2013-2014
Budget Workshop

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

South Orange-Maplewood
School District

February 20, 2013

Overview of Presentation

- Budget development process
- Alignment of budget to district goals and strategy
- Budget resource assumptions
- Anticipated expenditures
- Redirect resources to impact student achievement
- Budget reductions
- Estimated tax impact
- Banked cap
- Next steps

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
- Budget Calendar and Priorities

December: School Budget Development – Budget Analyses

- Health Care
- District Management Council
- Montrose School
- Maplewood Middle School Addition
- Technology/PARCC Assessments

Budget Development continued

January Budget Development Update

- Alignment of budget to district goals and strategy
- Comparative spending to other districts
- Revenue assumptions and historical trends
- Spending considerations
    - Required spending
    - Variable spending
- Redirect resources to impact student achievement
- Estimated tax impact
- Updated budget calendar

Goal One: Student Learning

The South Orange-Maplewood Public Schools will promote the intellectual growth of all students, challenging and inspiring them to do their best.

- CHS Strategic Plan and high school transformation
  - Structural changes
    - Increased AP participation
    - Online Courses
  - Alternative program at CHS
- Middle school transformation
  - IB Middle Years Programme
  - World Language – 6th grade
  - Increased enrollment
  - Opening new classrooms Maplewood Middle
- Elementary
  - Math in Focus 3rd-5th grade
  - K-2 Reading Intervention
  - In-class enrichment
- Special education services increase in-district support

Goal Two: Professional Staff

The staff of the South Orange-Maplewood Public Schools will consistently and collaboratively lead students of diverse backgrounds and learning styles to learn at or above the appropriate grade-level standards.

- Teacher evaluation system
- Peer Assistance and Review
- Professional development – IB middle years programme
- National Board Certification
- Evaluation feedback tool for administrators
- Teachers' College Elementary Writing
- Centralized Professional Development
- Elementary Subject Leaders

Goal Three: Engagement and Outreach

The South Orange-Maplewood Public Schools will timely and effectively communicate with parents, students, staff and members of the South Orange-Maplewood community regarding important information, events and news related to our District, schools, staff and students.

- Increased use of technology
  - Online Progress Reports and Report Cards
  - Online Free and Reduced Lunch applications
  - Electronic Student Handbooks
  - Increase use of electronic internal forms
- Centralized data processing
- Communications strategic plan

Goal Four: Resource Management

The South Orange-Maplewood Public Schools will pursue and achieve Goals 1-3 while slowing the rate of increase in operating expenditures.

- Health Benefit Reform – Direct 15
- Energy efficiencies
  - Light fixture replacement
  - Motion sensor lights
  - Technology shut down
- Transportation efficiencies
- Maintenance and custodial hours

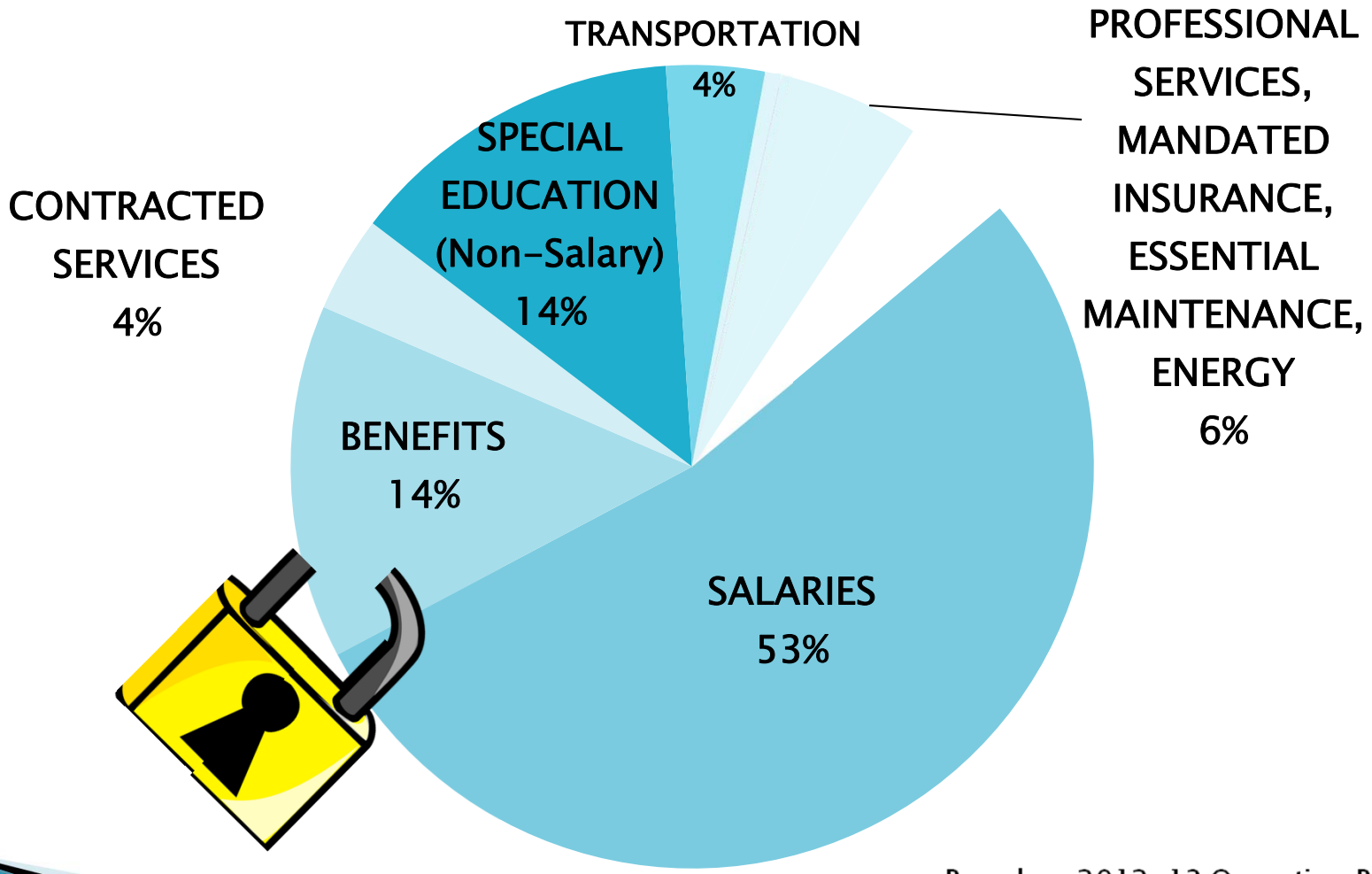
State level policy initiatives

- EE4NJ: Excellent Educators for New Jersey
  - Draft regulations to be released March 6
  - Anticipating increased requirements for observations of instruction and assessments of student learning
- CCSS: Common Core State Standards
  - Alignment of curriculum
  - Professional Development
- PARCC: Performance Assessments of Readiness for College and Career
  - Replacing NJASK and HSPA
  - Administered online, requiring additional technology

2013-14 Budget Resource Assumptions

- State aid for 13-14 remains at same level as 12-13
- The amount of state aid will not be known until after the Governor's budget address in February.
- Federal grants reduced to 75% of 12-13 levels
- Excess surplus from 2011-12 audit: $2,152,272
- Revenues dependent on local sources.
- Local taxes will increase no more than 2% for operating budget
- Banked cap is available.
- These assumptions are subject to change given the uncertain economic climate.

Required Spending 95.2% of Operating Budget



Based on 2012-13 Operating Budget

Leaving 4.8% variable costs for things like…

- Student Materials
- Teacher training/Professional Development
- General supplies for departments
- Unexpected or new State mandates throughout the year *(PARCC, Teacher evaluations)*
- Or other possible improvements to programs, instruction or facilities…….

Revenue 2013-14 at 2% tax impact

Revenue Source	Budgeted 2012-13	Proposed 2013-14
Operating Budget Local Tax Levy	101,959,453	103,998,642
State Aid	4,509,487 (includes $433,589 additional aid 2011)	4,075,898
Fund Balance	1,517,905	2,152,272
Miscellaneous	40,000	40,000
Debt Service	3,776,445	4,123,451
State/Federal	3,112,600	2,548,755
Total Revenue	114,915,890	116,939,018

Required Expenses 2013-14

(before adjustments)

Expense Category	Budgeted 2012-13	Anticipated 2013-14	$ Increase
Salaries	59,838,037	60,758,174	$920,137
Health and Dental Expense	12,065,912	13,211,612	$1,145,700
Tuition Expense	9,681,784	10,644,458	$962,674
Energy Expense	2,565,003	2,595,000	$29,997
Transportation Expense	4,654,399	4,675,066	$20,667
Other Required Expense	16,999,617	17,286,110	$286,493
Total Required Expense	**105,804,752**	**109,170,420**	**$3,365,668**

Variable Expenses 2013-14
(before adjustments)

Expense Category	Budgeted 2012-13	Anticipated 2013-14	$ Increase
Classroom/ Student Supply Expense	1,427,342	1,464,997	$37,655
Textbooks Expense	422,086	417,579	($4,507)
Technology Expense	1,778,577	2,528,025	$749,448
Professional Development Expense	250,761	256,905	$6,144
Other Variable Expense	1,455,927	1,792,641	$336,714
Total Variable Expense	**5,334,693**	**6,460,147**	**$1,125,454**

Reduce Expenditures to 2% Tax Levy Cap for Operating Budget

Estimated Total Required Operating Budget Spending	$109,170,420
Plus Total Estimated Operating Budget Variable Costs (before adding in additional spending requests)	$6,460,147
Less Estimated Total Operating Budget Revenue not from Taxes (exclusive of Debt Service)	($8,816,925)
Local Taxes Need to support the budget	$106,813,642
Total Revenue raised by taxes to support a 2% increase in tax levy (2012-13 levy: $101,959,453)	**$103,998,642**
Reductions to be identified for a 2% tax increase in operating budget	**($2,815,000)**

Analyze every line to identify expenditure reduction areas.

- Reduce non-classroom expenses first
- Consolidate class sections within class size policy and review under-enrolled high school classes
- Reduce cost of programs by altering delivery
- Take advantage of personnel changes and retirements
- Centralize programs to maximize efficiencies

- Technology efficiencies: Online progress reports, report cards, attendance
- General education scheduling efficiencies
- In-district special education services/programs
- Special Education Scheduling efficiencies/ enrollment changes
- Support staff efficiencies
- Transportation efficiencies
- Centralized Professional Development
- Centralized Summer Programming

Revised Budget Assumptions

Technology – Budget Analysis Request for Additional Technology Equipment	($670,000)
No start-up expenses for Montrose: Budget Analysis identified potential start-up expenses for 2014-15 opening	($190,000)
Total Budget Reduction – Revised Budget Assumptions	**($860,000)**

Non-Personnel Adjustments

Supplies Centralized Reduce Supplies and Textbook purchases	($150,000)
Professional Development Centralized	($20,000)
Technology efficiencies (reduction in printing and postage)	($15,000)
Tuition reduction – Less students being classified and sent out of district as a result of in-district support programming	($180,000)
Total Budget Reduction – Non-Personnel	**($365,000)**

Personnel Adjustments

Increase 2.0 fte's Elementary/Middle School Enrollment	
Increase 2.0 fte's Middle School World Language – 6th grade	
Increase 1.0 fte Elementary Social Worker	
Reduce1.0 fte Central Office Secretary (vacant position)	($60,000)
Reduce 3.0 fte's CHS Teaching Staff (scheduling efficiencies)	($255,000)
Reduce 2.0 fte CHS Dean and Student Assistance Counselor	($170,000)
Reduce 3.0 fte's Elementary Specials (scheduling efficiencies)	($255,000)
Reduce 2.0 fte's Elementary Enrichment (program restructuring)	($170,000)
Reduce 6.0 fte's Special Education Teaching Staff (enrollment changes and scheduling efficiencies)	($510,000)
Reduce 2.0 fte's Curriculum Specialists (program restructuring)	($170,000)
Total Budget Reduction - Personnel	**($1,590,000)**

Summary
Reductions for 2013-14 Budget

Revised Budget Assumptions	($860,000)
Non-personnel Budget Reductions	($365,000)
Personnel Budget Reductions	($1,590,000)
Total Budget Reductions	**($2,815,000)**

What is the estimated tax impact?

Tax Levy CAP	$103,998,642
Operating Budget Tax Impact (est.)	2.00%
Debt Service	$ 3,890,983
Local Tax	$107,889,625
Operating and Debt Service Tax Impact (est.)	2.47%

Tax Impact average assessed household value (based on 2012 figures):

Maplewood: $181

South Orange: $191

Banked cap Available for Use

Budget Year Adjustment Became Available	Enrollment Adjustment	Health Care Adjustment	Total Adjustment / Banked Cap Available	Banked Cap Expires with School Year Budget	Tax Impact if Banked Cap Used
2011-2012	$346,441	$643,322	$989,763	2013-2014	2.97%
2012-2013	$506,833	$0	$506,833	2014-2015	3.47%
2013-2014*	$72,405	$168,408	$240,813	2015-2016	3.70%
Total	$925,679	$811,730	$1,737,409		

* 2013-2014 figures are anticipated based on preliminary budget data

Banked Cap Adjustment Consideration

- Additional $475,000 in General Fund
- Increase technology budget to purchase equipment for PARCC Assessment:
  - Equipment – 700 Chromebooks and 28 storage/charging stations ($250,000)
  - Wi-Fi Upgrades ($200,000)
  - Increased internet bandwidth ($25,000)

Tax impact with $475,000 of banked cap adjustment

	At 2%	With banked cap
Tax Levy CAP	$103,998,642	$104,473,642
Operating Budget Tax Impact (est.)	2.00%	2.47%
Debt Service	$ 3,890,983	$3,890,983
Local Tax	$107,889,625	$108,364,625
Operating and Debt Service Tax Impact (est.)	2.47%	2.93%

Tax Impact average assessed household value (based on 2012 figures):

Maplewood: $199 (+$18)
South Orange: $212 (+$21)

What next? Budget Calendar

- **Mon, Feb 25** — BOE meeting: Budget Discussion
- **Tues, Feb 26** — Governor's State Budget Message
- **Thurs, Feb 28** — State Aid Notices
- **Mon, Mar 4** — *Additional BOE meeting:* BOE consider/adopt preliminary budget to send to Essex Co Supt for approval to advertise
- ***Tues, Mar 5*** — *Address Maplewood Township Committee*
- ***Mon, Mar 11*** — *Address Village of South Orange Board of Trustees*
- **Mon, Mar 18** — BOE meeting
- **Wed, Mar 27** — BOE Public Hearing/action to levy 2013-14 school tax