



Monroe Township School District

DEVELOPMENT OF A
BUDGET PHILOSOPHY

For Fiscal Year 2016-2017

Dr. Michael G. Kozak, Superintendent of Schools

Mr. Michael C. Gorski, CPA, Business Administrator/Board Secretary

Dr. Dori L. Alvich, Assistant Superintendent of Schools

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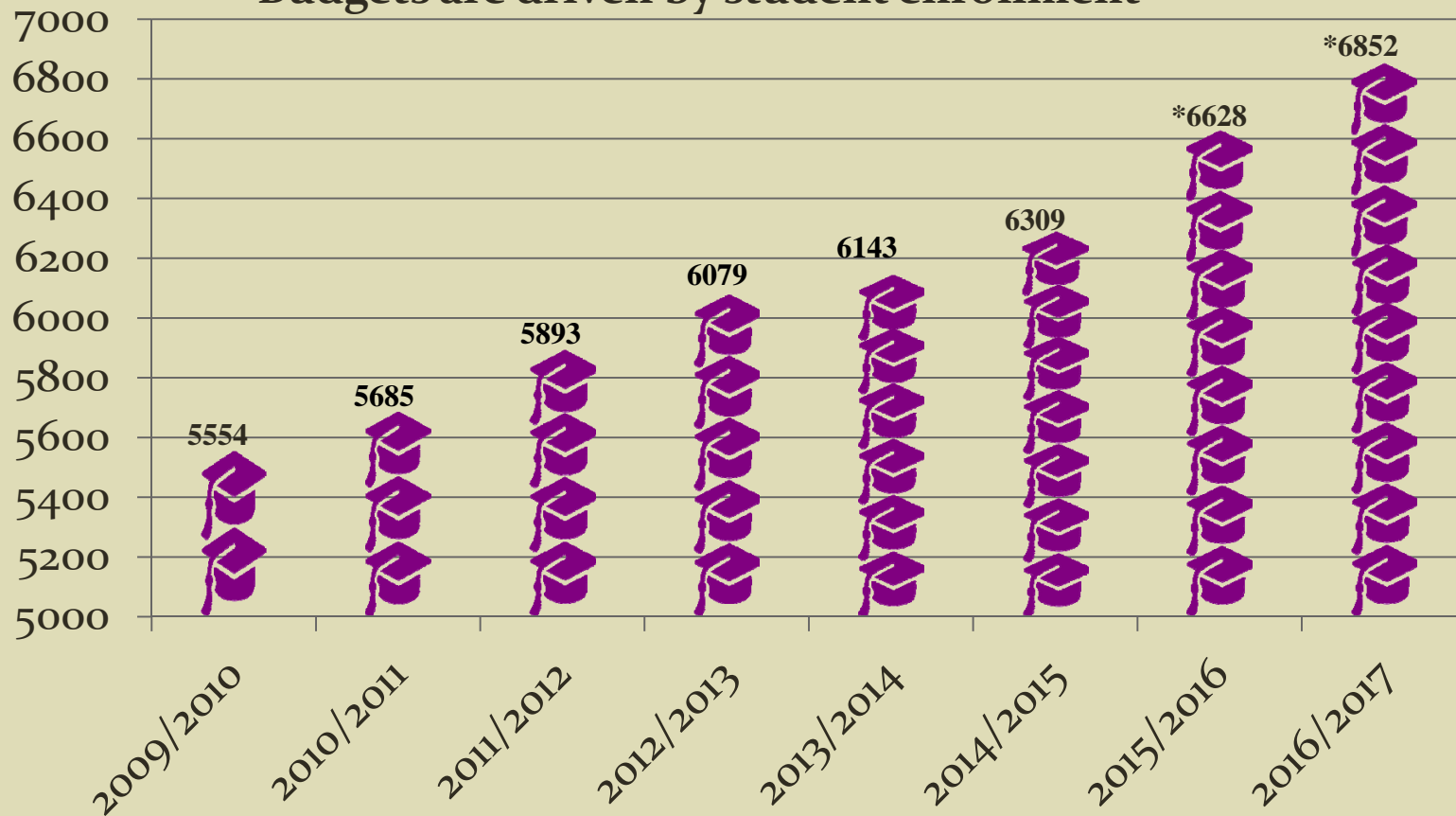
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WHAT IS A BUDGET PHILOSOPHY?

- The philosophy of establishing the annual school budget should entail the creation of a framework for a budget that supports a democratic plan of appropriate funding for the implementation of educational programs so that students may develop and learn from quality experiences based on educationally sound and fiscally prudent planning.
- A solid financial base is paramount to assuring that the school district will be able to meet the responsibility of preparing our students for an increasingly competitive environment.
- The budget philosophy stage should be macro-focused rather than micro-focused, as much more refinement will be required and implemented in the future through the rigorous budget process.

BUDGET APPROPRIATION CONSIDERATIONS

Budgets are driven by student enrollment



+ 1,300 students over the past seven years.

* Projected by Ross Haber Associates March 2015

MONROE TOWNSHIP PUBLIC SCHOOLS STUDENT ENROLLMENT

School year	K	Gr. 1	Gr.2	Gr. 3	Gr. 4	Gr. 5	Gr. 6	Gr. 7	Gr. 8	Gr. 9	Gr. 10	Gr. 11	Gr. 12	Ungraded	District Total
2015-2016	342	423	461	485	539	490	536	580	521	528	566	513	524	120	6628
2016-2017	360	447	458	494	523	570	498	559	603	598	535	567	520	120	6852

Projected New Enrollment Increase for year 2016-2017

+224*

**Projected Student Enrollment Increase
(224 x \$15,000)**

General anticipated total cost \$3,360,000

(For discussion purposes only. Not included in new Appropriation Schedule)

* Projected by Ross Haber Associates March 2015

BUDGET APPROPRIATION CONSIDERATIONS

- Transportation -

Recommended fleet replacements for safety and enrollment growth

* 3 - 54 Passenger buses with cameras	\$297,000
3 - 25 Passenger vans with cameras	\$189,000 (Excess miles & wear)
2 - Additional contracted drivers	<u>\$78,405</u>

Total mandated and recommended Transportation \$564,405

* Two are required to be retired by the state mandate. The third has extreme body and frame rust.

BUDGET APPROPRIATION CONSIDERATIONS

- Capital Improvements -

- Partial Roof Replacement – Woodland (deferred from 2015/2016) \$1,078,020

- Related Roof Metal Work - Mill Lake \$54,000

- New facilities vehicles and small equipment replacement

 - 2 Pickup trucks replacing existing fleet from year 1998 & 2004 (M6 & M15)

 - 1 Bus scraper snow removal unit \$136,550

Total Capital Improvements \$1,268,570

BUDGET APPROPRIATION CONSIDERATIONS

• <u>Approximate Weighted Salaries</u>		
2.6% increase on \$65,000,000 = Est. Increase in base salaries		<u>\$1,690,000</u>
• <u>Benefits</u>		
2015/2016 premiums including A4 surcharges		\$20,471,953
less A4 surcharge eliminated		<\$447,673>
2015/2016 total premiums		\$20,024,280
less negotiated employee contributions		<\$3,053,149>
2015/2016 net premiums		\$16,961,131
• 2016/2017 Anticipated premium increase at 8%		<u>.08</u>
	Est. Increase in benefits	<u>\$1,356,890</u>

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BUDGET APPROPRIATION CONSIDERATIONS

● Curriculum –

Technology –

Prek-2 District Laptop Initiative -

This aligns with our vision to create 21st century learning environments for our primary students. Many of our primary teachers are currently using their personal iPads in their classrooms to fill this void. The tablet screen allows teachers the mobility to bring the technology to the children – when they are sitting at circle time or while working in small groups. This would also provide equity amongst the elementary school teachers.

\$66,500

Facility –

IA Equipment maintenance for MTMS & MTHS - Preserve the integrity and longevity of the equipment, ensure proper use by staff and students & ensure safety of staff and students, reducing liability to the district.

\$11,000

Bleachers for baseball & cage turf fields -

With increased numbers of spectators at sporting events, seating capacity is limited. This addition will increase seating capacity and safety. It will give us the opportunity to keep home and away fans separated. Seating capacity is limited at baseball games.

\$45,000

Marasco PAC updates & maintenance -

The MPAC is used regularly by all schools in the district for concerts, events, and orientations. This facility endures significant wear and tear throughout the school year and is in need of updating.

\$85,000

Tennis Courts refurbish -

This refurbishment is cut annually from the budget. Every 9-10 months, a contractor is brought in to repair cracks. At times, certain courts are shut down because the cracks become dangerous. This has an impact on tennis teams. PE classes, and the community.

\$305,000

Program –

MTMS Career Center / Clubs -

Create a stronger CTE and business education presence at MTMS
Provide opportunity to compete in business competitions in preparation for high school business education.

\$10,000

BUDGET APPROPRIATION CONSIDERATIONS

Curriculum continued –

Textbooks –

- MTMS – Health - This past year, two class sets of health books were budgeted for. This adoption would allow each student to have a health book.
- 8th Grade Connected Math - Grade 8 is needed to complete the adoption of the Common Core at the middle school. Grade 6 & 7 have already adopted texts for Common Core alignment.
- Science - Replacing 2003 edition
- MTHS - Senior Options - Senior Option Class has an ambiguous focus and lacks rigor. The Senior Option program needs to improve the baseline skills students take into their internships / jobs. This addresses the call from employers and the NJDOE Office of CTE to improve the employability skills and career awareness of students.
- Exploratory Business - Update the curricular focus of the course to align with state CTE recommendations. Instill more rigor into our Exploratory Business/Intro. to Business Course. There is a need to differentiate Exploratory Business from Senior Option.
- Chemistry - Update textbooks and convert to digital access.
- AP Chemistry e Textbooks - Update textbooks and convert to digital access.
- Honors Chemistry e Textbooks (W/ Digital Access) – Update textbooks and convert to digital access.
- Dynamics of Trig., Precalculus, Honors Precalculus – Current text is no longer being printed through a large publisher as the copyright is 2008 and newer texts have been written. The cost of increased enrollment can be as high as \$10,000, as more students are taking advanced mathematics classes. Used texts were purchased the past two years, but are very hard to get as fewer districts now use this version of the text.
- Elementary- Mathematics - EnVisions math has a 2009 copyright and is not aligned to the Common Core Standards. This adoption would be done in tiers beginning with Grades 3-5 and then Grades K-2.

Subtotal Textbooks

\$512,113

BUDGET APPROPRIATION CONSIDERATIONS

Curriculum continued –

Personnel -

8 MTMS Teachers (5 content area, 1 Special Education, 1 Physical Education, 1 ELA Teacher).

3 MTHS Teachers (Business, History, Physical/Health Education) – Increased enrollment.

1 Reading Specialist (Applegarth, Brookside, Woodland) -

Increase interventions at the upper elementary level for students who are below grade level in reading and writing.

1 Marasco PAC Coordinator (Stipend position) -

Ensure the proper use of district equipment and facilities. Provide on-sight management for district events/performances. Provide savings to the district by having a stipend position for the management of the PAC.

1 Elementary STEM Instructor -

The STEM initiative is in alignment with national, state, and district educational philosophy. The STEM presence at the elementary level is minimal. The STEM instructor would operate in the same capacity as a “special” class.

2 Elementary Technology Staff -

Two additional technology staff members are needed for student growth at the elementary level.

Subtotal Personnel **\$946,666**

Total Curriculum needs **\$1,981,279**

PRE-REFERENDUM COSTS

- Architect
- Demographer
- Financial Advisor
- Bond Counselor
- Engineer
- Auditor

Total anticipated costs

\$100,000

TOTAL ADDITIONAL APPROPRIATION CONSIDERATIONS

Transportation Increases	\$564,405
Construction & Facilities	\$1,268,570
Salary Increases	\$1,690,000
Benefits Increase	\$1,356,890
Curriculum Increases	\$1,981,279
Pre Referendum Costs	\$100,000
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Total	<u><u>\$6,961,144</u></u>

BUDGET RESOURCE CONSIDERATIONS

- **Bond Referendum - Closed**

No remaining funds to transfer against Debt Service Fund Tax Levy.

- **General Fund State Aid -**

2.7 Million awarded in 2014/2015 and in 2013/2014.

It is recommended to base preliminary budget on same level of funding as prior year.

- **Proprietary Fund Considerations -**

New Proprietary Fund Program – Falcon Care

(\$300,000 approximate additional revenue source)

Which is recommended to remain in retained earnings or reduce MECA loan.

Summer Camp Academies -

These academies are in the design stage and are anticipated to contribute to revenues in future years.

- **Jamesburg -**

Tuition agreement mandates DOE calculated tuition rate multiplied by mutually agreed estimated number of Jamesburg students. The total tuition and transportation fees are approximated, 1.65 % of revenues.

PROJECTED SCHEDULE OF CAP FOR USE IN BUDGET YEAR 2016-2017

• Pre-Budget Year General Fund Tax Levy	\$92,308,645
• Automatic Adjustment for enrollment	*\$663,000
• Adjusted Pre-Budget Year General Fund Tax Levy	<u>\$92,971,645</u>
• Adjusted Pre-Budget Year General Fund Tax Levy Inflated by 2%	\$94,831,077
• Adjustment for Health Care costs	*\$250,000
• General Fund Tax Levy CAP prior to optional use of banked cap	<u>\$95,081,077</u>
• Banked cap calculated by 12/13 DOE Budget software	<u>\$0</u>
• General Fund Tax Levy Cap	\$95,081,077

By going to cap the budget can grow

\$2,772,432

* Estimated by means of a 3 yr. average subject to change

ANTICIPATED APPROPRIATIONS IN EXCESS OF ANTICIPATED REVENUES

Total additional 2016-2017 Appropriations	\$6,961,144
Total additional 2016-2017 Revenues	<u>\$2,772,432</u>
Appropriations in excess of revenues	<u><u>\$4,188,712</u></u>

This will require programs and services to be reviewed to maximize efficiencies in order to balance budget.

TAX CONSIDERATIONS

Ratables:

Are the most significant variable in determining the tax rate. Preliminary reports are that ratable growth may be slightly higher than the preceding year which increased by 2%. This will favorably impact tax rates for 2016/2017.

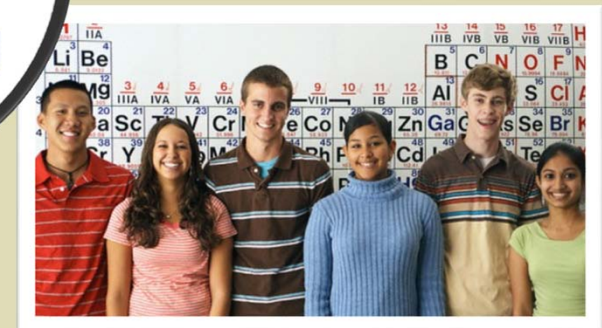
PROPERTY TAX AVERAGES MIDDLESEX COUNTY

DISTRICT	2014 Average	2013 Average	Change
CRANBURY TOWNSHIP	\$ 11,471	\$ 11,061	3.7%
HIGHLAND PARK BOROUGH	\$ 10,477	\$ 10,014	4.6%
METUCHEN BOROUGH	\$ 9,623	\$ 9,352	2.9%
PLAINSBORO TOWNSHIP	\$ 9,454	\$ 9,377	0.8%
EAST BRUNSWICK TOWNSHIP	\$ 9,312	\$ 9,009	3.4%
SOUTH BRUNSWICK TOWNSHIP	\$ 8,712	\$ 8,526	2.2%
EDISON TOWNSHIP	\$ 8,360	\$ 8,090	3.3%
MILLTOWN BOROUGH	\$ 8,207	\$ 7,994	2.7%
NORTH BRUNSWICK TOWNSHIP	\$ 8,138	\$ 7,997	1.8%
DUNELLEN BOROUGH	\$ 7,639	\$ 7,550	1.2%
SPOTSWOOD BOROUGH	\$ 7,476	\$ 7,310	2.3%
MIDDLESEX BOROUGH	\$ 7,466	\$ 7,259	2.8%
WOODBIDGE TOWNSHIP	\$ 7,233	\$ 7,113	1.7%
PERTH AMBOY CITY	\$ 7,046	\$ 7,045	0.0%
SOUTH AMBOY CITY	\$ 6,982	\$ 6,821	2.4%
PISCATAWAY TOWNSHIP	\$ 6,951	\$ 7,463	-6.9%
JAMESBURG BOROUGH	\$ 6,933	\$ 6,789	2.1%
OLD BRIDGE TOWNSHIP	\$ 6,900	\$ 6,745	2.3%
SOUTH PLAINFIELD BOROUGH	\$ 6,732	\$ 6,544	2.9%
MONROE TOWNSHIP	\$ 6,702	\$ 6,822	-1.8%
SAYREVILLE BOROUGH	\$ 6,656	\$ 6,567	1.4%
NEW BRUNSWICK CITY	\$ 6,598	\$ 6,579	0.3%
CARTERET BOROUGH	\$ 6,161	\$ 6,068	1.5%
SOUTH RIVER BOROUGH	\$ 5,797	\$ 5,632	2.9%
HELMETTA BOROUGH	\$ 5,575	\$ 5,672	-1.7%

Source: <http://www.mycentraljersey.com/story/news/2015/02/02/new-jersey-property-tax-increases-by-town/22770585/>

OUR ACCOMPLISHMENTS

- Graduation Rate 2014-2015 – 98.5%
- June 2015 Graduates:
 - 86% Attended college
 - 3% Attended Career/Technical Schools
 - 2% Entered the Military
 - 5% Entered the Workforce
 - 4% Undecided or Non-Grads
- 695 Students enrolled in 25 AP courses
- MTHS Average scores on SAT and ACT are higher than the state average



High performance and Numerous Best practices
+
Relatively low taxation in bottom 20 % percentile
=

Incredible value

ADMINISTRATION'S RECOMMENDATIONS (BUDGET PRIORITIES)

- **Stay within the constrictive state budget cap while prioritizing the following subject to cap restrictions:**
- **Construction Projects-**
Woodland Partial Roof Replacement, Mill Lake Roof Repairs, Vehicles and small equipment.
- **Curriculum recommendations including additional staff for enrollment growth.**
- **Salary increases** (as per contracts).
- **Benefits increases** (as per contracts).
- **Transportation increases.**



**Thank you to everyone who contributed in
this development.**