



***2014-2015
PRELIMINARY BUDGET DISCUSSION***



MARCH 5, 2014

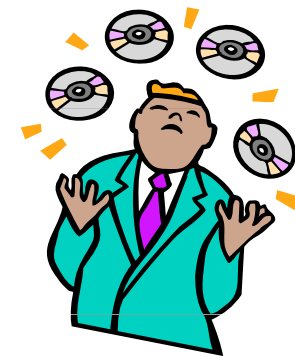


BUDGET PROCESS

- The process began in November with principals, directors and supervisors preparing their budgets.
- Preliminary Budgets were submitted to the Business Administrator and Superintendent in early December.
- The preliminary budget and tax levy options were discussed with the Finance Committee at meetings held in December and January.

BUDGET GOALS

- Keep tax increase to a minimum
- Maintain programs, staffing and services
- Maintain stable surplus for future budget years
- Provide funds for capital projects



REVENUE PROJECTION

	2013-2014	2014-2015	\$ Change	% Change
Budgeted Fund Balance	\$ 3,535,411	\$ 3,088,736	\$ (446,675)	-12.63%
State Aid	\$ 5,185,395	\$ 5,266,235	\$ 80,840	1.56%
Extraordinary Aid	\$ 1,450,000	\$ 1,050,000	\$ (400,000)	-27.59%
Nonpublic Transportation Aid	\$ 157,000	\$ 130,000	\$ (27,000)	-17.20%
Transfer-In from Capital Projects Fund	\$ 741,975	\$ 402,086	\$ (339,889)	-45.81%
Miscellaneous Revenue	\$ 316,224	\$ 454,000	\$ 137,776	43.57%
SEMI Aid	\$ 63,776	\$ 80,000	\$ 16,224	25.44%
	\$ 11,449,781	\$ 10,471,057	\$ (978,724)	-8.55%

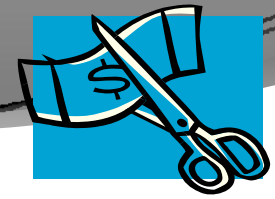
Note: Tax Levy not included in this projection

REVENUE OPTIONS

	2013-2014	2014-2015 Option 1	2014-2015 Option 2	2014-2015 Option 3
General Fund Tax Levy	\$ 78,926,950	\$ 80,110,854	\$ 80,505,489	\$ 80,505,489
Banked Cap	\$ -	\$ -	\$ -	\$ 394,635
Budgeted Fund Balance	\$ 3,535,411	\$ 3,088,736	\$ 3,088,736	\$ 3,088,736
State Aid	\$ 5,185,395	\$ 5,266,235	\$ 5,266,235	\$ 5,266,235
Extraordinary Aid	\$ 1,450,000	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000
Nonpublic Transportation Aid	\$ 157,000	\$ 130,000	\$ 130,000	\$ 130,000
Transfer-In from Capital Projects Fund	\$ 741,975	\$ 402,086	\$ 402,086	\$ 402,086
Miscellaneous Revenue	\$ 316,224	\$ 454,000	\$ 454,000	\$ 454,000
SEMI Aid	\$ 63,776	\$ 80,000	\$ 80,000	\$ 80,000
Total	\$ 90,376,731	\$ 90,581,911	\$ 90,976,546	\$ 91,371,181
General Fund Tax Increase		\$ 92.47	\$ 123.30	\$ 154.12
General Fund Tax Levy \$ Increase		\$ 1,183,904	\$ 1,578,539	\$ 1,973,174
General Fund Tax Levy % Increase		1.50%	2.00%	2.50%

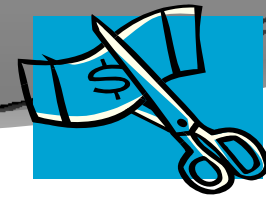
APPROPRIATIONS BEFORE REDUCTIONS

Category	% of 2014-15 Budget	2013-14	2014-15	\$ Change	% Change
Administration	1.59%	\$ 1,382,713	\$ 1,489,209	\$ 106,496	7.70%
Athletics/Co-Curricular	0.34%	\$ 322,575	\$ 323,000	\$ 425	0.13%
Capital Outlay	0.60%	\$ 570,737	\$ 567,689	\$ (3,048)	-0.53%
Charter Schools	5.62%	\$ 4,878,441	\$ 5,278,441	\$ 400,000	8.20%
Health Benefits	10.52%	\$ 9,175,000	\$ 9,870,000	\$ 695,000	7.57%
Other Benefits/Employer Costs	3.78%	\$ 3,528,800	\$ 3,546,500	\$ 17,700	0.50%
Insurance	0.96%	\$ 889,000	\$ 905,000	\$ 16,000	1.80%
Operations & Maintenance	3.25%	\$ 2,897,630	\$ 3,050,145	\$ 152,515	5.26%
Other Expense	1.43%	\$ 1,154,400	\$ 1,345,910	\$ 191,510	16.59%
Professional Development	0.13%	\$ 222,500	\$ 121,515	\$ (100,985)	-45.39%
Related/Extraordinary Services	2.15%	\$ 1,847,000	\$ 2,017,000	\$ 170,000	9.20%
Salaries	52.71%	\$ 48,603,569	\$ 49,472,782	\$ 869,213	1.79%
Supplies	2.20%	\$ 1,486,117	\$ 2,061,422	\$ 575,305	38.71%
Textbooks	0.18%	\$ 462,400	\$ 172,400	\$ (290,000)	-62.72%
Transportation	6.03%	\$ 5,448,612	\$ 5,658,922	\$ 210,310	3.86%
Travel	0.08%	\$ 78,500	\$ 76,000	\$ (2,500)	-3.18%
Tuition	8.41%	\$ 7,428,737	\$ 7,896,018	\$ 467,281	6.29%
	100.00%	\$ 90,376,731	\$ 93,851,953	\$ 3,475,222	3.85%



APPROPRIATION REDUCTION OPTIONS

	Option 1 1.5% Tax Increase	Option 2 2.0% Tax Increase	Option 3 2.5% Tax Increase
Outsource Lunchroom Aides	\$ 62,500	\$ 62,500	\$ 62,500
Outsource Paraprofessionals	\$ 550,000	\$ 550,000	\$ 550,000
Outsource Additional Staff	\$ 750,000	\$ 750,000	\$ 350,000
RIF Administrative/Instructional Staff	\$ 610,000	\$ 360,000	\$ 268,240
Reduce Tuition	\$ 150,000	\$ 150,000	\$ 150,000
Reduce Related Services	\$ 100,000	\$ 100,000	\$ 100,000
Reduce Health Benefits	\$ 74,542	\$ 79,907	\$ 85,272
Reduce Non-Salary Costs	\$ 250,000	\$ 250,000	\$ 250,000
Reduce Transportation Costs	\$ 200,000	\$ 200,000	\$ 200,000
Reduce Charter School Tuition	\$ -	\$ -	\$ 70,422
Reduce NJSDA Assessment	\$ -	\$ -	\$ 21,338
Lease/Purchase PARCC Technology	\$ 170,000	\$ 170,000	\$ 170,000
Lease/Purchase Instructional Laptops	\$ 170,000	\$ 170,000	\$ 170,000
Eliminate New O&M Van	\$ 33,000	\$ 33,000	\$ 33,000
Eliminate Courtesy Busing	\$ 150,000	\$ -	\$ -
	\$ 3,270,042	\$ 2,875,407	\$ 2,480,772



OPTIONS FOR 2% TAX INCREASE

	Option A	Option B	Difference	
Outsource Lunchroom Aides	\$ 62,500	\$ 62,500	\$ -	
Outsource Paraprofessionals	\$ 550,000	\$ 660,000	\$ 110,000	5 Additional Instructional Paras
Outsource Additional Staff	\$ 750,000	\$ 300,000	\$ (450,000)	6 Nurses
RIF Administrative/Instructional Staff	\$ 360,000	\$ 268,240	\$ (91,760)	4-6 Positions
Reduce Tuition	\$ 150,000	\$ 225,000	\$ 75,000	
Reduce Related Services	\$ 100,000	\$ 100,000	\$ -	
Reduce Health Benefits	\$ 79,907	\$ 84,907	\$ 5,000	
Reduce Non-Salary Costs	\$ 250,000	\$ 250,000	\$ -	
Reduce Transportation Costs	\$ 200,000	\$ 300,000	\$ 100,000	
Reduce Charter School Tuition	\$ -	\$ 70,422	\$ 70,422	
Reduce NJSDA Assessment	\$ -	\$ 21,338	\$ 21,338	
Lease/Purchase PARCC Technology	\$ 170,000	\$ 250,000	\$ 80,000	Use 2013-14 funds
Lease/Purchase Instructional Laptops	\$ 170,000	\$ 250,000	\$ 80,000	Use 2013-14 funds
Eliminate New O&M Van	\$ 33,000	\$ 33,000	\$ -	
	\$ 2,875,407	\$ 2,875,407	\$ -	

Recommend Option B

Pros

1. Eliminate outsourcing of second shift custodians as no bids received
2. Uses current year funds for lease/purchase of additional technology
3. Provides an additional year to gradually implement staffing reductions

Cons

1. Reduces surplus for future budget years

BANKED CAP

	2011-12	2012-13	2013-14	Total
Maximum Tax Levy	\$ 79,001,308	\$ 79,001,308	\$ 79,414,304	
Actual Tax Levy	\$ 77,452,263	\$ 77,760,542	\$ 78,926,950	
Banked Cap Available	\$ 1,549,045	\$ 1,240,766	\$ 487,354	\$3,277,165

Banked cap is available as additional tax levy above the 2% cap. Under current law, it will expire if not used in the 2014-2015 school year.

CAPITAL PROJECTS



• Roof Replacement	\$ 114,142
• Asbestos Abatement	<u>\$ 316,345</u>
	\$ 430,487

The amount for roof replacement represents a downpayment towards a five-year lease purchase for the Bryant and Hawthorne Schools. The state has approved a grant to pay 40% of the cost of the roof replacements.

Asbestos abatement project at Whittier School.



BUDGET CALENDAR

- The Introduced Budget will be discussed by the Board at the March 12, 2014 Regular Public Meeting and approved for submission to the Bergen County Superintendent of Schools.
- Budgets are due at the county office no later than March 20, 2014.
- The Budget Public Hearing will be held at the May 7, 2014 Workshop Meeting.

QUESTIONS???





GLOSSARY

Banked Cap – Difference between actual tax levy increase and maximum increase of 2%.

Budgeted Fund Balance – Surplus funds from prior year budgets used as revenue in future budget years.

Capital Reserve – Surplus funds reallocated from Fund Balance and set aside for future capital improvement projects.

Debt Service – Funds for payment of principal and interest on outstanding bonded debt previously approved by the voters.

Extraordinary Aid – State aid for special education costs that exceed \$40,000 per year per student.



GLOSSARY

Nonpublic Transportation Aid – State aid received annually in June for the cost of transporting nonpublic students.

SEMI Aid – Federal aid for services provided to special education students eligible for Medicaid reimbursement.

Surplus Funds – Excess revenue or unused appropriations from a prior budget year.

Tax Levy – The amount of revenue raised through property taxes. This includes the amount to operate the schools (General Fund) and the amount needed to pay for bonded debt previously approved by the voters (Debt Service Fund).