# ORANGE BOARD OF EDUCATION

## BUDGET PRESENTATION 2016-2017

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# OVERVIEW OF 2016-17 BUDGET

The Orange Public Schools received only $565,875 increase in state aid over the current year's level, creating a budget deficit of approximately $ 6.6million, (which  adds up to $3.5million increase in cost and reduction of fund balance of $3.1million ).

It becomes extremely difficult maintaining current programs and implementing new instructional initiatives.

With the creativity and guidance of the cabinet and prudent financial management of the Business office, it was possible to make necessary adjustments and channel financial resources to major increases in the budget.
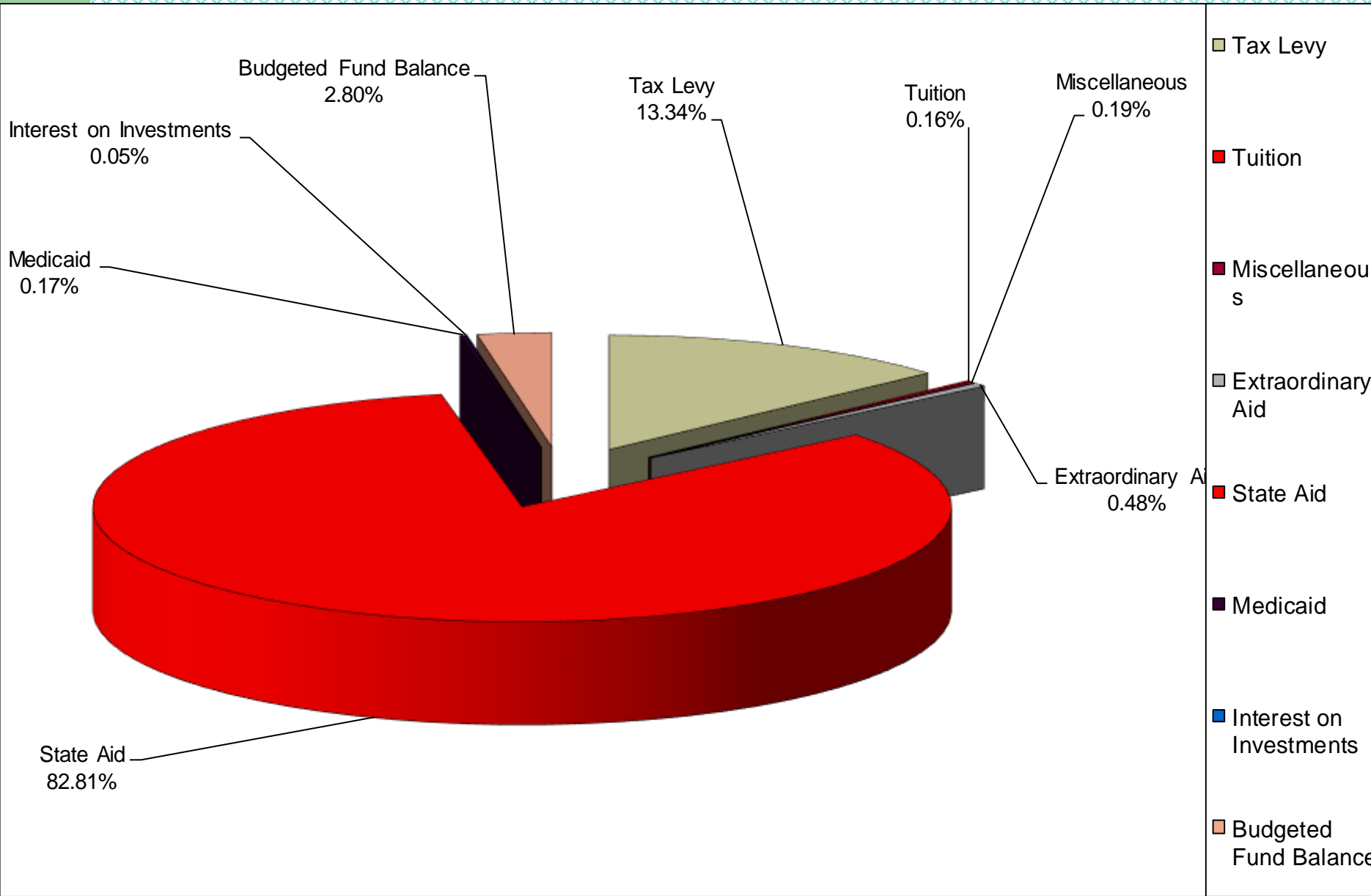
# REVENUES
# &
# APPROPRIATIONS

2016-2017 BUDGET

# 3 Years Revenue Comparisons

| REVENUE SOURCE | 2014-15 | 2015-16 | 2016-17 | $Change 15/16 Vs 16/17 |
|---|---|---|---|---|
| Local Tax levy | $ 10,874,799 | $ 11,692,295 | $ 11,926,141 | $ 233,846 |
| Tuition | 140,000 | 140,000 | 140,000 | - |
| Miscellaneous | 170,000 | 170,000 | 170,000 | - |
| State Aid | 73,454,820 | 73,454,820 | 74,020,695 | 565,875 |
| Extraordinary Aid | 432,340 | 432,340 | 432,340 | - |
| Semi Medicaid | 152,995 | 180,792 | 154,387 | ( 26,405) |
| Interest on Investments | 45,000 | 35,000 | 45,000 | 10,000 |
| Budgeted Fund Balance | 4,726,491 | 3,130,248 | 2,550,000 | ( 580,248) |
| TOTAL BUDGET | $ 89,996,445 | $ 89,235,495 | $ 89,438,563 | 203,068 |

# % of Revenue by Source 2016- 2017



Budgeted Fund Balance
2.80%

Interest on Investments
0.05%

Medicaid
0.17%

Tax Levy
13.34%

Tuition
0.16%

Miscellaneous
0.19%

Extraordinary Aid
0.48%

State Aid
82.81%

**Legend:**
- Tax Levy
- Tuition
- Miscellaneous
- Extraordinary Aid
- State Aid
- Medicaid
- Interest on Investments
- Budgeted Fund Balance

# State Aid Summary
## (2016-2017 School Year)

| | |
|---|---:|
| Equalization Aid | $ 61,067,087 |
| Special Ed Categorical Aid | 2,919,794 |
| Education Adequacy Aid | 7,152,931 |
| Transportation Aid | 568,151 |
| Security Aid | 1,858,563 |
| PARCC Readiness Aid | 49,800 |
| Per Pupil Growth Aid | 49,800 |
| Professional Learning Aid | 52,570 |
| Host District Support Aid | 36,410 |
| Under Adequacy Aid | 265,589 |
| Total | $ 74,020,695 |

# LOCAL TAX ASSESSMENT ANALYSIS

| TOTAL CITY PROPERTY ASSESSED VALUE | INDIVIDUAL PROPERTY ASSESSED VALUE | 2015-16 SCHOOL TAX LEVY | 2016-17 SCHOOL TAX LEVY | Annual Increase Per Property |
|---|---|---|---|---|
| 1,288,968,593 | | 11,692,295 | 11,926,141 | 233,846 |
| | 200,000 | 1,814 | 1,850 | 36 |
| | 250,000 | 2,268 | 2,313 | 45 |
| | 300,000 | 2,721 | 2,776 | 54 |
| | 350,000 | 3,175 | 3,238 | 63 |
| | 400,000 | 3,628 | 3,701 | 73 |

\*  Source: Annual report of NJ Dept. of Treasury, Division of Taxation.

# HOW BUDGET DEFICIT WAS BALANCED FOR 16-17

1. Audited Fund balance (2015) was $810,000
2. Freeze current year's (2015-16) expenditures (except for contractual / essential items) to save $2.55million in
current year's budget.
3. Administration:
- Reduction in Professional Development (PD); Workshops; Conferences (summer & school year PD).
- Cut 50% of current year's available funds from 2016-17 budget
- Reduction in supplies & materials
- Reduction in Facilities maintenance, custodial materials.
- Breakages – Existing vacancies

# HOW BUDGET DEFICIT WAS BALANCED FOR 16-17

4. <u>Instructional programs (SBB):</u>

- All schools were mandated to reduce non-salary appropriations for 15-16 by $25 per student.
- Cut back of after school program. All after school programs will end at 4:00pm instead of 4:30pm.
- Elimination of Saturday programs
- Reduction of six (6) positions & PD at school level.

Note: <u>State Aid</u> Vs. <u>Formula Aid</u>

# HOW BUDGET DEFICIT WAS BALANCED
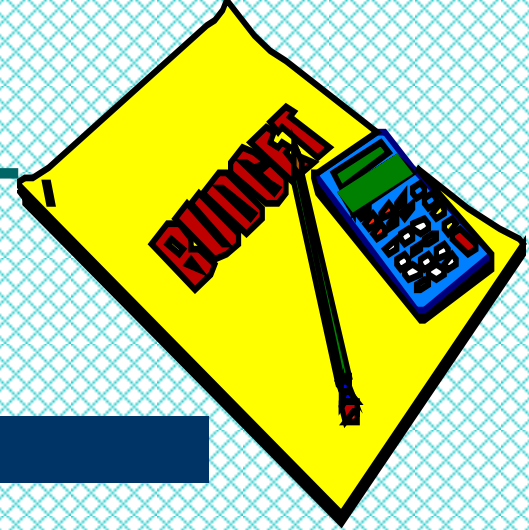
**Major Expenditure Increases:**

| | |
|---|---|
| Salaries | $ 1,681,203 |
| Employee Benefits | 965,000 |
| Tuition | 652,500 |
| Charter Schools | 395,000 |
| Others | 173,000 |
| DEFICIT | $ 3,866,703 |

**Funds Sources to Balance Budget:**

| | |
|---|---|
| Fund Balance  (Projected) | $ 2,550,000 |
| Fund 11 (General Fund) Cuts | 665,000 |
| Reduction in FTE  (6 positions) | 526,203 |
| Fund 15 (SBB) Cuts | 125,500 |
| TOTAL | $ 3,866,703 |

**??? Questions ???**