2018-2019 Preliminary Budget

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

South Orange-Maplewood
School District

March 26, 2018

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	5,033,885	10.7%
Capital Reserve	0	0	
Audited 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	133,056,276	1.88%

Additional Revenue 2,460,449

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
326,831	147,754

Projected Appropriations 2018-19

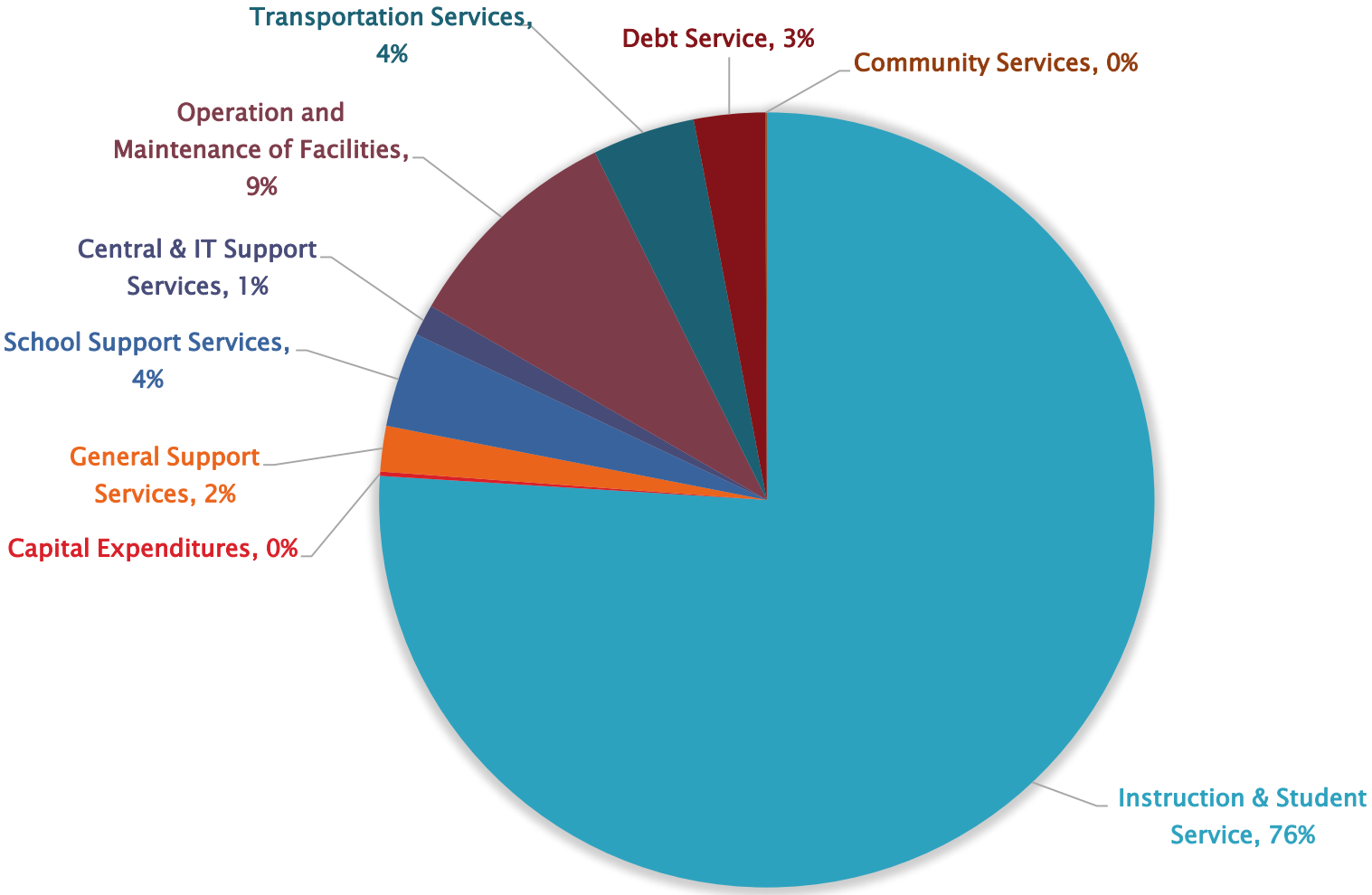
Category	2017-2018 Revised Budget	Proposed	Change
Salaries & Contract Services	72,188,213	76,665,448	4,477,235
Health Benefits	14,712,700	15,525,519	812,819
Tuition	14,001,027	15,125,603	1,124,576
Transportation	5,729,206	6,067,456	338,250
Other Benefits	3,334,861	3,338,442	3,581
School / Department	3,351,906	3,164,665	-187,241
Technology, curriculum, Maintenance & Operation, Utilities, BOE/Central Admin, Legal, Special Services	17,446,863	17,465,589	18,726
Encumbrances	1,905,619		-1,905,619
Local Grants	421,145		-421,145
Total	**133,091,540**	**137,352,722**	**4,261,182**

Legal Service

Year	Legal Fees		Judgements	Total
2015-2016	Board Attorney	169,849		
	Other	65,016		
	Total	234,864	212,852	447,716
2016-2017	Board Attorney	258,621		
	Other	153,452		
	Total	412,073	209,070	621,143
2018-2019 Appr.		480,000	220,000	700,000

As of 12/31/17 the district expended $244,792 in legal fees and are estimating $488,000 in legal fees by 6/30/18.

PROPOSED 2018-2019 BUDGET



2018-19 Revenue vs. Appropriations

	2017-2018 Revised	2018-2019 Preliminary	Diff	% Diff
Revenues	133,091,540	133,070,235	-21,305	-0.02%
Expenditures	133,091,540	137,352,722	4,261,182	3.20%
2018-2019 Budget Gap to Close			4,282,487	

Managing the $4.3 Million Budget Gap

Health / Enrollment Adj.	$ 326,831
Banked Cap	$ 147,754
Maintenance Reserve	$1,000,000
Spending Freeze	$2,807,902
	$4,282,487

Managing the $4.3 Million Budget Gap

- Spending Freeze – Temporary hold on non critical facility projects, supplies, etc.
- Maximize use of SEMI Funding
- Increased use of E-rate funding
- Using Gov Deals for selling obsolete equipment
- Using co-op purchasing agreements to maximize buying power.
- Using shared service agreements to maximize buying power.

2018-19 Preliminary Proposed Budget

	Projected	Final (Preliminary)	Diff
Revenues	133,070,235	137,352,722	4,282,487
Expenditures	137,352,722	137,352,722	0
	-4,282,487	0	

Estimated Tax Impact

Tax Levy CAP	$118,070,306
Operating Budget Tax Impact (est.)	2.00%
Debt Service	*$3,701,848
Local Tax	$121,772,154
Operating & Debt Tax Impact (est.)	1.87%
Banked Cap & Adj	$474,585
Local Tax	$122,246,739
Tax Impact (est.)	2.3%

*Debt Service minus Debt Service Aid ($371,427)

Estimated House Hold Tax Impact

Maplewood			
2017	Average assessed value of $396,992 at	1.76 =	6,989
2018	Average assessed value of $396,992 at	1.83 =	7,260
	Est. avg. per house hold increase		**$271**

South Orange			
2017	Average assessed value of $459,258 at	1.75 =	8,047
2018	Average assessed value of $459,258 at	1.78 =	8,163
	Est. avg. per house hold increase		**$116**

Based on 2017 Property Assessment Data

2018-2019 Appropriations

Appropriations are aligned with district goals

- Staffing remains level
- Data Warehouse / Multiple Measures
- Online Registration
- Professional Development in Restorative Practices

2018-2019 Appropriations

Appropriations are aligned with district goals

STEM Re-alignment

- Curriculum development
- Technology resources
- Professional development
- Program enhancements
- Text books
- Summer school / in school

2018-2019 Appropriations

Appropriations are aligned with district goals

- $115,000 – Curriculum development
- $269,000 – Tech resources / Data Warehouse
- $190,000 – PD for STEM & Restorative Practices
- $380,000 – Prg Enhancements/Text books
- $280,000 – Summer school / in school

- $20,000 – Gifted and Talented

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 - Cancelled~~
- ~~Mar 10 Budget Workshop~~
- ~~Mar 13 Governor's State Budget Message~~
- ~~Mar 15 (est.) State Aid Notices~~
- ~~Mar 19 BOE: meeting: Budget Discussion~~
- Mar 26 BOE: Approve Preliminary Budget
- Mar 29 BOE meeting - Last day to submit 2018-19 Budget to County
- Apr 30 Special meeting - *Public Hearing on Budget /action to levy 2018-19 school tax*

FAQ

Why does the pie chart show the district budgeted 0% for capital expenditures?

- The is a rounding error. Capital funds are allocated to purchase new school vehicles
- The district is looking to bond to improve district facilities.

What is the rationale for out of district placements?

- Specific students needs must be met.
- Placements are selected to match student needs.

What is the rationale for out of state placements?

- These are unilateral placements supported by court decisions

Why are students placed in "non-approved" out of district schools?

- State pre-approves schools
- 6A:14-6.5, 18A:46-14
- Naples case
- Students sent to non-approved schools are approved by the state before placement

What proactive action is the district taking to address out of district placements?

- Began addressing this by adding staff to improve programs and services.
- Strengthened social emotional programs which resulted in students returning to the district.
- Working on strengthening intervention and support services.
- Plan on providing professional development to improve quality of programs and services.
- Positioning the district for a data driven approach toward instruction.

Audit Report

- Reserve for Excess Surplus $ 2,389,338
  - 16-17 Included as tax relief for 2018-19
- Reserve for Excess Surplus $ 2,389,338
  - Included in current budget
  - 15-16 tax relief for 17-18
- Capital Reserve $ 1,845,184
  - Can only be used for capital projects
- Maintenance Reserve $ 1,000,000
  - Can only be used for maintenance
- Year end Encumbrances $ 1,905,619
  - Goods/services order before 7/1/17
- Unassigned Fund Balance $ 2,943,701
  - Required emergency fund
- Fund Balance $12,473,181