

2010-2011 Preliminary Budget Update



South Orange-Maplewood
School District

February 22, 2010

Preliminary Budget presented January 20.

- Aligned to district goals
- Deepened emphasis on student achievement, technology and staff development
- Presented efficiencies realized and revenue generation efforts
- Analyzed major cost drivers
- Described fiscal environment and revenue conditions
- Presented revenue and expenditure scenarios

Uncertain revenue environment

- Governor announced that \$2.2 million in 2009-10 state aid would be withheld.
- The amount of fund balance reserved to reduce taxes in 2010-11 will be reduced.
- The amount of state aid and CAP on local taxes will not be known until after the Governor's budget address on March 16.

Strategies for meeting budget challenges and uncertainties.

Short-term

Reduce spending in 2009-10 to preserve as much fund balance as possible to be available for 2010-11.

Mid-term

Analyze every budget line for expenditure reductions for 2010-11 to meet revenue projections.

Longer-term

Identify sustainable systemic and programmatic changes that reduce the rate of increase in spending.

Short-term

- Current year (09-10) suspension of non-essential spending in:
 - Hiring
 - Travel
 - Conferences
 - Supplies
- Purpose: to reduce impact of current year state aid cut on the 10-11 budget

Mid-term: Assumptions used to build a draft 2010-11 Preliminary Budget

- There will be a 15% reduction in state aid
- Local taxes will increase no more than 3%
- Reducing spending for the remainder of 2009-10 will preserve some of the reserved fund balance to be available for 2010-11.
- Expenditures will be reduced to meet revenue projections.
- These assumptions are subject to change given the uncertain economic climate.

Mid-term: Analyze every line to identify expenditure reduction areas.

- Modification to the inclusion program model
- Pre-school reduced to mandated levels
- Scheduling efficiencies targeted
- Instructional aides not mandated by 504 or IEP
- Technology efficiencies/slowing of the LRTP implementation
- Operations and maintenance efficiencies
- Across the board reductions in texts, materials and supplies
- Out of district travel limitations
- Utilization of support staff
- Reduction in legal services and property insurance

Longer-term: Available revenues are not projected to continue to increase.

	2009-10	2010-11	2011-12	2012-13
Tax Levy (with a 3% inc)	94,670	97,510	100,435	103,448
State Aid	7,395	6,081	6,081	6,081
Fund Bal.	3,571	2,344	0	0
Misc	502	201	201	201
Debt Svc	3,755	3,543	3,458	3,424
State/Fed	2,398	2,134	2,134	2,134
Revenue	112,292	111,814	112,310	115,289

Longer-term: Achieve sustainability of expenditures to meet revenues

Budget Year	Revenues	% increase
2008-09	\$106,080	+6.10%
2009-10	\$112,292	+5.86%
2010-11	\$111,814	-0.43%
2011-12	\$112,310	+0.44%
2012-13	\$115,289	+2.65%
2013-14	\$118,392	+2.64%
2014-15	\$121,140	+2.38%

What next? The Budget calendar is revised to meet NJDOE schedule.

Mon, Mar 1 BOE Public Budget Workshop

Tues, Mar 16 Governor's Budget Address

Thur, Mar 18 State Aid notices

Mon, Mar 22 BOE adopt proposed budget to be submitted to ECS for approval and BSE for funding

Wed, Mar 24 BOE/BSE workshop to establish understanding of proposed 2010-11 school budget

Thur, Mar 25 Advertise budget and notice Public Hearing

Wed, Mar 31 BSE Public Hearing/action to levy 2010-11 school tax

Mon, Apr 19 BOE adopt 2010-11 budget and action by BSE