

2018-2019 Preliminary Budget



South Orange-Maplewood
School District

February 3, 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



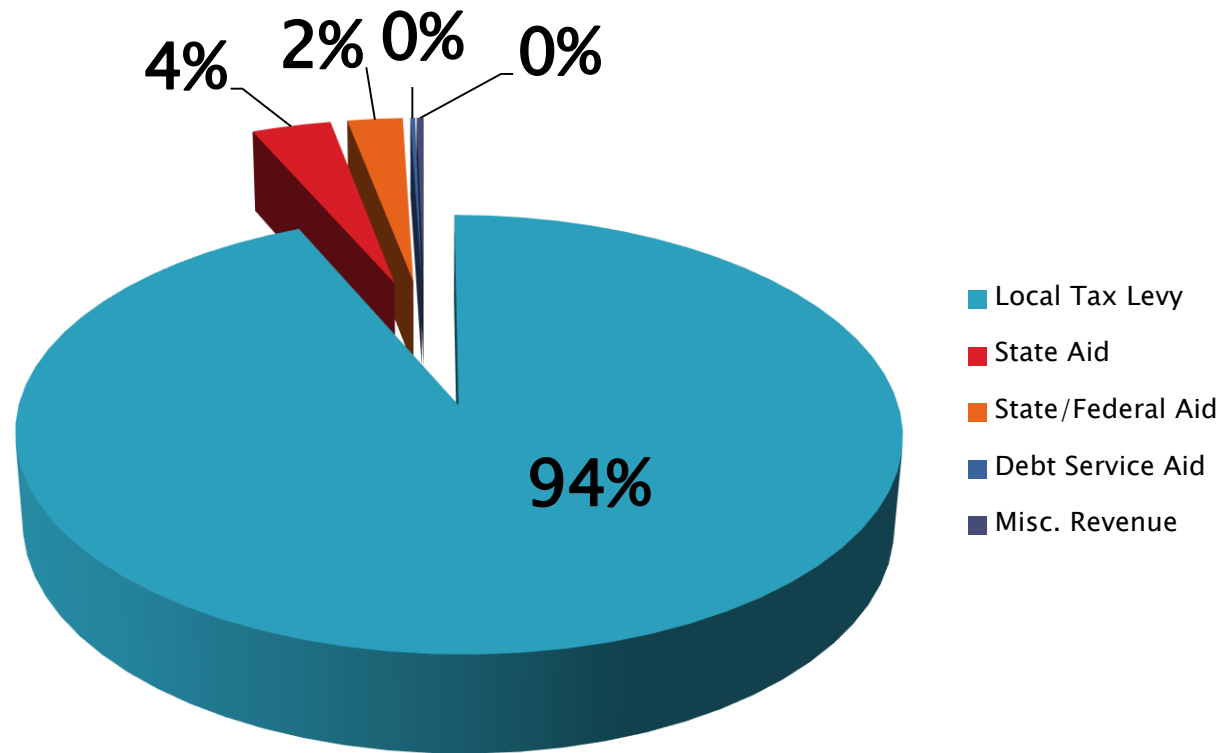
Projected Revenue 2018-19

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 <u>241,960</u> 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**

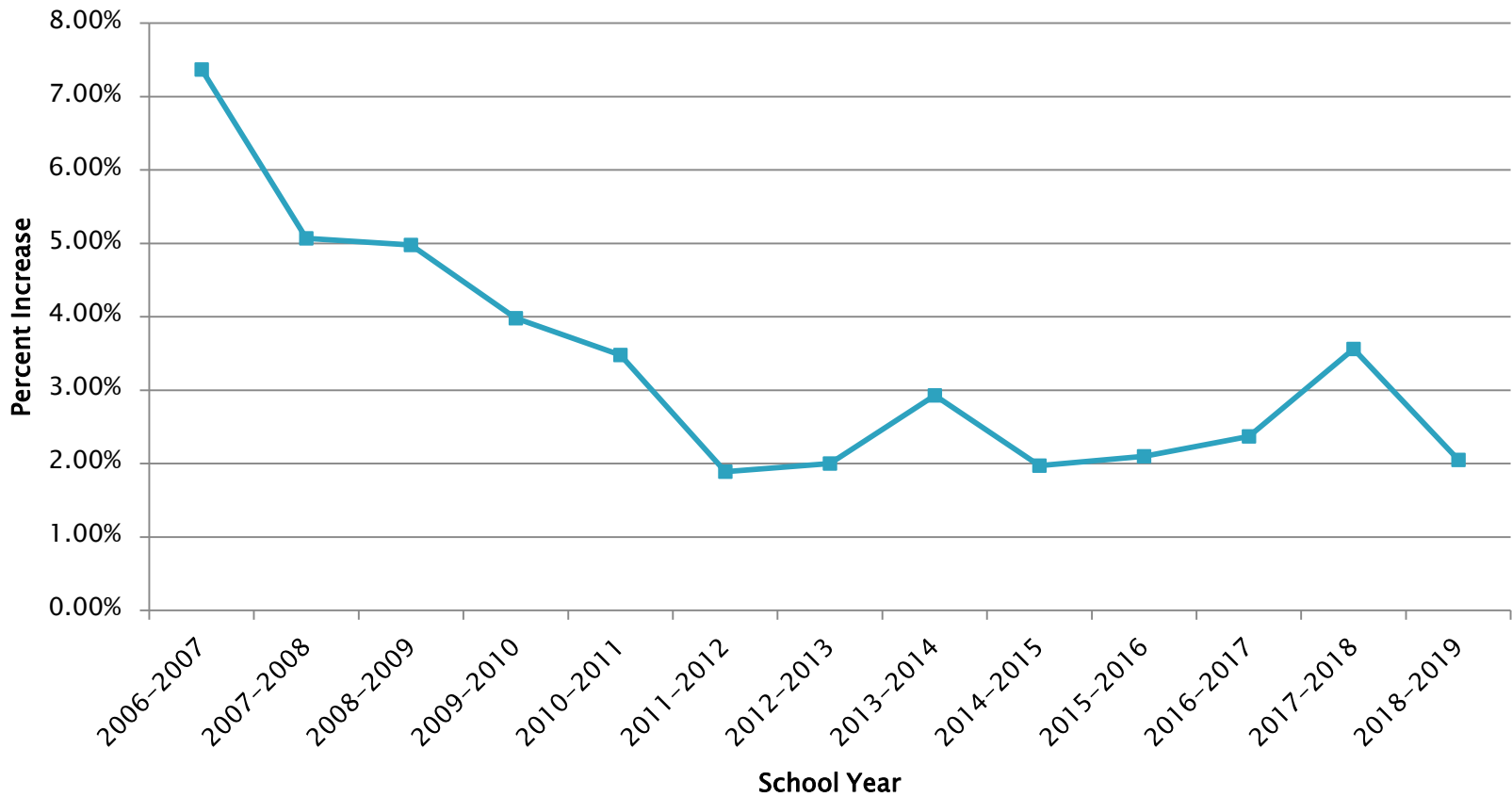
2018-2019 Allowable Adjustments & Available Banked Cap	
Allowable Adjustments (Health / Enrollment)	Available
TBD	147,754

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)

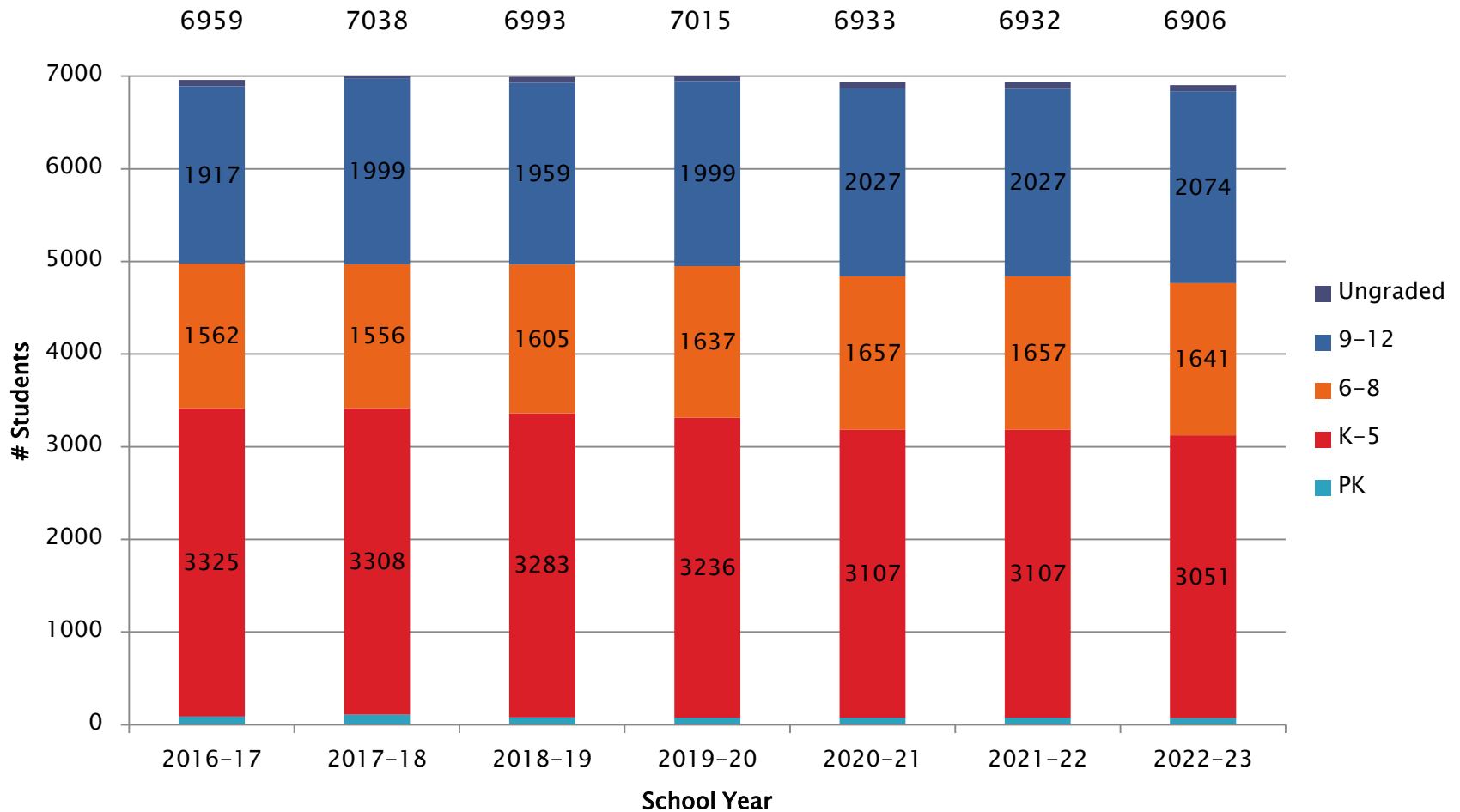
Year Over Year Tax Impact



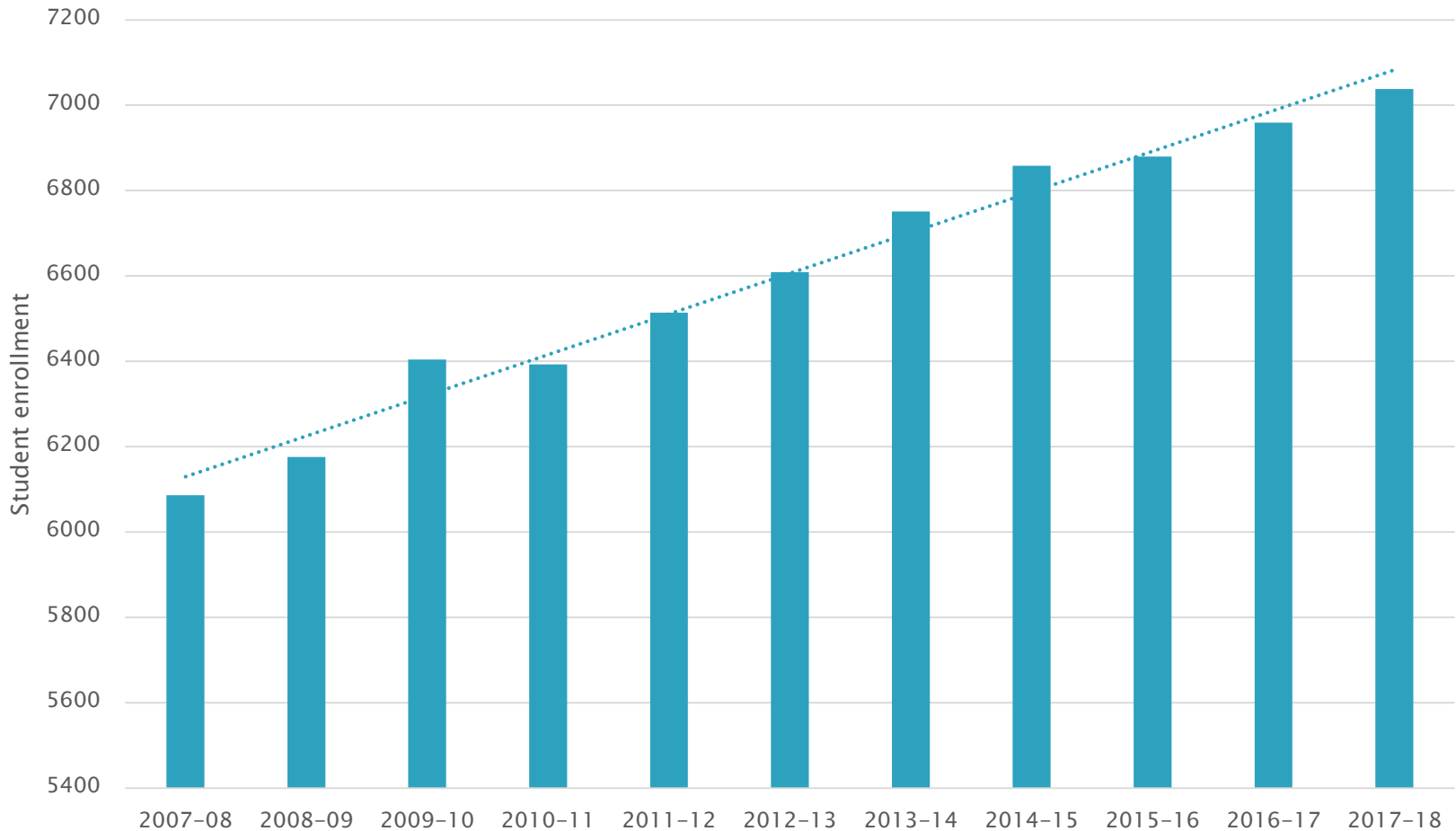
BASELINE DATA

»» South Orange & Maplewood

District Enrollment & Projections



District Enrollment



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

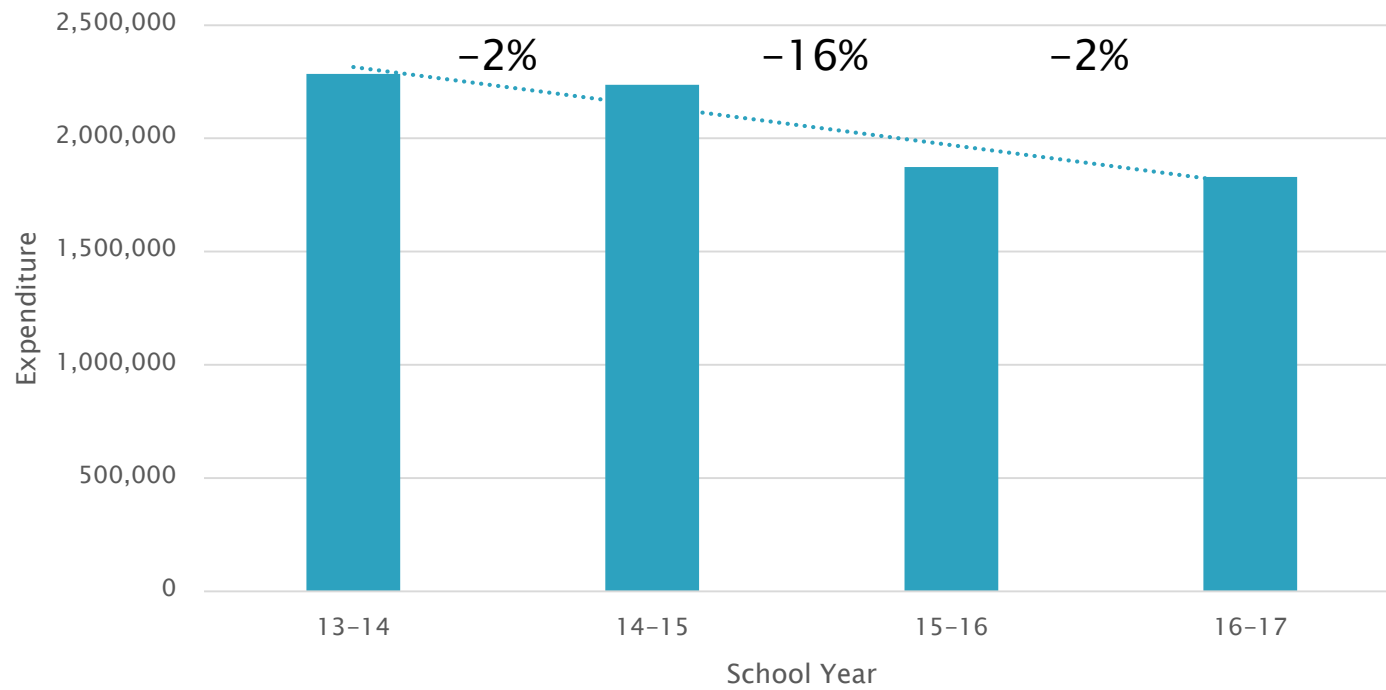
Historical Spending

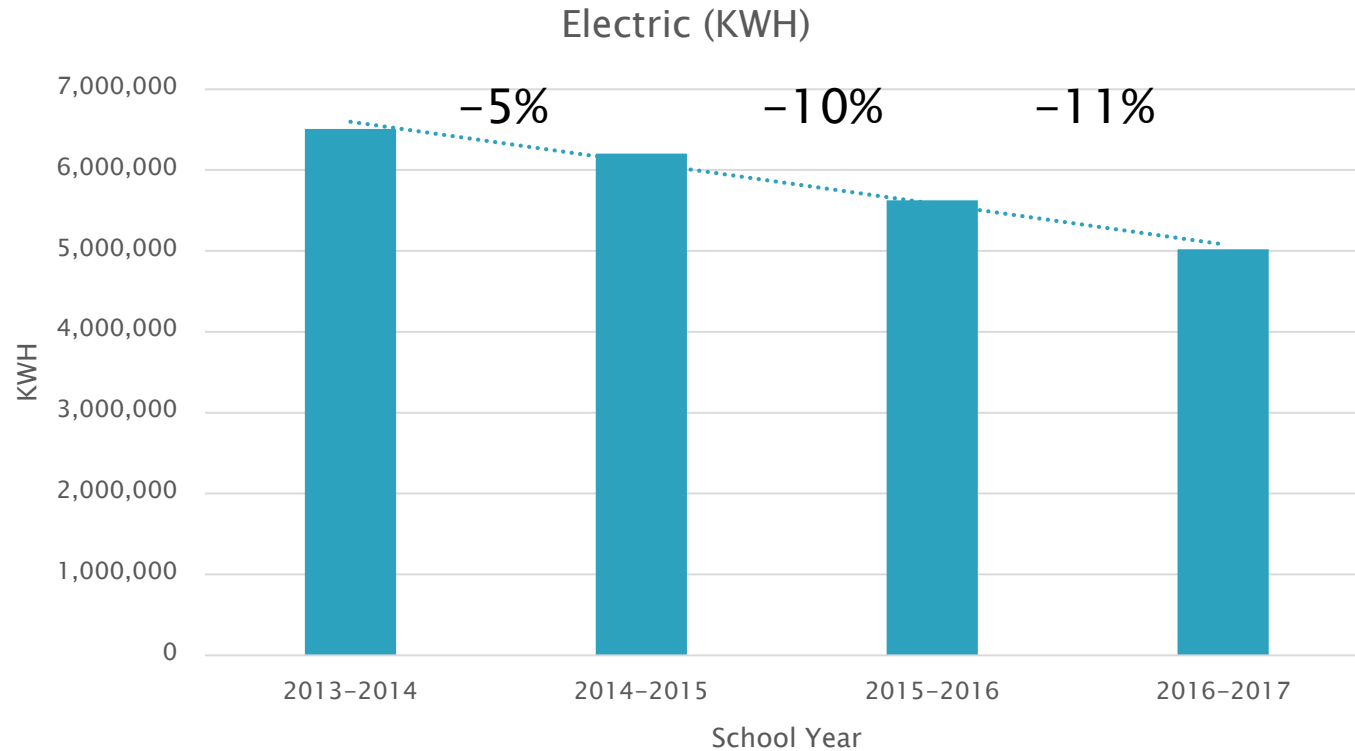


Cost Drivers

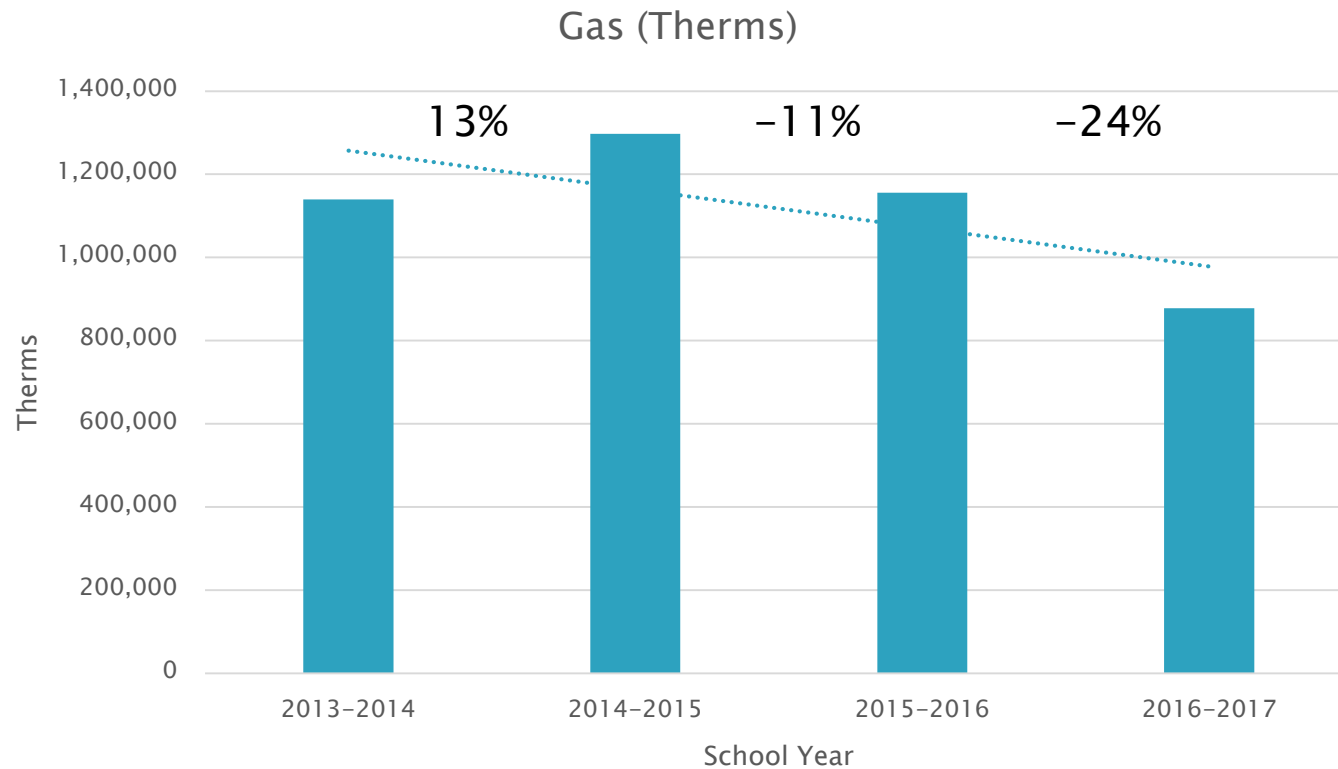
- ▶ Energy
- ▶ Tuition
- ▶ Health Care
- ▶ Transportation

Annual Cost of Utilities



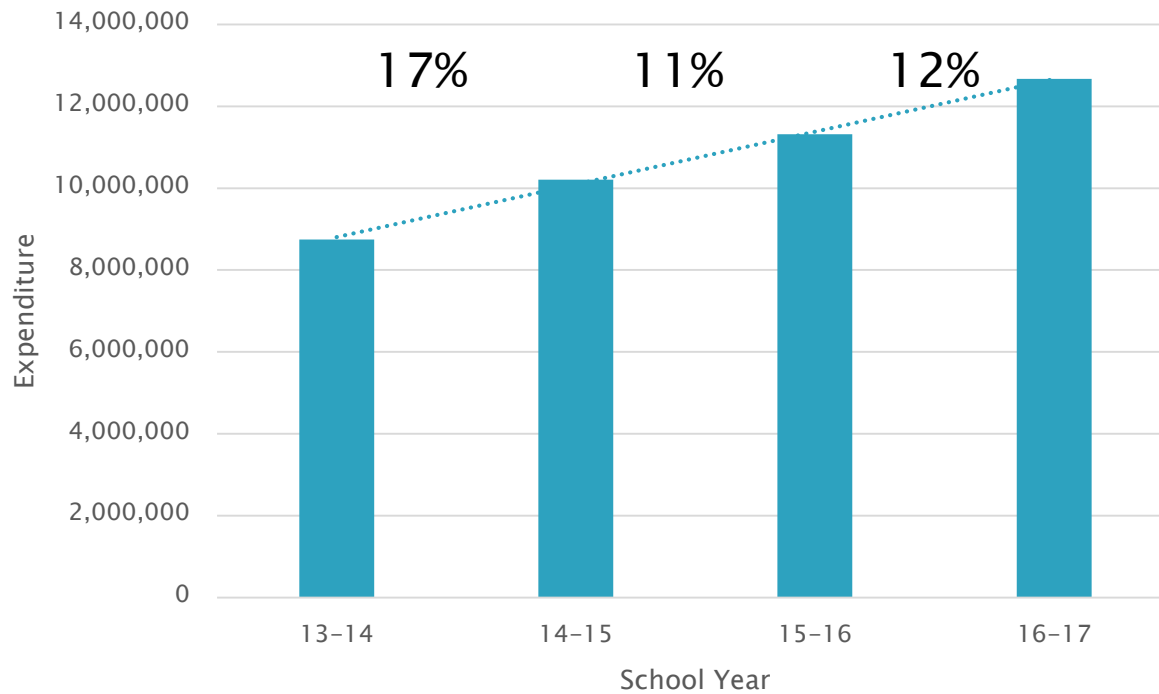


- Installation of energy efficient systems such as lighting and converting stage lighting to LED reduced energy consumption.



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

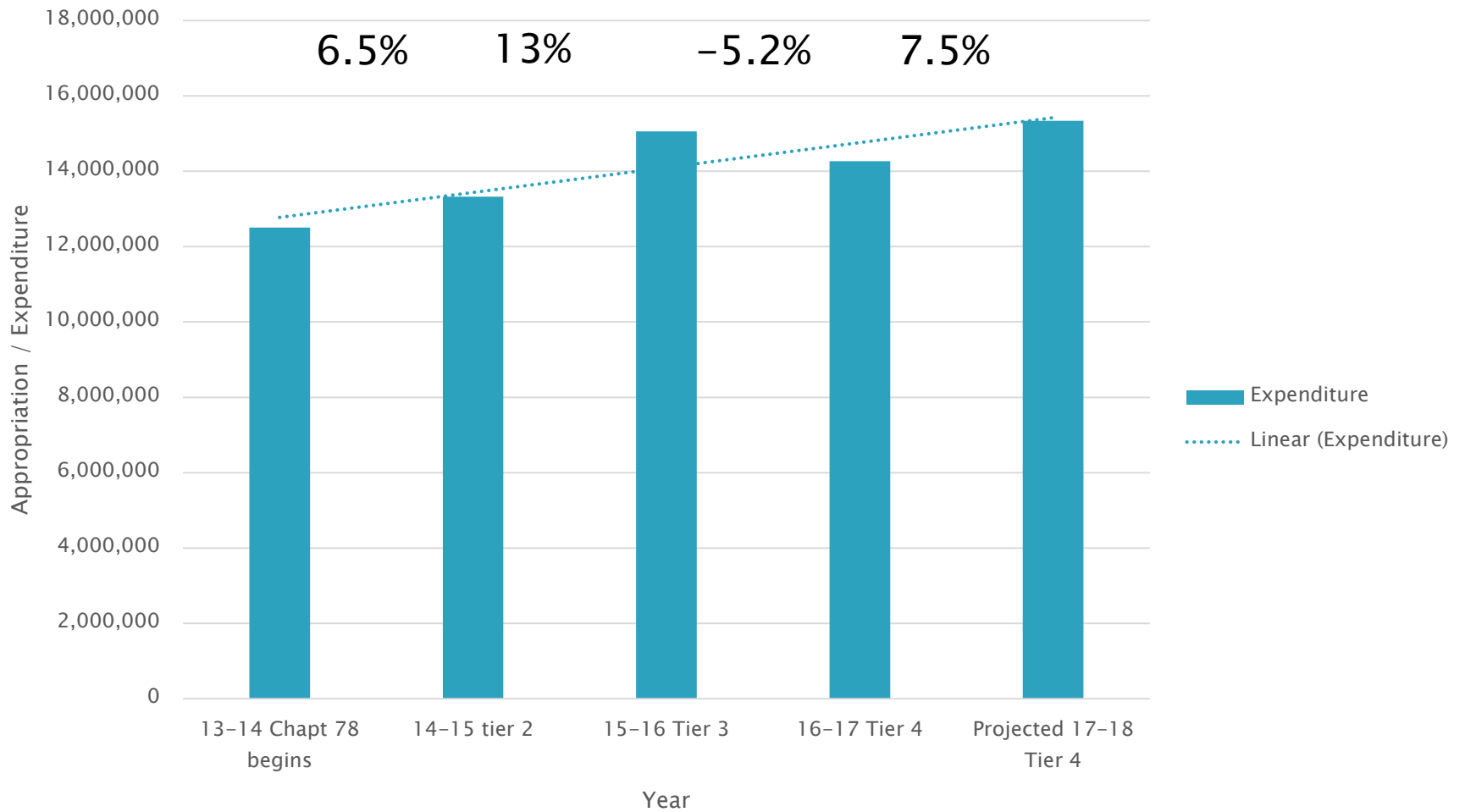
Annual Cost of Tuition



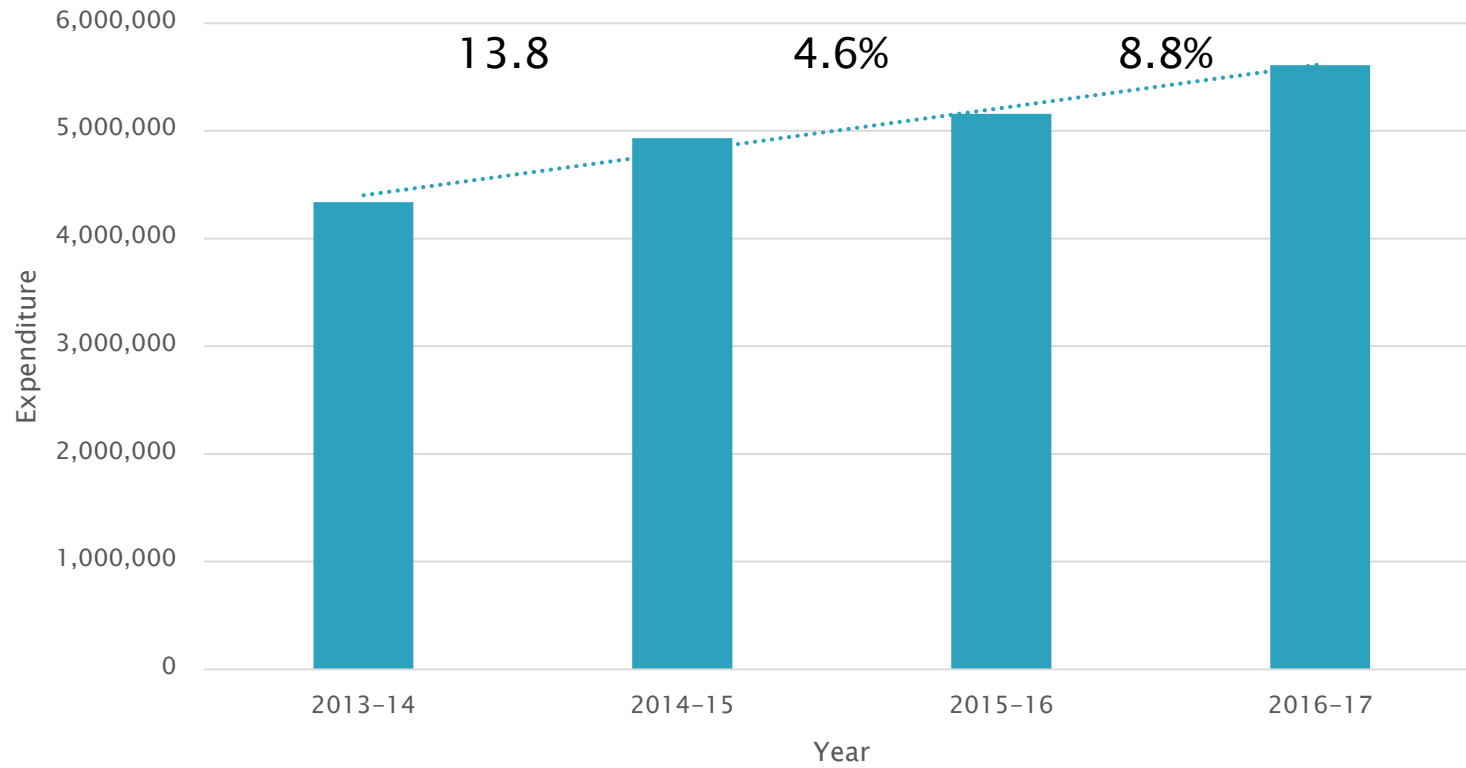
Tuition costs include:

- Vocational
- Charter
- State Facilities
- Special Services

Annual Cost of Health Care



Annual Cost of Transportation

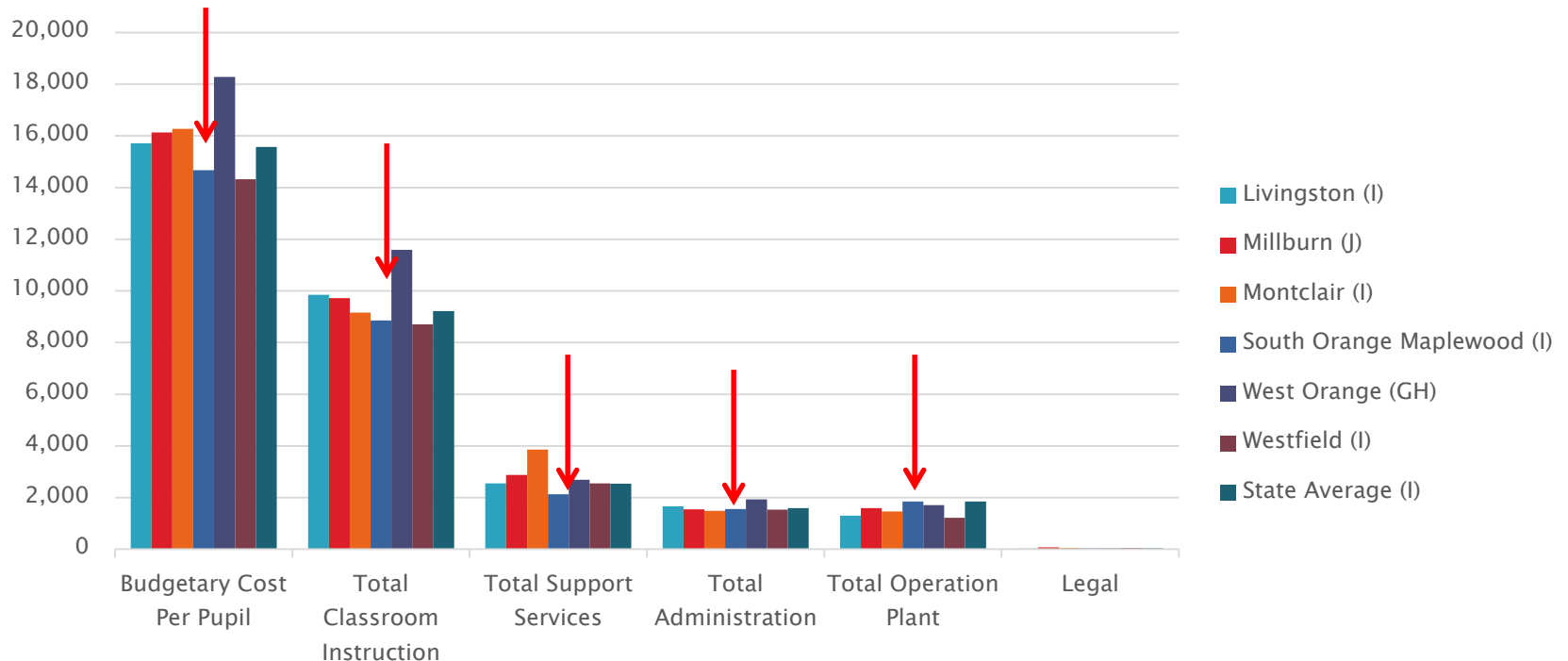


Comparative Data



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

Comparative Cost of Spending Against the State Average
K-12 Configurations, 3500+ Enrollment



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 (Revenue)
- ▶ Feb 20 BOE meeting: Budget Discussion
- ▶ Mar 7 Budget workshop
- ▶ Mar 10 Budget Workshop
- ▶ Mar 13 Governor's State Budget Message
- ▶ Mar 15 (est.) State Aid Notices
- ▶ 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*