

2010-2011 Preliminary Budget Workshop



South Orange-Maplewood
School District
March 1, 2010

Preliminary Budget presented January 20 and updated February 22.

- 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 uncertain revenue conditions
- Outlined guidelines for reducing expenditures
- Presented multi-year revenue projections
- Discussed short-, mid-, and longer-term strategies to respond to changed economic environment

Budget workshop

- Update on revenue projections
- Present and discuss tentative preliminary 10-11 budget and accompanying documents
- Review multi-year revenue projections

Update on revenue projections: continued uncertainty

- Surplus deemed to be legally reserved for allocation in the 10-11 budget; the state aid withholding must be met by exhausting 09-10 resources, then contingency fund balance, then reserves and then surplus
- The amount of state aid and CAP on local taxes will not be known until after the Governor's budget address on March 16.

Prelim 2010-2011 Budget: document overview

- *Side-by-side*: full revenue and expenditure picture on one page
- *Comparison*: compares the initial 10-11 budget with the 09-10 budget
- *Annotated*: explains what items are funded by each state budget line
- *Cost center*: detailed view of all budgeted expenditures by school level (elementary, middle, high) and district-wide
- *Headcount chart*: number of positions by title
- *Multi-year budget planning*: a multi-year projection of anticipated revenues and expenditures

Revenue assumptions for Prelim 2010-11 Budget

- There will be a 15% reduction in state aid (~\$1,032,444)
- Local taxes will increase no more than 3% = \$2,840,101
- Other reductions (~\$1.5m)
 - Loss of preschool education aid from state
 - Extraordinary aid will be reduced to 07-08 levels
 - Miscellaneous revenue will be down
 - NCLB funding will be reduced
 - State debt service aid will be reduced
- Surplus is legally reserved for 10-11 allocation

Bottom line: flat overall revenues for 10-11 for the first time

Prelim 2010-2011 Budget: new needs

- Elementary school enrollment increases
+6 elementary teachers = ~\$555,000
- Health insurance increase
26% of \$9.3M = \$2,418,000
- Unemployment insurance increased from 13 weeks to 46 weeks (@ \$600 per week)
- Contracted services increases 0-2%
- Additional Marshall/Jefferson bus route \$50,000
- Support for National Board Teacher Certification
\$65,000

Prelim Budget: reductions of ~\$1.46m from other than personnel areas

- Property and workmen's compensation insurance successfully renegotiated (\$250,000)
- Legal services and judgments (\$300,000)
- Home instruction (\$50,000)
- Out of district tuition (\$180,697)
- Operations efficiencies (\$100,000)
- Materials and Supplies – 10% across the board reduction to every office and department (\$280,717)
- Out of district travel (\$30,951)
- Technology efficiencies:
 - Delay middle school labs (\$100,000)
 - File server virtualization and “cloud” computing (\$168,625)

Prelim 2010-2011 Budget: personnel reductions

- Modification to the inclusion program model (8)
- Pre-school reduced to mandated levels (3 teachers, 6 aides)
- Scheduling efficiencies targeted (6 @ CHS; 1 MS librarian)
- Instructional aides not mandated by 504 or IEP (2)
- House supervisor (1)
- AV technician (1)
- Maintenance (1)

Total: 29 FTEs = ~\$2,324,033

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

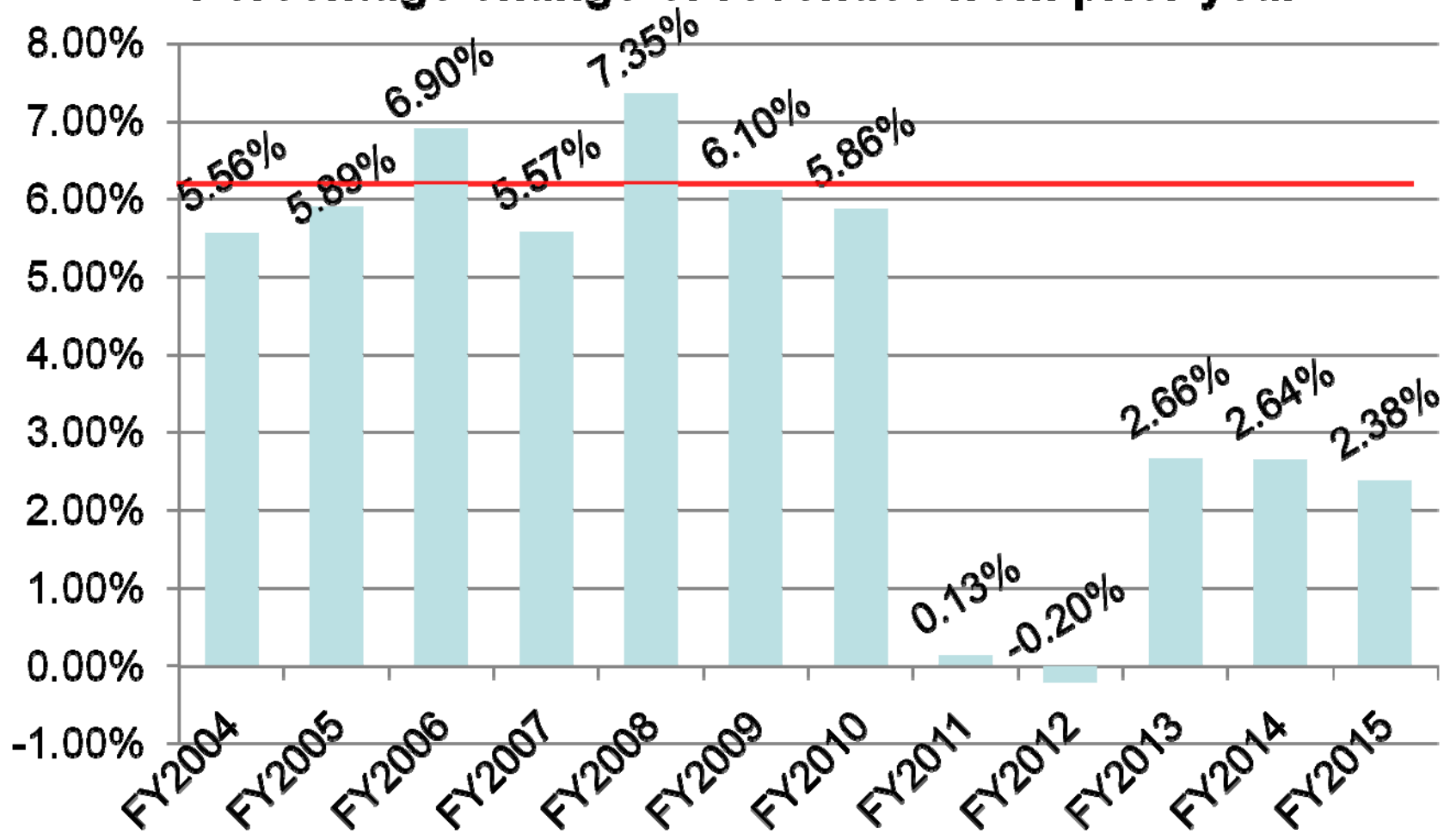
	2009-10	2010-11	2011-12	2012-13
Tax Levy (with a 3% inc)	94,670	97,510	100,435	103,448
State Aid	7,395	6,082	6,082	6,082
Fund Bal.	3,571	3,065	0	0
Misc	502	101	101	101
Debt Svc	3,755	3,543	3,458	3,424
State/Fed	2,398	2,134	2,134	2,134
Revenue	112,291	112,436	112,210	115,189

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	\$112,436	+0.13%
2011-12	\$112,210	-0.20%
2012-13	\$115,189	+2.66%
2013-14	\$118,228	+2.64%
2014-15	\$121,040	+2.38%

Multi-year impact

Percentage change of revenues from prior year



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

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