

2017-2018 Preliminary Budget



South Orange-Maplewood
School District

March 7, 2017

Learned ↔ **LABORER**

LEARNER ↔ **Laborer**

MISSION STATEMENT

The mission of the South Orange Maplewood School District is to empower and inspire each student to explore and imagine, to pursue personal passions, and to collectively create a better future by creating a learner-centered environment through multiple pathways; reimagined structures, systems and supports; innovative teaching; partnering with families; and maximizing community expertise and resources.



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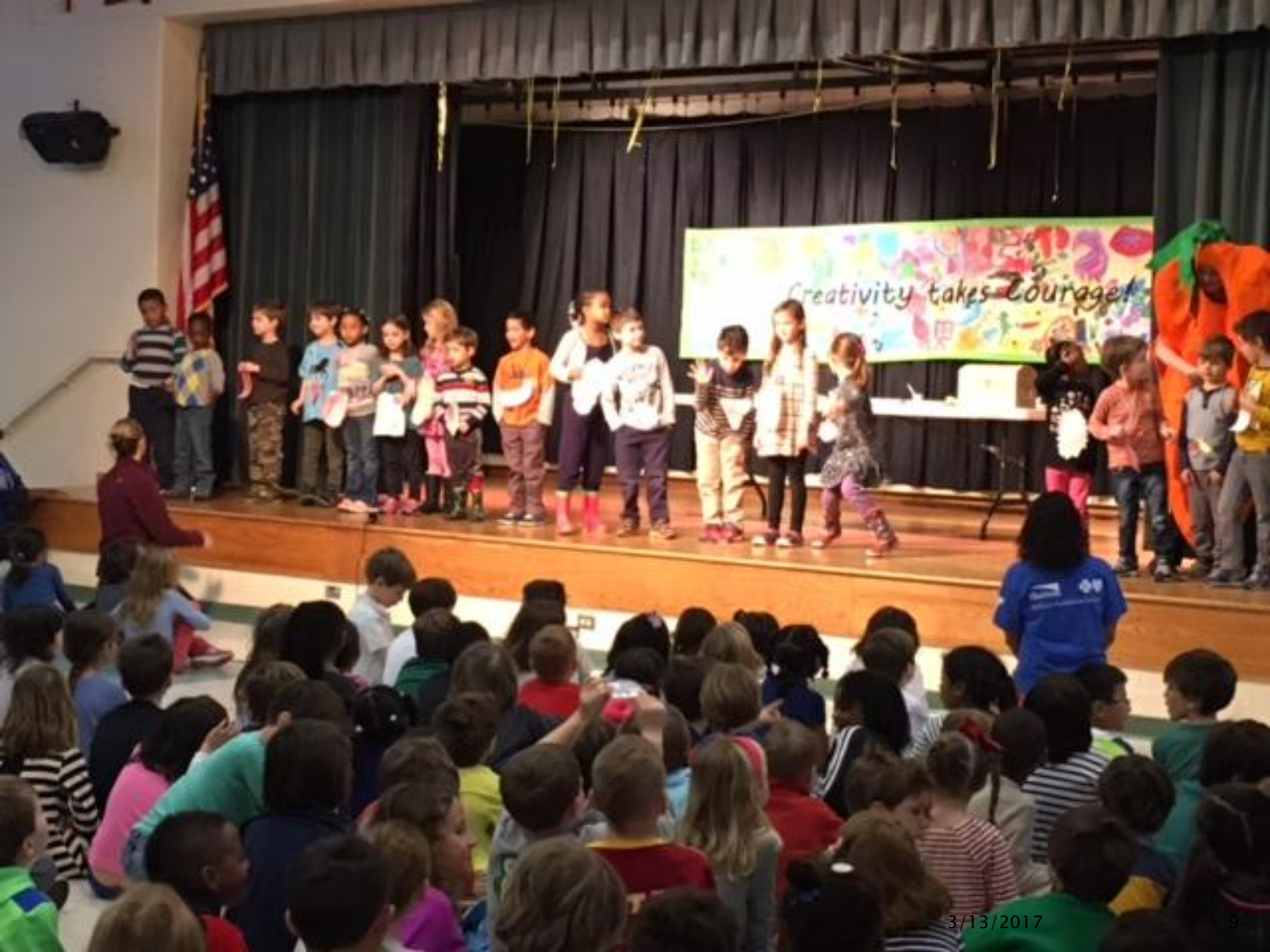




3/13/2017









3/13/2017



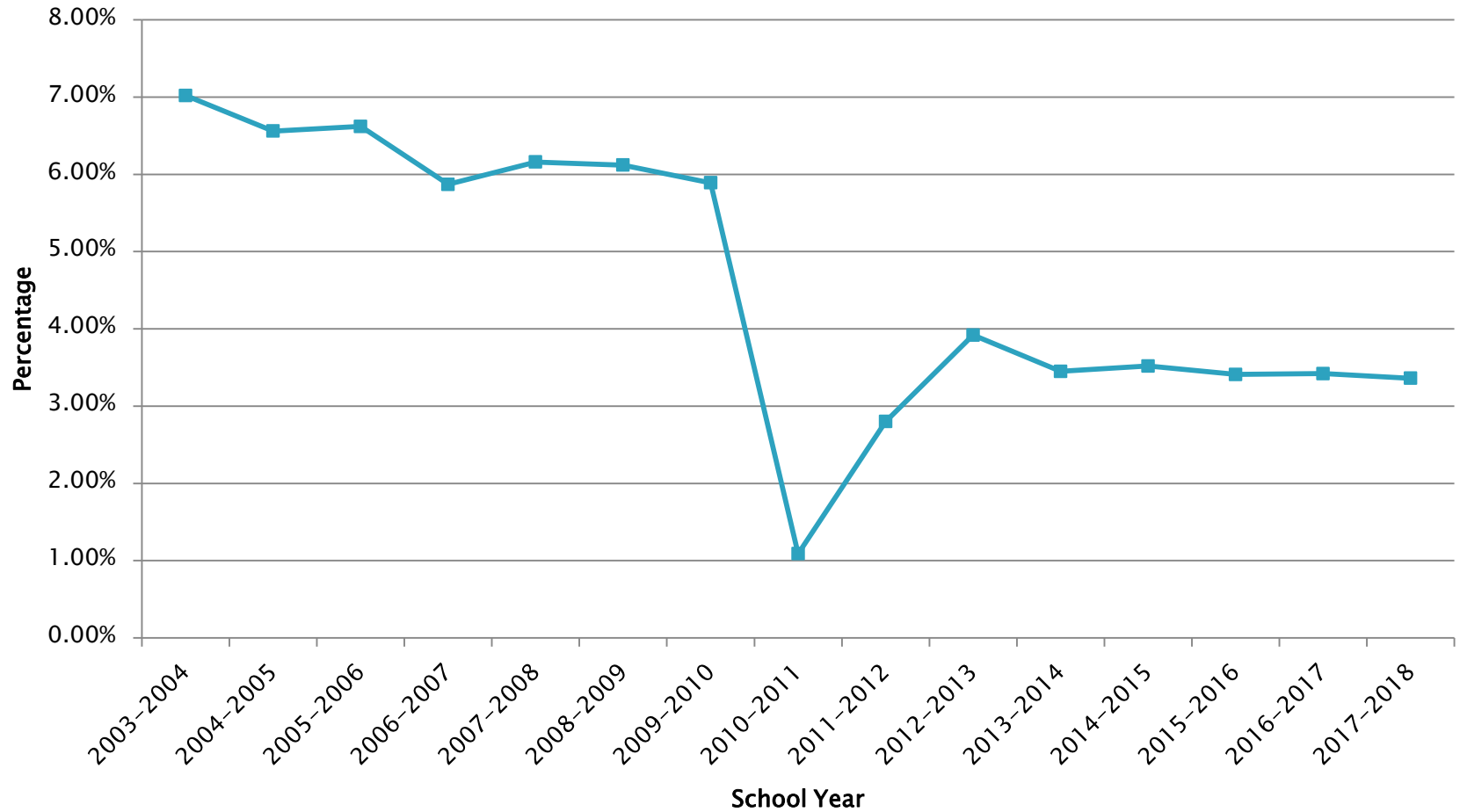
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“MONEY MATTERS!”

Revenue (3-10-17)

Revenue Source	Budgeted 2016-17	Projected 2017-18	% Change
Operating Budget Local Tax Levy	111,726,677	113,961,211 (at 2% tax increase)	2.0%
State Aid	4,307,567	4,307,567	0.0%
Capital Reserve	0	0	
Fund Balance	2,275,894	2,389,338	5.0%
Miscellaneous (incl. tuition)	275,000	375,000	36.4%
Debt Service	4,152,635	4,169,235	0.4%
State/Federal	3,002,631	3,021,093	0.6%
Total Revenue	125,740,404	128,223,444	2.0%

State Aid as a Percent of Revenue



Tax Levy Cap Adjustments

- ▶ Original projections on tax levy cap adjustments due to the increase in health care was \$357,574.
- ▶ Final tax levy cap calculation adjustments, as determined by the NJDOE software, is \$823,744.
- ▶ The district has an additional \$466,170 of spending authority.

Tax Levy Cap Adjustments & Banked Cap

Year	Adjustments (Health / Enrollment)	Adjustments / Banked Cap Used	Banked Cap Available
2013-2014	884,103	475,000	409,103
2014-2015	970,247	0	*970,247
2015-2016	588,254	440,500	147,754
2016-2017	0	409,103	0

***\$970,247 of banked cap expires if not used for 2017-2018**

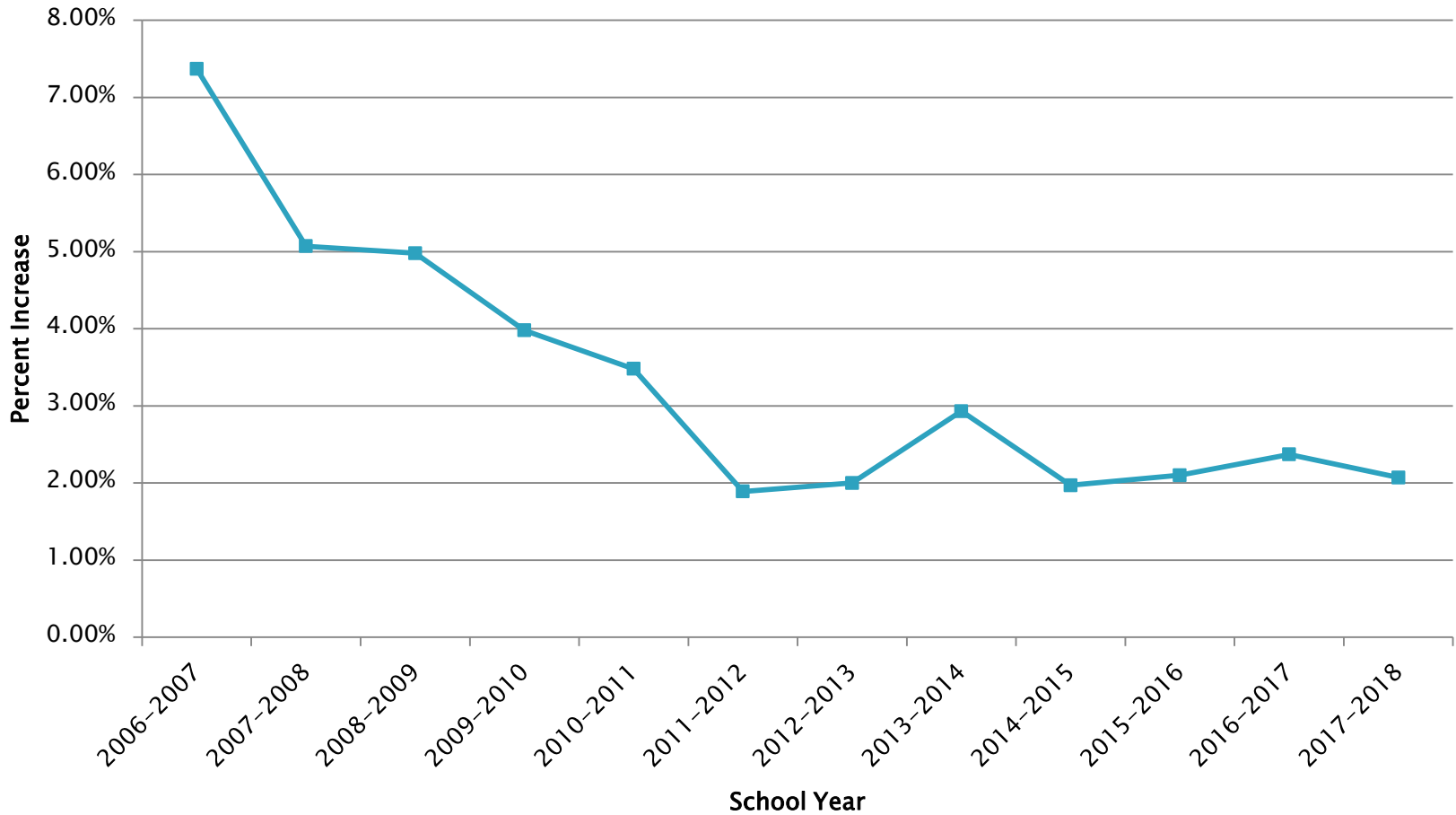
2017-2018 Adjustments & Available Banked Cap	
Adjustments (Health / Enrollment)	Available
823,744	1,941,745

Estimated Tax Impact

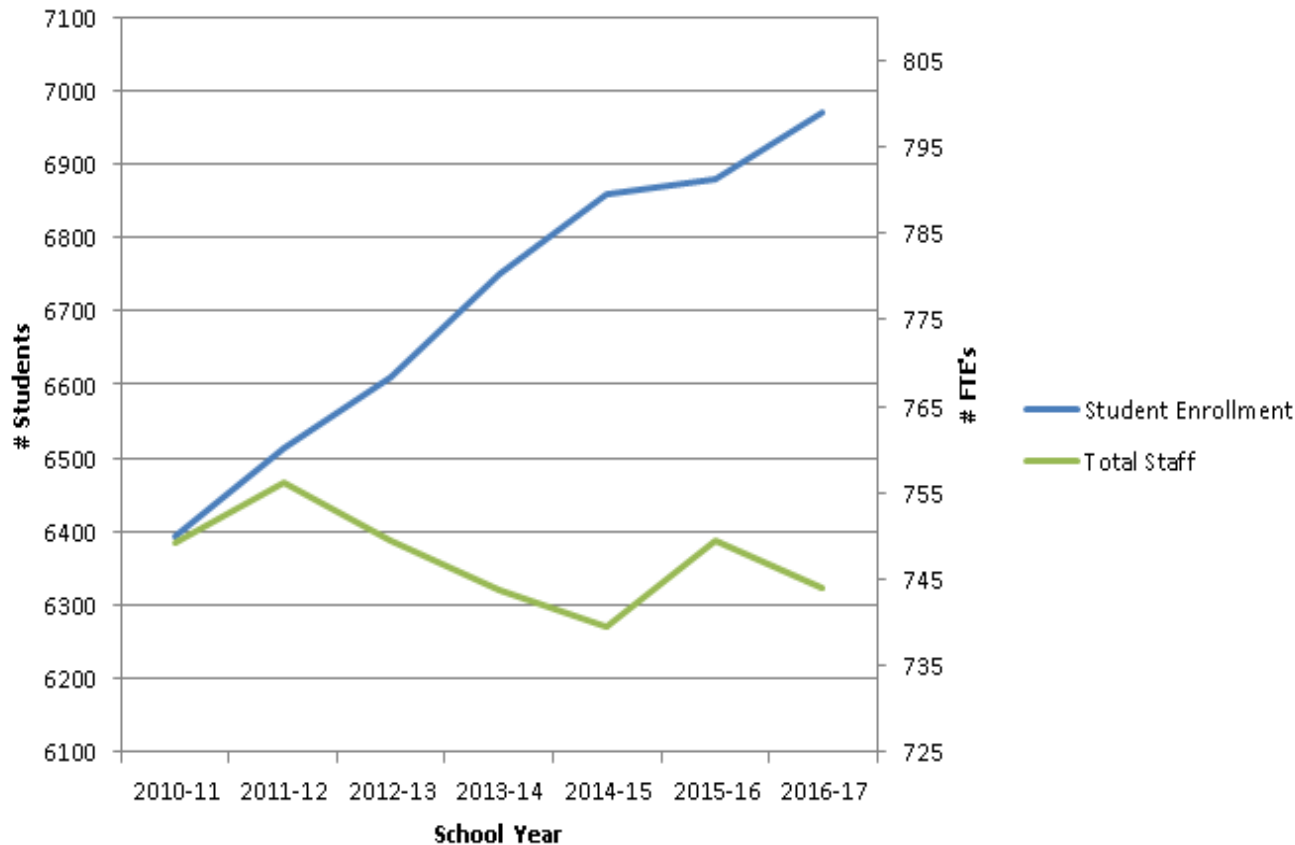
Tax Levy CAP	\$113,961,211
Operating Budget Tax Impact (est.)	2.00%
Debt Service	*\$3,782,801
Local Tax	\$117,744,012
Operating & Debt Tax Impact (est.)	1.96%
Adj. & Banked Cap	\$1,941,745
Local Tax	\$119,685,757
Tax Impact (est.)	3.69%

*Debt Service minus Anticipated Debt Service Aid
(\$386,434)

Year Over Year Tax Impact



Student Enrollment vs. Staffing



Since 2010 student enrollment increased by 566 students (8.8%), the equivalent of a full grade level, while staffing was reduced by 5 (1%).

- +1 Teacher
- 6 Support Staff

During this time additional state mandates were added (Focus Schools, PARCC, HIB, Achieve NJ, New Graduation Requirements, etc.)

Revenue Compared to Appropriations

Estimated Revenue	128,223,444
Anticipated Appropriations	130,532,707
Difference	(2,309,263)
Adj. & Banked Cap	1,941,745
Difference	(367,518)

Depending on the amount of adjustments and banked cap used appropriations must be reduced by \$367,518 to \$2,309,263 yielding an estimated tax impact of 2% to 3.69%

Budget Considerations



Recommended Use of Tax Levy Cap Adjustments & Banked Cap

Year	Banked Cap Available
2014-2015	*970,247
2015-2016	147,754
2016-2017	823,744

Current adjustments must be used before using banked cap.

- Use current adjustments of \$823,744 and the expiring cap of \$970,247 – \$1,793,991 in total.
- The remaining \$147,754 will remain banked to consider for the 18–19 school budget.

***\$970,247 of banked cap expires if not used for 2017–2018**

Recommended Use of Tax Levy Cap Adjustments & Banked Cap

Estimated Revenue	128,223,444
Anticipated Appropriations	130,532,707
Difference	(2,309,263)
Adj. & Banked Cap	1,793,991
Difference	(515,272)

Additions – Summary

- ▶ \$75,000 +1 Elementary School Teacher
- ▶ \$450,000 +6 Middle School Teachers
- ▶ \$75,000 +1 Special Services Teacher
- ▶ \$75,000 +1 CHS ELA Teacher
- ▶ \$150,000 +2 Math Intervention Teachers
(Contingent upon not requiring teachers due to unanticipated enrollment increases. The last 4 years the demographer under projected kindergarten enrollment.)
- ▶ \$120,000 +1 High School Assistant Principal
- ▶ \$42,000 +0.5 Safety and Security Director
- ▶ \$0 +1 Custodial Supervisor
- ▶ \$37,500 +0.5 Nurse
- ▶ \$100,000 Cultural Competency & PD
- ▶ \$1,124,500 +14 – Total Additions

Unfunded Requests

- ▶ ~~1.0 FTE – CHS Language Arts Teacher~~
- ▶ 1.0 FTE – CHS Social Studies Teacher
- ▶ 0.5 FTE – CHS ESL Teacher

Reductions

- ▶ \$300,000 Employee Health Benefit Waivers
- ▶ \$93,000 Supplies
- ▶ \$65,000 Reduce funding for sabbaticals
- ▶ \$100,000 Textbooks
- ▶ \$75,000 Charge for Summer School
- ▶ \$50,000 **Student Activities / Athletics**
- ▶ ~~\$79,000~~ **Partially Restore Student Activities / Athletics**
- ▶ \$300,000 -0 to 6 FTE Restructure Technology
- ▶ \$75,272 **Tuition (offset by hiring a Teacher)**
- ▶ ~~\$140,000~~ **Partially Restore Tuition**
- ▶ \$37,500 Substitute Nursing (offset by hiring a nurse)
- ▶ \$75,000 -1 FTE CHS Dean (Offset by hiring an AP)
- ▶ \$169,000 -3 FTE World Languages
- ▶ \$150,000 -2 FTE Phys Ed Teachers
- ▶ \$75,000 -1 FTE Science Teacher
- ▶ \$75,000 -1 FTE Math Teacher
- ▶ **\$1,639,772 -8 to 14 FTE – Total Reductions**

Estimated Tax Impact

Maplewood– Average assessed value of \$396,992 at \$2.13 for \$8,474 average est. taxes

So. Orange– Average assessed value of \$459,258 at \$2.19 for \$10,049 average est. taxes

District Budget			Maplewood			South Orange		
Adj. Banked Cap Used	Revenue From Local Taxes	Est. Tax Impact	Est. Tax Rate	Avg. Taxes	Diff	Est. Tax Rate	Avg. Taxes	Diff
0	113,961,211	2%	\$2.18	\$8,656	\$182	\$2.24	\$10,273	\$224
1,475,575	115,436,786	3.28%	\$2.19	\$8,711	\$237	\$2.25	\$10,338	\$289
1,793,991	115,755,202	3.56%	\$2.20	\$8,723	\$249	\$2.25	\$10,353	\$304
1,941,745	115,902,956	3.69%	\$2.20	\$8,728	\$254	\$2.26	\$10,359	\$310

Information based on 2016 as Essex County did not release data for 2017

Maplewood covers about 57% of school taxes and South Orange covers about 43%. The average taxes are lower in Maplewood because there are a larger number of properties.

Next Steps



Tentative Budget Calendar

- ▶ ~~Mon, Feb 27~~ ~~BOE meeting: Budget Discussion~~
- ▶ ~~Feb 28~~ ~~Governor's State Budget Message~~
- ▶ ~~Mar 2 (est.)~~ ~~State Aid Notices~~
- ▶ ~~Mar 7~~ ~~*BOE Budget Workshop*~~
- ▶ *Mar 13* *Community Forum to discuss budget*
- ▶ *Mar 18* *Special Meeting to approve preliminary budget*
- ▶ *Mar 20* *BOE meeting - Last day to submit 2016-17 Budget to County*
- ▶ *Mon, Apr 24* *BOE meeting - Public Hearing/action to levy 2016-17 school tax*