

# Montclair Public Schools

2016-2017 Preliminary Budget

February 10, 2016



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*Interim Superintendent*

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# Guiding Principles

- o Invest in instructional programs, technology/STEM and facilities
- o Designate budgeted surplus for one-time expenses
- o Find opportunities for “in-sourcing” to reduce cost of purchased services
- o Enhance transparency by reflecting anticipated employee health benefit contributions and Federal E-Rate reimbursements as revenue rather than a reduction of expenditures

# Expenditure Highlights

Working Operating Budget Total Expenditures  
\$124.9 Million

- o Health Insurance:

- o Utilization is still high but with this year's higher premiums our loss ratios are much lower than last year.

- o Anticipated cost increase of 14.2% on medical

- o Federal E-Rate Reimbursement:

- o Telecommunications will no longer eligible for reimbursement

- o Custodial Overtime:

- o Increasing the 2016-2017 budget to enhance opportunities for schools, PTAs and community partners to offer evening/weekend programs

- o Additional staffing to reduce cost of purchased services while enhancing quality/control:
  - o Added 2 occupational therapists this year
  - o 2 Part-time nurses for field trips and students requiring medical support on bus runs
  - o 1 Bus driver for the emergency run, field trips and athletic trips
  - o 1 HVAC technician
- o Creating an additional MAP class to keep more special education students in district

o Implementation of Board Approved Technology Plan:

- o \$580,000 As a recurring cost for purchases and leases of student computers, teacher/administrator computers and classroom projectors.
- o Included in this are the 3 previously approved Apple leases.
- o Replacement cycle would be 7-8 years.

- o Proposed use of \$1.27 million required contribution of fund balance:
  - o \$750,000 – Ubiquitous Wi-Fi solution for all schools
  - o \$200,000 – Technology and furniture to supplement MFEE funded renovations to the MHS media center
  - o \$165,000 – Genesis student information system year 1 start up costs
  - o \$150,000 – Glenfield planetarium upgrades

# Revenue Highlights

Working Operating Budget Total Revenues  
\$123.2 Million



- o \$1,271,271 Required contribution of fund balance
- o \$4,518,652 Potential increase in school tax levy
  - o 2% Annual cap - \$2,114,080
  - o 2.27% Expiring banked cap - \$2,404,572
  - o Estimated tax impact of a 4.27% tax increase would be approximately \$79 for every \$100,000 of assessed home value
  - o Average assessment for Montclair as reported by the State of NJ is \$504,269 and the estimated tax increase would be approximately \$397 for the 2016-2017 school year at 4.27%

- o \$53,705 – Special Education Medicaid Initiative (SEMI) cost reimbursements
  - o Down \$44,377 (45.24%) as per the State budget software
- o State Aid budgeted flat until final numbers are released after the Governor's Budget Address

- o Now reflected as revenue instead of netted against the associated expense:
  - o \$4,171,264 Employee health benefit contributions now reflected as revenue
    - o All employees currently in tier 4 of Chapter 78
    - o Current year contributions increased by 14.2%
  - o \$34,000 Federal E-Rate reimbursement for internet service and connectivity now reflected as revenue

# Capital Budget Highlights

Working Capital Budget

\$14.3 Million for 2016-2017

\$10.2 Million for 2017-2018

## o Ventilation System Remediation Projects

- o Bradford
- o Edgemont
- o Northeast
- o Watchung

## o Masonry/Cornice Remediation Projects

- o Bradford
- o Buzz Aldrin
- o Northeast

## o Traffic Circle/Parking Remediation Projects

- o Edgemont
- o Buzz Aldrin

- o Roofing/Ceiling Remediation Projects
  - o Hillside
- o Instructional Program & Classroom Upgrades and/or Renovations
  - o Hillside STEAM/Makerspace Programs
  - o MHS Food Science Program & Classroom Upgrades
  - o George Inness Science Room Upgrades
- o Potential Building Addition
  - o Renaissance Gymnasium

## o Athletic Field Renovations

### o Woodman Field Replacements

- o Turf

- o Track

- o Bleachers

- o Press Box

### o Fortunato Turf Replacement

### o Watchung Turf Replacement

### o Renaissance Field Reconditioning

# Next Steps

Working Operating Budget Deficit  
\$1.7 Million



- o Interim Superintendent to review working operating budget and consult with district administrators to identify opportunities for additional expenditure reductions
- o Interim Superintendent to review working capital budget and consult with district administrators to identify projects that can be postponed or alternatively funded
- o Governor's Budget Address is scheduled for February 16, 2016, with State Aid numbers expected to be released February 18<sup>th</sup> or 19<sup>th</sup>
- o Preliminary budget presentation at the February 22<sup>nd</sup> Board of Education meeting

- o Board of Education Budget Workshop Meetings
  - o February 29, 2016
  - o March 3, 2016
    - o Board of Education adoption of tentative operating budget for submission to the County Superintendent's Office for review
  - o March 14, 2016
    - o Board of Education adoption of proposed operating budget and capital budget for presentation to the Board of School Estimates
- o Board of School Estimates Meetings
  - o March 22, 2016
  - o March 28, 2016
  - o April 4, 2016
    - o Final adoption of operating and capital budgets