

# ORANGE BOARD OF EDUCATION



## BUDGET PRESENTATION TO BOARD OF SCHOOL ESTIMATE 2017-2018

May 5, 2017

Dr. Paula Howard, Deputy Superintendent  
Mr. Adekunle James, Business Administrator

# BOARD OF SCHOOL ESTIMATE

Hon. Mayor Dwayne Warren  
(Chairman )

Ms. Donna Williams  
(Councilwoman, President)

Ms. Cristina Mateo  
( President- Board of Education)

Hon. Christopher Jackson  
(Council Member at Large)

Mr. E. Lydell Carter  
(Vice President-Board of Education)



# TABLE OF CONTENTS

1 OVERVIEW OF 2017-18 BUDGET

2 3 YEARS REVENUE COMPARISON

3 % OF REVENUE BY SOURCE

4 STATE AID SUMMARY

5 TAX ASSESSMENT ANALYSIS

6 UNDERFUNDING OF STATE AID

3 7 HOW DEFICIT WAS BALANCED

# OVERVIEW OF 2017-18 BUDGET



The Orange Public Schools received only **\$3,993** increase in state aid over the current year's level, creating a budget deficit of approximately **\$ 6.9million.**

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, necessary adjustments were made in order to present a balanced budget to the state..

# REVENUES & APPROPRIATIONS



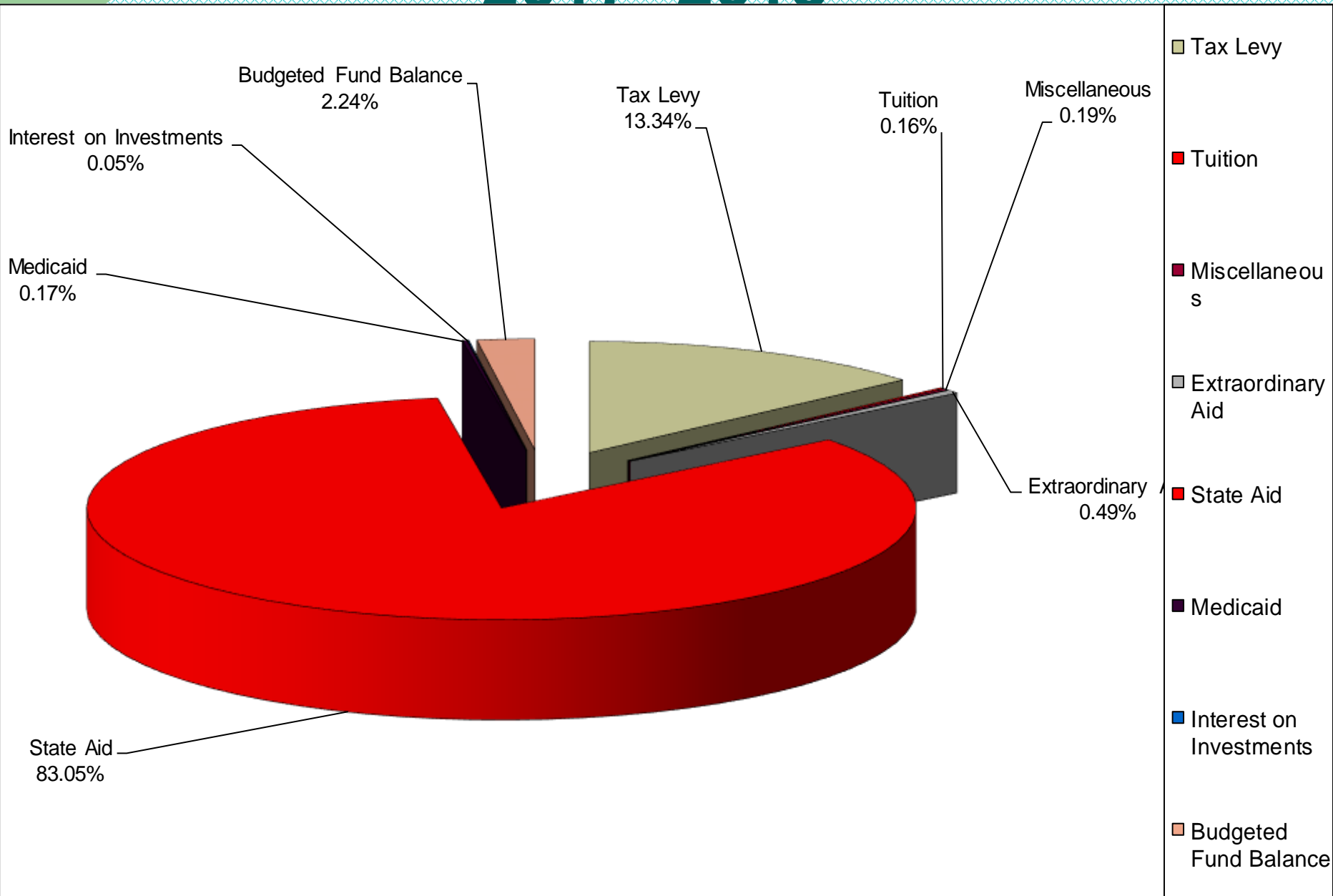
2017-2018 BUDGET



# 3 Years Revenue Comparisons

<b>REVENUE SOURCE</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>\$Change 16/17 Vs 17/18</b>
Local Tax levy	\$ 11,692,295	\$ 11,926,141	\$ 12,164,664	\$ 238,523
Tuition	140,000	194,524	140,000	(54,524)
Miscellaneous	170,000	170,000	170,000	-
State Aid	73,454,820	74,020,695	74,024,688	3,993
Extraordinary Aid	432,340	432,340	432,340	-
Semi Medicaid	180,792	122,396	154,387	31,991
Interest on Investments	35,000	45,000	45,000	-
Budgeted Fund Balance	3,130,248	2,550,000	2,000,000	(550,000)
<b>TOTAL BUDGET</b>	<b>\$ 89,235,495</b>	<b>\$ 89,461,096</b>	<b>89,131,079</b>	<b>(330,017)</b>

# % of Revenue by Source 2017- 2018



# State Aid Summary (2017-2018 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	40,403
Under Adequacy Aid	<u>265,589</u>
Total	<u>\$ 74,024,688</u>



# LOCAL TAX ASSESSMENT ANALYSIS

TOTAL CITY PROPERTY ASSESSED VALUE	INDIVIDUAL PROPERTY ASSESSED VALUE	2016-17 SCHOOL TAX LEVY	2017-18 SCHOOL TAX LEVY	Annual Increase Per Property
1,288,968,593		11,926,141	12,164,664	238,523
	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



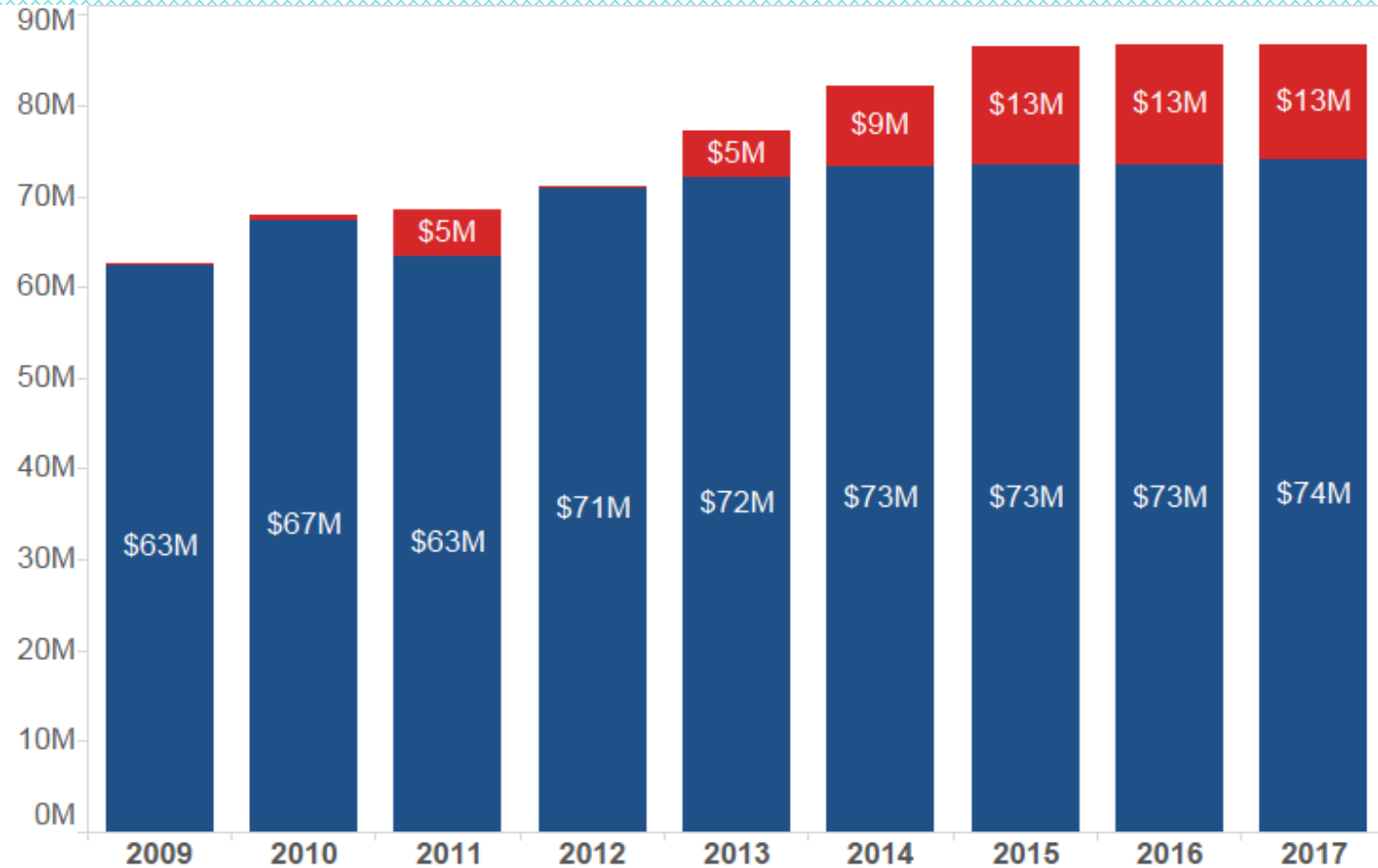
\* Source: Annual report of NJ Dept. of Treasury, Division of Taxation.

# Analysis of Tax History In Operating Budget (with 12 Years' Data)

<b>School Year</b>	<b>School Tax</b>	<b>\$ Increase over Prior Year</b>	<b>Cumulative Increase in School Tax</b>	<b>% Increase over Prior Year</b>
<b>2006-2007</b>	\$ 8,931,421	\$ 0	\$ 0	0.00%
<b>2007-2008</b>	8,931,421	0	0	0.00%
<b>2008-2009</b>	9,288,678	\$357,257	357,257	4.00%
<b>2009-2010</b>	9,660,225	\$371,547	728,804	4.00%
<b>2010-2011</b>	10,046,634	\$386,409	1,115,213	4.00%
<b>2011-2012</b>	10,247,567	200,933	1,316,146	2.00%
<b>2012-2013</b>	10,452,518	204,951	1,521,097	2.00%
<b>2013-2014</b>	10,661,568	209,050	1,730,147	2.00%
<b>2014-2015</b>	10,874,799	213,231	1,943,378	2.00%
<b>2015-2016</b>	11,692,295	817,496	2,760,874	7.52%
<b>2016-2017</b>	11,926,141	233,846	2,994,720	2.00%
<b>2017-2018</b>	12,164,664	238,523	3,233,243	2.00%

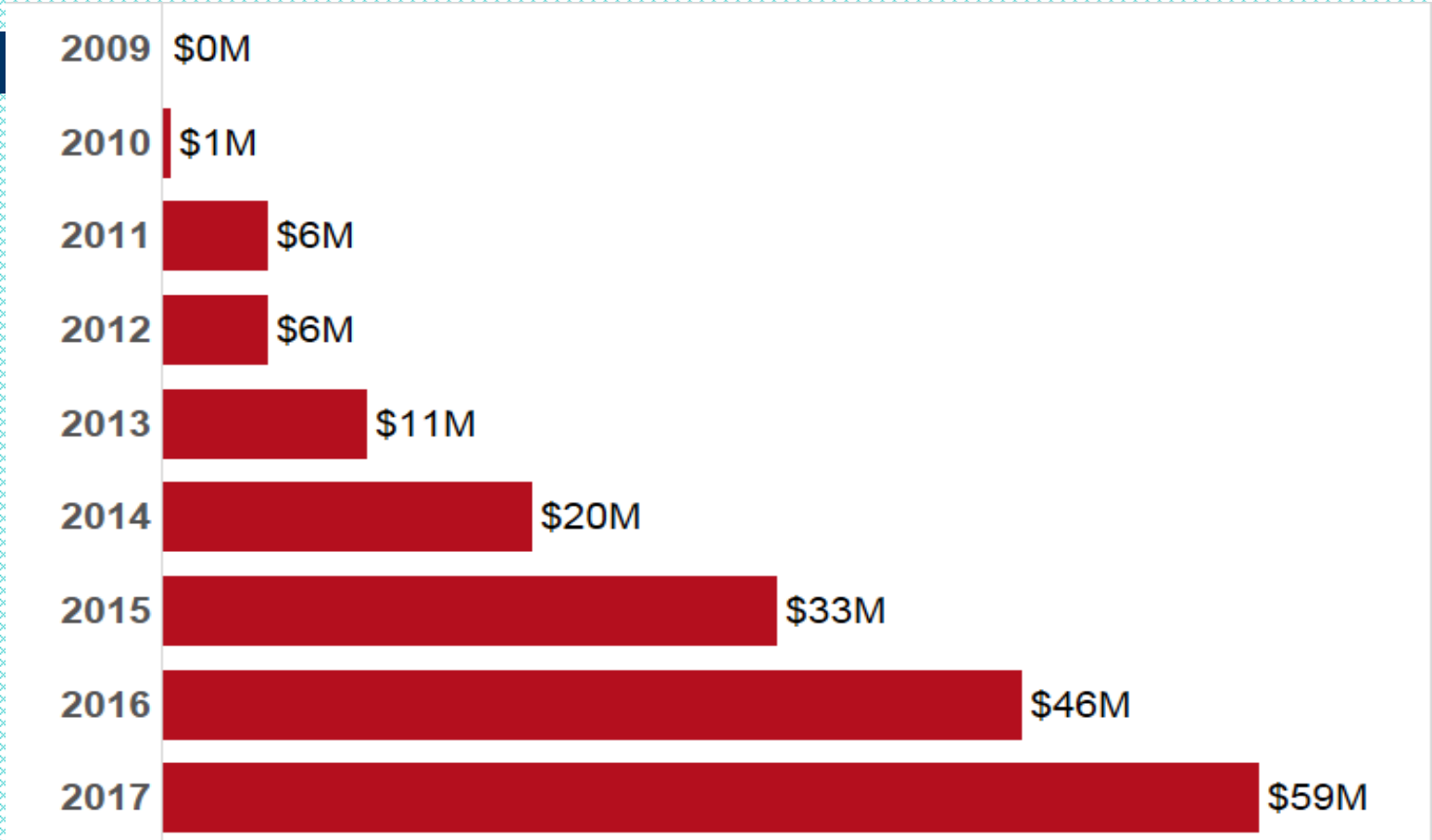
# Orange Public Schools: Underfunding of State Aid

ELC



# Orange Public Schools: Cumulative Underfunding

ELC



# HOW BUDGET DEFICIT WAS BALANCED FOR 17-18



- Fund balance of \$2million will be used in 2017-18 budget
- Freeze current year's (2016-17) expenditures (except for contractual / essential items) to save funds in current year's budget.

## District-Level Program Reductions

- Reduction in Professional Development (PD); Workshops; Conferences (summer & school year PD).
- Reduction in supplies & materials
- Reduction in Facilities maintenance, custodial materials.
- Breakages – Existing vacancies
- Outsourcing of all transportation needs

# HOW BUDGET DEFICIT WAS BALANCED FOR 17-18 Contd.



## Program Restructuring:

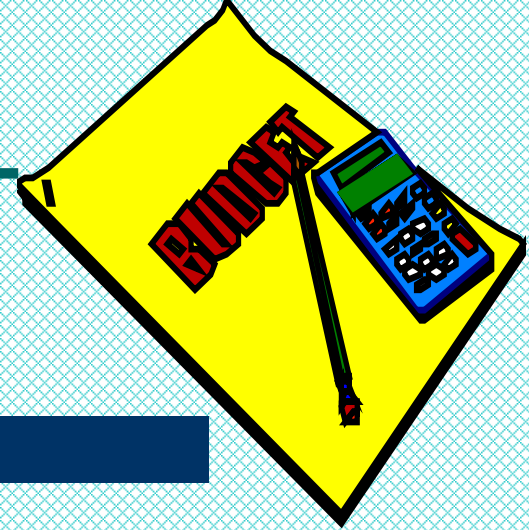
- Oakwood Ave. School will be reduced to 1 class per grade level, except for 2<sup>nd</sup> grade (which remains at 2 classes).
- Existing Pre-school classes at Mt. Carmel will be moved to Oakwood Ave. School.
- Proposed new STEM program and existing Scholars program will be housed at Mt. Carmel building.
- The Marylawn School building will no longer be pursued (case closed).
- Special Services Dept. will bring back 3 to 4 non-fragile students (estimated cost savings of \$300,000).

# HOW BUDGET DEFICIT WAS BALANCED FOR 17-18



- 15% cut from non-salary lines in school level budget for 2017-18.
- Reduction in programs like: ESL, Robotics, Summer programs, RWC, Micro-society etc.
- Cut back of after school program. All after school programs will end at 4:00pm instead of 4:30pm.
- Elimination of Saturday programs
- Reduction in 33 FTE's
- Reduction in planned activity of the STEM program

# HOW BUDGET DEFICIT WAS BALANCED



## Major Expenditure Increases:

Salaries	\$ 2,952,043
Employee Benefits	1,726,942
Tuition	652,500
Charter Schools	339,954
Others	<u>1,049,934</u>
DEFICIT	<u>\$ 6,721,373</u>

## Cuts To Balance Budget:

Central Office Level Cuts	\$ 3,838,210
Central Office Non-Sal. Cuts	582,581
School Level Cuts	1,809,193
Non Salary Budget Cuts	<u>491,389</u>
TOTAL	<u>\$ 6,721,373</u>



???

# Questions

???

