



2014-15

PRELIMINARY BUDGET PRESENTATION

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February 27, 2014

# Agenda

**Purpose:** To provide an overview of the 2014-15 preliminary budget for submission to the County Office of the Department of Education to review the budget for compliance.

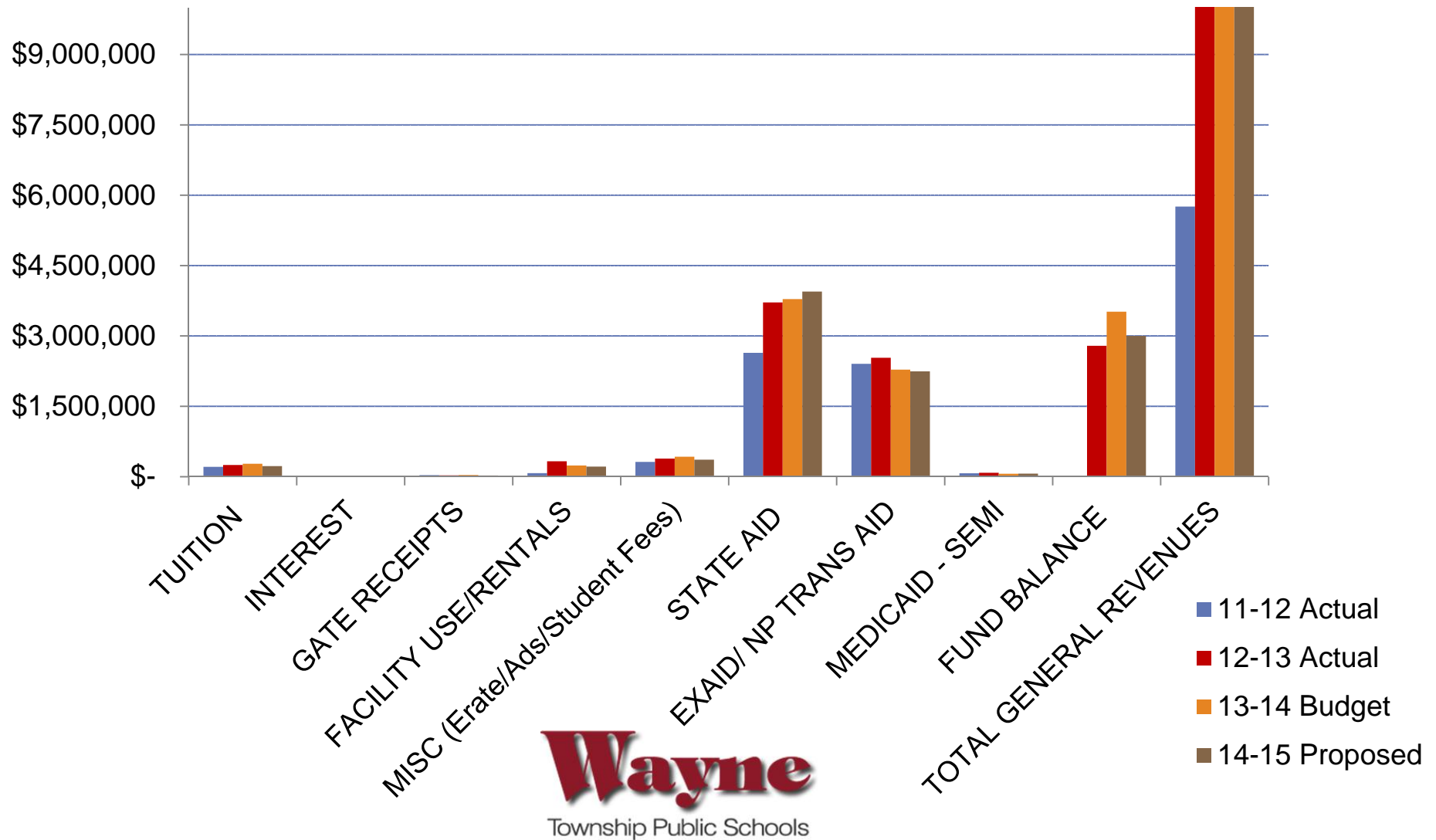
## Presentation Overview:

- Preliminary general revenues
- Preliminary general expenditures
- Recap of total operating budget
- Estimated tax levy and tax impact
- Next steps

## Preliminary General Fund Revenues (w/o tax levy)

DESCRIPTION	11-12 Actual	12-13 Actual	13-14 Budget	14-15 Proposed
TUITION FROM STUDENTS RECEIVED	\$ 209,410.01	\$ 249,233.45	\$ 275,500.00	\$ 225,500.00
INTEREST	\$ 9,211.29	\$ 11,318.39	\$ 13,000.00	\$ 10,000.00
GATE RECEIPTS	\$ 32,184.00	\$ 27,403.00	\$ 35,000.00	\$ 25,000.00
FACILITY USE/RENTALS	\$ 75,022.00	\$ 329,193.00	\$ 237,887.00	\$ 215,000.00
MISC (Erate/Advertising/Student Fees)	\$ 313,939.73	\$ 386,298.78	\$ 424,339.00	\$ 363,350.00
STATE AID	\$ 2,639,268.27	\$ 3,714,182.00	\$ 3,784,984.00	\$ 3,946,414.00
EXTRAORDINARY AID/ NP TRANS AID	\$ 2,404,847.96	\$ 2,534,203.26	\$ 2,280,783.00	\$ 2,245,997.00
MEDICAID REIMBURSEMENT-SEMI	\$ 73,287.28	\$ 83,025.59	\$ 62,000.00	\$ 65,000.00
FUND BALANCE	\$ -	\$ 2,790,732.00	\$ 3,516,689.00	\$ 3,000,000.00
<b>TOTAL GENERAL REVENUES</b>	<b>\$ 5,757,170.54</b>	<b>\$ 10,125,589.47</b>	<b>\$ 10,630,182.00</b>	<b>\$ 10,096,261.00</b>

## Preliminary General Fund Revenues (w/o tax levy)



# State Aid

State Aid paid to the District is dependent upon: (1) student attendance; (2) personal income of Wayne residents; and (3) property values.

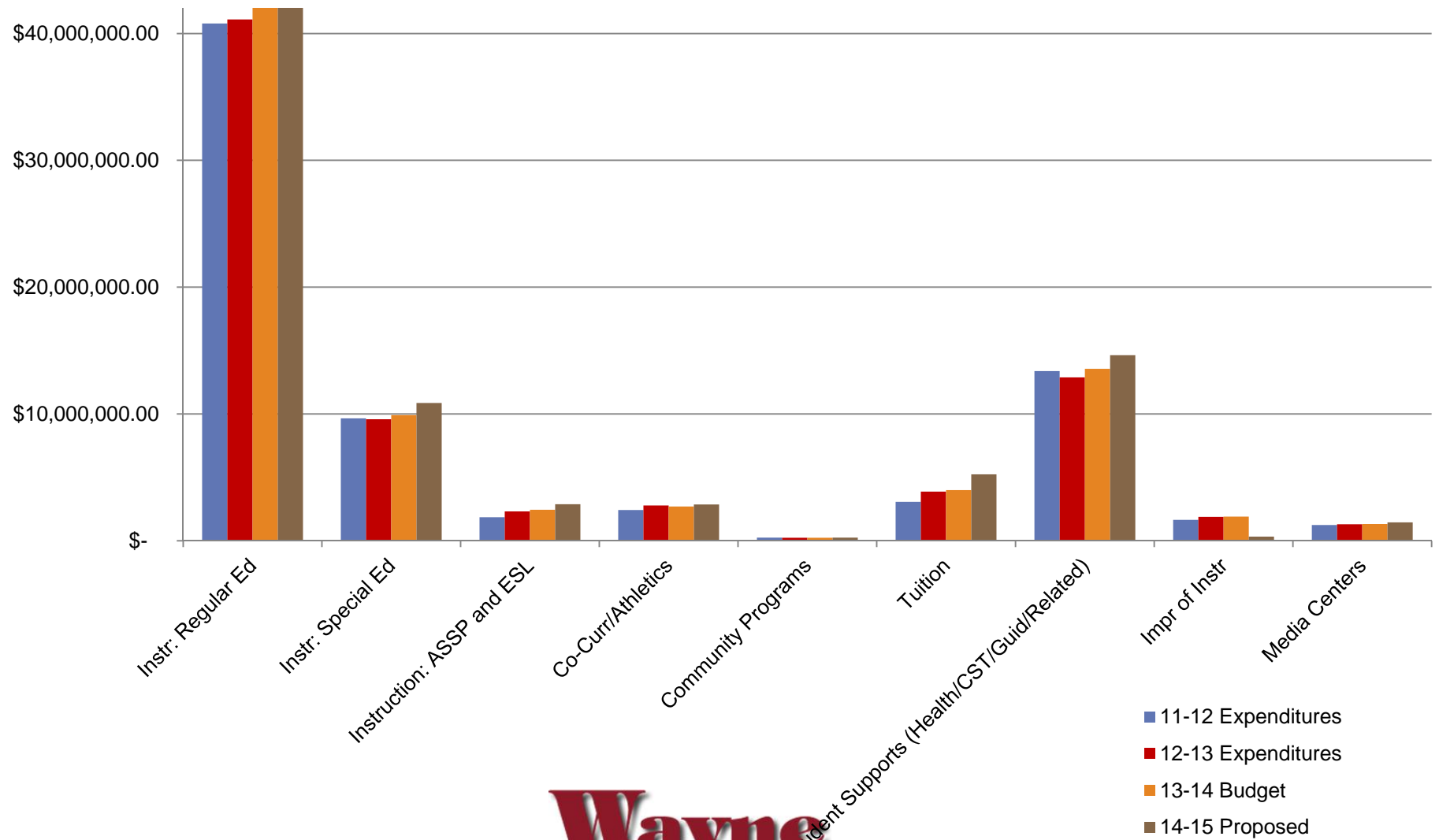
The history of State Aid received over the last several years is:

YEAR	STATE AID	\$ INCREASE	% INCREASE
2008-2009	\$ 6,605,913.00		
2009-2010	\$ 6,741,712.00	\$ 135,799.00	2.06%
2010-2011	\$ 102,773.00	\$ (6,638,939.00)	-98.48%
2011-2012	\$ 2,765,008.00	\$ 2,662,235.00	2590.40%
2012-2013	\$ 3,630,929.00	\$ 865,921.00	31.32%
2013-2014	\$ 3,784,984.00	\$ 154,055.00	4.24%
2014-2015	\$ 3,946,414.00	\$ 161,430.00	4.27%

# Preliminary General Fund Expenditures

DESCRIPTION	11-12 Expenditures	12-13 Expenditures	13-14 Budget	14-15 Proposed
Instruction: Regular Education	\$ 40,788,753.92	\$ 41,103,654.80	\$ 42,466,812.64	\$ 42,662,847.00
Instruction: Special Education	\$ 9,652,073.47	\$ 9,586,594.72	\$ 9,913,109.00	\$ 10,864,146.00
Instruction: ASSP and ESL	\$ 1,857,747.52	\$ 2,313,890.78	\$ 2,443,485.00	\$ 2,881,120.00
Co-Curricular/Athletics	\$ 2,422,983.27	\$ 2,780,875.04	\$ 2,704,043.00	\$ 2,863,141.00
Community Programs	\$ 248,117.02	\$ 232,731.92	\$ 240,692.00	\$ 246,748.00
Tuition	\$ 3,070,570.98	\$ 3,879,841.85	\$ 3,990,953.00	\$ 5,234,968.00
Student Supports (Health/CST/Guid/Related)	\$ 13,382,381.21	\$ 12,880,360.97	\$ 13,557,332.00	\$ 14,635,505.00
Improvement of Instruction	\$ 1,646,080.66	\$ 1,883,266.75	\$ 1,907,225.00	\$ 330,463.00
Media Centers	\$ 1,242,554.49	\$ 1,298,393.75	\$ 1,324,789.00	\$ 1,450,016.00

# Preliminary General Fund Expenditures

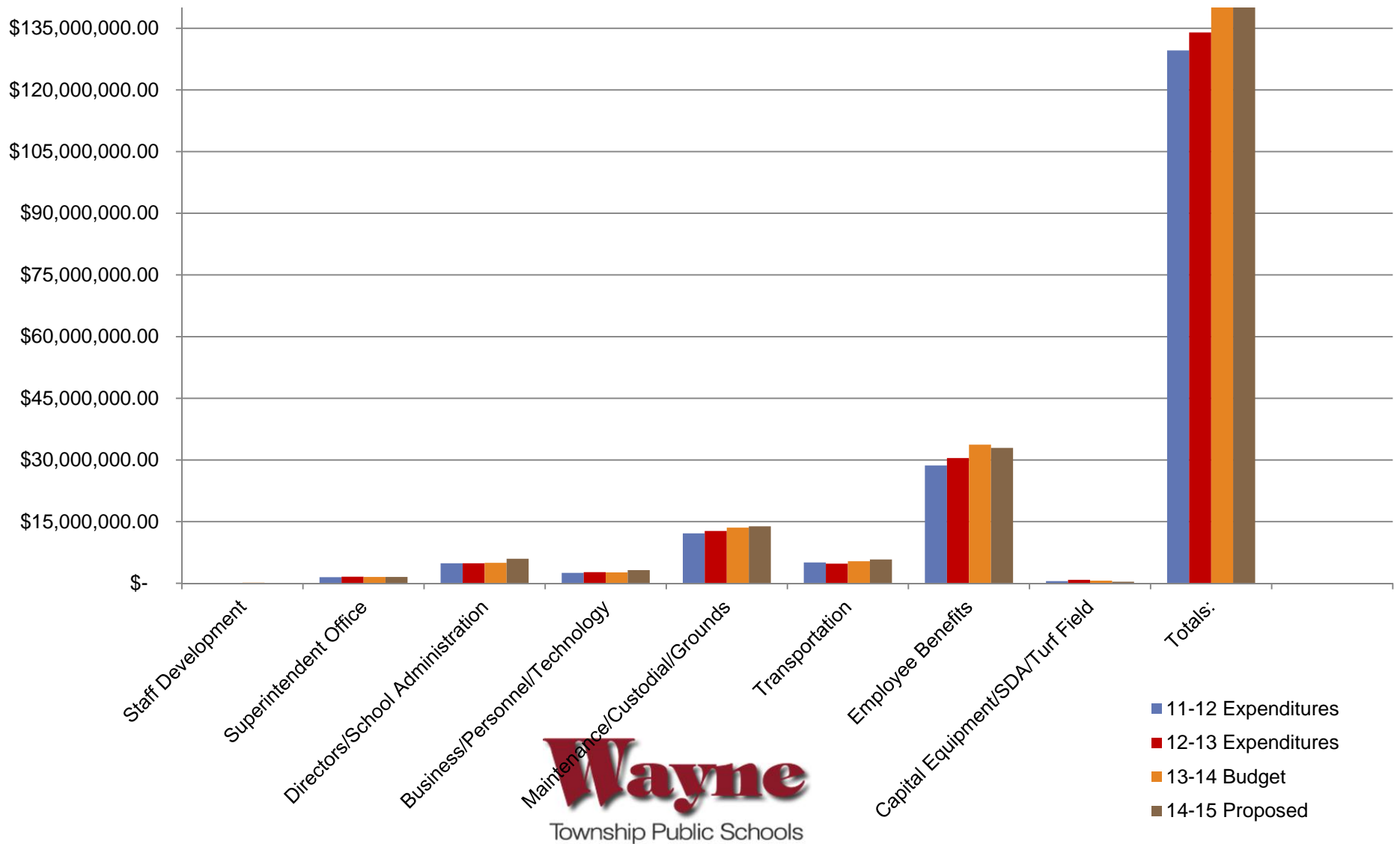


# Preliminary General Fund Expenditures

DESCRIPTION	11-12 Expenditures	12-13 Expenditures	13-14 Budget	14-15 Proposed
Staff Development	\$ 31,158.47	\$ 59,753.76	\$ 138,075.29	\$ 68,600.00
Superintendent Office	\$ 1,474,146.99	\$ 1,589,534.88	\$ 1,543,005.00	\$ 1,541,435.00
Directors/School Administration	\$ 4,856,262.90	\$ 4,854,231.47	\$ 4,992,592.00	\$ 5,979,707.00
Business/Personnel/Technology	\$ 2,536,014.29	\$ 2,717,901.14	\$ 2,643,383.00	\$ 3,204,225.00
Maintenance/Custodial/Grounds	\$ 12,156,942.45	\$ 12,720,943.41	\$ 13,526,767.07	\$ 13,854,396.00
Transportation	\$ 5,060,776.83	\$ 4,763,672.81	\$ 5,349,775.00	\$ 5,785,807.00
Employee Benefits	\$ 28,640,877.85	\$ 30,473,151.59	\$ 33,718,598.00	\$ 32,923,898.00
Capital Equipment/SDA/Turf Field	\$ 534,467.23	\$ 837,483.12	\$ 629,489.00	\$ 386,300.00
Totals:	\$ 129,601,909.55	\$ 133,976,282.76	\$ 141,090,125.00	\$ 144,913,322.00



# Preliminary General Fund Expenditures



# Budget Additions

(included in preliminary budget)

	<b>AMOUNT</b>
FURNITURE (Classrooms, media centers, labs)	\$ 210,566
INSTRUCTIONAL RESOURCES	\$ 44,980
STAFFING	\$ 528,868
STUDENT SUPPORT SERVICES	\$ 643,500
TECHNOLOGY	<u>\$ 138,344</u>
<b>TOTAL NEW ADDITIONS TO BUDGET:</b>	<b>\$ 1,566,258</b>

# Preliminary Budget Highlights

- There have been NO reductions made to instructional programs or services
- All extra-curricular and athletic programs remain in tact
- Staffing has been increased or decreased based on student enrollment and/or required services
- Return to site-based athletics administrative structure
- Discontinuation of communications consultant services

# Preliminary Budget Highlights

- Feasibility study to determine staffing, scheduling, and facilities needs for implementation of full day kindergarten
- Evaluation of special education for the purpose of exploring future in-district program opportunities
- \$1,500,000 was reduced from the budget to be funded through a 5 year lease with the Passaic County Improvement Authority for transportation, facilities, and technology vehicles and equipment

# Tax Levy Requirements

Proposed Expenditures (slide 8)	\$144,913,322*
Less Proposed Revenues (slide 3)	<u>- \$ 10,096,261</u>
<u>Tax Levy Required to Support Budget:</u>	\$ 134,817,061
Tax Levy Amount at 2% Hard Cap:	\$ 133,069,142
Total Reductions Required to Reduce Budget to Hard 2% Tax Levy for final adoption:	\$ 1,747,919

\* Please note that these expenditures do not represent the total budget amount to be adopted as they do not include the withdrawal from capital reserve to support projects, or the special revenue and debt service funds

# History of General Fund Tax Levy

BUDGET YEAR	TAX LEVY	\$ INCREASE	% INCREASE	
2009-2010	\$ 116,896,889			
2010-2011	\$ 123,231,644	\$ 6,334,755	5.42%	(1)
2011-2012	\$ 124,894,494	\$ 1,662,850	1.35%	
2012-2013	\$ 127,268,166	\$ 2,373,672	1.90%	
2013-2014	\$ 130,459,943	\$ 3,191,777	2.51%	(2)
2014-2015	\$ <b>134,817,061</b>	\$ 4,357,118	3.34%	<b>(3)</b>

(1) District lost 95% of its State Aid

(2) District utilized a portion of the allowable waiver for security upgrades

(3) Reflects **preliminary** tax levy - not the final tax levy

# General Fund Budget

The Total General Fund Budget, or operating budget, totals \$145,552,607\*, using a tax levy of \$134,817,061 to support it.

However, there are two other Governmental Funds that make up the total preliminary budget:

- Special Revenue Fund
- Debt Service Fund

\* Including a capital reserve withdrawal of \$639,285 to support capital projects budgeted

# Special Revenue Fund

The Special Revenue Fund (Fund 20) is used to track all revenues and expenditures for State and Federal grants.

State grants include:

- Non Public Entitlements - Nursing/Textbooks/Technology
- Non Public Auxiliary and Handicapped Services such as speech, supplemental education and child study team services
  - The Wayne School District acts as a conduit for these funds, receiving them from the State on behalf of the non-public schools and overseeing their compliance in using the funds
- Carl D. Perkins Grant – funding that supports the District's automotive program at Wayne Valley High School



# Special Revenue Fund

Federal grants that are accounted for in Fund 20 include:

- Individuals with Disabilities Education Act Funds (IDEA) consisting of Basic funding for students ages 5-21 and PreSchool funding. The District uses this funding to support tuition costs for students sent out of district to private school placements
- No Child Left Behind (NCLB) which consists of:
  - Title I – funds services for “at risk” students such as the transition kindergarten programs
  - Title IIA – funds professional development for staff
  - Title III – funds English as a Second Language Programs

# Special Revenue Budget

• Non Public Nursing	\$ 96,953
• Non Public Textbooks	\$ 68,023
• Non Public Technology	\$ 24,803
• Non Public Auxiliary	\$ 105,000
• Non Public Handicapped	\$ 122,000
• Carl D. Perkins	\$ 0*
• IDEA Basic and Preschool	\$1,702,146
• NCLB – Title I	\$ 197,500
• NCLB – Title IIA	\$ 121,063
• NCLB – Title III	<u>\$ 32,619</u>
Total Budget:	\$ 2,470,107

# Debt Service Fund

The Debt Service Fund (Fund 40) is used to track revenues and expenditures associated with the District's long term debt that was issued to support many capital projects dating back to 2004, including the construction of the Anthony Wayne Middle School.

During the 2010-11 school year, the District re-financed \$2,498,000 of bonds that were issued in 2001. In the 2012-13 school year, the District re-financed \$25,440,000 of bonds that were issued in 2003. The re-financing of both of these bonds resulted in savings to the District and ultimately the taxpayer.

# Debt Service Fund

Savings from the 2001 bond series totaled \$152,021 for the remainder of those bonds, which covered the years 2011 through 2016.

Savings from the 2003 bond series totaled \$3,353,272 for the remainder of those bonds, which covered the years 2012 through 2023.

In addition, immediate savings from the re-financing in 2013 of \$45,693 will be used to reduce the already decreased annual tax levy obligation for this budget.

# Debt Service Tax Levies

The tax levy to support the repayment of principal and interest on the debt for the last several years was:

<u>Budget Year</u>	<u>Tax Levy</u>	<u>% Change</u>
2009-2010	\$4,102,121	
2010-2011	\$4,765,431	16.71%
2011-2012	\$4,106,755	-13.82%
2012-2013	\$4,361,396	.54%
2013-2014	\$4,038,292	- 2.20%
2014-2015	\$3,843,855	- 5.95%

# Total Preliminary Budget

The Total Preliminary Budget for the 2014-2015 as proposed is as follows:

General Fund	\$145,552,607
Special Revenue Fund	\$ 2,470,107
Debt Services Fund	<u>\$ 3,843,855</u>
	\$151,866,569

Both the General Fund and the Debt Service Fund are supported by tax levies – monies raised through taxes

# Preliminary Budget Tax Levies

The General Fund Tax Levy required to support the 2014-2015 budget is \$134,817,061

The Debt Service Tax Levy required to support the 2014-2015 budget is \$3,798,160

These two levies, called the Combined Tax Levy, total \$138,615,221 which is used to calculate the tax impact.

# Tax Impact

- The Combined Tax Levy Impact of this preliminary budget would be \$206 per year for the average assessed home valued at \$228,200
- However, the Board is committed to work with Administration to reduce the tax levy to a ***maximum*** of the 2% hard cap for its final adoption
- The Combined Tax Levy Impact at the 2% hard cap would be \$168 per year for the average assessed home valued at \$228,200



# Next Steps

- Continue the review and refinement of the preliminary budget to achieve fiscal targets
- Continue to collect public and staff input via on-line surveys
  - Community Survey: <http://tinyurl.com/2014-15CommunityBudgetInput>
  - Staff Survey: <http://tinyurl.com/2014-15StaffBudgetInput>

## Key Upcoming Dates:

- Tonight: Adopt preliminary budget to submit to Executive County Superintendent for review and approval
- March 13: Second public input session – 7pm, WVHS
- April 24: Special meeting to conduct formal public budget hearing and adopt final budget