The 2006-07 Budget -- Understanding Where We Are and How We Got Here:

Preserving What We Value Most in the Face of Major Budget Shortfalls

Sponsored by the Columbia High School Home and School Association

Presented by the Board of Education Finance & Facilities Committee
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February 1, 2006 – Columbia High School Library

Overview of Tonight's Presentation

- Where are we? – ***best-case*** and ***worst-case*** scenarios for the budget
- How will the budget impact the school district and Columbia High School in particular?
- How did we get to this point? What are the key cost drivers in this year's budget?
- Where do we go from here? How will decisions be made?
- What ***YOU*** need to do about it. Who to lobby about what.
- Your questions and comments.

Appendices to this presentation

- Appendix A: Some facts on the local property tax base
- Appendix B: Trends in State aid to the school district
- Appendix C: Constraints on budget decision-making
- Appendix D: Why we start from a "maintenance-level" budget
- Appendix E: Strategic Plan goals
- Appendix F: The "Services" view of the budget and why it's important
- Appendix G: This year's detailed budget calendar

Background material available on the SOMSD district website

- 4 major Budget 101 workshops presented from July through Dec. of 2003
- Several hundred pages of analysis and descriptive material produced from Nov. 2003 to April 2004 as part of the 2004-05 budget process; similar materials produced for the 2005-06 budget process last spring
- All of that material is on the district's website:
  - Budget 101: http://www.somsd.k12.nj.us/finance/budget101home.htm
  - 2004-05 and 2005-06 budgets: http://www.somsd.k12.nj.us/finance/financehome.htm
  - 3-Year Projections: http://www.somsd.k12.nj.us/finance/3YearProjections.htm
  - Budget Analyses: http://www.somsd.k12.nj.us/finance/AllYearsRpts.htm
- **This year's budget material: http://www.somsd.k12.nj.us/finance/0607budgethome.htm, including Supt.'s 1/23 presentation, and Board of Education Finance Committee's Budget 101 presentations from November and January**

Must Understand Three Separate Concepts

Our ***capacity to spend*** is constrained by a narrow property tax base while percentage of budget funded by state aid declines

Our ***authority to spend*** is set by the state each year (the CAP) at levels far short of our actual increases in costs

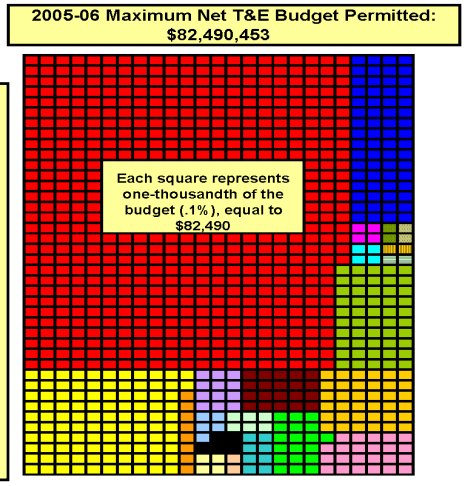
Many of ***our major expenditure categories increase steeply*** at rates driven by the market and wholly or partly beyond our control

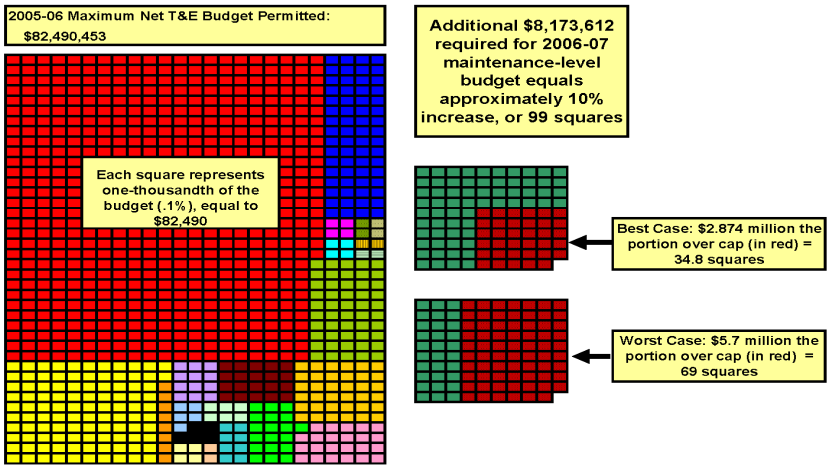
Where are we?
The best-case and worst-case scenarios

Our projected "best" and "worst" cases:

	"Worst" Case	"Best" Case
2005-06 Net T&E Budget	$82,490,453	$82,490,453
Cap	3%	4%
2006-07 Net T&E Budget	$84,965,167	$85,790,071
Total SGLAs	$0	$ 2,000,000
Max. Net T&E Budget Permitted	$84,965,167	$87,790,071
Projected Maintenance-Level Budget	$90,664,065	$90,664,065
Required reductions to get under CAP	$ 5,698,898	$ 2,873,994

If we think of this year's budget as consisting of 1,000 squares, then . . . the 2006-07 maintenance-level budget requires *an additional 99 squares!*





In the best case, we're allowed an increase of 64.2 squares (6.42%), requiring reductions from a maintenance level of $2.874 million. In the worst case, we're allowed an increase of only 30 squares (3.00%), requiring reductions from a maintenance level of $5.7 million!

What does it mean?
What is at risk?

To-date, our work on the 2006-07 budget has identified approximately $2.3 million in reductions. We are working on more to bring us under CAP. We may need another $2.4 million!

Item	Amount
Administrative Consolidation	352,800
Special Education Reorganization (bringing some students back into district)	800,000
Expansion of custodial outsourcing	473,000
Staff reductions due to enrollment and other efficiencies	467,000
Technology reductions	216,000
Telephone usage savings	25,000
Total Savings	$ 2,333,800

In years past, we've sought to minimize cuts in programs and services by achieving cost efficiencies:

Efficiencies achieved in 2004-05 budget cycle	
Reorganization of custodial and maintenance services	$500,000
Administration reorg. of K-8 Curriculum Supervisors	$166,000
Across-the-board district belt-tightening	$150,000
Anticipated savings from installation of new phone system	$200,000
Efficiencies achieved in the current 2005-06 budget	
Continued custodial reorganization	$1,108,700
Reorganization of special education to reduce out-of-district tuition	$440,652
Reduction in number of required instructional aides	$76,800
Elimination of two secretarial positions from non-school based depts.	$114,000
Administrative reorg. enabled elimination of Director of Transportation	$76,800

Each year, we identify opportunities for such efficiencies through board-requested cost analyses performed as part of the budget process. Examples of prior-year analyses:

- All-in annual cost per seat to support computer workstations (1999)
- Cost per student mile of alternative bus routing/scheduling approaches (2001-02 budget planning)
- Cost for district-run routes versus contracted routes (2001-02 and 2003-04)
- Comparative program costs per pupil
- Level of scheduling efficiency in use of secondary staff
- 5-year energy audit by Mark Smith (April 1999)
- Insurance risk management
- Elementary school class size analysis/alternatives to pullout model (2003-04)
- Custodial Services (2003-04)
- Efficiency of Administrative Staffing (2003-04)
- Special Education Services (2003-04)

For copies of these, see:
http://www.somsd.k12.nj.us/finance/0405budgetlinks.htm

Board-Adopted List of Budget Analysis Topics for 2006-07 Budget

1. Report on the adequacy and effectiveness of CHS security and propose alternatives.
2. Report on the effectiveness and cost savings of outsourced custodial services and recommend whether we should expand, reduce or maintain the scope of the effort.
3. Report on the cost and uses of technology, distinguishing between administrative and student computing, reporting on our effective installed base (i.e., precisely how many client computers we have in working order, which are in use and their type, age and remaining years of use, together with the total cost per seat for supporting them, where total cost includes human support, maintenance contracts and the annualized cost of renewing our desktop hardware at some recommended frequency).
4. Update and expand the report on the cost of athletics and extracurricular activities, including, where possible, expenditures resulting from parent/team fundraising efforts. Explore the feasibility of implementing a student activity fee to defer some of the cost.

Board-Adopted List of Budget Analysis Topics for 2006-07 Budget (continued)

5. Explore the feasibility of further reductions in administrative expenses, including, but not limited to, Central Office expenses.

6. Revisit prior year transportation analyses in search of additional transportation efficiencies. Report on possible savings from efficiencies as well as possible savings from selected reduction in non-statutory transportation service.

7. Report on the effectiveness of this year's effort to bring additional special education services back in-district and explore the feasibility of additional in-district services which might reduce out-of-district tuition costs.

8. Analyze what net savings, if any, might result from changes to delivery of the CHS Alternative Program.

9. Revisit and expand last year's report on the cost of community use of the schools and propose alternatives allowing the district to recoup more of the total cost of supporting these activities.

Board-Adopted List of Budget Analysis Topics for 2006-07 Budget (continued)

10. Revisit possible net savings from alternative delivery of various elementary special programs, including World Language, Project Ahead

11. Explore possible short-term/long-term approaches to achieve additional reductions in energy costs beyond those realized during the prior 5-year conservation period.

12. Explore the feasibility of continuing the full-day Kindergarten pilot at Clinton School for the 2006-07 school year.

13. Analyze the net savings in legal costs resulting from employing in-house counsel.

14. Report on typical maintenance expenditures over the last few years; explore opportunities for savings in the 2006-07 school budget.

What Does This Mean for Columbia?
(Note: This *IS NOT* a complete list of potential impacts!)

- No impact on range of elective offerings or total number of sections offered across all subject areas
- Some consolidation of administration among departmental directors and/or supervisors;
- No short-term relief in the maintenance backlog
- Possible deferral of cosmetic maintenance
- Possible reduction in the number of computers available in the library and labs
- Possible student activity fees for sports and extra-curriculars
- Possible reduction in community use of the school (resulting from possible steep increases in facilities rental fees)
- Possible termination of the Montrose Alternative Program and/or its relocation to Columbia

There will be similar impacts in the middle and elementary schools. In spite of the difficult situation, the Administration is contemplating a modest Separate Proposal, to address key Strategic Plan objectives

1. Expand pilot of Full Day Kindergarten to include one class at Seth Boyden, in support of Strategic Plan Objective
   - .5 teacher FTE (average salary + benefits) $ 42,000
   - Equip one classroom $ 15,000
2. Director of Academic Equity and Achievement
   - One administrative FTE (average salary + benefits) $140,000
3. Re-Registration of Enrolled Students **$100,000**
   (to assure that all students are entitled to attend SOMSD schools)

Total **$297,000**

The tax impact of this year's budget will depend on where the State sets the CAP

- The tax impact, inclusive of debt service, might range from a low of approximately 4% to a high of 7.5% - 8.0%, depending on the budget increase which the State allows under S-1701 regulations
- The Separate Proposal represents an incremental tax impact of approximately one-third to one-half of one percent

How Did We Get To This Point?

Our expenditures are typical of comparable districts

- Over the last decade, both the ***level of our spending per pupil*** and the ***rate of increase in our spending per pupil*** appear to be typical of comparable districts in New Jersey
- The distribution of expenditure among major budget categories is also typical of comparable N.J. districts

  (for two prior assertions, see 8/20/03 Presentation: "Analyzing Trends in District Expenditures and State Aid and Their Impact on the Local Tax Burden" at http://www.somsd.k12.nj.us/finance/Budget101-082003.pdf)
- Our administrative spending is well below the recent limits set by S1701
  - our total administrative headcount is typical
  - our salaries, including Central Office salaries, are near the middle of the market range

  (see 1/27/04 "Analysis of Administrative Staffing" at: http://www.somsd.k12.nj.us/finance/AnalysisOfAdministrativeStaffing.pdf)

We are subject to the same inexorable cost drivers as other school districts and municipalities

Examples of Key Cost Drivers	Budgeted Percentage Increase Over Prior Year for:	
	2004-05	2005-06
Health Premiums	14.62%	9.70%
Energy	16.90%	10.30%
Insurance	12.05%	5.73%
Special Ed. Out-of-District Tuition	23.44%	7.10%
Special Education Instruction	5.9%	18.59%

Our local property tax base is inadequate

- We lack the commercial property of many surrounding communities, leading to ***fiscal stress*** – equalized property tax rates among the highest in New Jersey
- The local property tax base has appreciated in value but changed little in composition
- See Appendix A: Facts on Local Property Tax Base

Costly State and Federal mandates grow relentlessly, but our State and Federal aid remains roughly the same

- State and Federal aid remains relatively frozen in dollar terms since 1987:
  - 1987-88: $4.9 million
  - 2004-05: $5.5 million
  - 2005-06: $5.5 million
- Aid dollars offset only a portion of the mandated services for which they're intended
- Aid revenue represents an increasingly small proportion of total revenue
- (see Appendix B, Trends in State Aid to the School District, and 8/20/03 Presentation: "Analyzing Trends in District Expenditures and State Aid and Their Impact on the Local Tax Burden" at http://www.somsd.k12.nj.us/finance/Budget101-082003.pdf)
- For more detail on State/Federal mandates, see 12/3/03 presentation "Understanding Constraints on Budget Decision-Making at http://www.somsd.k12.nj.us/finance/Dec3Budget101.pdf

The NJ Legislature has made matters worse with the spending limits imposed by S1701

- In June 2004, Governor McGreevey proposed -- and the legislature hurriedly passed – a package of measures in response to New Jersey's property tax crisis:
  - establishment of a Tax Reform Task Force to study the question of a constitutional convention on property taxes
  - the "millionaire's" tax
  - S-1701, which implements stringent budget caps on school districts and municipalities
- S-1701 - For details, see 10/17/05 presentation "Impact of S1701" at http://www.somsd.k12.nj.us/finance/S1701-Impact-10-17-05.ppt
  - caps school budget increases at 2.5% or the rate of inflation, whichever is greater (for the 2005-06 budget year -- approx. 3.01%);
  - "SGLA" adjustments (allowances for extraordinary cost increases) are fewer and Separate Proposals are effectively precluded

The result: annual reductions in the level of programs and services, even while local taxes continue to rise

- In prior years, we have:
  - struggled for efficiencies and cost containment
  - sought to demonstrate to the community that tax dollars are spent well and efficiently to support a high-quality school system
  - succeeded – most of the time – in demonstrating to the Board of School Estimate (and the community) that it was important to dig deep to support the schools, with tax increases of 4.65% in 2001-02, 8.90% in 2002-03 and 6.78% in 2003-04.
  - notwithstanding these increases, we have still been forced to trim programs and services in the face of spiraling costs
  - the level of service reductions has accelerated in the two budget cycles since passage of S1701: tax increases were held to 6.5% in 2004-05 and 4.7% for the current 2005-06 budget

Thus, over the last 5 years, we have been forced to cut the equivalent of $14 million from the nominal maintenance-level to stay under Cap

(see http://www.somsd.k12.nj.us/finance/bose032404.pdf#page=19 and http://www.somsd.k12.nj.us/finance/3-7-05-SuptMessage-revised.pdf)

Budget Year	Dollar Reduction from Maintenance Level	Positions Eliminated as a Result
2000-01	$1,527,833	5.6 FTEs
2001-02	$1,502,414	8 FTEs
2002-03	$2,956,882	18 FTEs
2003-04	$2,564,617	16 FTEs
2004-05	$2,389,765	24 FTEs
2005-06	$3,150,204	34.7 FTEs*

•To stay under CAP, the 2005-06 budget was reduced by nearly $3.2 million from a maintenance-level. Of this amount, at least $825,000 resulted in adverse changes to the educational program delivered. Additional reductions were achieved through efficiencies or due to reduced enrollment.

In prior years, the Board has also proposed the adoption of Separate Proposals to address unmet needs

(see http://www.somsd.k12.nj.us/finance/BudgetOverview021804.pdf#page=3)

School Year	Separate Proposal	Funded?
2004-05	$2,650,331*	YES
2003-04	$1,272,155	YES
2002-03	NONE	
2001-02	$585,020	NO
2000-01	$1,386,602	YES
1999-00	$944,362	YES

*** Reduced from originally proposed $3,280,371**

We have resorted to Separate Proposals more often in recent years than some surrounding districts . . .

CEIFA Calc	SOMSD	W.Orange	Montclair	Livingston	Millburn
2003-04 net budget	73,628,680	80,701,257	77,853,360	69,063,840	53,960,835
2004-05 MPNB before adj.	75,837,540	83,122,295	80,188,961	71,135,755	55,579,660
SGLA Enrollment	0	2,199,515	1,446,510	1,711,530	1,697,008
SGLA Transportation	239,652	801,531	788,722	0	480,813
SGLA Special Ed	175,876	782,731	134,605	0	44,320
SGLA Capital Outlay	294,608	1,600,244	1,245	0	0
SGLA New School Costs	0	0	0	0	729,572
Banked Cap	0	442,430	0	464,808	0
SGLA Commissioner	0	0	0	0	995,443
Total SGLA/Banked Cap	**710,136**	**5,826,451**	**2,371,132**	**2,176,338**	**3,947,156**
2004-05 MPNB	76,547,676	88,948,746	82,560,093	73,312,093	59,526,816
SEPP	2,650,331	0	409,292	0	0
Net Budget 2004-05	79,198,007	88,948,746	82,969,385	73,312,093	59,526,816
Net Inc. 2003-04 to 2004-05	7.56%	10.22%	6.57%	6.15%	10.31%

. . . but other districts have made more aggressive use of SGLAs to drive their budget CAPs higher

	SOMSD	W.Orange	Montclair	Livingston	Millburn
Per Pupil Spending					
Regular Spending	73,957,262	81,697,612	75,433,087	69,269,631	57,016,424
as a percent of Net Budget	93.38%	91.85%	90.92%	94.49%	95.78%
PP Regular Spending	**11,205**	**11,678**	**11,402**	**12,775**	**12,315**
PP Administrative Spending	**1,215**	**1,453**	**1,089**	**1,454**	**1,270**

Source for slides 11-12: N.J. DOE

What Are The Major Cost Drivers in This Year's Budget?

Major Cost Drivers for 2006-07 Budget

Object of Expenditure	2005-06 Adopted Budget	2005-06 Estimated Adj. Budget	Projected for 2006-07 Budget	Dollar Increase From Adopted Budget	Dollar Increase From Estimated Adj. Budget	Percentage Increase From Adopted Budget	Percentage Increase From Estimated Adj. Budget
Energy	$1,745,433	$1,745,433	$2,094,520	$349,087	$349,087	20%	20%
Special Education out- of-district tuitions	$5,562,146	$6,071,576	$7,805,762	$2,243,616	$1,734,186	40%	29%
SOMEA contract settlement	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown

Where Do We Go From Here? How and When Will Budget Decisions Be Made?

Important Dates in this year's budget calendar	
11/7/05	BOE meeting: Board receives 2004-05 audit; receives baseline data; discusses analysis topics for upcoming budget season
11/21/05	BOE meeting: Admin. presents 3-year budget projections; Board discusses budget goals and priorities
12/5/05	BOE meeting: Board adopts list of requested budget cost analyses
month of January: Finance Committee presents Budget 101 workshops for PTAs/HSAs	
1/9/06	BOE meeting: Board adopts budget goals and priorities
1/23/06	BOE meeting: Supt. presents his preliminary draft budget of 2006-077
2/6/06	BOE meeting: Supt. to present additional possible budget reductions.
2/15/06	BOE Public Budget Workshop
2/27/06	BOE meeting: Board discussion of budget
2/28/06	BOE Measurement Workshop (Effectiveness of Programs/Initiatives)
Note: Governor's Budget Message is delayed this year; that may impact adoption on 3/6 of preliminary budget	
3/6/06	BOE meeting: adoption of preliminary budget to send to County Supt.
3/15/06	Board of School Estimate Public Budget Workshop
3/22/06	Board of School Public Hearing and Action to Set the Tax Levy
4/3/06	BOE meeting: Accept 3/22/06 action of the BOSE

The Time For Public Input: Jan. 23 – March 6

- The key date is March 6, when the Board adopts the Preliminary Budget, after which it is sent to the County Superintendent for approval. ***Changes after this date are typically not possible.***
- Avoid the temptation to repeat platitudes about causes and solutions simply because they sound good. Understand the budget, where the money goes and what the key cost drivers are.
- Indicate what you value and why.
- Indicate what you're willing to give up.
- Talk about your own needs and those of your child, but remember the needs of the district as a whole.
- Help us understand what you think the district can give up in order to preserve what's most important. Write letters to the Board, speak at Board meetings.

Consistent with Strategic Plan, budget goals and priorities for 2006-07 Budget (Resolution 2050A, adopted 1/9/06)

Goals: Subject to the constraints and requirements in S1701 as outlined in Board Resolution 1913, the Board of Education remains committed to goals outlined below:

- Provide educational programs and services that enable all students to succeed.
- Manage systemic changes that will increase the efficiency and cost effectiveness of operations.
- Continue maintenance and capital improvement efforts according to our long-term plan while managing debt service to minimize tax impact.
- Remain competitive with comparable public and private schools.
- Achieve a common understanding between the community, the board, the administration and staff regarding the budget and the rationale supporting it.

Board-Adopted Budget Goals and Priorities (cont.)

Priorities: Subject to the constraints imposed by S1701, we endorse these priorities in our attempt to preserve and maintain our educational program.

- Increase achievement for all students in language arts literacy and mathematics. Enhance efforts that develop preparedness early in students' academic careers.
- Give preference to resource allocations that result in efficiencies sustainable over multiple years in light of legislative limitations of spending growth.
- Strive for class sizes that best support the developmental and educational needs of students.
- Preserve the range and capacity of elective offerings at Columbia High School to meet the scheduling needs of a growing enrollment and ensure all students have access to challenging courses.
- Continue to provide programs and services that support the goal of maintaining integrated schools.
- Consistent with our Strategic Plan's call to address the racial Achievement Gap, and in keeping with the mandates of the No Child Left Behind act, sustain support for the range of district academic interventions for all students who are below proficiency on standardized tests and ensure that expenditures are concentrated on those programs with demonstrated effectiveness in improving student performance.

Board-Adopted Budget Goals and Priorities (cont.)

- Continue efforts to improve the cost effectiveness of special education programs.
- Defer non-essential facilities maintenance: maintenance of facilities that improves safety, health and cleanliness of school buildings is a key element of Goal 3 of our Strategic Plan and is essential to delivery of the education program and must be adequately funded in the operating budget. In the current financial climate, we should avoid expenditures from the operating budget on maintenance that addresses cosmetic issues.
- Scale back technology services to a level that the district is capable of adequately supporting and sustaining.
- Give priority to sustaining delivery of educational programs and services (including extracurricular activities) over continued operating budget expenditures that subsidize community use of the schools.
- Ensure consistency between the proposed budget and the budgetary and academic goals of the Strategic Plan.

For the short term, we need:

- Increased spending authority:
  - A CAP determined strictly by U.S. Dept. of Labor CPI for NY/Phil.
  - SGLAs (spending adjustments) for energy costs, healthcare premiums, Special Education out-of-district tuition, commercial insurance, transportation
- Higher limits on the amount of our free balance (contingency fund) – eliminate the unrealistic limit of 2% of budget; return to a limit equal to 6% of budget
- Lift the 4-year freeze on state aid – aid to be determined by up-to-date per capita amounts from State's Biennial Report on Cost of Delivering a Thorough and Efficient Education

For the long-term, we need:

- Repeal of S-1701
- Intelligent spending caps that are sensitive to all extraordinary cost increases that are outside of local district control
- Reforms to State Health Benefits Plan to slow premium increases
- A complete overhaul of the approach to funding education with less reliance on property taxes

What YOU Need to Do About The Situation: Help Us Lobby Sen. Codey and Gov. Corzine

- Give us your phone number and email address so that we can contact you about specific, focused lobbying efforts in the days and weeks ahead
- Write letters now to Sen. Codey and Gov. Corzine, expressing your concern. See http://www.somsd.k12.nj.us/finance/sampleletter.htm
- Contact your neighbors and friends and get them to act along with you.
- All school districts are in the same boat – put us in touch with your friends in other N.J. communities who are supporters of public education

Important Addresses for Our Representatives

Governor Corzine
P.O Box 001, Trenton, NJ 08625
http://www.state.nj.us/governor/govmail.html

Senator Richard Codey
449 Mount Pleasant Avenue,
West Orange, NJ 07052
http://www.njleg.state.nj.us/members/codey.asp

Assemblyman Mims Hackett
15 Village Plaza, Suite 1B,
South Orange, NJ 07079
http://www.njleg.state.nj.us/members/hackett.asp

Assemblyman John McKeon
4 Sloan St., Suite D & E, South Orange, NJ 07079
http://www.njleg.state.nj.us/members/mckeon.asp

Summary

- We have three problems:
  - Stringent CAP restrictions because of S-1701
  - High property taxes
  - Increases in major objects of expenditure that are wholly or substantially out of our control
- Of these, by far the most serious this year is the stringent CAP restriction. But we desperately need property-tax reform as well.
- We understand the historical cost drivers and are attempting to manage them.

Summary (continued)

- It's very likely we'll have to make painful and controversial cuts in programs and services for the 2006-07 budget.
- Notwithstanding the difficulties posed in this budget, we will still have a vibrant, effective school district in the fall of 2006. We must not let a contentious budget discussion tear us apart.
- We must make the best of a difficult situation, informed by the consensus around long-term goals that has emerged from the district's Strategic Planning Process.
- We invite your participation in the budget dialogue and hope the material in this and prior presentations serves to make that an informed discussion.
- Please attend the District's ***Workshop on Measurement of Academic Achievement and Effectiveness of Special Initiatives*** on Tuesday, February 28

Appendix A: Facts on the Local Property Tax Base

Facts on the local property tax base

- The school tax accounts for approximately 58% of the local tax bill.
- The tax levy is apportioned between Maplewood and South Orange based on the equalized valuation (market valuation) of each municipality's total property wealth – it is not apportioned based on the number of students each happens to send to the schools in a given year. (see http://www.somsd.k12.nj.us/finance/...)
- Our local property tax base is narrow; consisting predominantly of residential property with significant segments of land that are tax-exempt (like Seton Hall) or tax-abated (redevelopment zones) – property wealth per pupil is at state average, but anomalies in the State aid formula force us to pay for more than 92% of our school budget from local sources (see http://www.somsd.k12.nj.us/finance/...)

We lack the commercial property of many surrounding communities . . .

Municipality	Percentage of total tax base contributed by top taxpayer (2001)	Percentage of total tax base contributed by top ten taxpayers (2001)
Montclair	.41%	2.06%
South Orange	.6%	3.7%
Maplewood	1.81%	3.86%
West Orange	1.41%	8.02%
Livingston (2002)	5.01%	10.8%
Millburn	8.41%	14.01%

Source: School District Consolidated Annual Financial Reports for year ended 6/30/02

. . . leading to *fiscal stress* – equalized property tax rates among the highest in New Jersey

Year 2000 equalized tax rates were:

	Equalized School Tax Rate	Rank in New Jersey (1 = highest)	Equalized Combined Tax Rate	Rank in New Jersey (1 = highest)
Maplewood	$1.93	27th	$3.17	56th
South Orange	$1.92	28th	$3.46	23rd
Montclair	$1.78	74th	$3.25	42nd
West Orange	$1.74	93rd	$3.14	62nd
Livingston	$1.37	336th	$2.42	247th
Millburn	$0.74	526th	$1.76	493rd

Source: Rutgers 2001 Legislative Data Book

The local property tax base has appreciated in value but changed little in composition

- In the 10-year period 1995-2004, the market value of the tax base has increased 51.26%, keeping pace with the 52.69% increase in local property taxes over the same period
- Unfortunately, market appreciation does not provide a liquid source of income; for those whose personal incomes have not kept pace with the rise in taxes
- There is also some speculation that the typical residential property owner has a decreased ability to bear the overall carrying costs of owning a home
- We are now faced with additional concerns about a possible slowdown in the real estate market and even fear of the "bursting of the real estate bubble"

Estimated full cash valuations last 10 years
(from the 6/30/04 CAFR, Exhibit J-4, p. 115)

Year	South Orange	Maplewood	Total
1995	1,043,741,001	1,409,269,937	2,453,010,938
1996	1,056,857,126	1,391,843,829	2,448,700,955
1997	1,019,061,151	1,371,496,149	2,390,557,300
1998	1,008,252,579	1,413,095,306	2,421,347,885
1999	1,050,122,451	1,435,715,115	2,485,837,566
2000	1,130,552,161	1,518,967,900	2,649,520,061
2001	1,258,568,467	1,729,762,419	2,988,330,886
2002	1,436,141,611	2,012,773,873	3,448,915,484
2003	1,587,064,386	2,197,225,563	3,784,289,949
2004	1,801,842,631	2,482,018,922	4,283,861,553
Percent Increase, 10 years	72.63%	76.12%	74.64%

Total local tax levy (school, county, municipal) last 10 years

(from the 6/30/04 CAFR, Exhibit J-3 p. 114)

Year	South Orange	Maplewood	Total
1995	36,035,423	43,875,256	79,910,679
1996	36,794,445	46,655,194	83,449,639
1997	38,097,544	48,149,236	86,246,780
1998	38,649,140	49,354,886	88,004,026
1999	40,538,294	51,996,225	92,534,519
2000	42,308,010	54,043,711	96,351,721
2001	44,826,074	56,686,821	101,512,895
2002	47,157,865	61,613,162	108,771,027
2003	49,893,806	66,756,610	116,650,416
2004	52,574,124	69,986,952	122,561,076
Percent Increase, 10 years	45.90%	59.51%	53.37%

Appendix B: Trends in State Aid to the School District

Trends in State Aid to the School District

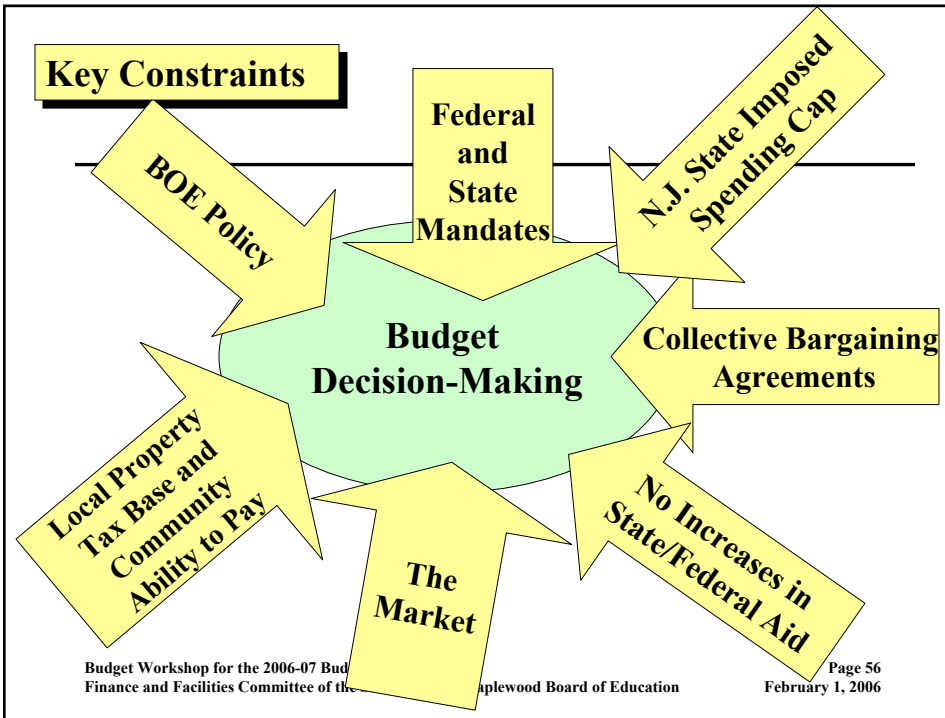
Year	Local School Tax	Local Tax as % of Total	State Aid	Aid As % of Total	Tuition/ Misc.	Total
1995	39,495,784	88.97%	3,679,943	8.29%	1,218,035	44,393,762
1996	41,552,354	88.40%	4,574,281	9.73%	964,837	47,005,470
1997	43,727,433	88.97%	3,952,583	8.04%	1,164,269	49,147,630
1998	46,408,516	90.02%	4,013,812	7.79%	1,177,619	51,554,208
1999	49,253,260	89.87%	4,703,730	8.58%	991,199	54,807,660
2000	52,126,140	88.96%	5,535,408	9.45%	1,120,619	58,596,210
2001	56,012,410	90.90%	4,193,427	6.81%	1,336,107	61,621,601
2002	58,619,379	91.93%	4,510,119	7.07%	845,001	63,763,866
2003	63,836,172	92.56%	4,782,967	6.94%	345,225	68,964,364
2004	68,836,172	92.29%	5,559,600	7.45%	188,836	74,584,608
% Inc.	74.29%		51.08%		-84.50%	68.01%

Appendix C: Constraints on Budget Decision-Making

Budget decision-making is informed by adopted goals and priorities, but is constrained by many factors

Constraints on Budget Decisions Can Be Divided into Four Major Categories:

- ***State and Federal education mandates***
- ***Collective bargaining agreements*** that define salary, benefits, work hours and teaching workloads are negotiated by the Board with ASCA (administrators) and SOMEA (teachers and support staff)
- The ***"market",*** which -- within a narrow range -- determines the ***price for human and material resources*** used by the school district, and the ***level of programs and services*** necessary to remain competitive as a community, as well as the tax burden the community is willing to bear
- ***Board of Education policy***, and other decisions, reflecting educational judgment and community desires. Board policy imposes "soft" constraints –modifiable by board action



Appendix D: Why We Start From a "Maintenance-Level" Budget

The district's approach to budgeting is motivated by the Board's and the public's informational needs

- We have spent years putting the budget"under the microscope" looking for cost savings
- We know that all programs and services are valuable to someone in the district
- To guide the budget process, the Board discusses and adopts programmatic goals and priorities in advance of the Administration's formation of the Superintendent's budget proposal.
- Starting with the hypothetical question: "What would it cost to fund this year's full complement of programs and services – at next year's prices, salary rates and enrollment projections?", the administration builds a draft budget.
- Based on that information, the administration produces a "straw man" budget
- The straw man is then modified, making necessary adjustments, to account for new legal mandates, etc.

The "maintenance-level" budget provides a useful reference point to understand the impact of proposed reductions in programs and services as well as the cost impact of desired additions to existing offerings

- At the Board's request, the administration executes a process akin to ***zero-based budgeting*** on those segments of the budget where the effort has a prospect of yielding some savings – this is where the targeted "cost analyses" come into play
- The resulting "maintenance-level" budget is by no means a standstill budget, but a carefully considered target we'd like to hit to avoid doing damage to the district's educational programs and services
- The resulting "maintenance-level" straw man budget is compared to the CAP on expenditures proposed by the State, to determine the gap between what the district would like to spend and what the State will allow
- Using the "maintenance-level" budget as a reference point, the Superintendent presents his preliminary draft budget to the Board -- indicating what combined set of efficiency measures and program cuts will yield the reductions necessary to strike a budget that is under state-imposed CAP

Appendix E: Strategic Plan Goals and Objectives

Strategic Plan Goal 1

- ***Goal 1*: To enhance the intellectual, social, emotional and physical growth of all students**
  - ***Objective A***: Continue to develop and implement programs that enable every student to exceed State Core Curriculum Content Standards and improve achievement, with a particular focus on math, science and language arts
  - ***Objective B***: Implement a proactive, comprehensive, developmental guidance program
  - ***Objective C***: Complete the reorganization of the special education program.
  - ***Objective D***: Ensure that discipline policies, regulations and practices provide proactive opportunities for student achievement and character development.
  - ***Objective E*:** Develop multiple, appropriate and ongoing performance indicators for the intellectual, social, emotional and physical growth of all students

Strategic Plan Goal 2

- ***Goal 2*: To promote effective communication, mutual understanding and personal and professional respect within the schools and throughout the greater Community**
  - ***Objective A*:** Improve the effectiveness of district communications among students, staff, administration, the Board of Education, parents, municipal governing bodies and our community-at-large
  - ***Objective B*:** Develop a positive and sustainable culture within the district and community
  - ***Objective C*:** Develop multiple, appropriate and ongoing performance indicators for communications, school climate and culture

Strategic Plan Goal 3

- ***Goal 3*: To manage fiscal and human resources effectively and efficiently**
  - ***Objective A*:** Propose and adopt a district budget which supports the key efforts initiated under Goals One and Two and which reflects an efficient allocation of fiscal and human resources (especially in non-mandated programs).
  - ***Objective B***: Collaborate with community and staff to lobby for equitable government aid from the state and federal levels and pursue sources for alternative funding
  - ***Objective C***: Engage in positive negotiations that enhance effective resource management and staff quality
  - ***Objective D*:** Ensure safe, sanitary and well-maintained facilities and work to maintain and repair them in an historically sensitive manner.
  - ***Objective E*:** Pursue shared services with town, county and others.
  - ***Objective F*:** Develop multiple, appropriate and ongoing performance indicators for the management of fiscal and human resources.

Appendix F: The "Services" View of the Budget and Why It's Important

The purpose of the "services" view: Making sure that spending is aligned with priorities

- For more detail on budget goals and priorities, see **Appendix E, Strategic Plan Goals and Objectives**, and **Appendix F, 2006-07 Budget Goals and Priorities**
- As described above, Goal 3.A.2 stipulates that we should **"c**reate a budgetary view that describes spending in terms of programs and services delivered and use that view to assess the gap between current budgetary appropriations" and budget goals and priorities
- That is the purpose of the ***"services" view of the budget***, which has been the focus of Finance Committee discussions over the summer and which we present here tonight for the first time in ***experimental*** form

It's important to understand both the extent and limits of current financial information

- N.J. school districts keep their books and records, and present their budgets, in strict accordance with state regulations, which in turn adhere to national standards (Generally Accepted Accounting Principles, "***GAAP***").
- ***Accounting Funds*** are used to segregate major activities (debt service, current operating expense, capital projects and proprietary activities are separated)
- Budgets are prepared in ***line-item fashion***, according to a ***Chart of Accounts*** which is specified by the N.J. Department of Education
- The public budget is detailed. The Chart of Accounts categorizes expenditure by Fund/Program/Function/Object. ***It is possible to see***, for example, that salaries and benefits represent 80% of expenditure, or that Special Education expenditures (including salaries), represent nearly 20% of the budget
- Line-item budgets help accountants track and summarize all financial events. They enable comparability from one year to the next and from one district to another (except that the Dept. of Ed. keeps changing the Chart of Accounts!)

Traditional line-item budgets are not especially helpful to policymakers grappling with budget trade-offs

- Some experts characterize line-item budgets as creating an instructional blob – it's impossible to tell which resources are included on which line and it's also difficult to tell whether increases or decreases represent changes in the quantity of resources allocated or changes in the price of those resources
- Simpler presentations of the financial data in forms other than the official financial statements can be helpful in understanding where the money goes (what people and material resources are involved) and why certain costs go up (disentangling changes in the price of resources from changes in quantity)
- Such simpler presentations must be verifiable and must therefore ***reconcile*** to the financial statements. They must also be done using a consistent set of ***cost concepts*** according to a clear set of rules.

In our district, we have found it necessary to augment the traditional line-item budget presentation

- A traditional line-item budget has limitations. Members of the public cannot:
  - determine how many people a given salary line represents, what their actual salaries are or how they're deployed
  - explain from a line-item itself the source of a variance in that line-item nor discern the main drivers of an increase from one year to the next
  - tell how much money goes to which specific services delivered to which specific students
- Using publicly-available information, it is possible to infer or compute answers to these questions but few have the time or expertise to do so
- For these reasons, we **annotate our line-item budget** and augment it with a **variety of analyses** and descriptive materials and publish them on the web.

We now provide a wealth of budget information:

Standard Elements in District's Public Budget Materials

- **Annotated line-item budgets**, describing the specific purposes to which a specific budget line is restricted
- Indication of **how many employees (FTEs) are budgeted on a particular line**, with the total FTEs reconciling with a published summary of actual employee headcount
- **Detailed cost analyses** conducted in response to formal board requests, providing drilldown on specific subjects, typically describing alternatives for accomplishing a specific service objective

Summary for General Fund, 2004-05 Budget

Item	Amount	% of Total Budget	Dollar Value of 1% Increase for this Object
All Salary Lines	49,083,122	61.99%	490,831
All Benefit Lines	9,911,435	12.52%	99,114
Total, all other budget lines	20,183,521	25.49%	201,835
Total, General Fund as adopted (including Separate Proposal)	79,178,078	100.00%	791,781

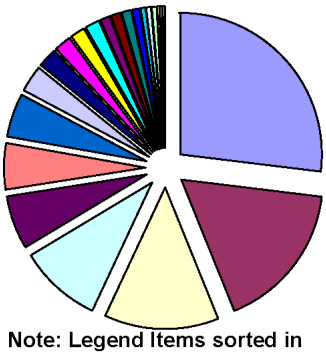
Summary Resource-Cost View of Non-Salary Items in 2004-05 Budget (in descending order)

Category	Amount	% of Total Budget	Dollar Value of 1% Increase for this Object
Health Benefits	8,093,170	10.22%	80,932
Out-of-district tuition (special ed.)	5,077,209	6.41%	50,772
Purch. Maintenance/Prop. Svcs/Supplies	3,938,097	4.97%	39,381
Transportation (non-salary)	2,901,368	3.66%	29,014
Total Other Benefits	1,818,265	2.30%	18,183
Energy (Heat and Electricity)	1,582,405	2.00%	15,824
Total Supplies (excluding cleaning/maintenance)	1,500,543	1.90%	15,005
Capital Projects	910,271	1.15%	9,103
Purchased Services – Special Ed.	650,000	0.82%	6,500
Insurance	644,629	0.81%	6,446
Assorted Purchased Services	490,567	0.62%	4,906

Summary Resource-Cost View of Non-Salary Items (continued)

Category	Amount	% of Total Budget	Dollar Value of 1% Increase for this Object
Bus. and Tech. Purch. Svcs. (other legal, audit, arch., etc.)	441,804	0.56%	4,418
Equipment	384,380	0.49%	3,844
Textbooks	341,251	0.43%	3,413
Judgments Against the School District	312,000	0.39%	3,120
Communications / Telephone	286,691	0.36%	2,867
Legal Services	175,000	0.22%	1,750
Misc. Exp. – elections; NJSBA/other dues; BOE exp.	136,631	0.17%	1,366
Tuition Reimbursement	132,475	0.17%	1,325
Miscellaneous/Other Expenditures	118,200	0.15%	1,182
Home Instruction	115,000	0.15%	1,150
School Buses – Regular	45,000	0.06%	450
Total	30,094,956	38.01%	300,950

Distribution of Non-Salary Items in 2004-05 Budget

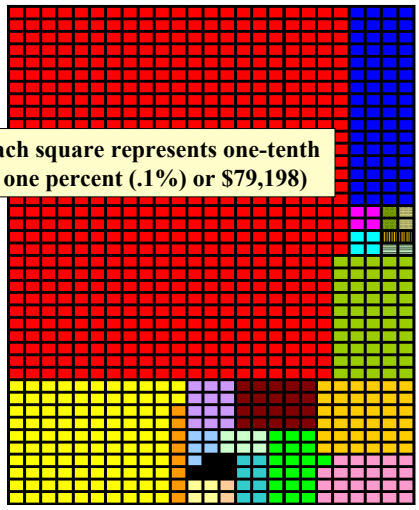


Note: Legend Items sorted in descending order by amount; depicted in clockwise order in piechart

- Health Benefits
- Out-of-district Tuition
- Purch. Maint./ Prop. Svcs, Supplies
- Transportation (non-salary)
- Total Other Benefits
- Energy (heat and electricity)
- Total Supplies (excluding cleaning/maintenance)
- Total Capital Projects
- Purchased Services - Special Ed.
- Insurance
- Assorted Purchased Services
- Business and Tech. Purch. Svcs
- Equipment
- Total Textbooks
- Judgments Against The School District
- Communications/Telephone
- Legal Services 11-0XX-23X-331
- Misc. Exp. -- elections, NJSBA/other dues; BOE exp.
- Tuition Reimbursement
- Miscellaneous/Other Expenditures
- Total Home Instruction
- Lease Purchase Payments - School Buses

Let's Look At the Same Distribution A Different Way

Summary of Distribution of Expense by Object

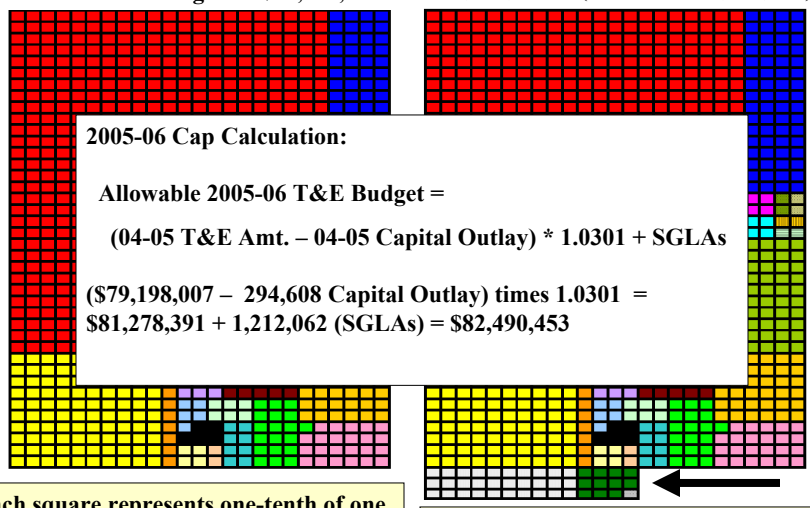


Each square represents one-tenth of one percent (.1%) or $79,198)

61.99%	Salaries
10.22%	Health Benefits
6.41%	Out-of-District Tuition
4.97%	Purch. Cleaning, Prop.Svcs., Supplies
3.66%	Transportation (non-salary)
2.30%	Total Other Benefits
2.00%	Energy
1.90%	Total Supplies (excl. cleaning/maint.)
1.15%	Capital Projects
0.82%	Purchased Services - Special Ed.
0.81%	Insurance
0.62%	Assorted Purchased Services
0.56%	Business and Tech. Purchased Svcs
0.49%	Equipment
0.43%	Textbooks
0.39%	Judgments Against the district
0.36%	Communications/Telephone
0.22%	Legal Services
0.17%	Dues, BOE expenses
0.17%	Teachers Tuition Reimbursement
0.15%	Misc./Other Expenditures
0.15%	Home Instruction
0.06%	School Bus Leases (not shown)
100.00%	

2004-05 T&E Budget: $79,198,007

2005-06 Budget Allowable Under Cap:
$82,490,453 (additional $3,292,446)



2005-06 Cap Calculation:

Allowable 2005-06 T&E Budget =

(04-05 T&E Amt. – 04-05 Capital Outlay) * 1.0301 + SGLAs

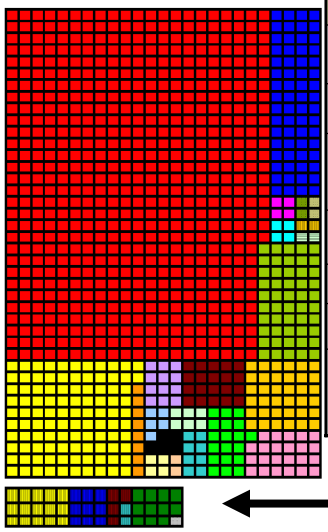
($79,198,007 – 294,608 Capital Outlay) times 1.0301 =
$81,278,391 + 1,212,062 (SGLAs) = $82,490,453

Each square represents one-tenth of one percent (.1%) of 2004-05 budget, equal to $79,198

Additional 41.6 squares allowed in 2005-06 budget (4.16%, including SGLAs)

Selected Objects of Expenditure

2005-06 Budget Allowable Under Cap:
$82,490,453 (additional $3,292,446)

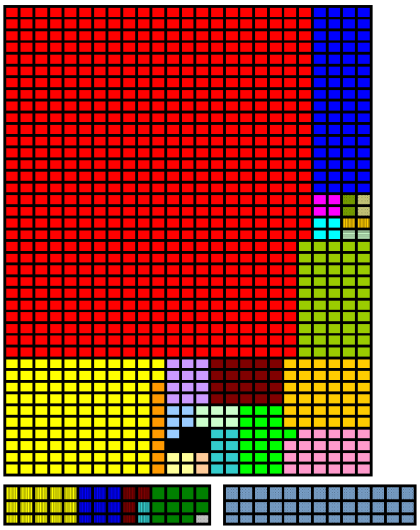


Additional 41.6 squares allowable under cap

Category	2004-05 Appropriation	2005-06 Maintenance Level	Dollar increase
Health premiums	$8,093,170	$9,340,496	$1,247,326
Energy	$1,582,405	$1,745,433	$163,028
Out-of-district Tuition	$5,193,183	$6,307,828	$1,114,645
Prop/Cas. Insurance	$644,629	$681,567	$36,938
Trans.	$3,830,477	$4,129,252	$298,775
		Sub-total:	$2,860,712
Salaries	$49,083,122	unknown	Each 1% Increase = $490,831

Allowable increase of $3,292,446 (4.16% = 41.6 squares) is nearly consumed by *outsized increases in a few non-discretionary major budget lines*; cuts in other items become necessary to keep the budget as a whole in bounds

2005-06 Budget Allowable Under Cap:
$82,490,453 (additional $3,292,446)



Allowable increase of 4.16% (41.6 squares) is nearly consumed by *outsized increases in a few non-discretionary major budget lines*; cuts in other items become necessary to keep the budget as a whole in bounds

41.6 squares allowable under cap

39.7 square shortfall from a maintenance-level budget

Additional set of 39.7 squares represents $3,150,204 – shortfall in *spending authorization*: difference between projected CAP amount of $82,490,453 and the projected cost of a maintenance budget of $85,640,657

An Experimental Version of a "Services" View of the Budget – A Work in Progress

Explanation of Methodology and Caveats

- This is a work in progress – does not reconcile "to the last dollar" to the line-item budget
- Used the 2004-05 budget (as originally adopted):
  - Settled budget with Audit data freshly available
  - First year of S1701 controls
- Used budget General Fund headcount of 840.1 as starting point
- For each category of employee, used average cost, fully-loaded (with benefits)
- Defined "Service Categories" to facilitate eventual analysis of whether spending aligns with stated priorities – nothing sacred about categories chosen

Explanation and caveats (continued)

- Allocated headcount to Service Categories
- Costs of individual programs are Total Costs – says nothing about the amount that might be saved by program elimination – for most district offerings, service reductions trigger the need for some alternate offering, yielding a Net Savings far less than a program's total cost
- Building administration treated as separate service category, but program management costs (i.e, Directors and Supervisors) allocated to program
- Have breakdown by elementary, middle and high school, for subsequent presentation

Explanation and caveats (continued)

- Special education services total inclusive of all elements, including:
  - director and ass't director salaries
  - child-study team salaries
  - aides
  - out-of-district tuitions
  - purchased professional services
  - transportation, both within district and out-of-district

- Regular Program Supplies (A/C 11-190-100-610) and Textbooks (A/C 11-190-100-640) at this point allocated only to Core Subjects, thus understating dollars committed to other subjects

Explanation and caveats (continued)

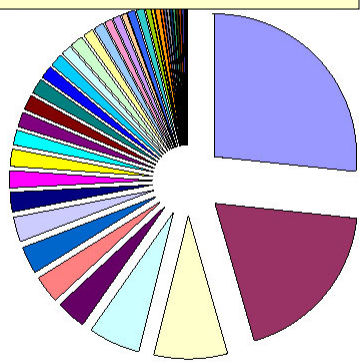
- Allocation of salaries for transportation between Special Education and regular education students done according to pro rata allocation in adopted line-item budget

- Allocations of expenditure to Service Categories are in some cases a matter of judgment

- Some allocations not yet complete, understating to a small extent the dollars committed to support a particular program or service (e.g., art, music, science and TV programs)

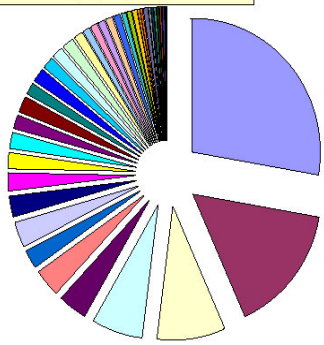
SOMSD 2004-05 T&E Budget as adopted,

Unofficially Resummarized by "Service":
$79,198,007



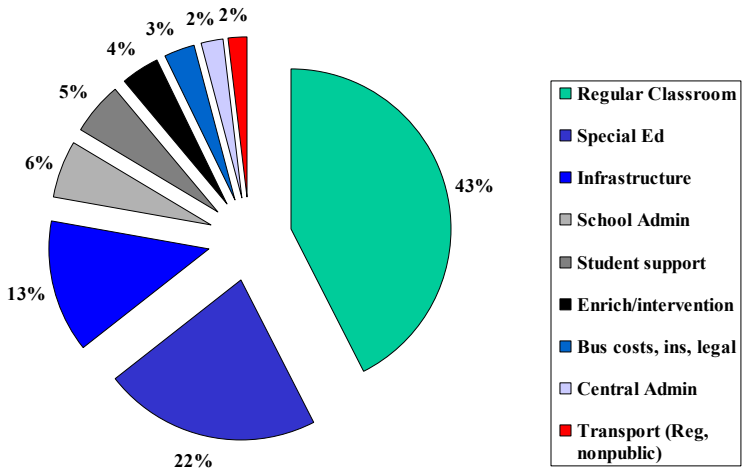
$21,081,667:	Total Core Subjects
$15,038,477:	Total Special Education Svcs.
$6,454,504:	Total Maintenance
$4,684,155:	Total School Administration
$2,660,576:	Total Health & Phy Ed
$2,425,686:	O.T., LunchDuty, Loss of Prep., Subs
$2,339,665:	Total Special Ed. Transportation
$2,226,988:	Total World Language
$1,762,155:	Total Central Administration
$1,582,405:	Energy
$1,474,004:	Total Art
$1,428,620:	Total Music
$1,348,923:	Total Library
$1,322,460:	Total Guidance
$1,154,771:	Total Capital Outlay
$1,141,946:	Total Business Office
$1,077,589:	Total Project Ahead
$1,033,368:	Total Technology
$965,193:	Total Co-Curricular and Athletics
$923,710:	Total Nursing/Health Svcs
$846,295:	Total Transportation - Regular Ed.
$644,629:	Insurance (Property and liability)
$621,200:	Total Legal Costs
$605,120:	Grade 6 Transition Cluster
$601,309:	Total ESL
$544,475:	Total Transportation - Non-Public
$468,480:	Total Montrose Alternative Program
$336,066:	Total Curriculum & Instruction
$302,560:	Total Business/Industrial Arts
$295,000:	Lunch Aides
$256,200:	Total Security
$226,920:	Enrichment
$205,000:	Communications/Telephone
$151,280:	Total TV Arts
$151,280:	Total Home Economics
$151,280:	Substance Abuse Counselors
$140,000:	Retiree Health Benefits
$137,550:	Total Transportation - Maintenance
$136,152:	Total Social Workers
$115,000:	Home Instruction
$115,000:	Water, sewer, elevator inspections, etc.

SOMSD 2004-05 Budget as adopted,
Unofficially Resummarized by "Service",
Local Share General Fund Expenditures:
$74,174,029

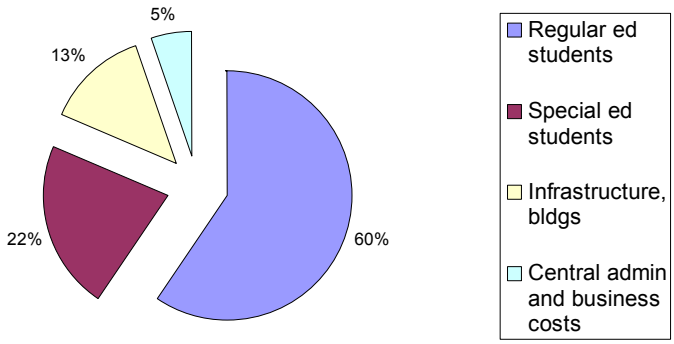


$20,516,141:	Total Core Subjects
$11,610,044:	Total Special Education Svcs.
$6,454,504:	Total Maintenance
$4,684,155:	Total School Administration
$2,660,576:	Total Health & Phy Ed
$2,425,686:	O.T., LunchDuty, Loss of Prep., Subs
$1,813,634:	Total Special Ed. Transportation
$2,226,988:	Total World Language
$1,762,155:	Total Central Administration
$1,582,405:	Energy
$1,474,004:	Total Art
$1,428,620:	Total Music
$1,348,923:	Total Library
$1,322,460:	Total Guidance
$1,154,771:	Total Capital Outlay
$1,141,946:	Total Business Office
$1,077,589:	Total Project Ahead
$1,033,368:	Total Technology
$965,193:	Total Co-Curricular and Athletics
$923,710:	Total Nursing/Health Svcs
$655,965:	Total Transportation - Regular Ed.
$644,629:	Insurance (Property and liability)
$621,200:	Total Legal Costs
$605,120:	Grade 6 Transition Cluster
$461,167:	Total ESL
$422,024:	Total Transportation - Non-Public
$468,480:	Total Montrose Alternative Program
$336,066:	Total Curriculum & Instruction
$302,560:	Total Business/Industrial Arts
$295,000:	Lunch Aides
$256,200:	Total Security
$226,920:	Enrichment
$205,000:	Communications/Telephone
$151,280:	Total TV Arts
$151,280:	Total Home Economics
$151,280:	Substance Abuse Counselors
$140,000:	Retiree Health Benefits
$106,615:	Total Transportation - Maintenance
$136,152:	Total Social Workers
$115,000:	Home Instruction
$115,000:	Water, sewer, elevator inspections, etc.

Services View Summarized by Cluster



How Spending Relates to Students



Appendix G: Board-adopted Budget Calendar for 2006-07 Budget Process

(subject to possible changes dictated by NJDOE)

Finance Activities To Date in 2005-06 Year	
7/1/05	Administration began planning for the 2006-07 budget
10/10/05	BOE meeting: Board adopted reviewed and adopted Long-Range Facilities Plan Update, and the Comprehensive Maintenance Plan and Budget Worksheet (as part of consideration and adoption of the state-required QAAR)
10/17/05	BOE meeting: •Karla Milanette provided presentation indicating the expected impact of S1701 spending restrictions on 2006-07 budget development; Board adopted this budget calendar
10/19 – 10/27	District administrative team discusses S1701 spending caps and this year's budget development process; Business Office begins individual meetings with budget builders
10/28/05	Education Liaison Meeting with members of municipal governing bodies: •Summary of presentation from 10/17/05 BOE meeting

Anticipated Budget Calendar

11/2/05	BOE Finance Committee Public Workshop (with public comment period): "Understanding How the Money Is Spent – A 'Services' View of the School Budget"
11/7/05	BOE meeting: •Receipt of baseline data, including: enrollment projections (ASSA); transportation report (DRTRS); report of eligibility for free and reduced lunch •Initial Board discussion of proposed topics for analysis and exploration by the administration for 2006-07 budget development process •Board formally receives and accepts Consolidated Annual Financial Report for 2004-05 ("CAFR" or the "audit"), with the MD&A (Management Discussion and Analysis)
11/14/05	Repeat session of 11/2 BOE Finance Committee Public Workshop
11/21/05	BOE meeting: •Administration presents Three-Year Budget Projections to the Board •Board discusses budget goals and priorities, using public input from two November Finance Committee public workshops

Anticipated Budget Calendar (continued)

12/2/05	Education Liaison Meeting: Presentation/explanation of 2004-05 Audit Report with MD&A, BOE three-year budget projections and baseline data for 2006-07 budget process
12/5/05	BOE meeting: •Adoption of proposed topics for analysis and exploration by the administration
12/19/05	BOE meeting: •Further board discussion of budget goals and priorities
12/23/05	Education Liaison Meeting: Solicit input on budget goals and priorities
month of January	Finance Committee presents Budget 101 workshops to PTAs/HSAs
1/9/06	BOE meeting: •Adoption of Board statement of budget goals and priorities, aligned with Strategic Plan •Reconfirm Board of Education's representatives to the Board of School Estimate
1/13/06	Education Liaison Meeting: Present adopted budget goals and priorities

Anticipated Budget Calendar (continued)

1/23/06	BOE meeting: •Superintendent presents his proposed preliminary draft budget to the Board
Note: all of the following dates are estimates and depend upon NJDOE guidance and requirements. The Governor's Budget Message will be delayed. As a result, budget submission and approval deadlines may be extended.	
2/3/06	Education Liaison Meeting: •Superintendent reviews his proposed preliminary draft budget for municipal officials
2/6/06	BOE meeting: •Board discussion of Superintendent's budget proposal
2/15/06	BOE Public Budget Workshop
2/27/06	BOE meeting: Board discussion of Superintendent's budget proposal
2/28/06	BOE Measurement Workshop (Effectiveness of Programs/Initiatives)
3/3/06	Education Liaison Meeting: •Update for municipal officials on Superintendent's budget proposal

Anticipated Budget Calendar (continued)

3/6/06	BOE meeting: •Board of Education approves Preliminary Budget to be sent to County Superintendent for review and for advertising
3/7/06	Deadline for submission of Preliminary Budget to County Superintendent for review
3/8-3/16/06	County Superintendent approval of district's Preliminary Budget
3/15/06	Board of School Estimate (BoSE) Public Workshop to establish understanding of district's proposed 2006-07 budget
3/16/06	Proposed Budget, as approved by County Superintendent, advertised in News-Record (4 days prior to public hearing of BSE)
3/20/06	BOE meeting: •Adoption of 2006-07 Budget to be submitted to the Board of School Estimate
3/22/06	BoSE Public Hearing and action to levy 2006-07 school tax
4/3/06	BOE meeting: •BOE adopts 2006-07 accepts Board of School Estimate action