

Finance, Facilities, Technology Committee

Agenda

March 5, 2020

Board Members:

Thair Joshua

Anthony Mazzocchi – Finance Chair

Johanna Wright

Kamal Zubieta

Administration

Dr. Ronald Taylor, Superintendent

Paul Roth, Business Administrator

Keith Bonds, Technology Director

Discussion Items:

- Donations – light board, lighting equipment, Dell desktops
- Budget

Finance, Facilities, Technology Committee

Minutes

March 5, 2020

Members Present: Thair Joshua, Johanna Wright, Kamal Zubieta, Dr. Ronald Taylor, Paul Roth, and Keith Bonds.

Donations

The HSA is donating lighting equipment for the Columbia high school auditorium. Clinton school PTA is donating a lighting board for Clinton School. The lighting board is the same make and model of lighting boards used in the district. A South Orange Middle School parent is donating 4 Dell desktops. The desktops will be used for parts to repair existing equipment.

2020-21 Budget

The Board of Education will be presented a resolution to approve the 2020-2021 Preliminary Budget. The district budget for the 2020-21 school year is \$152 million. The \$152 million is comprised of \$6 million in debt service as previously authorized by the Board of Education and Board of School Estimate July 2019 and the remaining \$146 million is to support the district's annual operating budget.

The district's \$146 million operating budget is funded by a local tax levy of \$123 million and \$13 million in state aid, federal entitlements, excess surplus from the 2018-19 school year and funds generated from a spending freeze in the current 2019-20 school year.

The \$6 million dollar debt service is funded by \$5 million in local tax levy and \$1 million in debt service aid.

The chart below shows the exact budget figures and will be presented to the Board of Education, by resolution, for approval on 3/16/20.

	2018-2019 Total Appropriations	Less anticipated Revenue	Tax Levy
General fund	137,044,429	13,710,324	123,334,105
Special Revenue	8,996,751	8,996,751	0
Debt Service	6,378,770	1,005,009	5,373,761
Total	152,419,950	23,712,084	128,707,866

General Fund

The general fund includes:

- + No staff reductions
- + Increase curriculum and IT supplies by \$32,000

- + Allocate \$50,000 to support access and equity
- + Allocate \$30,000 for challenge day
- + Central office redesign
- + Reduction in health benefits and tuition
- + Reallocate funding for online courses for additional social workers for the secondary schools
- + Add 3 Social workers for the secondary schools
- + Add 1 STEM and 2 World Language teachers to the middle schools
- + Add 1 Music and 1 ELA teacher to the high school
- + Add 1 Supervisor to monitor construction
- + Add 1 Assistant Transportation Coordinator
- + Increase pension, social security, workers comp insurance due to staff increases

These requests are consistent to support district goals in implementing the long range facility plan (LRFP), integrating the schools, supporting access and equity, and responding to growing mental health concerns.

Pre-School Expansion

Currently the district is operating a district owned pre-school (Montrose) and partnering with three local providers. Recently the district was awarded \$5,968,036 for the 2020-21 school year. The pre-school grant provides the opportunity for the district to expand pre-school services up to 290 regular education students.

June of 2019, \$630,430 remained from the first pre-school grant. These funds will be carried forward to support the pre-school program during the 2020-21 school year. Note that the pre-school grant can only be used to fund services for regular education students. The district's general funds appropriates an additional \$365,094 to support special education pre-school students. The total funding to support the program for the 2020-21 school year is \$6,963,560.

Charter Schools

About 4 years ago there were 19 district students attending charter schools, translating to about a \$200,000 a year expenditure. Currently three district students are attending charter schools for an estimated cost of \$46,420.

Debt Service

Debt service for the 2020-21 school year is \$6.3 million. July 2019, the financial plan projected a \$5.8 million inclusive of debt service aid. The state is providing \$1 million in debt service aid; thereby lowering the tax impact of the recently approved long range capital plan to \$5.3 million. The tax impact is a half million lower than projected.

Bond proceeds were deposited into an arbitrage managed account. Interest earned on bond funds during the 2019-2020 school year will be audited and then budget to provide debt service relief during the next budget cycle.

Tax Impact

The estimated school tax impact is 3.29%. This is lower than the projected 3.78% presented during the 2/10/20 workshop due to the increase in debt service aid. July of 2019, finance projections estimated a debt service payment of \$5.8 million for the 2020-21 school year. The debt service payment will be \$5.3 million, a half million lower than projected.

The estimated tax impact in Maplewood for a home with an assessed value of \$497,500 is \$256 and the estimated tax impact in South Orange for a home with an assessed value of \$581,000 is \$271. The school tax rate for is 1.90 for Maplewood and 1.89 for South Orange.

Reports and backup documentation

The committee was presented state aid reports, copies of pages from the district audit, side by side finance report, and staffing reports. The Business Administrator walked the committee through each item and cross referenced the reports to provide a deeper understanding of the district budget.

Draft Budget Presentation

The committee reviewed a draft of the financial slides for the March 16th Preliminary 2020-21 budget presentation. The information on the slides was cross referenced with the supporting documentation. The meeting concluded with a review of the audit and how the fund balance impacts the current and proposed budget.

The budget reports will be included in the board packet.