Montclair Public Schools

2016-2017 Preliminary Budget
February 10, 2016

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Interim Superintendent

Brian Fleischer
Business Administrator
Guiding Principles

- Invest in instructional programs, technology/STEM and facilities
- Designate budgeted surplus for one-time expenses
- Find opportunities for “in-sourcing” to reduce cost of purchased services
- 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
**Health Insurance:**
- Utilization is still high but with this year’s higher premiums our loss ratios are much lower than last year.
- Anticipated cost increase of 14.2% on medical

**Federal E-Rate Reimbursement:**
- Telecommunications will no longer eligible for reimbursement

**Custodial Overtime:**
- 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
Implementation of Board Approved Technology Plan:

- $580,000 As a recurring cost for purchases and leases of student computers, teacher/administrator computers and classroom projectors.
  - Included in this are the 3 previously approved Apple leases.
  - Replacement cycle would be 7-8 years.
Proposed use of $1.27 million required contribution of fund balance:

- $750,000 – Ubiquitous Wi-Fi solution for all schools
- $200,000 – Technology and furniture to supplement MFEE funded renovations to the MHS media center
- $165,000 – Genesis student information system year 1 start up costs
- $150,000 – Glenfield planetarium upgrades
Revenue Highlights

Working Operating Budget Total Revenues
$123.2 Million
$1,271,271 Required contribution of fund balance

$4,518,652 Potential increase in school tax levy
  - 2% Annual cap - $2,114,080
  - 2.27% Expiring banked cap - $2,404,572
  - Estimated tax impact of a 4.27% tax increase would be approximately $79 for every $100,000 of assessed home value
  - 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%
$53,705 – Special Education Medicaid Initiative (SEMI) cost reimbursements
  - Down $44,377 (45.24%) as per the State budget software
  - State Aid budgeted flat until final numbers are released after the Governor’s Budget Address
Now reflected as revenue instead of netted against the associated expense:

- $4,171,264 Employee health benefit contributions now reflected as revenue
  - All employees currently in tier 4 of Chapter 78
  - Current year contributions increased by 14.2%
- $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
Ventilation System Remediation Projects
  - Bradford
  - Edgemont
  - Northeast
  - Watchung

Masonry/Cornice Remediation Projects
  - Bradford
  - Buzz Aldrin
  - Northeast

Traffic Circle/Parking Remediation Projects
  - Edgemont
  - Buzz Aldrin
- Roofing/Ceiling Remediation Projects
  - Hillside
- Instructional Program & Classroom Upgrades and/or Renovations
  - Hillside STEAM/Makerspace Programs
  - MHS Food Science Program & Classroom Upgrades
  - George Inness Science Room Upgrades
- Potential Building Addition
  - Renaissance Gymnasium
- Athletic Field Renovations
  - Woodman Field Replacements
    - Turf
    - Track
    - Bleachers
    - Press Box
  - Fortunato Turf Replacement
  - Watchung Turf Replacement
  - 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 18th or 19th

O Preliminary budget presentation at the February 22nd 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