

The background of the slide features a close-up, slightly blurred image of a red pencil and a ruler resting on a sheet of graph paper. The pencil is positioned diagonally from the bottom left towards the center. The ruler is also diagonal, running parallel to the pencil. The graph paper has a grid pattern with numbers visible along the ruler's edge. The overall color palette is warm, with soft yellows and oranges.

LONG HILL TOWNSHIP BOARD OF EDUCATION

2017-2018 BUDGET HEARING

DR. EDWIN ACEVEDO, SUPERINTENDENT
JOHN ESPOSITO, BUSINESS ADMINISTRATOR

PRESENTED APRIL 24, 2017

The Long Hill Township Board of Education

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Goals of the Budget Presentation

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- Components and definitions of a School Budget
- Cost Savings through Shared Services
- Overview of the Budget Development Process
- Initiatives and program enhancements proposed for 2017-2018
- Factors Affecting Budget Decisions
- Historic Financial & Operating Comparisons
- Overviews of Expenditures and Revenues
- Tax Impact of the proposed budget
- Questions

Components of a School Budget

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The School Budget consists of three major funds:

1. **General Fund (Operations)**
2. **Special Revenue Fund (Grants such as IDEA, NCLB/ESSA)**
3. **Debt Service (Repayment of P&I on bonds or certificates of participation)**

Definitions of Budget Terms

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- ❖ **Banked Cap** – Unused tax levy for use in any of the next three budget years, after three years that money is lost
- ❖ **Capital Outlay** – funds used for equipment items above \$2,000 and building improvements
- ❖ **Capital Reserve** – reserved funds for facilities maintenance projects
- ❖ **Debt Service** – repayment of building construction bonds and lease purchase agreements
- ❖ **Fund Balance (surplus)** – savings fund reserved for emergencies restricted to 2% of budget
- ❖ **General Fund** – annual operating budget
- ❖ **School Tax Levy** – tax bill collected by the municipality for school use
- ❖ **Tax rate** – amount of dollars per \$100 of assessed home value

Definitions of Budget Accounts

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- ❖ **Funds 10 – Balance Sheet Fund** – includes all financial resources of the district except those required to be accounted for in another fund
- ❖ **Fund 11 – Operating Current Fund** – includes all expenditures of the district for current expenses such as regular program instruction costs
- ❖ **Fund 12 – Capital Outlay**, items that are funded by general fund revenues, includes increases in the general fund capital reserve account, equipment purchases, and facilities acquisition and construction services.
- ❖ **Fund 20 – Special Revenue**, accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, i.e., NCLB (Title I) and IDEA funds. The amount of grant funds received differ from year to year.
- ❖ **Fund 30 – Capital Projects**, the source of revenue in this fund would be the sale of bonds, grants, or transfers from the general fund to augment the grant. Separate accounting must be used for each capital project.
- ❖ **Fund 40 – Debt Service**, accounts for the accumulation of resources for, and the payment of long-term debt, principal and interest.

LHTBOE Cost Savings through Shared Services

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- ❖ Ed Data Services – Purchasing Group
- ❖ Educational Services Commission of New Jersey
- ❖ Middlesex Regional Educational Services – purchasing equipment, HVAC, plumbing, etc.
- ❖ Morris County Regional Educational Services Commission – transportation
- ❖ Bernards Township – Fuel
- ❖ Long Hill Township –Road Salt, Facility Usage, Emergency Shelter, Student Resource Officer
- ❖ Morris Essex Insurance Group
- ❖ Morris Union Jointure – transportation, professional development

Budget Development Process

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- ❖ Curriculum and Instruction
- ❖ Student Achievement
- ❖ Safety and Security
- ❖ Class size
- ❖ Enrollment projections
- ❖ Staffing projections
- ❖ Technology
- ❖ Health Benefits
- ❖ Salary
- ❖ Contracts
- ❖ Debt Service
- ❖ Mandated programs
- ❖ Professional Development
- ❖ Supplies

Budget Development Process: Unfunded Federal/State Mandates

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- ❖ Harassment, Intimidation and Bullying (HIB) – Assemblies, trainings and salaries
- ❖ PARCC – Devices, supplies/materials, and trainings
- ❖ Professional Development
- ❖ Public Employees Retirement System (PERS) Contribution
- ❖ Special Education
- ❖ Teacher and Principal Evaluation (AchieveNJ)

Budget Development Process

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- **Schedule of Key Events/Goals**
 - Administrators & Technology Coordinators aggregate and prioritize Budget requests
 - BA/Superintendent meet with each individual to review spending proposals
 - BA/Superintendent develop district-wide budget items
 - Finance Committee monitors progress and reviews draft budgetary numbers



Initiatives Proposed for 2017-2018

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- Chromebooks for all of our students in grades 5 -8
- Provide additional professional development for teachers in mathematics and literacy and greater coaching of teachers
- Implement Fountas and Pinnell leveling assessments in literacy in grades K-5
- Purchase additional leveled classroom books/libraries
- Data mining software to analyze student proficiencies in all content areas
- Restructuring the district's STEM program in grades 2 -8
- Increase 1 part-time BSI position to a full-time position to implement LLI interventions with our at-most risk students

Initiatives Proposed for 2017-2018

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- Upgrade website and emergency notification system for a stronger home and school connection
- Maintain additional SKIP half-day class for preschool students
- Curriculum writing by teachers in summer of 2017
 - K-5 Next Generation Science, Mathematics in Grades 6 – 8, Guidance K-8
- Allocate \$27,000 towards Pay to Participate fees
- Hire a district facilities manager to maintain, conduct repairs, supervise cleaning in each of our buildings & order supplies
- Capital Reserve Funds for building improvements such as boilers, new thermostats in Millington classrooms, repurposing of wood shop at CMS as new STEM lab

Budget Facts: 2017-2018

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- 2017-18 General Current Fund Expenses will rise 1.80%
- The 2.0% proposed tax levy increase is equal to the mandatory cap
- The Board may now approve the budget without a public vote in November
- The district maintains a 'banked cap' of \$285,963 for use next year if needed

Expenditure Changes by Fund 2017-2018

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■ Balance Sheet Fund 10:	+73.0%
■ Operating Current Fund 11:	+1.80%
■ Capital Expense Fund 12:	+0.0%
■ Special Revenue Fund 20:	-9.55%
■ Debt Service Fund 40:	+0.005%

Net Change All Expense Funds: +1.67%

Expenditure Changes: Funds 10, 12, 20, 40

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- Balance Sheet Fund 10 (+73.0%)
 - Number of LH students at Unity Charter School increases from 3 to 5
- Capital Projects Fund 12 (+0.0%)
 - No change in mandated *Assessment on Debt Service for SDA Funding*
- Special Revenue Fund 20 (-9.55%)
 - Districts required to budget 80% of actual grant amount allocated in current year
- Debt Service Fund 40 (+0.005%)
 - Principal and Interest payments on outstanding bond issues from 2012 and 2014

Expenditure Changes: Fund 11

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- Operating Fund 11 (+1.80%)
 - Benefits: Medical, Dental and FICA (\$94,000)
 - Transportation: Special Education Busing (\$89,000)
 - Technology: Chromebooks & Software (\$75,000)
 - Other: Facilities Maintenance (\$40,000) Basic Skills (\$38,000) and Staff Development (\$18,000)

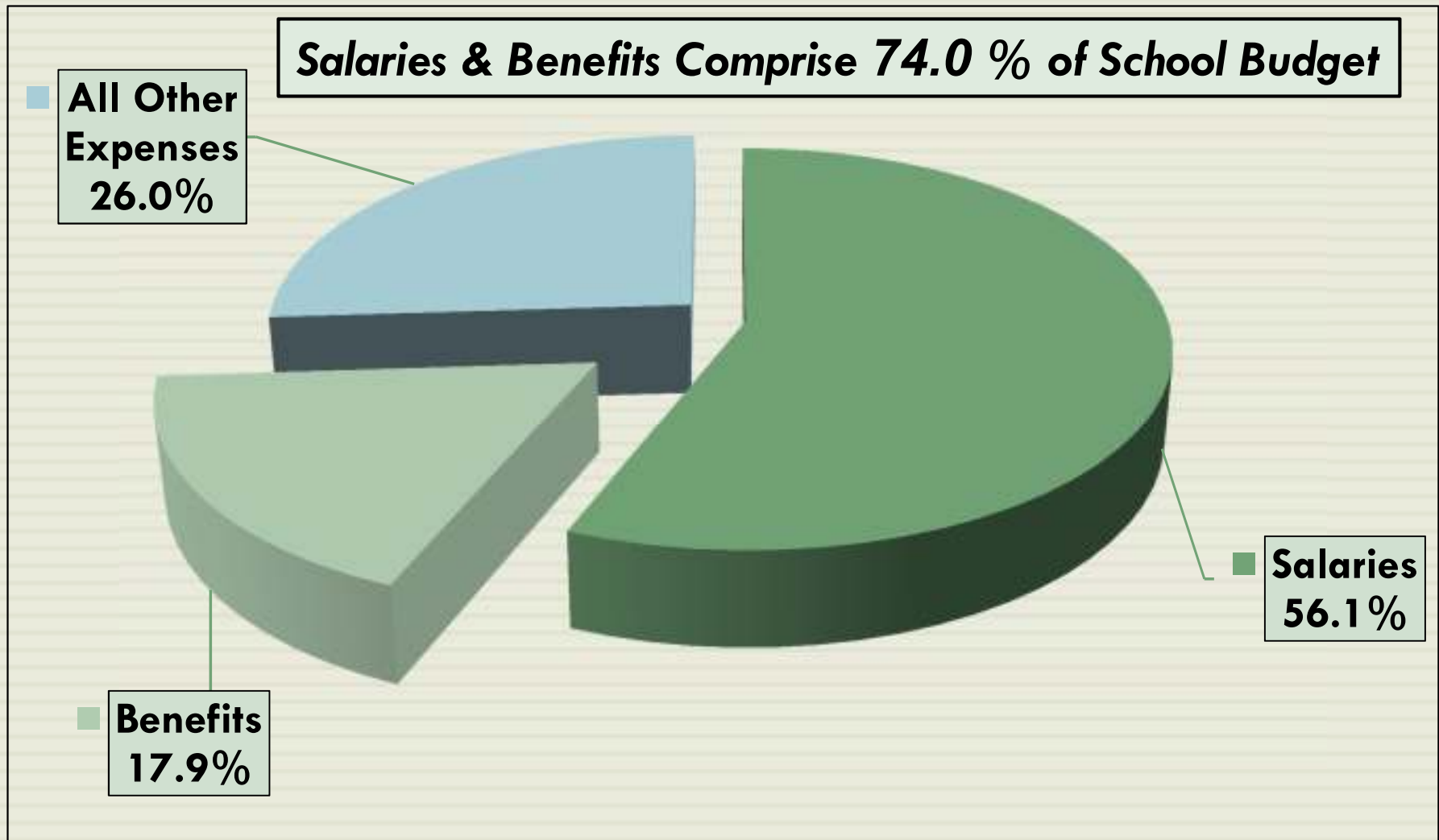
2017-18 Changes in Operating Expenses

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Expense Type	2016-17	2017-18	\$ Change	% Change
Regular Programs	\$4,411,951	\$4,523,419	\$111,468	2.5%
Employee Benefits	\$2,751,296	\$2,844,983	\$93,687	3.4%
Operations	\$1,631,582	\$1,687,307	\$55,725	3.4%
Special Education	\$1,585,744	\$1,559,430	(\$26,314)	-1.7%
Related Services	\$1,053,388	\$1,013,318	(\$40,071)	-3.8%
Transportation	\$821,575	\$911,539	\$89,964	11.0%
School Administration	\$548,986	\$549,103	\$117	0.0%
Child Study Team	\$495,414	\$489,340	(\$6,074)	-1.2%
Tuition	\$493,734	\$411,270	(\$82,464)	-16.7%
General Administration	\$281,466	\$249,896	(\$31,570)	-11.2%
Health Services	\$271,010	\$281,631	\$10,621	3.9%
Other	\$340,473	\$351,571	\$11,098	3.3%
Central Services	\$248,595	\$253,731	\$5,136	2.1%
Ed Media	\$259,447	\$252,597	(\$6,850)	-2.6%
Basic Skills	\$115,045	\$152,695	\$37,650	32.7%
Guidance	\$282,671	\$341,400	\$58,729	20.8%
Total Current Expenses	\$15,592,377	\$15,873,229	\$280,852	1.80%

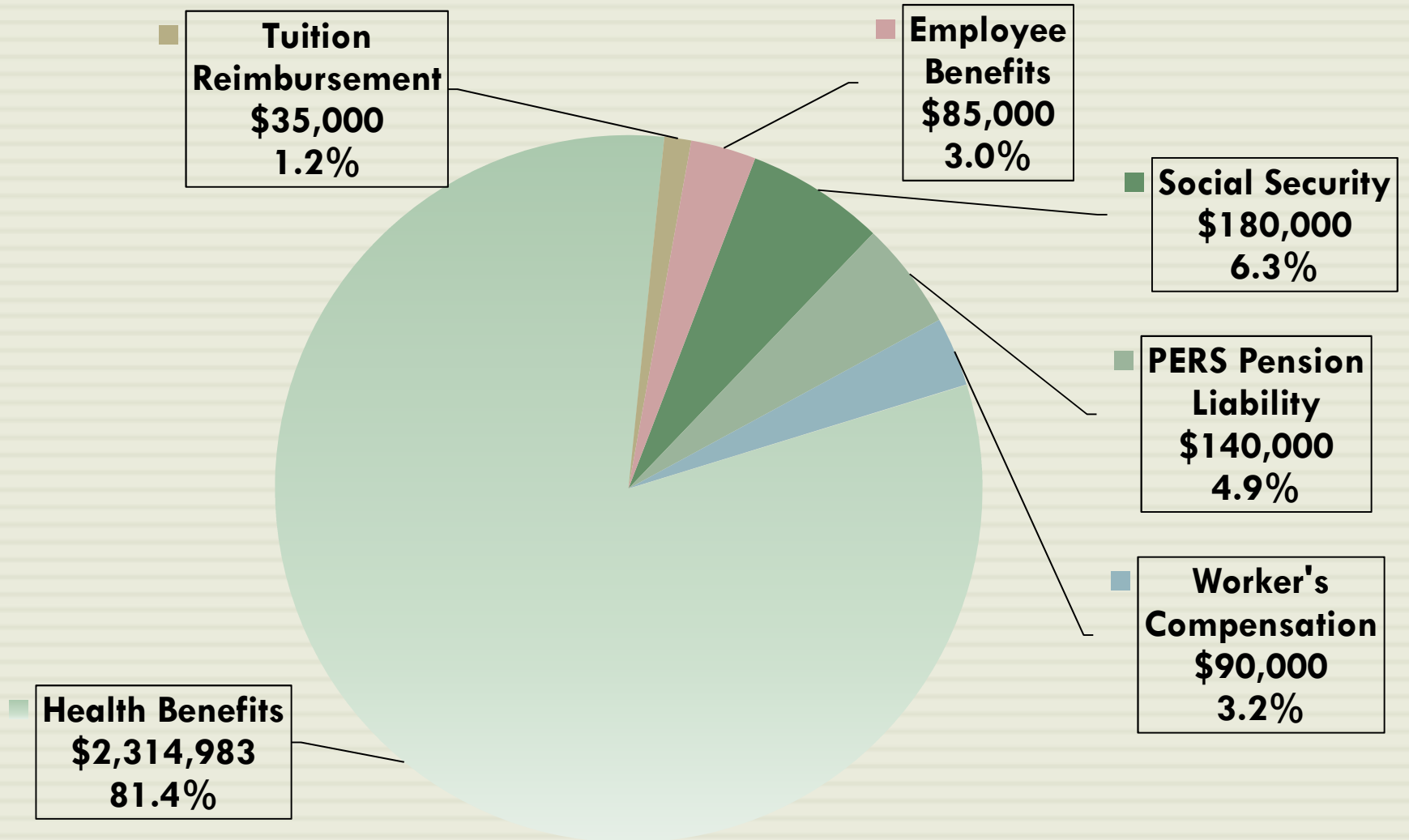
2017-2018 Expenditures: Salaries & Benefits

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2017-2018 Expenditures: Breakdown of Benefits

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Sources of Revenue: Year-to-Year Change

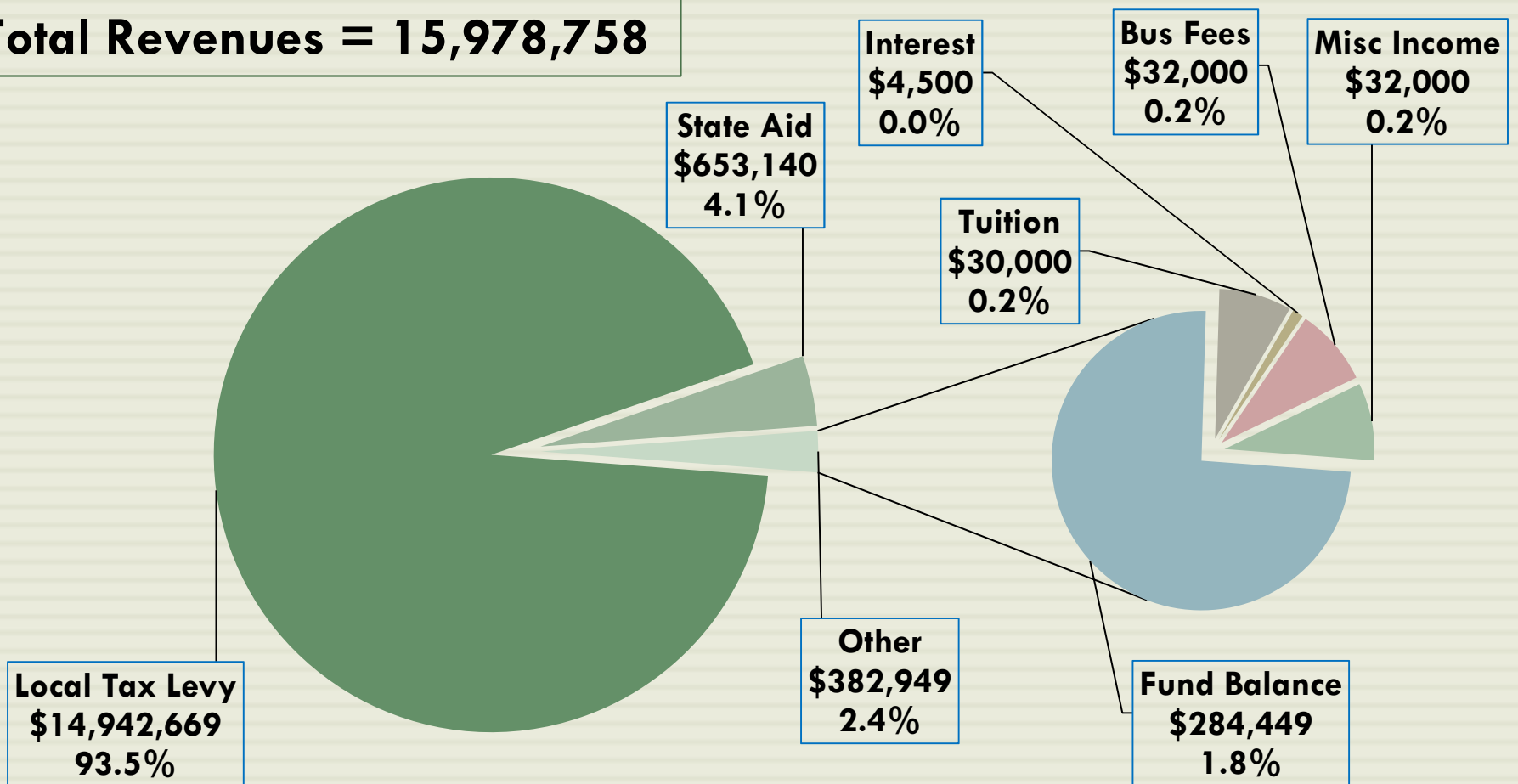
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Revenue Description	Budget 2016-17	Budget 2017-18	Dollar Change	Percent Chg.
Local Tax Levy	\$14,649,675	\$14,942,669	\$292,993	2.00%
Total Tuition	\$25,000	\$30,000	\$5,000	20.00%
Fund Balance	\$271,115	\$284,449	\$13,334	4.92%
Transportation Fees	\$35,000	\$32,000	-\$3,000	-8.57%
Miscellaneous Revenues	\$33,500	\$36,000	\$2,500	7.46%
Interest Earned on Capital Reserve	\$500	\$500	\$0	0.00%
Revenues from Local Sources	\$15,014,790	\$15,325,618	\$310,828	2.07%
Transportation Aid	\$62,144	\$62,144	\$0	0.00%
Special Education Aid	\$537,876	\$537,876	\$0	0.00%
Security Aid	\$13,945	\$13,945	\$0	0.00%
Adjustment Aid	\$13,477	\$13,477	\$0	0.00%
PARCC Readiness Aid	\$8,150	\$8,150	\$0	0.00%
Per Pupil Growth Aid	\$8,150	\$8,150	\$0	0.00%
Professional Learning Community Aid	\$8,030	\$8,030	\$0	0.00%
Host District Support Aid	\$1,026	\$1,368	\$342	33.33%
Revenues from State Sources	\$652,798	\$653,140	\$342	0.052%
Total Local Sources & State Aid	\$15,667,588	\$15,978,758	\$311,170	1.99%

Sources of Revenue: Operating Budget

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Total Revenues = 15,978,758



Tax Impact of Proposed 2017-2018 Budget

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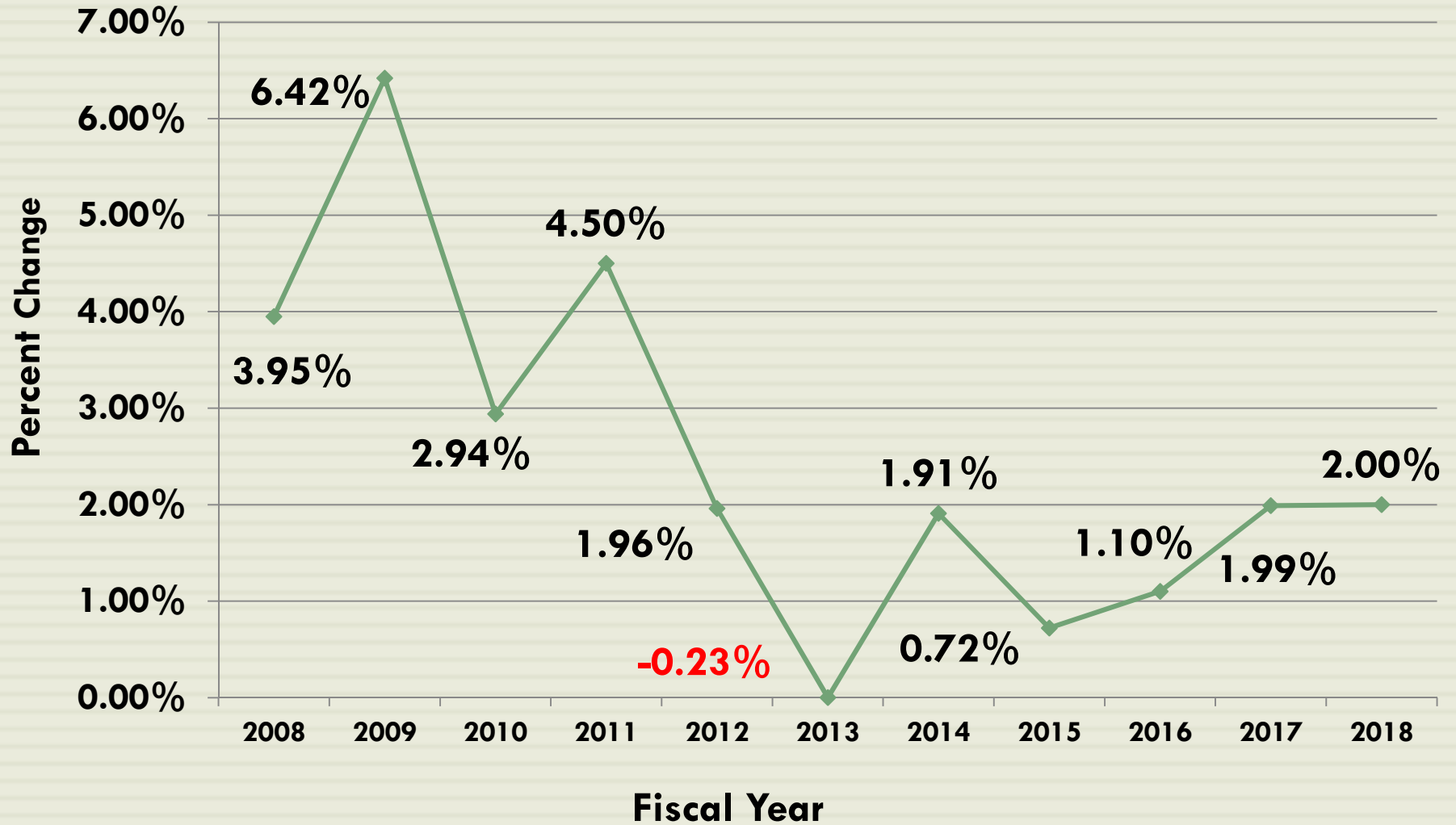
	- - - - - Budgeted Amount - - - - -	
Description	2016-17	2017-18
General Fund Budget	\$15,667,588	\$15,978,758
Change From Prior Year	\$146,689	\$311,170
Percent Increase/(Decrease)	0.95%	1.99%
Tax Levy General Fund (subject to 2.0% Cap)	\$14,649,675	\$14,942,669
Change From Prior Year	\$285,311	\$292,993
Percent Increase/(Decrease)	1.99%	2.00%
Assessed Valuation	\$1,615,021,900	\$1,632,890,633
Change From Prior Year	\$361,056,100	\$17,868,733
Percent Increase/(Decrease)	28.79%	1.11%
Tax per \$100,000 AV	\$907.09	\$915.11
Change From Prior Year	N/A*	\$8.02
Percent Increase/(Decrease)	N/A*	0.88%

Recent Tax Levy Changes

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Fiscal Year	Tax Levy	Tax Change
2011-12	\$13,873,821	1.96%
2012-13	\$13,841,574	(-0.23%)
2013-14	\$14,105,639	1.91%
2014-15	\$14,206,695	0.72%
2015-16	\$14,363,661	1.10%
2016-17	\$14,649,675	1.99%
2017-18	\$14,942,669	2.00%

Ten Year History of Tax Levy Change



Tax Impact on Long Hill Homes

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	<i>--- Proposed Tax Change ---</i>	
<i>Tax Impact on Homes Assessed at:</i>	<i>Annual</i>	<i>Per Month</i>
\$100,000	\$7.34	\$0.61
\$450,000	\$33.01	\$2.75
\$498,564	\$36.58	\$3.05
\$525,000	\$38.51	\$3.21
\$550,000	\$40.35	\$3.36
\$600,000	\$44.02	\$3.67
<p>*Average Assessed Home in Long Hill = \$498,564</p>		

Questions?

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**Thank you for your
continued support!**