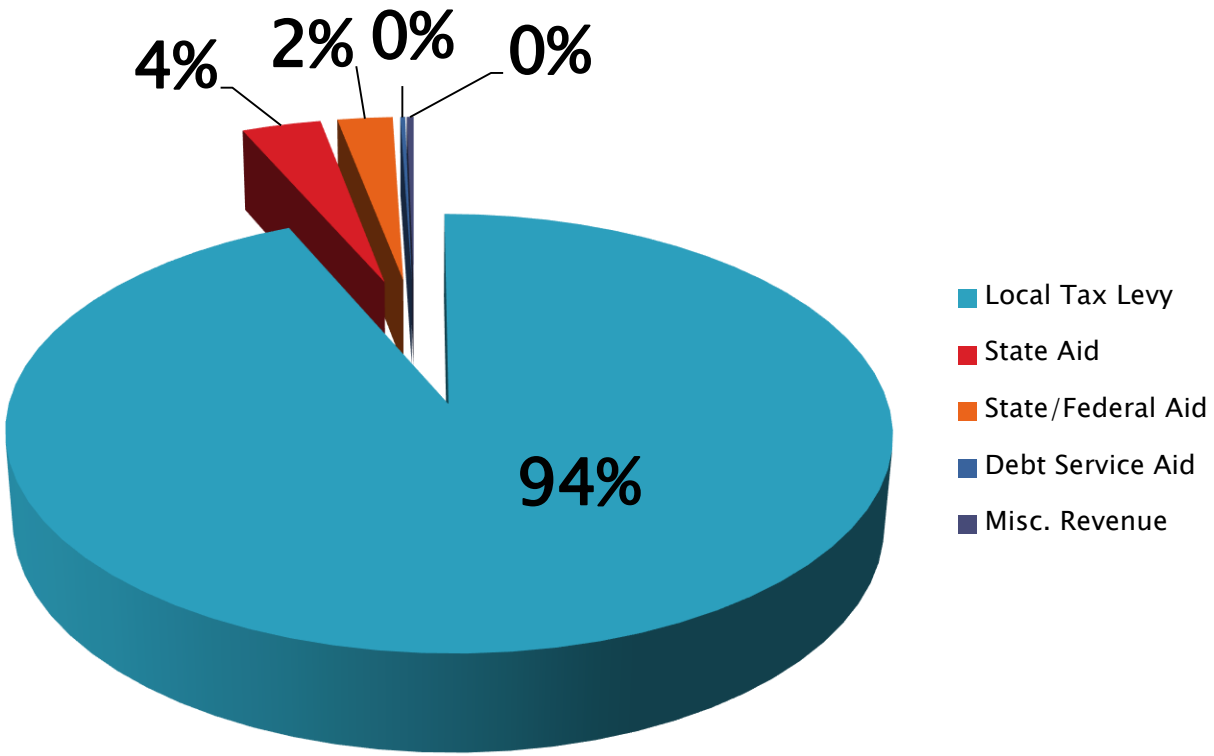
Anticipated Revenue Sources

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	4,307,567 241,960 4,549,527	4,549,527	0.0%
Capital Reserve	0	0	
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	132,571,918	1.51%

Additional Revenue 1,976,091

2017-2018 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

***$147,754 of banked cap expires if not used for 2018-2019**

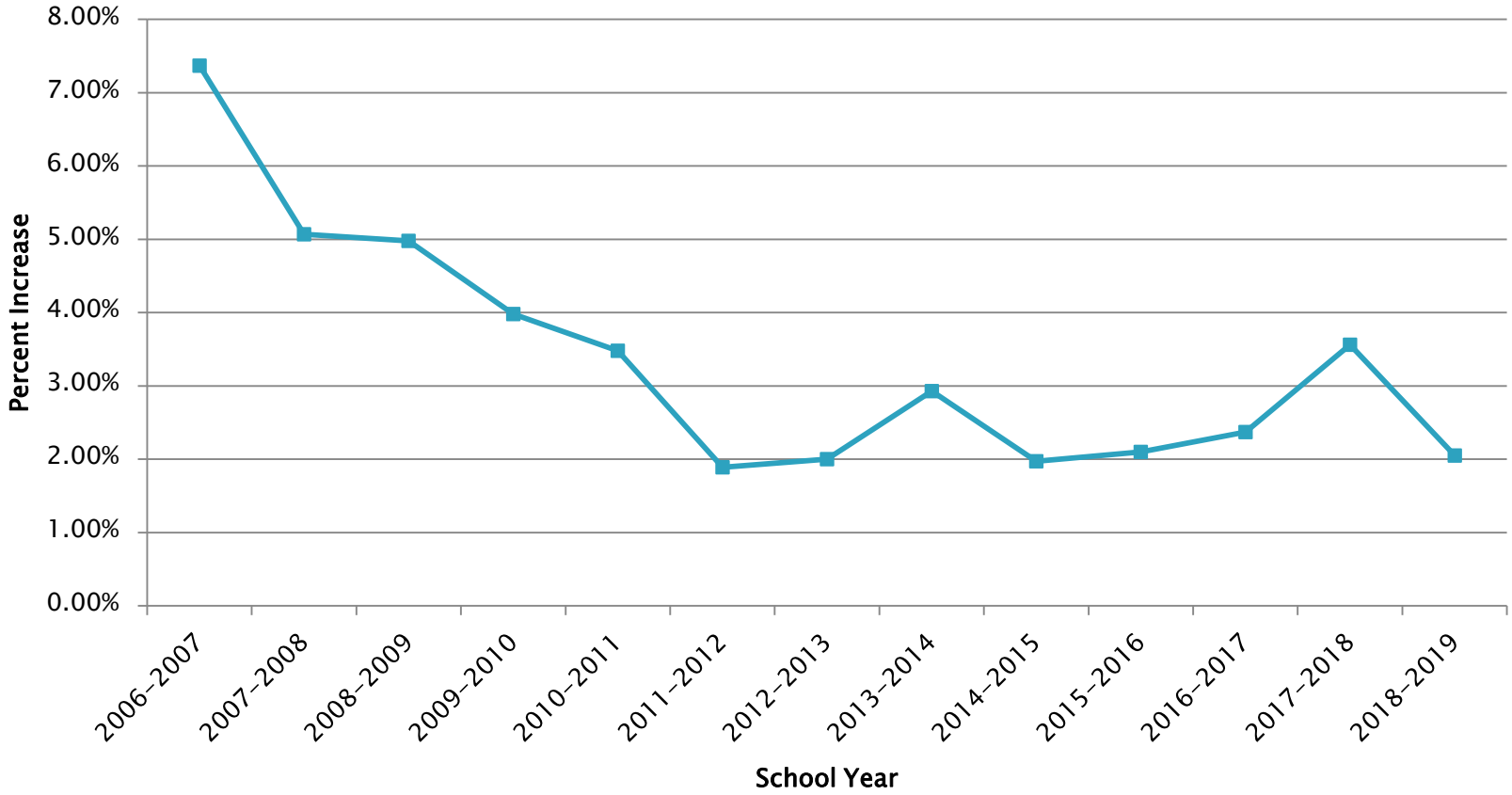
2018-2019 Allowable Adjustments & Available Banked Cap	
Allowable Adjustments (Health / Enrollment)	Available
TBD	147,754

Estimated Tax Impact

Tax Levy CAP	$118,070,306
Operating Budget Tax Impact (est.)	2.00%
Debt Service	*$3,744,806
Local Tax	$121,815,112
Operating & Debt Tax Impact (est.)	1.93%
Banked Cap	$147,754
Local Tax	$121,962,866
Tax Impact (est.)	2.05%

*Debt Service minus Anticipated Debt Service Aid ($328,469)

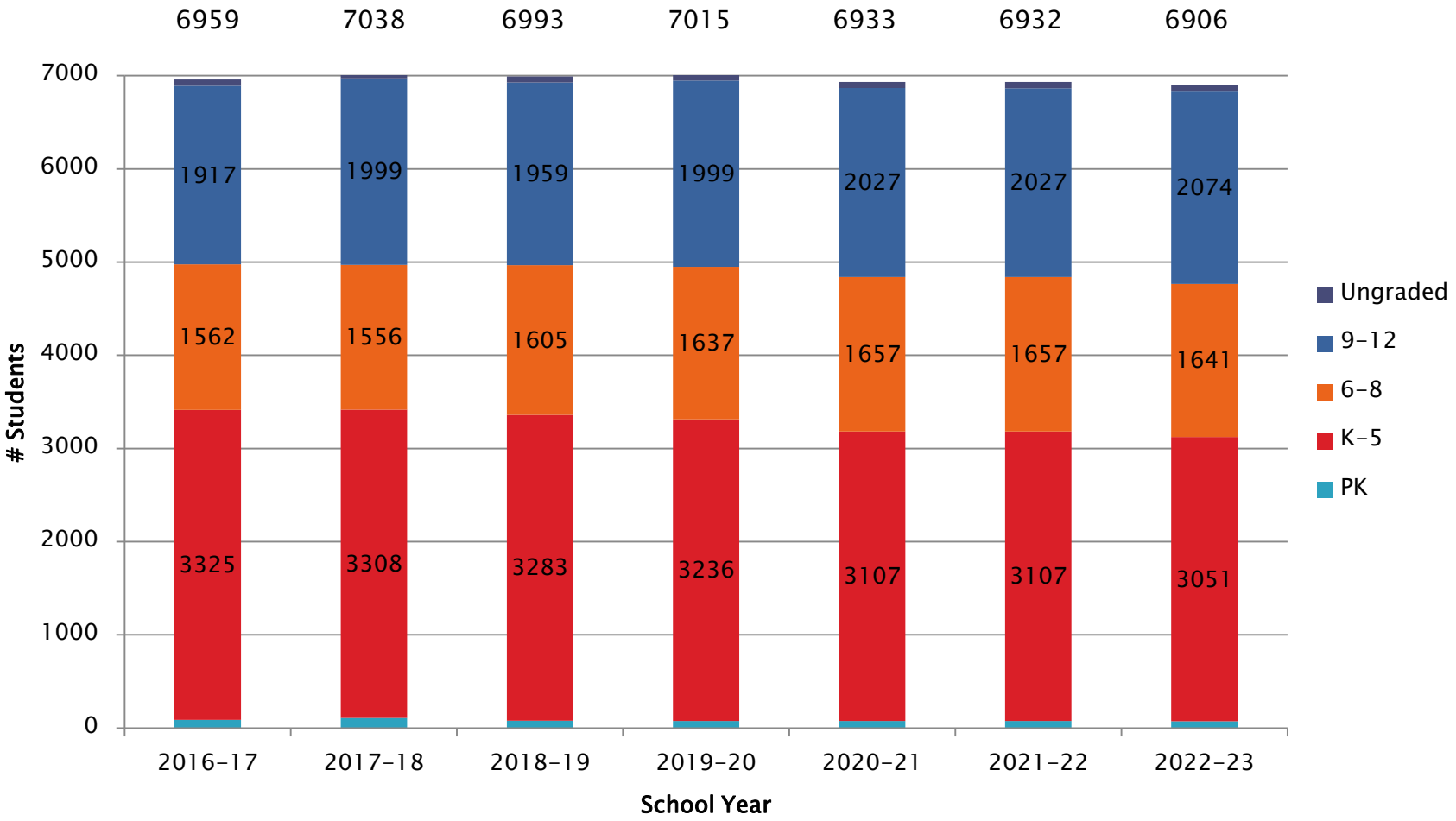
Year Over Year Tax Impact

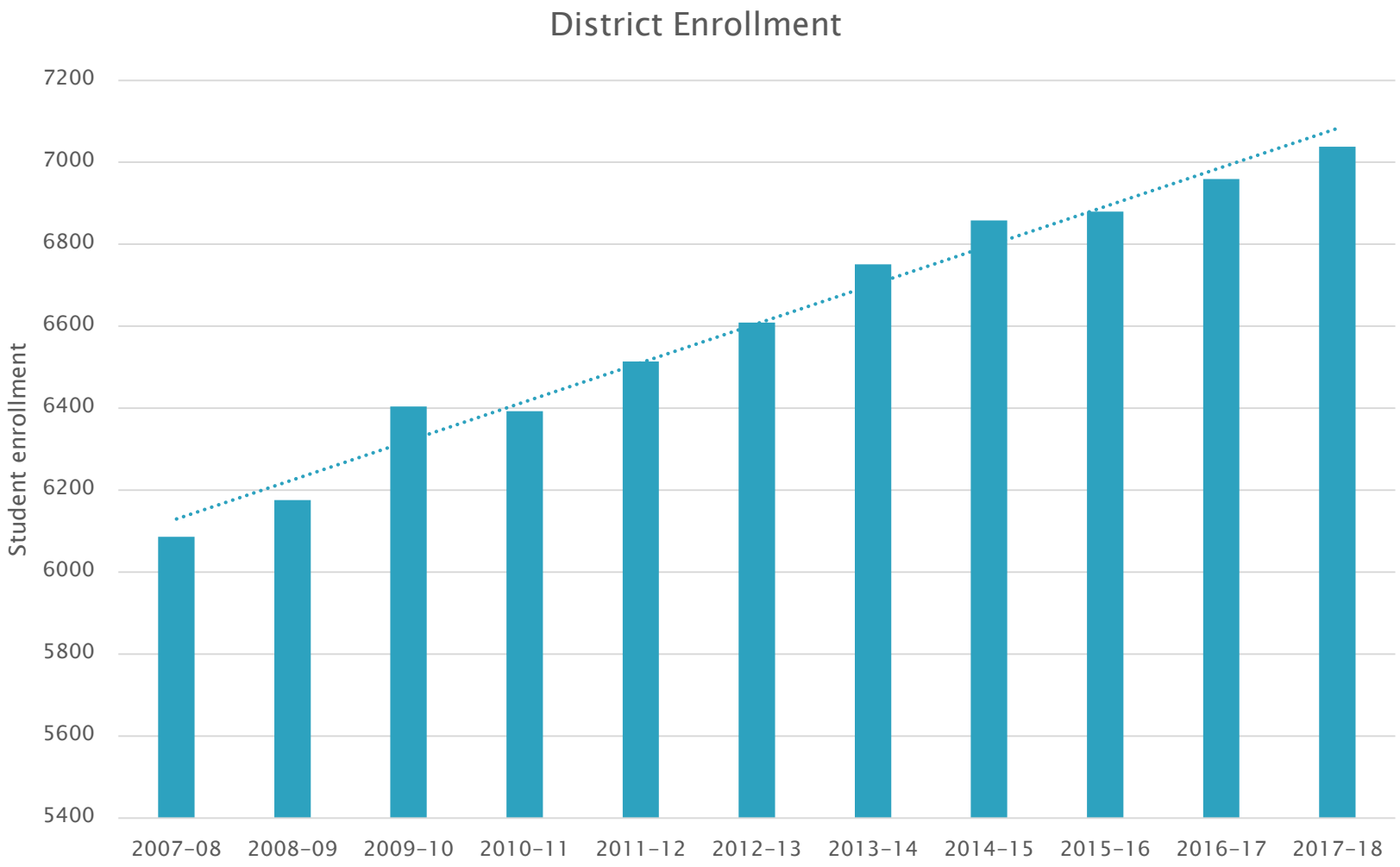


BASELINE DATA

- South Orange & Maplewood

District Enrollment & Projections





District enrollment increased by 15.6% or 952 students over the last 10 years.

Budgeting Basics

Student Enrollment Drives:

- Staffing Requirements (Teachers, Administrators, etc.)
- Tuition (Vo-Tech, Charter, etc.)
- Transportation

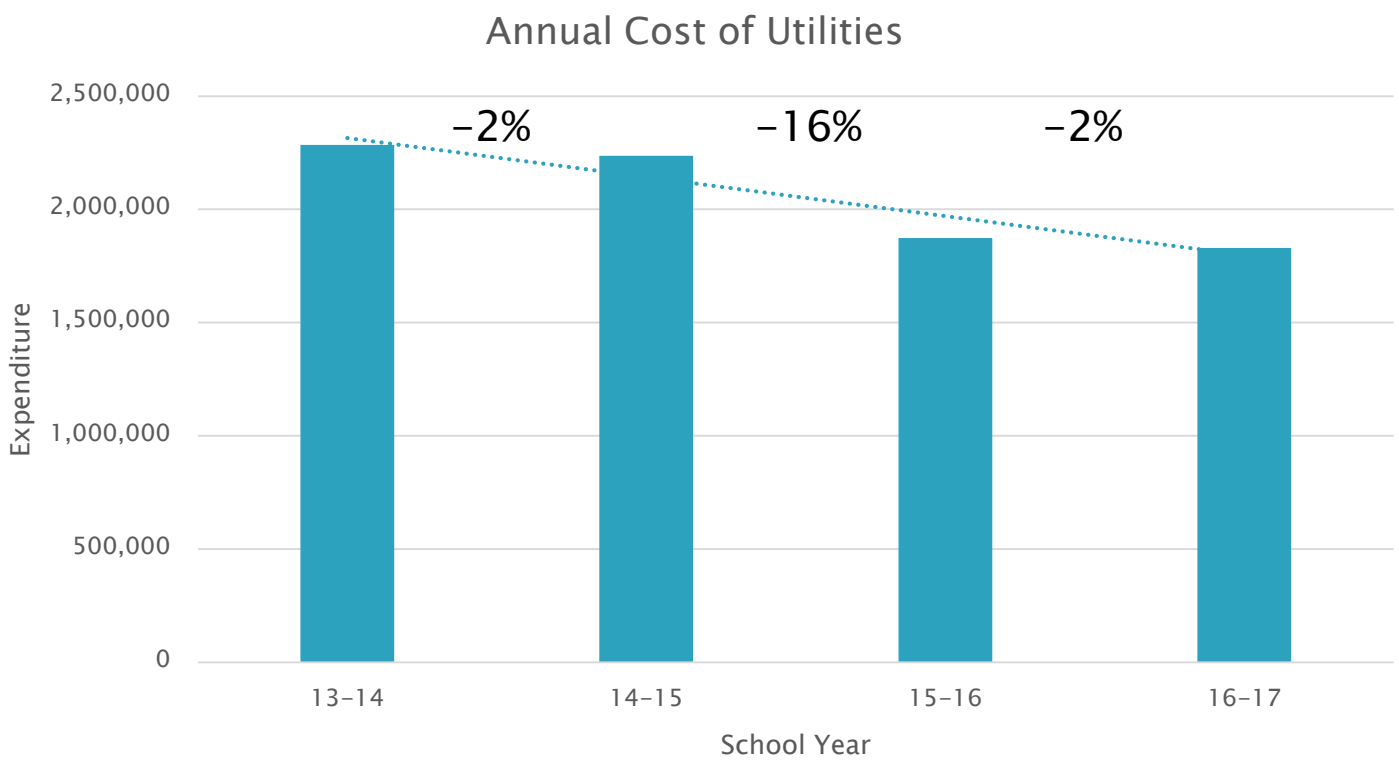
Other Factors

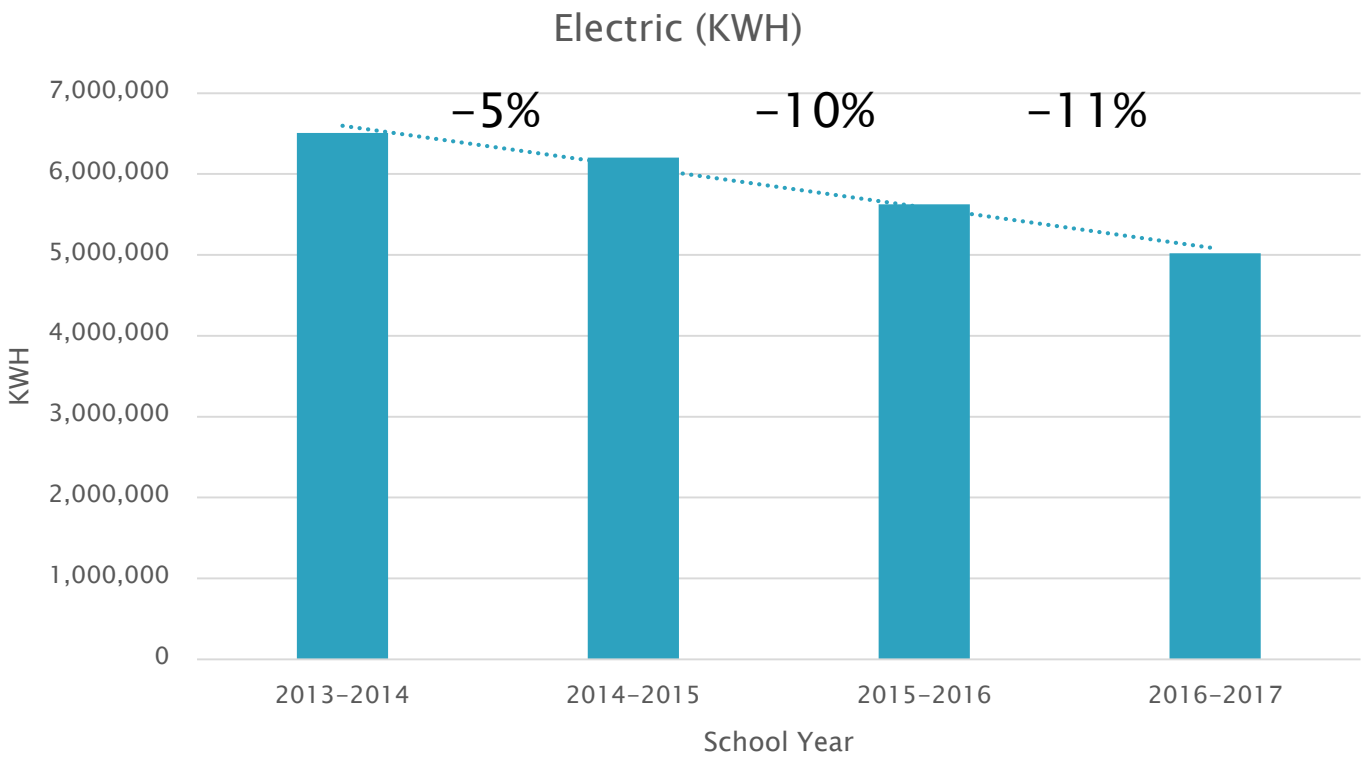
- Health Benefits
- Other Benefits
- School / Department Budgets
- Special Services, Technology, Curriculum, Maintenance & Operation, Utilities, Central Administration

Historical Spending

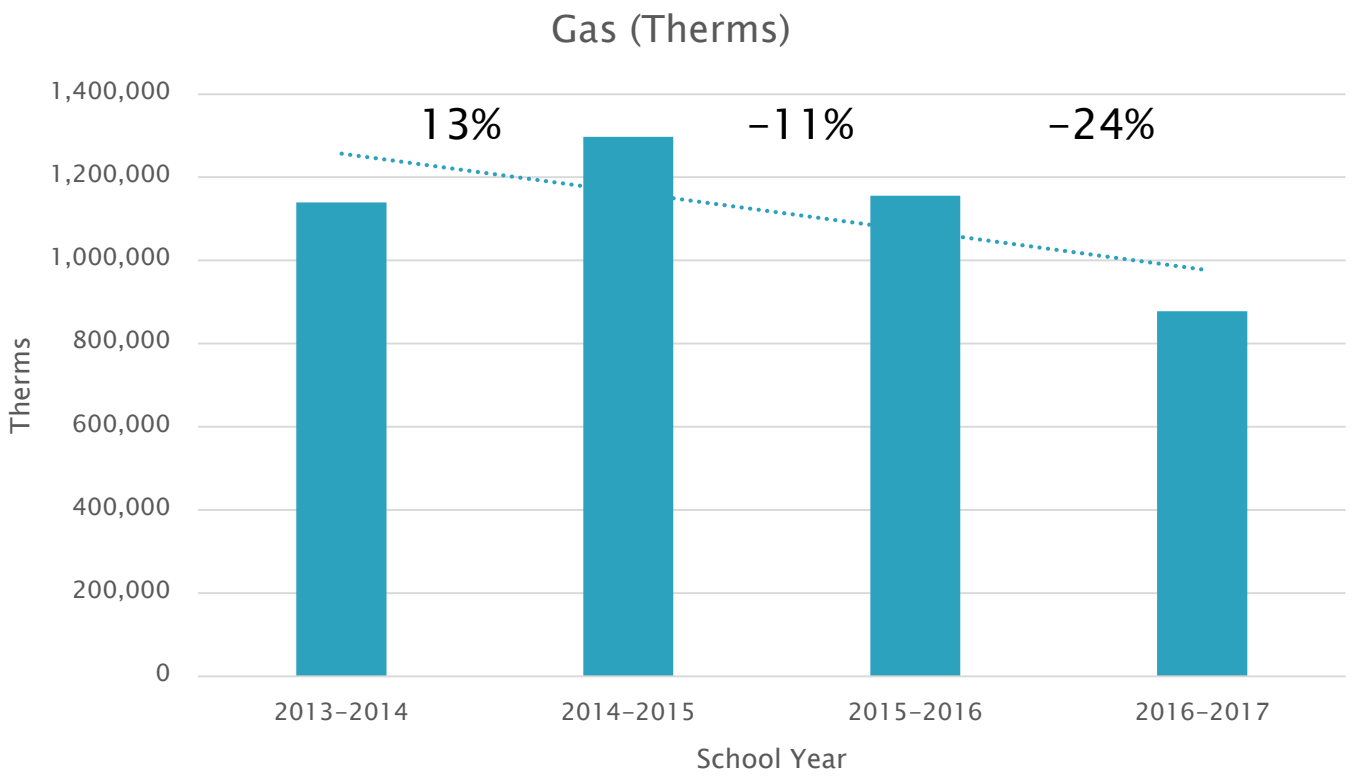
Cost Drivers

- Energy
- Tuition
- Health Care
- Transportation

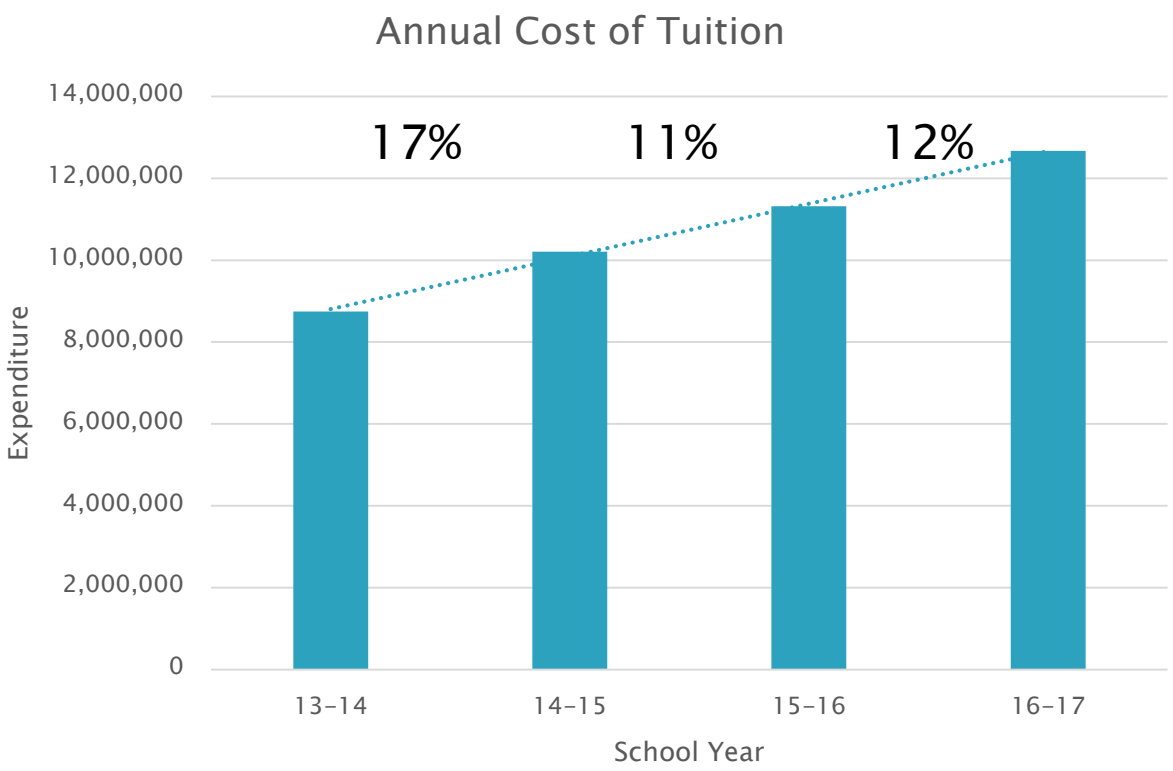

Annual Cost of Utilities
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
Expenditure
-2%
-16%
-2%
13-14
14-15
15-16
16-17
School Year



- Installation of energy efficient systems such as lighting and converting stage lighting to LED reduced energy consumption.

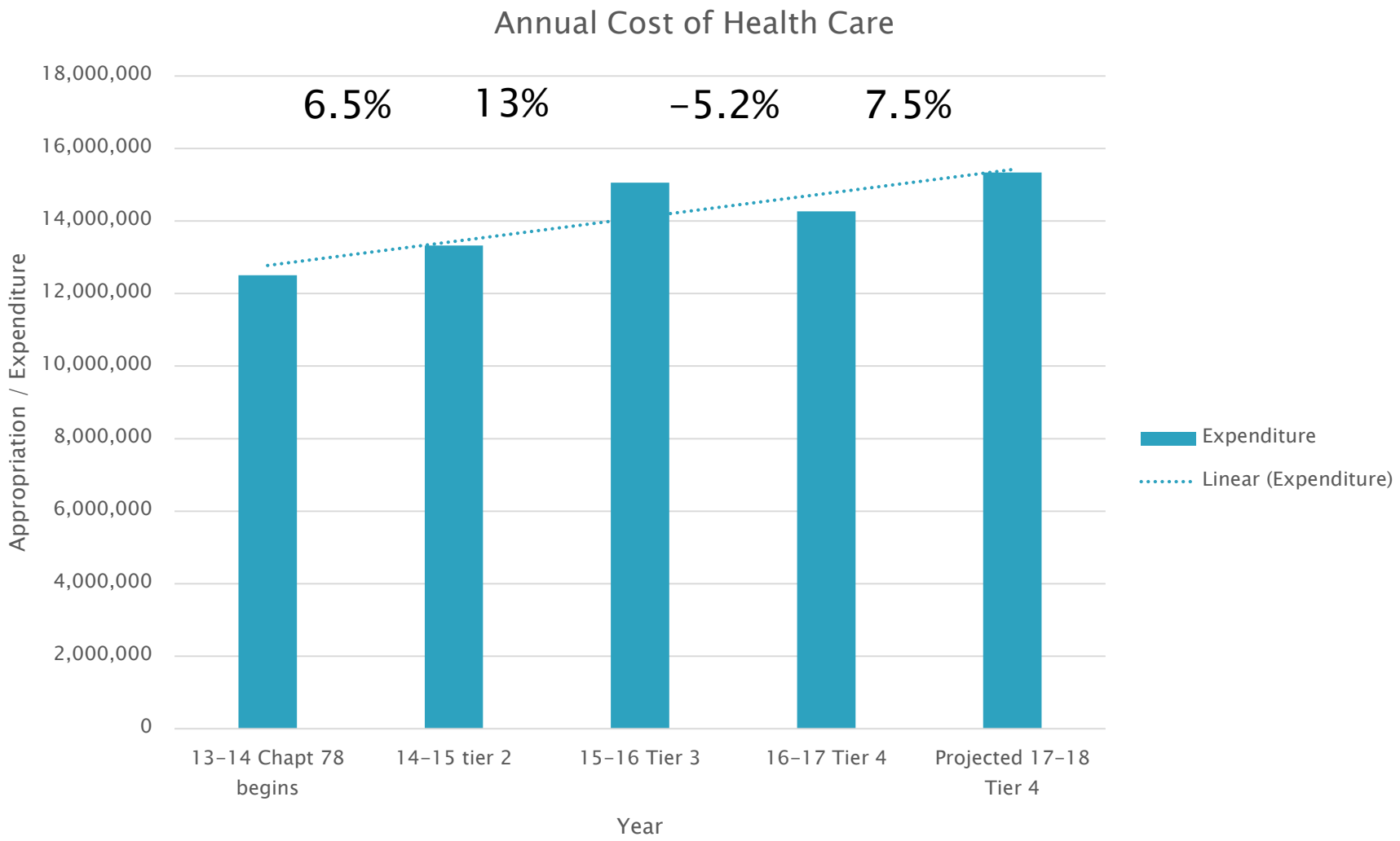


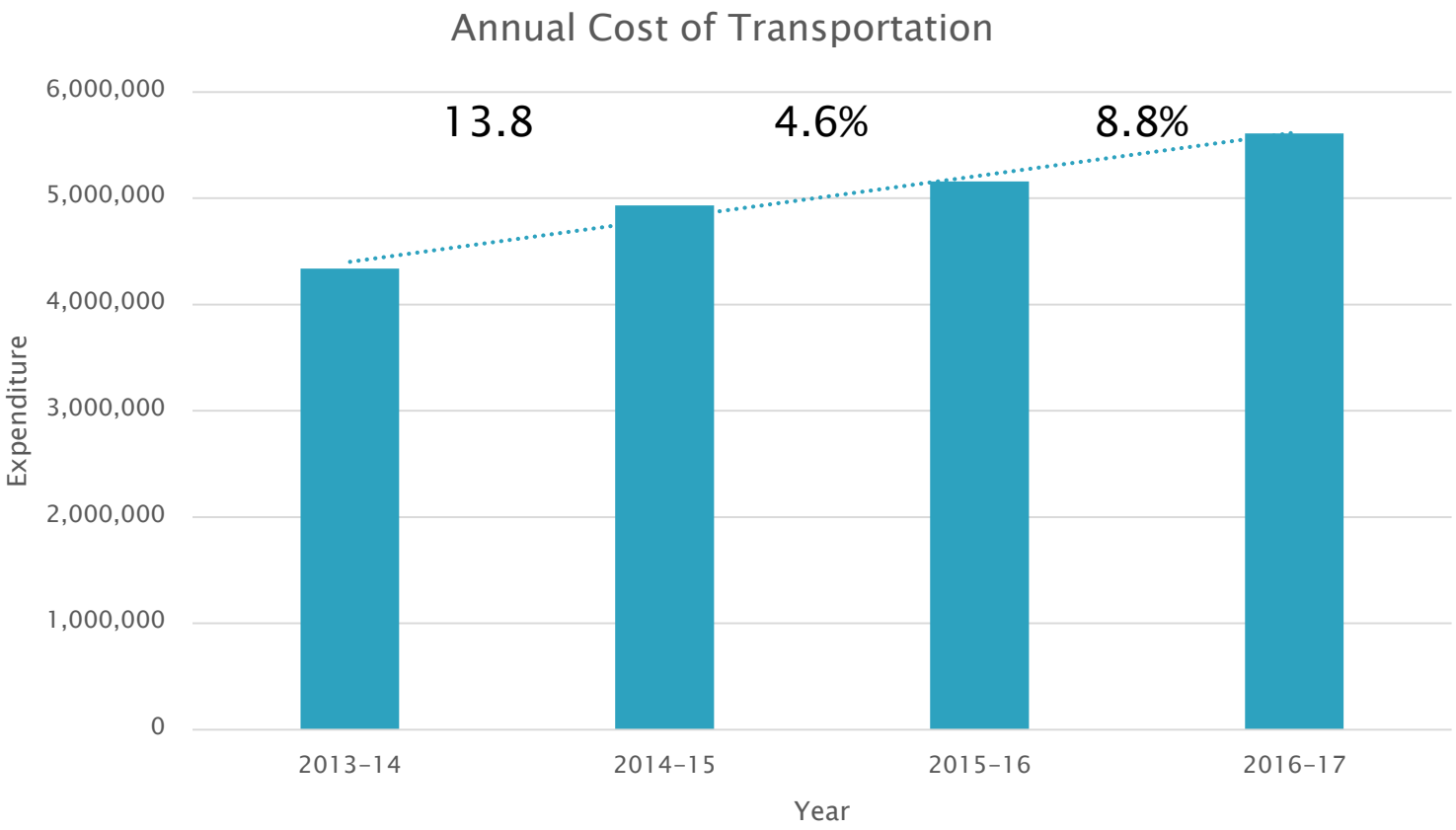
- Warmer weather is the main driver to reduce natural gas consumption



Tuition costs include:

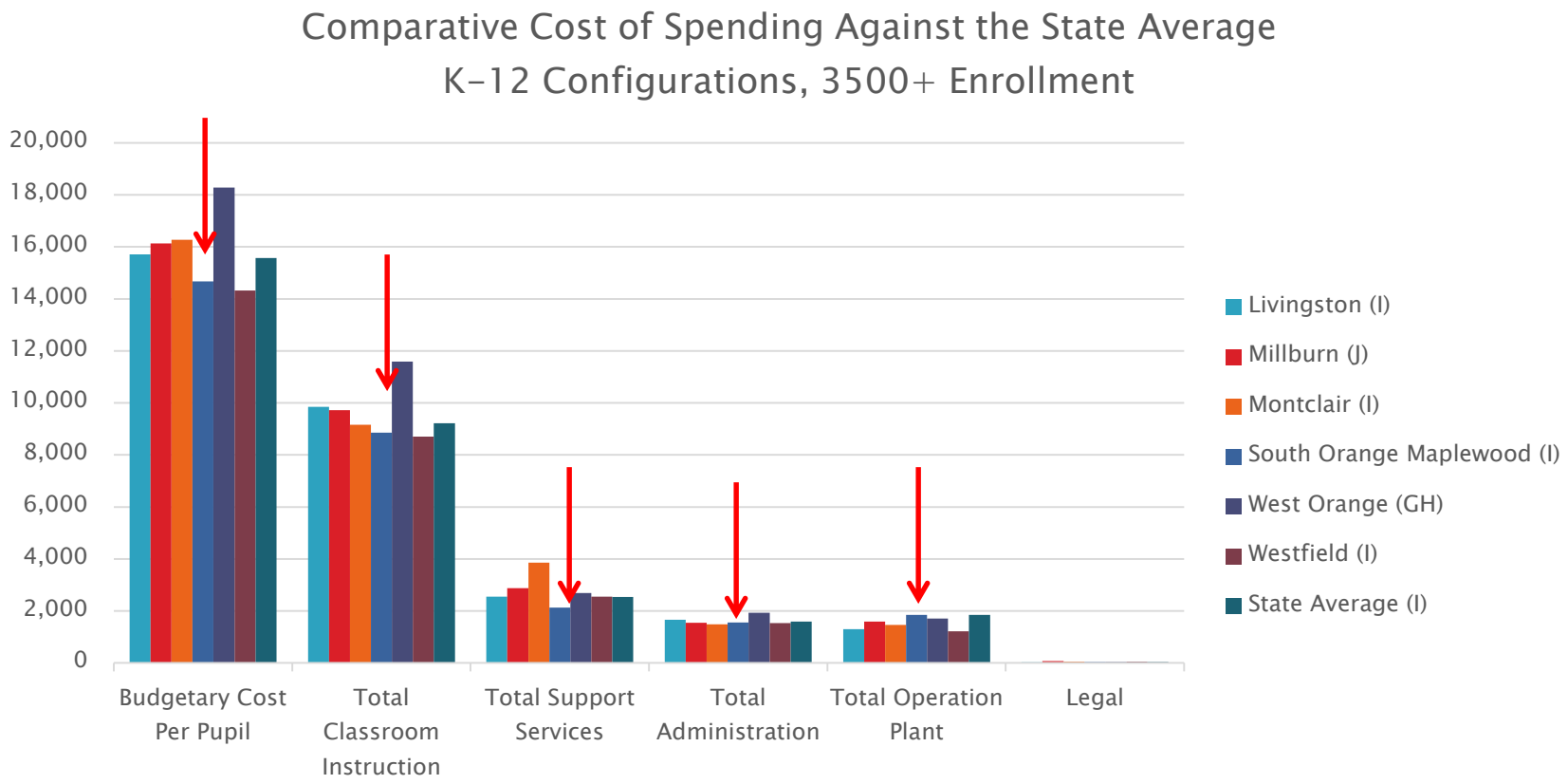
- Vocational
- Charter
- State Facilities
- Special Services


Annual Cost of Health Care
6.5%
13%
-5.2%
7.5%
18,000,000
16,000,000
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
Appropriation / Expenditure
13-14 Chapt 78 begins
14-15 tier 2
15-16 Tier 3
16-17 Tier 4
Projected 17-18 Tier 4
Year
Expenditure
Linear (Expenditure)


Annual Cost of Transportation
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0
Expenditure
13.8
4.6%
8.8%
2013-14
2014-15
2015-16
2016-17
Year

Comparative Data

How do we compare with other like districts or state averages?



Source: Dept. of Education Taxpayer's Guide to Education Spending Budget 2016-17

Next Steps

Tentative Budget Calendar

Jan 22	BOE meeting: First Budget Presentation (Revenue)
Feb 3	Budget Workshop
Feb 20	BOE meeting: Budget Discussion
Feb 27/28	Governor's State Budget Message
Mar 2 (est.)	State Aid Notices
Mar 7	Budget workshop
Mar 10	Budget Workshop
Mar 19	BOE: meeting: Approve preliminary budget
Mar 20	BOE meeting - Last day to submit 2018-19 Budget to County
Apr 30 (Tentative)	Special meeting - *Public Hearing on Budget /action to levy 2018-19 school tax*