

School District of South Orange and Maplewood, New Jersey
525 Academy Street, Maplewood, NJ 07040

February 3, 2005

**Message from Superintendent Peter Horoschak on the
2005-2006 SCHOOL DISTRICT BUDGET**

On Monday, January 24, 2005, the South Orange/Maplewood Board of Education was presented with the preliminary 2005-06 school district budget. Similar to budgets of recent years, this budget presents the Board, the staff and the community with difficult challenges. In an era of diminishing resources, a stressed local property tax base and increasing state and federal mandates, we are further constrained by the passage of State law (S1701) which severely limits the amount of resources which can be raised locally to fund educational programs and support the operations of our school district.

To maintain a level of programming and operations in 2005-06 comparable to 2004-05, we currently project that we would need a general fund budget of at least \$83,511,600. (Completion of additional budget analysis over the next few weeks may adjust this figure either higher or lower.) Because we are precluded from spending at this level by S1701, we will be required to make reductions and adopt a budget which conforms to the maximum net T&E budget permitted. The maximum net T&E budget permitted is also known as the budget CAP and is restricted for 2005-06 to an increase which we currently estimate as 3.01% over the 2004-05 budget of \$79,198,007. That would allow General Fund spending of \$81,581,867.

Given the estimates above, the level of reductions required is currently estimated at \$2.2 million to \$2.4 million. The precise amount of reductions required will not be known until we complete our own budget analyses and perform an exact budget CAP calculation using the regulations and software provided by the N.J. State Department of Education. To identify the resulting necessary budget reductions in excess of \$2 million, the central office administration prepared in-depth budget analyses on ten topics requested by the Board of Education. These analyses will be posted on the district's website at:

<http://www.somsd.k12.nj.us/finance/0506budgethome.htm>.

The preliminary budget for 2005-06, as proposed, is intended to comply with the restrictions and mandates imposed by the State of New Jersey, while continuing to preserve the strength and vitality of our school district. Recent budgets have witnessed reductions in staffing and other resources, while the total school enrollment has leveled off and is projected for next year to be approximately the same (6,300 students) as this year.

A summary of the currently-proposed set of resource cuts and budget savings follows:

Description	Amount
1. Several scenarios of potential savings from changes in scheduling and class size were analyzed; first, with current class size policies in effect; second, with increasing class size by one to five students; and third, increasing class size to insure at least one reduction in the number of sections at each elementary grade in each school. The preliminary budget proposal assumes compliance with the current class size policy. The other options were rejected for having too severe an impact on the ability of teachers to provide instruction in a diverse school setting; although, increasing maximum class size by one student will be considered if further FTE reductions are required. (FTE=a full time equivalent staff position.) Due to enrollment changes at the elementary and middle schools, the following FTE reductions were proposed in the preliminary budget. The average cost of one teacher FTE plus benefits is \$79,800.	
4.5 FTEs elementary classroom teachers due to enrollment changes	(\$359,100)
6.5 FTEs special subject area teachers (<i>1.8 FTEs in Art, 1.9 FTEs in Vocal Music and 2.8 FTEs in Physical Education</i>) These occur due to the reduction in regular education classrooms and improved scheduling of the special teachers' day-to-day assignments.	(\$518,700)
2.0 FTEs between the two middle schools due to reduction in enrollment	(\$159,600)
1.0 FTE in French language instruction between the two middle schools which will defer the selection of French from grade 7 (1/2 year of instruction) to grade 8 (full year of instruction). Spanish will continue to be offered in grades 6, 7 and 8.	(\$ 79,800)
1.0 FTE in Physical Education (Dance Instruction) at the middle school level. This program has had limited success due to the lack of suitable space to deliver the instruction.	(\$ 79,800)
<u>Note:</u> Due to a projected enrollment increase in grade 9-12 and a Board policy requiring high school students to take 35 credits/year, no reductions in FTEs are planned for Columbia High School.	

Description	Amount
2. From the perspective of improved efficiency, we examined the potential for additional savings through the expansion of custodial outsourcing. This year, four district facilities (the two middle schools, the Montrose building and the central administration/Board office building) received custodial services through a private contractor, ARAMARK. Three redeployment options for custodial services were discussed for next year, and the option recommended will save over \$300,000 while maintaining a commitment to replace school district custodial employees with contracted personnel only through attrition.	(\$323,869)
3. An examination of the potential for additional administrative efficiencies and reduction of administrative headcount resulted in the recommendation to defer filling positions that are open. During the past several years, administrative staff has been significantly reduced, requiring the duties and responsibilities of the positions which were eliminated to be reassigned to other administrators. In 2004-05 alone, the K-8 curriculum supervisor positions were cut and the Director of Special Services position went unfilled. In the 2005-06 budget, deferring the selection of a new principal at Clinton Elementary School was proposed, with an Assistant Superintendent and an elementary school supervisor managing the leadership and administrative responsibilities at the school. However, the Clinton School community responded by viewing this proposal as diminishing the administrative resources available to the school. Therefore, the proposal was withdrawn and the principal's salary was reinstated in the budget. As a result, other administrative reductions will be considered in the amount of approximately \$140,000.	(\$140,000)
4. The deployment of secretaries in the district continues to be reviewed. Although secretarial staffing in the schools will remain constant, at least two secretarial positions (2.0 FTEs) will be deleted from non-school based departments.	(\$114,000)
5. The delivery of all student support services by non-certified aides has been analyzed. Fifty-nine (59) aide positions provide instruction to special education, English as a Second Language, and regular education students. Another seventy-one (71) aides serve as lunch aides and bus aides. Although at least two instructional aide positions (2.0 FTEs) will be reduced in the budget, more aide positions will likely be required for special education classes, with their costs offset by a savings in out-of-district tuitions.	(\$ 76,800)

Description	Amount
6. Some of the most substantial savings must be found in the area of special education. A thorough analysis of special education costs has been completed, which includes the cost of tuition to send students to specialized schools outside our school district. The savings resulting from a decrease in tuition expenditures must take into account the cost of providing the service in-district and the district's ability to house the programs, while satisfying all conditions of students' IEPs (Individualized Education Plans). Two additional classes will be established in-district for elementary students classified with autism, and the costs for implementing the programs will be offset by a reduction in tuition expense. Also, part of the cost of providing counseling services to students whose IEPs require the service will be saved by reassigning the outsourced caseloads to social workers currently on our staff. Other cost saving opportunities in special education services will be considered by exploring opportunities to provide more special education services in-district, rather than paying tuition for out-of-district placements.	(\$440,000+/-)

The Board requested additional analyses of other areas of school district programming and operations; however, these analyses have yet to yield additional savings. Various costs associated with athletics and co-curricular and extracurricular activities, which are of great importance and benefit to the students and to our community, were analyzed, but no reductions are recommended. Some savings in transportation costs might be realized through the reduction of special education placements outside the district, or through other efficiencies related to in-district transportation services. Technology savings may occur from changes that impact future budgets, but they are unlikely to impact the 2005-06 budget. It should be noted that the analysis of community use of the schools demonstrates that the school budget carries many costs which do not directly support the K-12 educational program, but are of significant benefit to the community.

Community members are encouraged to address their suggestions or concerns regarding the preliminary budget to the Board of Education. Prior to adoption of the preliminary budget at its March 7 meeting, the Board will hold two regular meetings on **Monday, February 7 and Monday, February 28 (both begin at 7:30 PM), and has tentatively scheduled a Budget Workshop for Wednesday, February 23.** Members of the public are welcome to speak at the February 7 and February 28 board meetings. Those wishing to speak must sign up on the speaker's list prior to the start of the meeting. Remarks are limited to three minutes. Groups wishing to express their views are encouraged to appoint a single spokesperson to address the Board. Individuals and groups may also share their opinions, in writing, with me and the Board by mailing letters to the Superintendent's Office at 525 Academy Street, Maplewood, NJ 07040, or emailing letters to ssommer@somsd.k12.nj.us.

PPH/sas