

MONROE TOWNSHIP SCHOOL DISTRICT

DEVELOPMENT OF A BUDGET PHILOSOPHY

FOR FISCAL YEAR 2018-2019

Dr. Michael G. Kozak, Superintendent of Schools

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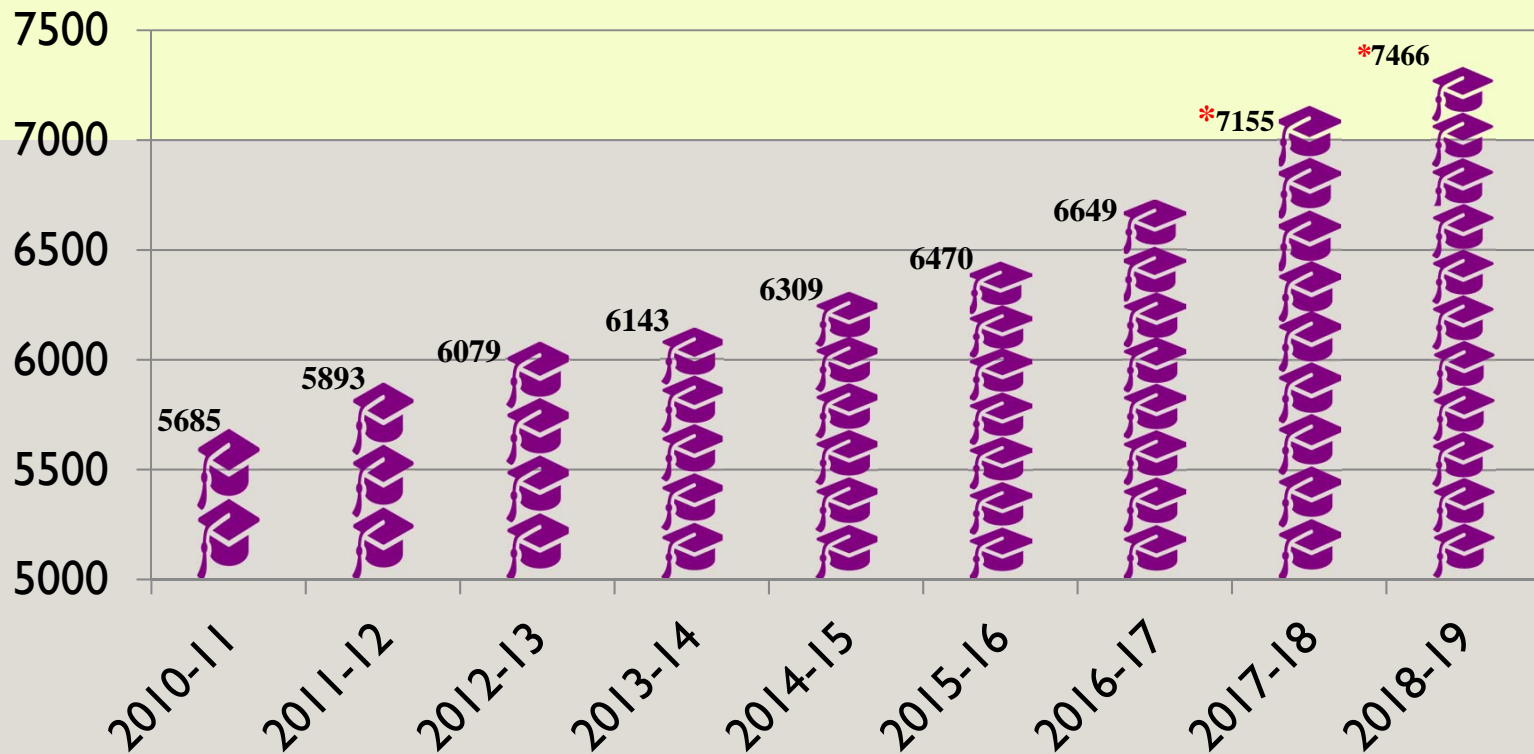
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WHAT IS A BUDGET PHILOSOPHY?

- 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 ensuring 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



+ 1,781 students over the pass eight years.

*Projected by Ross Haber Associates June 2016

BUDGET APPROPRIATION CONSIDERATIONS

Salaries and Benefits

Salaries and Benefits are approximately 75% of the General Fund Budget.

- For the 18/19 Budget Philosophy, the salary and benefit cost increases have to be conservatively estimated, as the largest collective negotiations unit (MTEA) is currently in negotiations. Thus, the MTEA and the non-affiliated staff currently have undefined salary and benefits, which are subject to change.
- Aggregate District Salaries are approximately \$65,000,000.00.
- Health Benefits have been projected to increase 8.5% with the caveat that claims will have to be monitored at least through January 2018 to receive an accurate estimate.
- 2017-2018 Health Benefit premiums were \$22,317,500.00 and were offset by contractual contributions of approximately \$4,000,000.00 by District staff members.

BUDGET APPROPRIATION CONSIDERATIONS

- Personnel

Assistant Principal	To support increased enrollment at elementary level.	\$96,681
12-15 Additional Teachers <ul style="list-style-type: none">• MS Science, Social Studies, Math, Spanish, French, Italian, PE• HS Science, Math, Italian, ELA, Social Studies• ESL – District• Basic Skills – Elementary• Elementary• Instrumental Music	To support increased enrollment and programs across the district.	\$780,450
Special Education Staffing <ul style="list-style-type: none">• Teachers (9)• Paraprofessionals (6)	To support our increased need for special education population and programs.	\$557,820
Additional custodians (2)	For maintenance and upkeep for portable trailers.	\$90,192
Grounds person	For grounds upkeep and growing student activities.	\$46,348



BUDGET APPROPRIATION CONSIDERATIONS

- Transportation

Recommended fleet replacements for safety and enrollment growth:

* 11 - 54 Passenger buses with cameras	\$1,078,000
* 6 - 25 Passenger vans with cameras	\$360,000
8 - Additional contracted Drivers with benefits	\$324,422
3 - Additional Transportation Aides	\$49,121
GPS System (Zonar)	\$31,680

* Six 54 passenger busses and five 25 passenger vans are recommended to be replaced due to age mileage restrictions. One van is required to be replaced. Five additional 54 passenger bus and five 25 passenger vans are needed to accommodate enrollment growth and to reduce contracted routes, including special education required van routes. These vehicles require construction of a Transportation Depot. (See Facilities)



BUDGET APPROPRIATION CONSIDERATIONS

- Technology

Technology Upgrades and Replacements	This aligns with our vision to continue to create 21st Century learning environments for our students.	\$80,000
Student/Classroom Devices	Increased enrollment at the high school; upgrades to hardware needed for higher level graphic arts classrooms.	\$50,000
Projectors and Technology	To provide parity in middle school classrooms.	\$48,000

BUDGET APPROPRIATION CONSIDERATIONS

- Facility

10 Portable Classrooms	To accommodate increased enrollment at the middle school.	\$800,000
Development of Transportation Depot	To accommodate growing fleet of buses on land donated by the township.	\$1,200,000
Necessary HVAC Equipment Replacements	Boilers, Controls and HVAC units, which are beyond their serviceable life.	\$880,000
Replace Cage Turf Field	The turf field is thirteen years old with a life expectancy of about ten years.	\$555,000
Bleachers at the Cage Field	Only one set of bleachers is currently available. A second set would provide additional, separate seating for large events.	\$45,000
Furniture for portable classrooms (student desks/chairs/teacher desks/chairs/shelving/cabinets/security desk)	To accommodate portable classroom space at the middle school.	\$75,000
High School Lockers	To accommodate increased enrollment at the high school.	\$20,000
Additional Student Furniture (desks/chairs/cafeteria tables)	To accommodate increased enrollment at the high school.	\$40,000



BUDGET APPROPRIATION CONSIDERATIONS

- Textbooks

Algebra I	To align our resources to the curriculum documents and NJSLS.	\$42,000
Geometry		\$60,000
Algebra II		\$66,500
Dynamics of Trigonometry		\$15,400
AP Calculus		\$14,000
History		\$45,000
ELA kits		\$15,000

BUDGET APPROPRIATION CONSIDERATIONS

- Programs

Marching Band Uniforms	To replace marching band uniforms that have not been replaced in over 17 years.	\$75,000
Girls' and Boys' Spring Track (MS)	Currently we have only 2 teams at the MS for spring sports. Creating these two new sports would open up the possibilities and participation for more students.	\$19,630
Girls' and Boys' Volleyball (MS)		\$11,486
Boys' Sub-varsity Volleyball (HS)	Continuation of the three year process for starting a HS team.	\$14,000
Unified Sports (Soccer, Basketball, Track and Field)	To support ALL students in sports.	\$17,000

OUR ACCOMPLISHMENTS

- **Graduation Rate 2016-2017 – 95%**
- **June 2016 Graduates:**
 - **90.4% Attended college**
 - **1.1% Attended Career/Technical Schools**
 - **1.2% Entered the Military**
 - **3.3% Entered the Workforce**
 - **3.9% Undecided or Non-Grads**
- **84% of students taking the AP tests scored a 3 or above**
- **MTHS Average scores on SAT and ACT are higher than the state average**



#65 NJ

BUDGET RESOURCE CONSIDERATIONS

General Fund State Aid -

\$3,290,000 awarded in 2017/2018.

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

Proprietary Fund Considerations -

Falcon Care/Early Childhood Enrichment Programs.

\$600,000 of retained earnings is to be transferred to General Fund to generally offset Instructional Trailer costs.

Jamesburg -

Tuition agreement mandates DOE calculated tuition rate multiplied by mutually agreed estimated number of Jamesburg students. The total tuition and transportation fees are approximately 3.7 % of general fund revenues.

PROJECTED SCHEDULE OF CAP FOR USE IN BUDGET YEAR 2018-2019

• Pre-Budget Year General Fund Tax Levy	\$98,472,001
• Automatic adjustment for enrollment	<u>*\$1,109,493</u>
• Adjusted Pre-Budget Year General Fund Tax Levy	\$99,581,494
• Adjusted Pre-Budget Year General Fund Tax Levy Inflated by 2%	\$101,573,124
• Adjustment for Health Care costs	<u>*0</u>
• General Fund Tax Levy CAP prior to optional use of banked cap	<u>\$101,573,124</u>
• Banked cap calculated by 12/13 DOE Budget software	<u>\$600,000</u>
• General Fund Tax Levy Cap with use of banked cap	<u>\$102,173,124</u>
By going to cap the Budget can grow	* <u>\$3,101,123</u>
By going to cap with use of banked cap the Budget can grow	* <u>\$3,701,123</u>

*Estimated subject to change

ANTICIPATED EXCESS SURPLUS IN EXCESS OF PRIOR YEAR

Excess Surplus is the aggregate difference between actual revenues and budgeted revenues plus the difference between actual expenditures and budgeted appropriations. It is required that the excess surplus from 06/30/17 be used as a revenue source in the 18/19 Budget N.J.S.A. 18A:7F-7.

2017/2018 Excess Surplus Applied	\$6,134,722
Estimate 2018/2019 Excess Surplus	<u>\$6,055,371</u>
2018/2019 Budget Revenue Source below the 2017/2018 Excess Surplus	<u><\$79,351></u>

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 1.5%. This will favorably impact tax rates for 2018/2019.

High performance and Numerous best practices

+

Comparatively low taxation

=

Incredible value

ADMINISTRATION'S RECOMMENDATION

It is recommended that Administration prepare a budget that responsibly meets the demands of continuing, significant student growth and facility needs as well as program and service requirements without exceeding the Board's maximum spending authority, while prioritizing the following items, subject to the restrictions presented by Administration:

- Construction Projects, as presented;
- Curriculum Recommendations, as presented;
- Salary and Benefit Increases, at a conservative range due to their contingent status;
- Transportation Recommendations, as presented; and
- To transfer \$600,000 from the retained earnings of the Falcon Care/Early Childhood Enrichment Proprietary Fund to generally offset new trailer costs for the 2018-2019 school year.