2015-2016
Projected Budget Discussion

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

South Orange-Maplewood
School District

February 23, 2015

Budget Development

November: Baseline Data for Budget Development

- Enrollment Projections
- Free and Reduced Lunch Eligibility
- Transported Student Data
- Salaries and Benefits
- School Facilities
  - Annual Comprehensive Maintenance Plan
- Comprehensive Annual Financial Report
- General Fund Free Balance Status
- Debt Service Status
- Budget Calendar and Priorities

Budget Development

December: Budget Development – Budget Analyses

- Technology Investment
- Enrollment Changes and Building Capacity
- Montrose School
- Summer Programming
- Gifted and Talented Program
- Healthcare
    - Review of Alternative Options
    - Statutory Employee Contributions
    - Impact of Affordable Care Act

Budget Development

January: Budget Development Continued

- Budget Development & Enrollment Projections
- Alignment of budget to district goals and strategy
- Comparative spending
- Revenue assumptions and historical trends
- Redirection of resources to impact student achievement
- Estimated tax impact

District Goal Four - Development of a Budget that Supports:

- **The attainment of district goals**
  - Student proficiency – benchmarks, performance targets, increased participation in AP courses
  - Rigorous curricula, differentiated instruction, and expanded learning opportunities
    - CHS Strategic plan to be reconfigured around middle states/ online learning opportunities
    - Implementation of gifted and talented strategy
  - Centralized Professional Development
    - Teacher Evaluations and Learning Walks
    - Cultural competency training
    - Implementation of ACHIEVE NJ regulations

District Goal Four - Development of a Budget that Supports:

- **Reins in spending on categories rising faster than the cost of living**
  - Health benefits: Employee contributions (NJ Reform), Direct 15
  - Maintenance expenses: Year over year reductions. Facilities condition assessment
  - Energy expenses: increased usage – additional space, additional air conditioning, additional technology, colder winter; Direct Install, Energy Audit, Facility Upgrades
  - Transportation: Increased efficiency (in-district and non-public schools)
- **Produced in an efficient and transparent manner**
  - Communication with District Administrators
  - Community Engagement (Tentative: Budget Meeting: March 4, Community Forum: March 12)

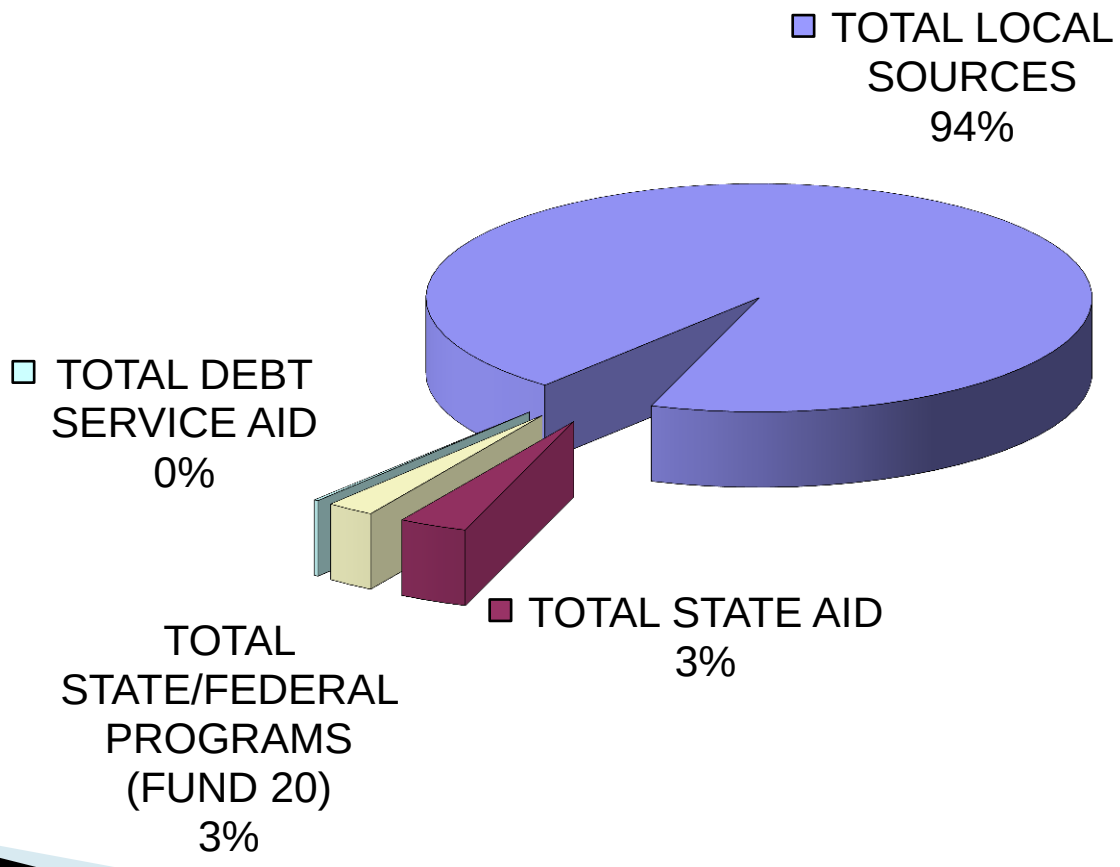
2015-16 Budget Requests/Considerations

- Enrollment Increases (additional fte's)
- Middle School Schedules (additional fte's)
- STEM initiatives (additional fte's)
- Additional academic intervention (additional fte's)
- Additional professional development
- Montrose Early Learning Center (additional fte's)
- Seth Boyden enrollments (free/reduced lunch population)
- Gifted and Talented Program
- Increased technology – maintenance, replacement, support
- Middle states accreditation: excellence by design
- Supplies/textbooks for increased ap/accelerated enrollments
- Educational equity consultant/OCR agreement

Analyze every line to identify expenditure reductions

- Reduce non-classroom expenses first
  - Technology efficiencies: online progress reports, report cards, attendance
  - Technology building support
  - Health insurance/employee benefits
- Consolidate class sections within class size policy and review under-enrolled high school classes
  - General education scheduling efficiencies
  - Reduce cost of programs by altering delivery
- Take advantage of personnel changes and retirements
  - Organizational restructuring
- Centralize programs to maximize efficiencies
  - Centralized professional development
  - Efficacy of summer programming

Where does school budget revenue come from?



2015-16 Budget Resource Assumptions

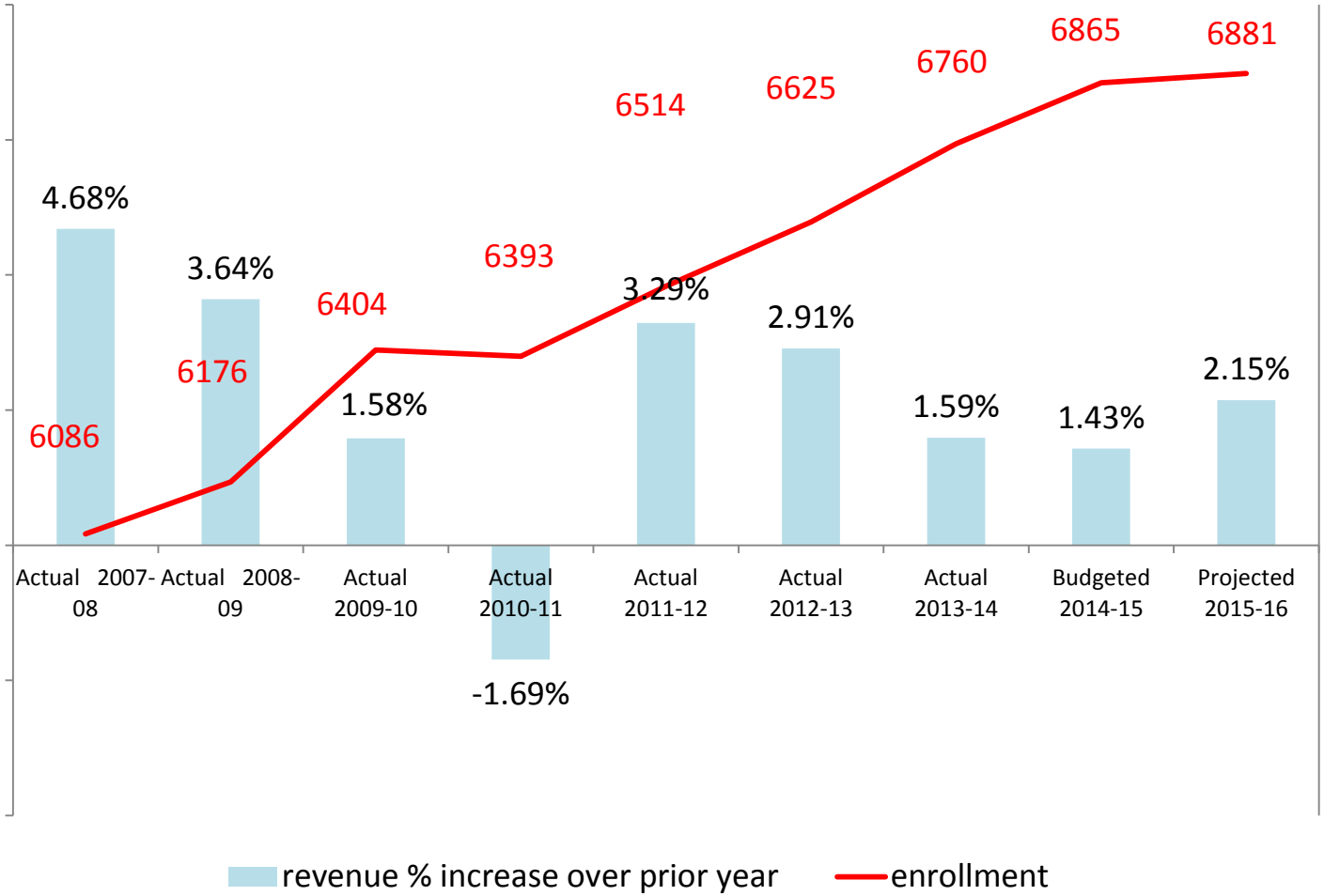
- State aid for 15-16 remains at same level as 13-14
  - *does not include PARCC readiness and Per Pupil Growth received 14-15*
  - *state aid will be announced after the Governor's budget address*
- Federal grants are budgeted slightly less than 14-15 levels
- Excess surplus from 2013-14 audit: $2,471,003
- Revenues dependent on local sources.
- Banked cap is available
  - *($506,833 through 2014-15, $409,103 through 2015-16, $970,247 through 2016-17 = total $ 1,886,183 banked cap available)*
- These assumptions are subject to change given the uncertain economic climate.

Projected Revenue 2015-16

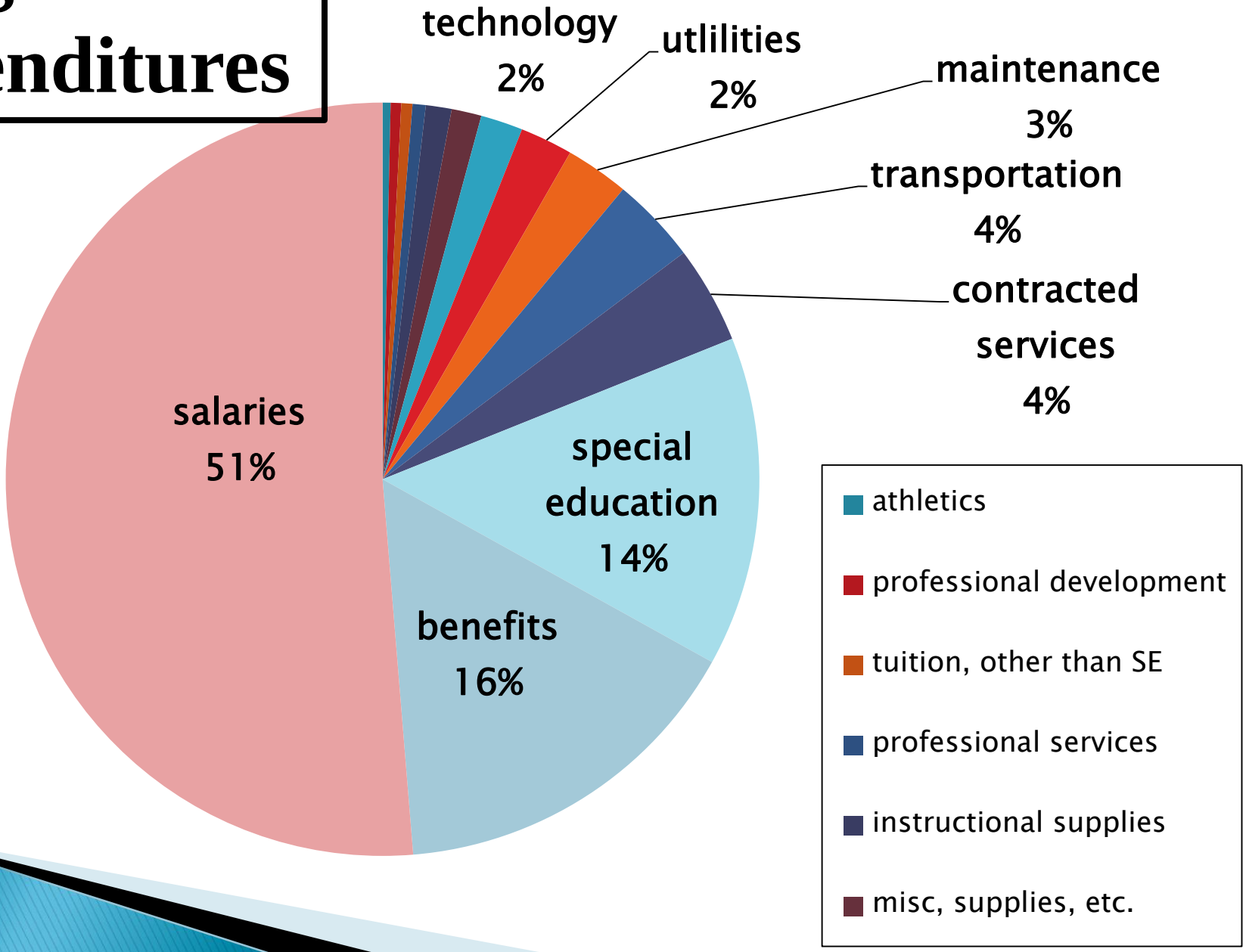
Revenue Source	Budgeted 2014-15	Proposed 2015-16
Operating Budget Local Tax Levy	106,563,115	108,694,377
State Aid	4,216,218	4,075,898
Fund Balance	1,949,406	2,471,003
Miscellaneous	40,000	50,000
Debt Service	4,171,789	4,119,440
State/Federal	2,752,626	2,853,493
Total Revenue	119,693,154	122,264,211

Multi-Year Impact

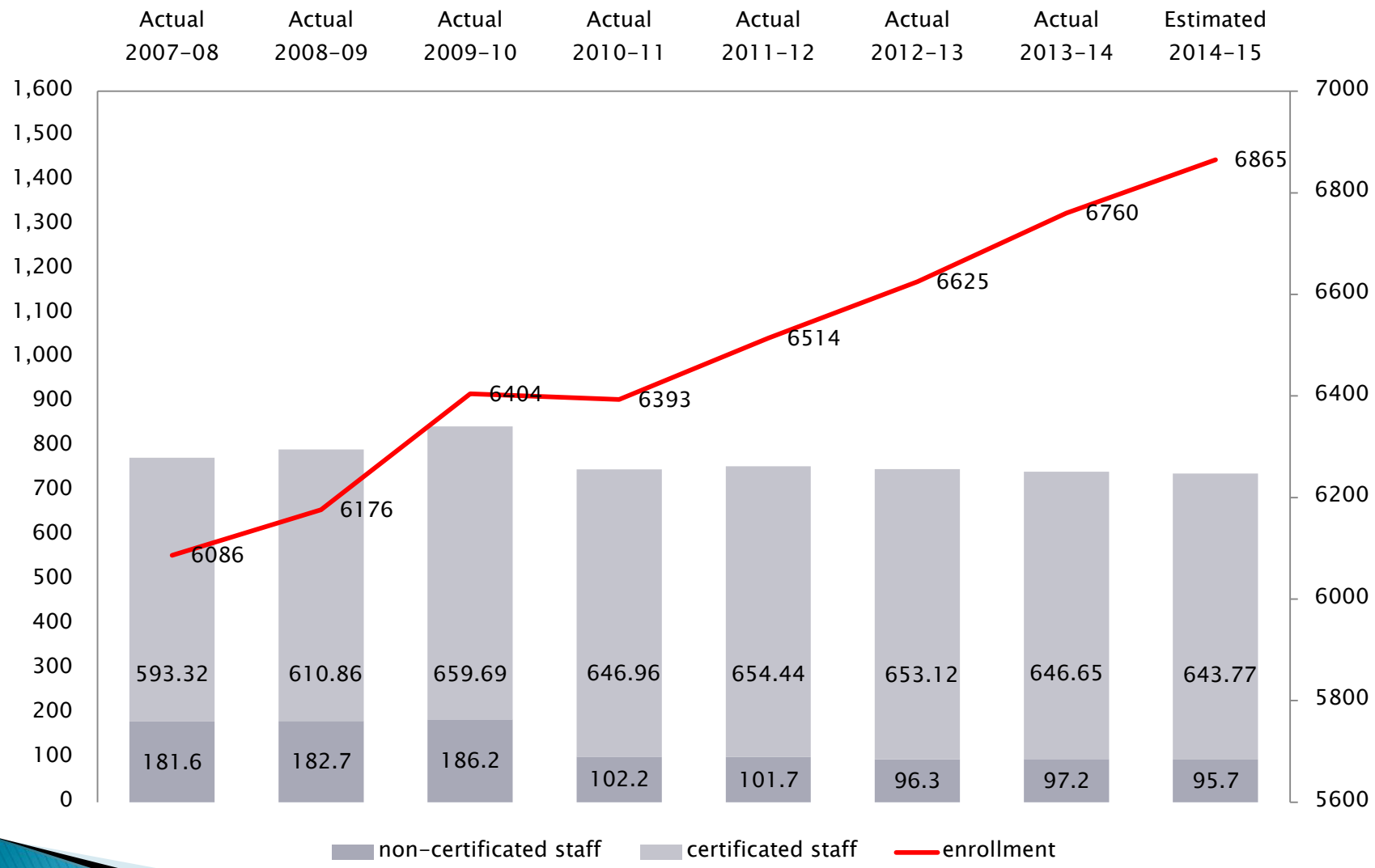
Percentage Change of Revenues from Prior Year



Budgeted Expenditures



Staffing compared to enrollments



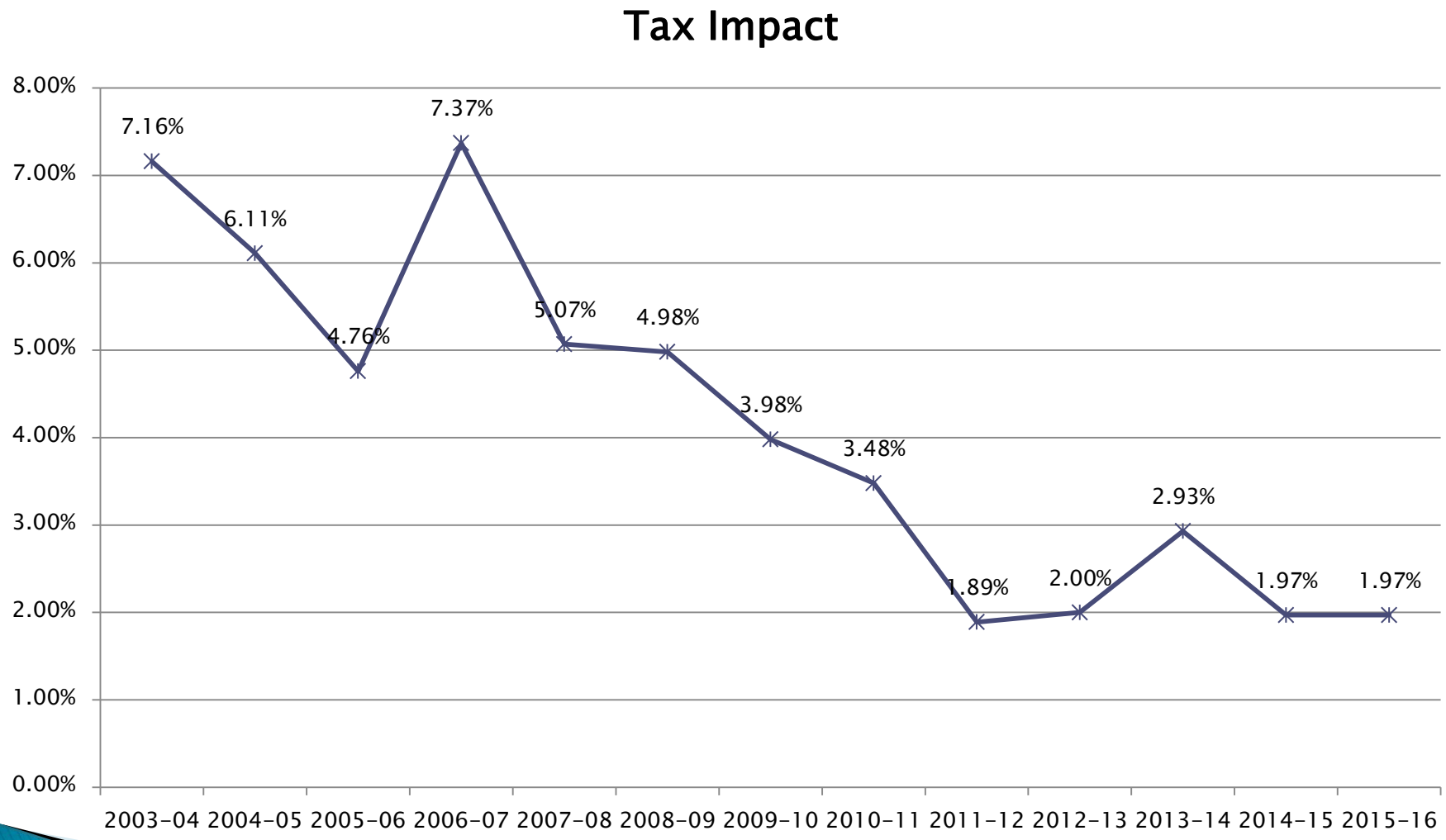
Current Personnel Adjustments compared to 2014-2015 Budget

Additional 1.0 fte Secretary	1.0 FTE's
Middle School Behavioral Program	1.0 FTE's
Enrollment increases/program adjustments – certificated staff	9.1 FTE's
Total Personnel Adjustments (unrealized reductions) to 2014-15 Budget	**11.1FTE's**

What is the estimated tax impact?

Tax Levy CAP	$108,694,377
Operating Budget Tax Impact (est.)	2.00%
Debt Service	$ 3,879,339
Local Tax	$112,573,716
Operating and Debt Service Tax Impact (est.)	1.88%

Year over Year Tax Impact



Tax Levy Cap Adjustments & Banked Cap

Tax Levy at 2% of 2014-15	Enrollment Adjustment	Health Care Adjustment	Total Allowable Tax Levy
$108,694,377	$588,254	$0	$109,282,631

Budget Year Adjustment	Enrollment Adjustment	Health Care Adjustment	Total Adjust/Cap Available	Banked Cap Expires with SY Budget	Banked Cap 2015-16 Budget
2011-2012	$346,441	$643,322	$989,763	2014-2015	$0
2012-2013	$506,833	$0	$506,833	2015-2016	$506,833
2013-2014	$0	$409,103*	$409,103	2016-2017	$409,103
2014-2015	$544,210	$426,037	$970,247	2017-2018	$970,247
Total			$2,875,946		$1,886,183

* $884,103 minus $475,000

What next? Budget Calendar

- **Mon, Feb 23** — BOE meeting: Budget Discussion
- **Tues, Feb 24** — Governor's State Budget Message
- **Thurs, Feb 26** — State Aid Notices
- ***March 4*** — ***(tentative) BOE Budget Workshop***
- March 12 — *(tentative) Community Forum to discuss budget*
- **Mon, Mar 16** — BOE meeting: BOE consider/adopt preliminary budget to send to Essex Co Supt for approval to advertise
- ***April XX*** — *Address Maplewood Township Committee and Village of South Orange Board of Trustees*
- **Mon, Apr 27** — BOE meeting: Public Hearing/action to levy 2015-16 school tax