

# **LONG HILL TOWNSHIP BOARD OF EDUCATION**

## **2016-2017 BUDGET HEARING**

JOHN PETRELLI, INTERIM SUPERINTENDENT  
JOHN ESPOSITO, BUSINESS ADMINISTRATOR

PRESENTED APRIL 25, 2016

# Presentation Objectives

2

- Highlights of the proposed 2016-17 budget
- Overview of the Budget Development Process
- Financial & Operating Comparisons 2006-2017
- Summary of Expenditures
- Review of Revenue Sources
- Tax Impact of the proposed budget
- Conclusions and Questions

# Highlights of Proposed 2016-17 Budget

3

- The tax levy increase of 1.99% is below the 2.0% mandatory cap
- The Board may approve the budget without a public vote in November
- All current programs and staffing levels are maintained in 2016-17
- The district maintains a 'banked cap' of \$682,925 for use next year if needed

# Highlights of Proposed 2016-17 Budget

4

- Additional SKIP half-day class for preschool special education students
- 0.5 FTE Teacher and 0.5 FTE Teacher Assistant positions for new SKIP section
- Three (3) additional part-time (0.5 FTE) Teacher Assistants
- Creation of District-wide Reading Specialist position (1.0 FTE)

# Highlights of Proposed 2016-17 Budget

5

- Funding for curriculum writing by teachers in summer of 2016
  - Science & Mathematics in Grades 6 – 8
  - Health in Kindergarten – Grade 8
  - Super Kids & Writing in Kindergarten – Grade 2
  - Fundamentals of Reading & Writing in Grades 3 – 5
  - STEM in Grades 5 – 7
- Lease payment for proposed upgrades of district wireless network
- Capital Reserve Funds remaining to supplement technology improvements as needed

# Budget Development Process

6

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



# Expenditures: Changes in Funds

7

■ Balance Sheet Fund 10:	-25.0%
■ Operating Current Fund 11:	+1.40%
■ Capital Expense Fund 12:	-61.6%
■ Special Revenue Fund 20:	-4.1%
■ Debt Service Fund 40:	+0.90

**Net Change All Expense Funds: +0.86**

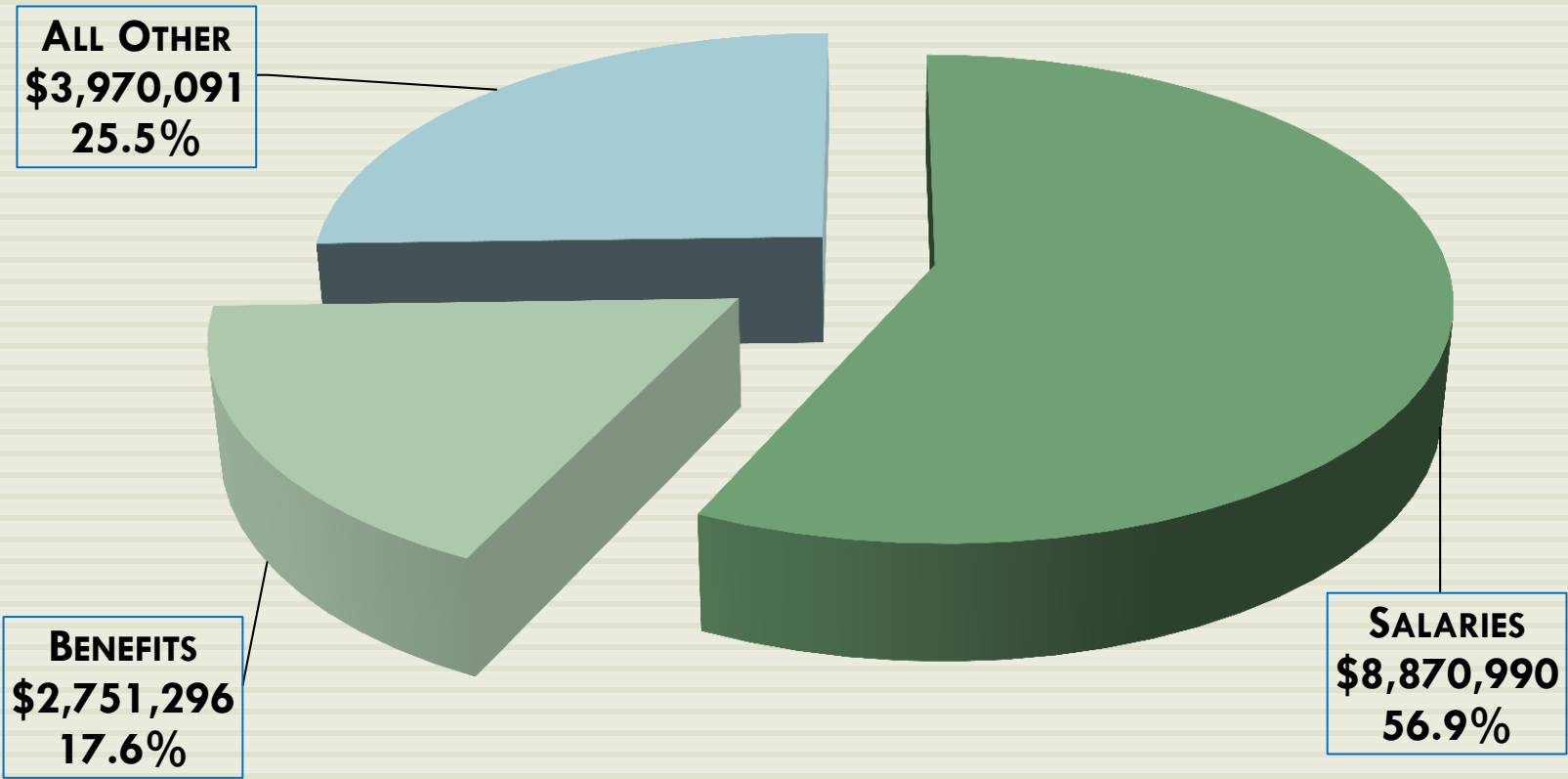
# Expenditures: Year-to-Year Changes

Expense Account Description	---Budgeted Amounts---		---Year-to-Year Change---	
	2015-16	2016-17	Dollars	Percent
<b>Employee Benefits</b>	<b>\$2,541,305</b>	<b>\$2,751,296</b>	<b>\$209,991</b>	<b>8.3%</b>
<b>Salaries - Grades 1 - 5</b>	<b>\$2,130,501</b>	<b>\$1,915,593</b>	<b>(\$214,907)</b>	<b>-10.1%</b>
<b>Salaries - Grades 6 - 8</b>	<b>\$1,540,101</b>	<b>\$1,629,051</b>	<b>\$88,949</b>	<b>5.8%</b>
<b>Ops/Maintenance of Facilities</b>	<b>\$1,386,922</b>	<b>\$1,364,775</b>	<b>(\$22,147)</b>	<b>-1.6%</b>
<b>Special Ed - Resource Room</b>	<b>\$1,140,520</b>	<b>\$1,197,433</b>	<b>\$56,913</b>	<b>5.0%</b>
<b>Student Transportation</b>	<b>\$828,326</b>	<b>\$821,575</b>	<b>(\$6,751)</b>	<b>-0.8%</b>
<b>Student Supp. Services-Extraord.</b>	<b>\$614,172</b>	<b>\$619,017</b>	<b>\$4,845</b>	<b>0.8%</b>
<b>School Administration</b>	<b>\$540,246</b>	<b>\$548,986</b>	<b>\$8,740</b>	<b>1.6%</b>
<b>General Program - Non-Salary</b>	<b>\$637,812</b>	<b>\$535,837</b>	<b>(\$101,975)</b>	<b>-16.0%</b>
<b>Support Svces. - Special Ed</b>	<b>\$495,056</b>	<b>\$495,414</b>	<b>\$358</b>	<b>0.1%</b>
<b>Tuition Public &amp; Private Schools</b>	<b>\$332,703</b>	<b>\$493,734</b>	<b>\$161,031</b>	<b>48.4%</b>
<b>Student Supp. Services-Related</b>	<b>\$428,439</b>	<b>\$434,372</b>	<b>\$5,932</b>	<b>1.4%</b>
<b>General Administration</b>	<b>\$330,091</b>	<b>\$340,473</b>	<b>\$10,383</b>	<b>3.1%</b>
<b>Salaries - Kindergarten</b>	<b>\$259,316</b>	<b>\$326,470</b>	<b>\$67,154</b>	<b>25.9%</b>
<b>Health Services</b>	<b>\$287,536</b>	<b>\$281,466</b>	<b>(\$6,070)</b>	<b>-2.1%</b>
<b>Central Services</b>	<b>\$263,590</b>	<b>\$271,010</b>	<b>\$7,420</b>	<b>2.8%</b>
<b>Required Maintenance - Facilities</b>	<b>\$406,704</b>	<b>\$266,807</b>	<b>(\$139,897)</b>	<b>-34.4%</b>
<b>Support Svces. - Regular Ed</b>	<b>\$165,156</b>	<b>\$259,447</b>	<b>\$94,292</b>	<b>57.1%</b>
<b>Educational Media</b>	<b>\$250,799</b>	<b>\$248,595</b>	<b>(\$2,204)</b>	<b>-0.9%</b>
<b>Special Ed - Multiple Disabled</b>	<b>\$107,290</b>	<b>\$198,364</b>	<b>\$91,074</b>	<b>84.9%</b>
<b>Special Ed - Pre-School Disabled</b>	<b>\$129,200</b>	<b>\$179,948</b>	<b>\$50,748</b>	<b>39.3%</b>

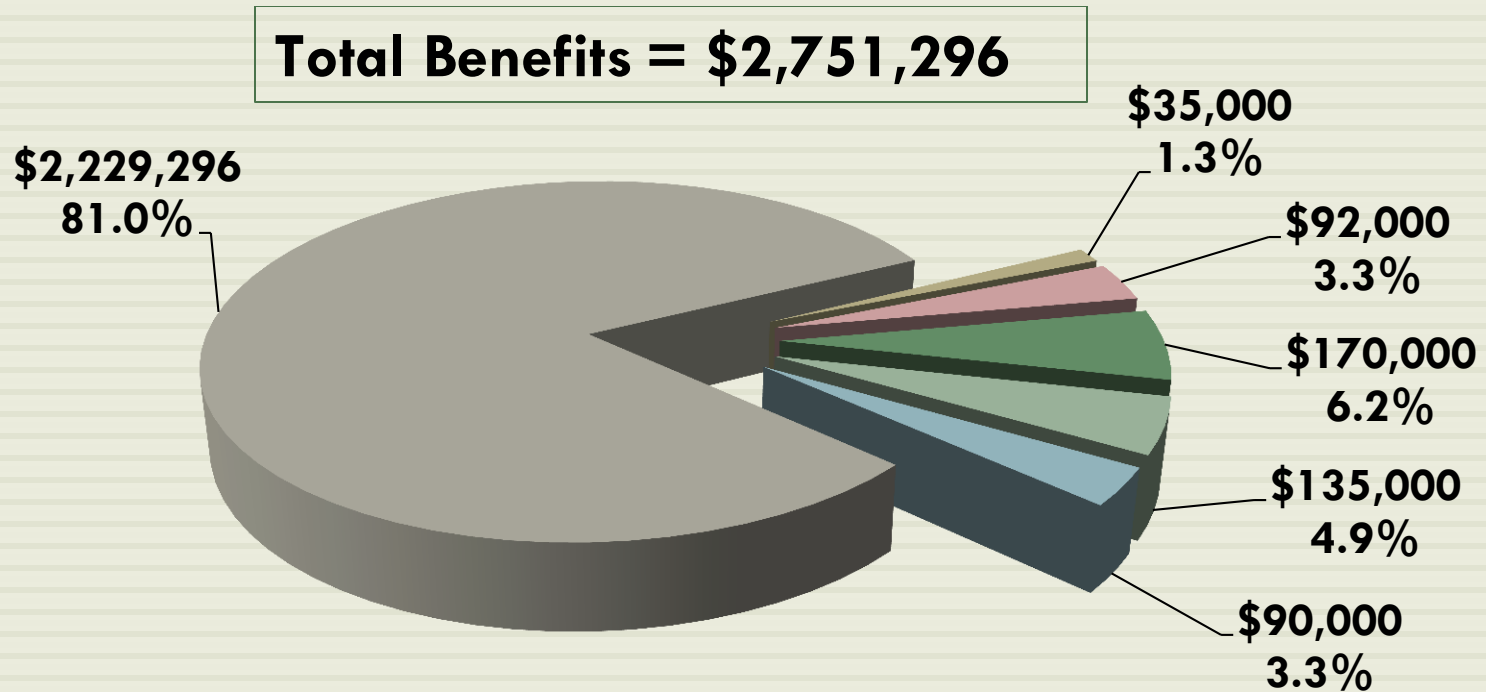


# Expenditures: Salaries & Benefits

**SALARIES & BENEFITS COMPRISE 74.5% OF OPERATING BUDGET**



# Expenditures: Breakdown of Benefits



- |                         |                          |
|-------------------------|--------------------------|
| ■ Social Security       | ■ PERS Pension Liability |
| ■ Worker's Compensation | ■ Health Benefits        |
| ■ Tuition Reimbursement | ■ Employee Benefits      |

# Ten-Year Changes: Operating Statistics

11

OPERATING STATISTICS	Year End June 30th		Ten-year Change	
	2006	2015	Dollars	Percent
Average Daily Enrollment	1102.0	831.5	<b>-270.5</b>	<b>-24.6%</b>
Operating Expenditures	\$13,853,523	\$16,109,840	\$2,256,317	16.3%
Cost Per Pupil	\$12,571	\$19,374	\$6,803	54.1%
Teaching Staff	107.0	91.5	<b>-15.5</b>	<b>-14.5%</b>
Teacher Ratio	10.3	9.1	<b>-1.2</b>	<b>-11.8%</b>

Source: District CAFR

# Ten-Year Changes: Expenditures

12

Expenditures:	Year End June 30th		Change	
	2006	2015	Dollars	Percent
<b>Instruction:</b>				
Regular Instruction	\$3,933,681	\$4,473,077	\$539,396	13.71%
Special Education Instruction	\$1,335,458	\$1,519,534	\$184,076	13.78%
Other Special Instruction	\$121,211	\$212,585	\$91,374	75.38%
Other Instruction	\$50,279	\$0	-\$50,279	-100.00%
<b>Support Services:</b>				
Tuition	\$123,849	\$244,357	\$120,508	97.30%
Student & Instruction Related Services	\$1,423,264	\$2,177,813	\$754,549	53.02%
General Administration	\$349,750	\$289,326	-\$60,424	-17.28%
School Administration Services	\$594,447	\$559,572	-\$34,875	-5.87%
Central Services/Business	\$237,967	\$264,361	\$26,394	11.09%
Administrative Information Technology	\$132,445	\$97,338	-\$35,107	-26.51%
Plant Operations & Maintenance	\$1,338,880	\$1,499,746	\$160,866	12.01%
Pupil Transportation	\$753,028	\$776,862	\$23,834	3.17%
Employee Benefits	\$2,189,317	\$2,274,104	\$84,787	3.87%
<b>TOTALS</b>	<b>\$12,583,576</b>	<b>\$14,388,675</b>	<b>\$1,805,099</b>	<b>14.34%</b>

Source: District CAFR

# Ten-Year Expenses: Regular & Special Education

13

Regular Education	2006 Actual	2015 Actual	Ten-year Change	
			Dollars	Percent
Instruction	\$3,933,681	\$4,473,077	\$539,396	13.71%
Special Education	2006 Actual	2015 Actual	Dollars	Percent
Instruction	\$1,456,669	\$1,732,119	\$275,450	18.91%
Related Services	\$225,446	\$385,616	\$160,170	71.05%
Extraordinary Services	\$168,645	\$565,187	\$396,542	235.13%
Other Support (CST)	\$417,740	\$500,343	\$82,603	19.77%
Bi-Lingual	\$76,785	\$49,741	-\$27,044	-35.22%
<b>Total Special Education</b>	<b>\$2,345,285</b>	<b>\$3,233,006</b>	<b>\$887,721</b>	<b>37.85%</b>

Source: District CAFR

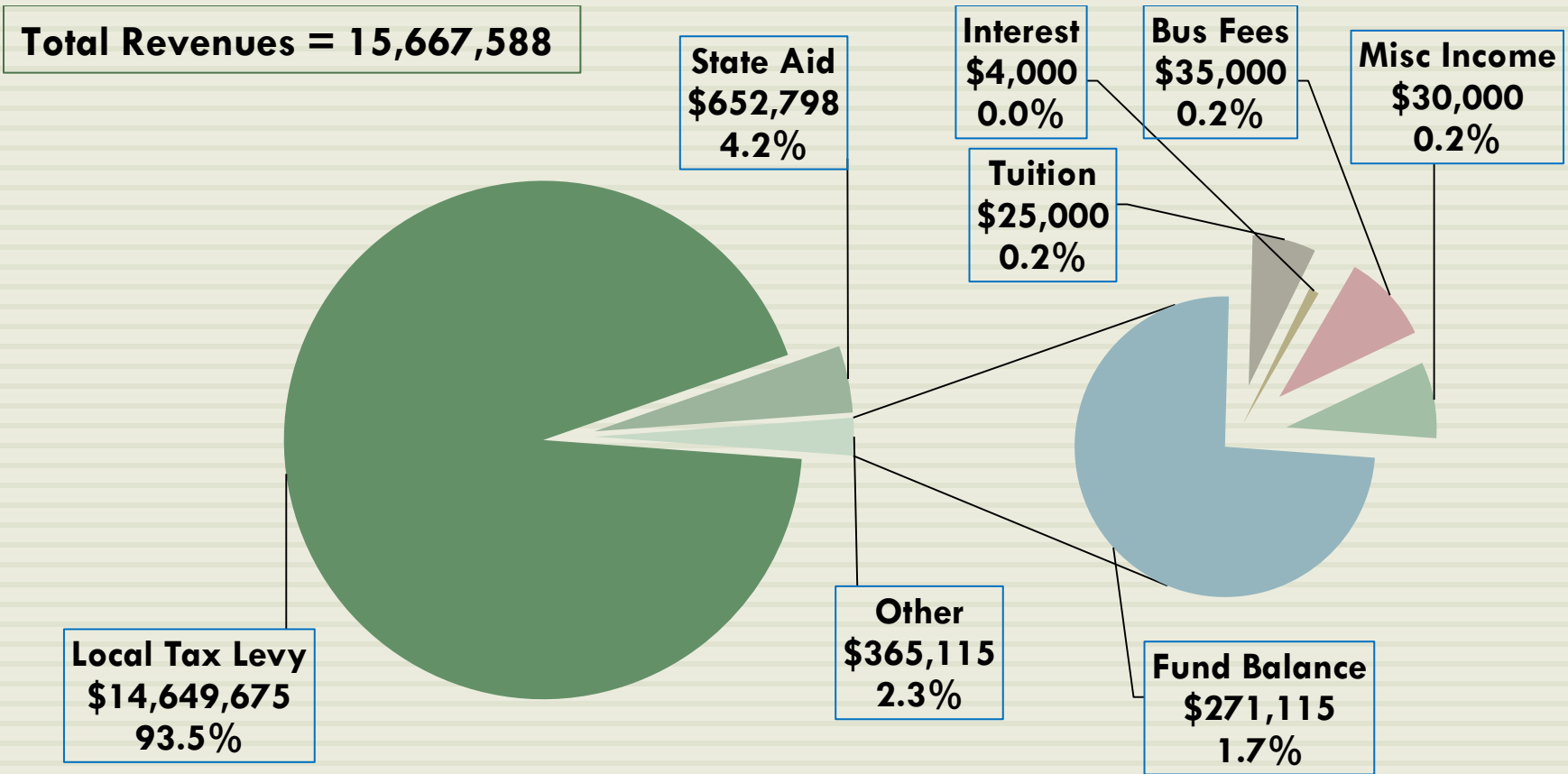
# Ten-Year Changes: Staffing Levels

14

STAFFING LEVELS	Year End June 30th		Ten-year Change	
	2006	2015	Dollars	Percent
<b>FTE Employees Instruction</b>				
<b>Regular Education</b>	79.0	63.9	-15.1	-19.1%
<b>Special Education</b>	26.0	27.6	1.6	6.2%
<b>Support Services</b>				
<b>Administration</b>	6.0	6.0	0.0	0.0%
<b>Secretarial</b>	5.0	8.5	3.5	70.0%
<b>Plant Operations &amp; Maintenance</b>	13.0	-	-	-
<b>Other Support Services</b>	14.0	15.3	1.3	9.3%
<b>Total Staff</b>	143.0	121.3	-21.7	-15.2%

Source: District CAFR

# Sources of Revenue: Operating Budget



# Sources of Revenue: Year-to-Year Change

16

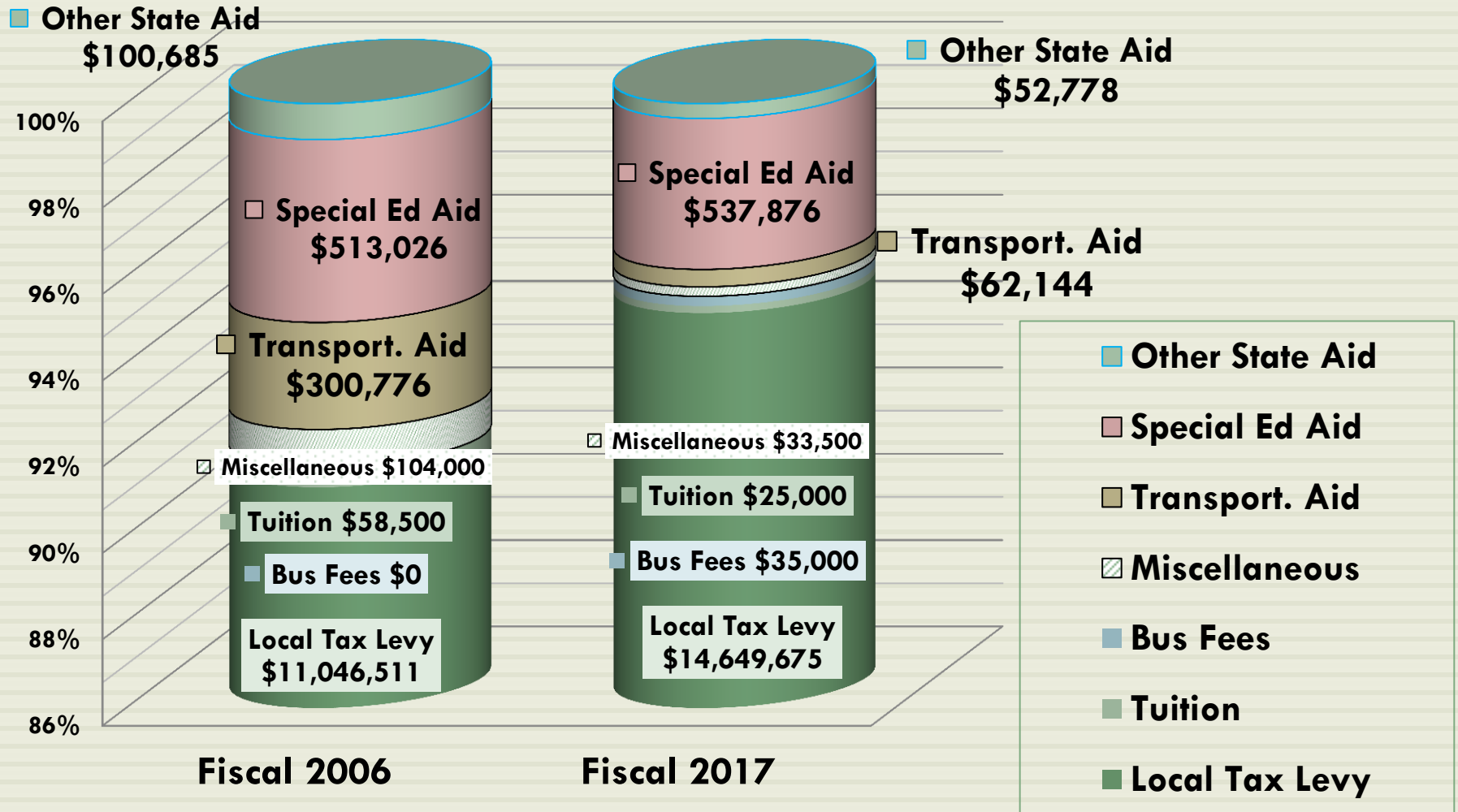
Revenue Description	Actual 2015-16	Budget 2016-17	One Year Change	
			Dollars	Percent
<b>Local Tax Levy</b>	<b>\$14,363,661</b>	<b>\$14,649,675</b>	<b>\$286,014</b>	<b>1.99%</b>
<b>Total Tuition</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>Transportation Fees</b>	<b>\$35,000</b>	<b>\$35,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>Miscellaneous Revenues</b>	<b>\$33,500</b>	<b>\$33,500</b>	<b>\$0</b>	<b>0.0%</b>
<b>Interest Earned on Capital Reserve</b>	<b>\$500</b>	<b>\$500</b>	<b>\$0</b>	<b>0.0%</b>
<b>Revenues from Local Sources</b>	<b>\$14,457,661</b>	<b>\$14,743,675</b>	<b>\$286,014</b>	<b>1.98%</b>
<b>Transportation Aid</b>	<b>\$56,278</b>	<b>\$62,144</b>	<b>\$5,866</b>	<b>10.4%</b>
<b>Special Education Aid</b>	<b>\$542,296</b>	<b>\$537,876</b>	<b>-\$4,420</b>	<b>-0.8%</b>
<b>Security Aid</b>	<b>\$12,108</b>	<b>\$13,945</b>	<b>\$1,837</b>	<b>15.2%</b>
<b>Adjustment Aid</b>	<b>\$0</b>	<b>\$13,477</b>	<b>\$13,477</b>	<b>-</b>
<b>PARCC Readiness Aid</b>	<b>\$0</b>	<b>\$8,150</b>	<b>\$8,150</b>	<b>-</b>
<b>Per Pupil Growth Aid</b>	<b>\$0</b>	<b>\$8,150</b>	<b>\$8,150</b>	<b>-</b>
<b>Prof. Learning Community Aid</b>	<b>\$0</b>	<b>\$8,030</b>	<b>\$8,030</b>	<b>-</b>
<b>Host District Support Aid</b>	<b>\$0</b>	<b>\$1,026</b>	<b>\$1,026</b>	<b>-</b>
<b>Other State Aids</b>	<b>\$29,777</b>	<b>\$0</b>	<b>-\$29,777</b>	<b>-100.0%</b>
<b>Revenues from State Sources</b>	<b>\$640,459</b>	<b>\$652,798</b>	<b>\$12,339</b>	<b>1.93%</b>
<b>Total Local Sources &amp; State Aid</b>	<b>\$15,098,120</b>	<b>\$15,396,473</b>	<b>\$298,353</b>	<b>1.98%</b>



# Sources of Revenue: Ten-Year Change

Revenue Description	Actual 2006	Budget 2016-17	Ten Year Change	
			Dollars	Percent
Local Tax Levy	\$11,046,511	\$14,649,675	\$3,603,164	32.6%
Total Tuition	\$58,500	\$25,000	-\$33,500	-57.3%
Transportation Fees	\$0	\$35,000	\$35,000	-
Miscellaneous Revenues	\$104,000	\$33,500	-\$70,500	-67.8%
Interest Earned on Investments	\$1,200	\$500	-\$700	-58.3%
Revenues from Local Sources	\$11,210,211	\$14,743,675	\$3,533,464	31.5%
Transportation Aid	\$300,776	\$62,144	-\$238,632	-79.3%
Special Education Aid	\$513,026	\$537,876	\$24,850	4.8%
Stabilization Aid	\$3,634	\$0	-\$3,634	-100.0%
Consolidated Aid	\$57,495	\$0	-\$57,495	-100.0%
Additional Formula Aid	\$26,636	\$0	-\$26,636	-100.0%
Bi-Lingual Aid	\$12,920	\$0	-\$12,920	-100.0%
Security Aid	\$0	\$13,945	\$13,945	-
Adjustment Aid	\$0	\$13,477	\$13,477	-
PARCC Readiness Aid	\$0	\$8,150	\$8,150	-
Per Pupil Growth Aid	\$0	\$8,150	\$8,150	-
Prof. Learning Community Aid	\$0	\$8,030	\$8,030	-
Host District Support Aid	\$0	\$1,026	\$1,026	-
Revenues from State Sources	\$914,487	\$652,798	-\$261,689	-28.62%
<b>Total Local Sources &amp; State Aid</b>	<b>\$12,124,698</b>	<b>\$15,396,473</b>	<b>\$3,271,775</b>	<b>26.98%</b>

# Sources of Revenue: Ten-Year Change



# Tax Impact of Proposed Budget

19

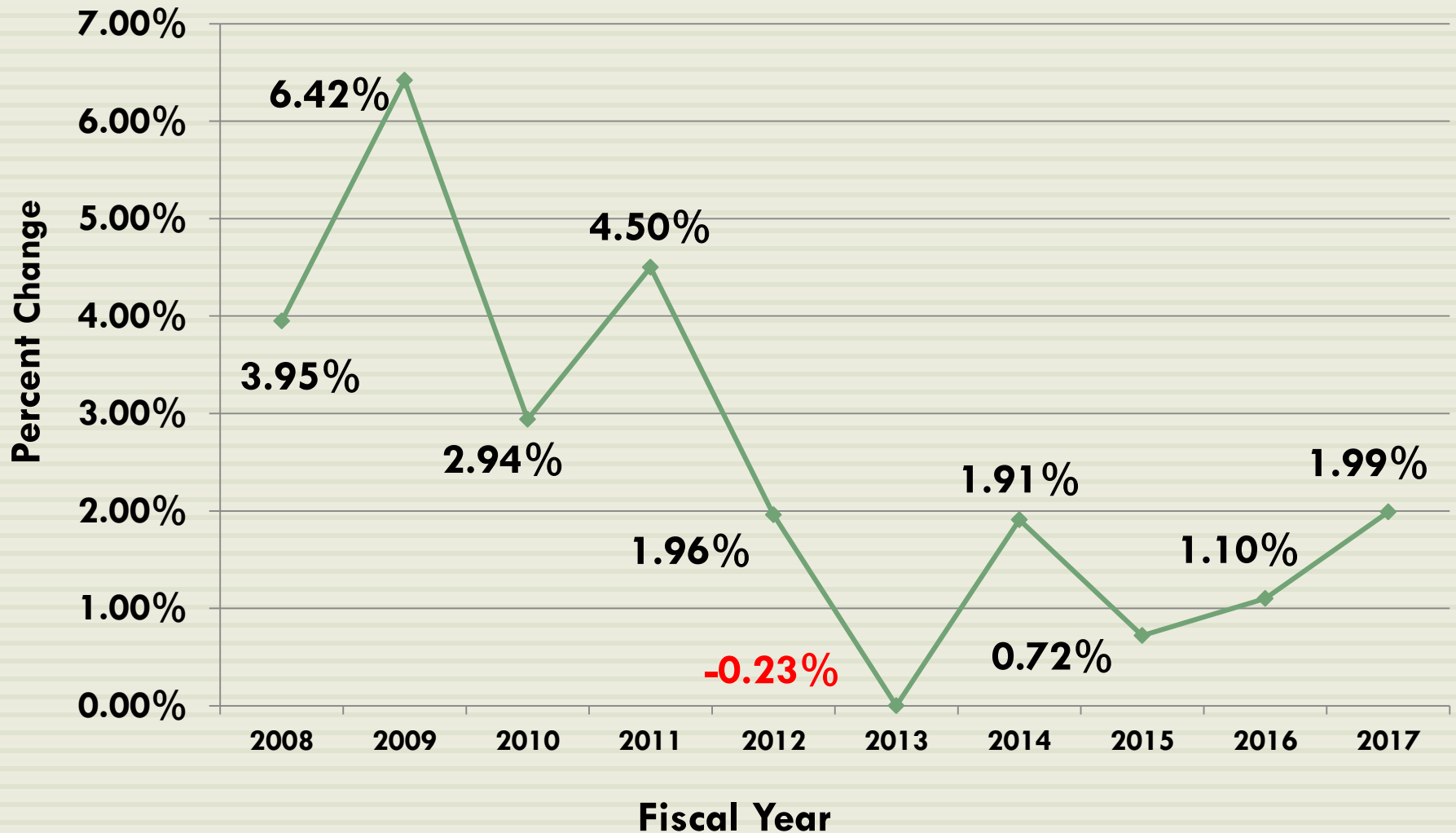
Description	----- Budgeted Amount-----	
	2015-16	2016-17
<b>General Fund Budget</b>	<b>\$15,520,899</b>	<b>\$15,667,588</b>
<b>Change From Prior Year</b>	<b>\$219,561</b>	<b>\$146,689</b>
<b>Percent Increase/(Decrease)</b>	<b>1.43%</b>	<b>0.95%</b>
<b>Tax Levy General Fund (subject to 2.0% Cap)</b>	<b>\$14,364,364</b>	<b>\$14,649,675</b>
<b>Change From Prior Year</b>	<b>\$157,669</b>	<b>\$285,311</b>
<b>Percent Increase/(Decrease)</b>	<b>1.11%</b>	<b>1.99%</b>
<b>Assessed Valuation</b>	<b>\$1,253,965,800</b>	<b>\$1,615,021,900</b>
<b>Change From Prior Year</b>	<b>(\$2,859,900)</b>	<b>\$361,056,100</b>
<b>Percent Increase/(Decrease)</b>	<b>(0.23%)</b>	<b>28.79%</b>
<b>Tax per \$100,000 AV</b>	<b>\$1,145.51</b>	<b>\$907.09</b>
<b>Change From Prior Year</b>	<b>\$15.15</b>	<b>N/A*</b>
<b>Percent Increase/(Decrease)</b>	<b>1.34%</b>	<b>N/A*</b>

# Tax Levy Changes

20

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

# Ten Year History of Tax Levy Change



# Other Factors in 2016-2017

22

- Potential Impact of St. Vincent Closure
  - Calculate any Increases in Students per Grade/Classroom
  - Identify any needs for additional Special Education Services
  - Determine if staffing is adequate to meet any increase in enrollment in September
- Last year of cleaning/maintenance/grounds contract: develop new RFP based on experience/history
- Explore the feasibility of Tiering bus routes with the HS and/or going out to bid for new contracts

# Conclusions & Questions

23

