



Verona Board of Education

Budget and Financial Framework

April 2014

Overview

- Budget Timeline
- Strategic Goals
- Drivers of the Budget
- Budget Constraints
- Budget Breakdown
- Comparative Data
- Summary

Budget Timeline

November 2013	Administrative team identifies 2014-2015 budgetary needs
December 2013	Building budgets submitted to Superintendent of Schools for review
Jan/Feb 2014	Board of Education Finance Committee meets regularly to review budget requests
March 18, 2014	Board of Education public budget work session Adoption of preliminary 2014-15 school budget
April 29, 2014	Adoption of final public budget- Final Budget Presentation
April-June 2014	Public presentations

2013-2018 VPS Strategic Plan

Action item # 1 Secure adequate financial resources.

- Result #1:** Develop a sustainable financial plan.
 - Result #2:** Identify alternative sources of revenue.
 - Result #3:** Identify and develop partnerships and shared service agreements with other schools, other educational entities, and the Township of Verona.
 - Result #4:** Partner with our employees in developing healthcare options which most efficiently provide for the health and well-being of our staff.
 - Result #5:** Establish a communication plan to better inform stakeholders of the financial aspects of the district's operations.
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What This Budget Buys

Staff

- New staff in HBW to accommodate growth
- Basic Skills program in K-4
- Additional technology staff

Neighborhood Schools

- Maintain principals and nurses in each building
- Specialized instruction in music, art, technology, media and world languages

Innovative Programs/ Implementation Five Year Strategic Plan

- Curriculum improvements, K-12
- Professional Development in Reading and Writing Workshop
- Creation of new Middle School Autistic Program
- STEM initiatives
- Increase budget in Technology and B & G
- Repair track at HBW

Instructional Supplies & Professional Development

- Textbooks for Middle School LAL
- Reading and Writing Workshop supplies and training
- Material for new Syracuse University Dual Enrollment Courses
- Professional development and materials for the new AP Environmental Science Course
- Teachers attending the Columbia University Reading workshops
- 150 new desktops computers
- 150 new wireless devices

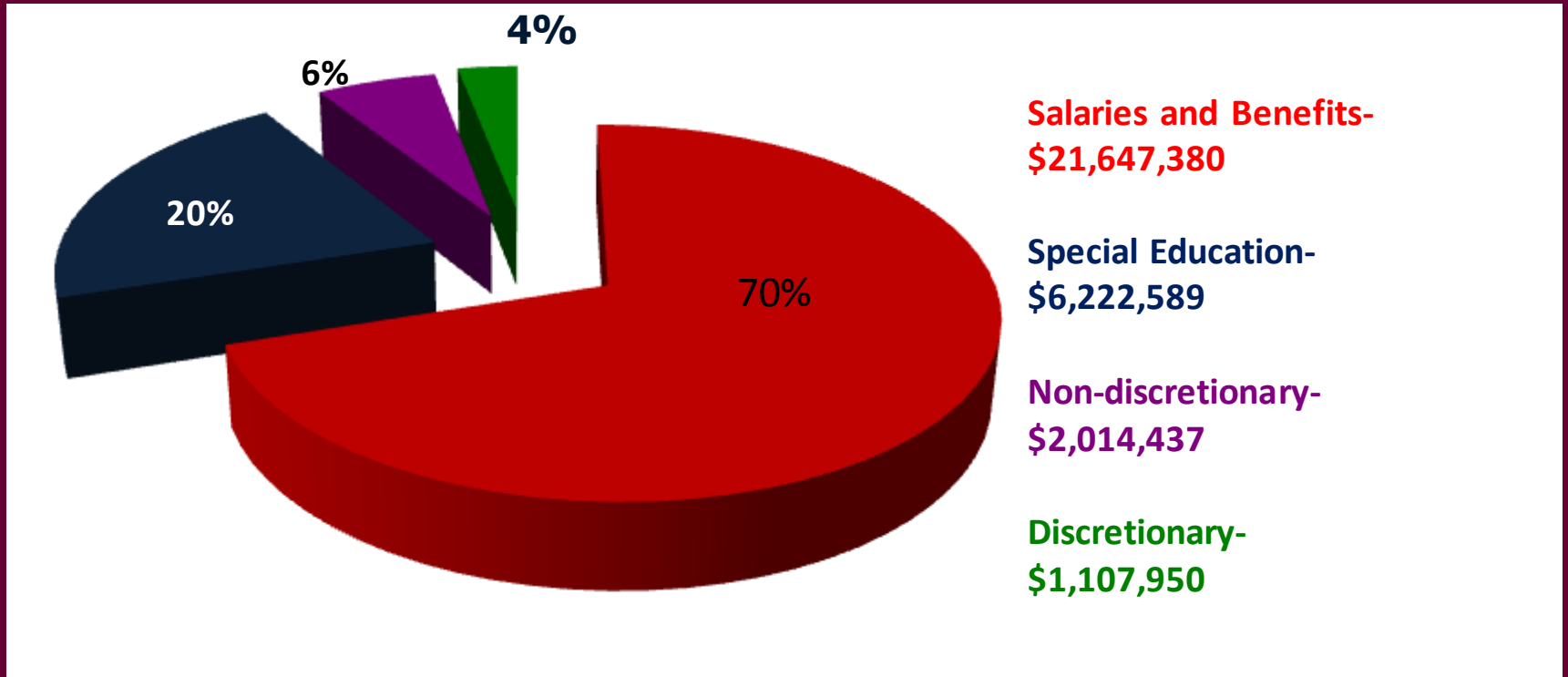
Budget Drivers

- Budget is driven largely by mandates
 - State standards and regulations
 - Special education costs
- Majority of budget funds staff salaries & benefits
 - Benefits include \$1,047,144 mandated taxes/costs
 - Healthcare costs continue to stress budget (8.9% increase 2014-15)
 - Discretionary cost under constant pressure, yet provide for quality of instruction
- Enrollment
 - Enrollment up approximately 6.7% % over seven years, in line with previous projections

Budget Constraints

- Tax levy for school budget growth capped by state legislation
- Verona has elected to use \$165,682 of banked cap (this is needed due to excessive increases in healthcare costs given the overall budget)
- The banked cap of \$363,206 is available in 2015-16 for possible use
- The net result is a tax levy increase of 2.58%

2014-15 PROPOSED EXPENDITURES - \$30,992,356



Five-Year Summary

	2009/2010 ACTUAL	2013/2014 Current Budget	2014-15 Adopted Budget	1-YEAR CHANGE	5 YEAR CAGR
SALARIES	\$14,919,542	\$16,271,249	\$16,956,742	4.21%	2.59%
BENEFITS	\$4,097,863	\$4,845,648	\$4,690,638	-3.20%	2.74%
SPECIAL EDUCATION	\$5,507,959	\$6,014,980	\$6,222,589	3.45%	2.47%
NON-DISCRETIONARY	\$1,905,694	\$2,047,513	\$2,014,437	-1.62%	1.12%
DISCRETIONARY (class supplies, staff development, co-curricular)	\$1,086,118	\$979,251	\$1,107,950	13.14%	.40%
TOTAL	\$27,517,176	\$30,158,641	\$30,992,356	2.76%	2.41%

- Salaries includes additional staff hires & contractual salary changes
- Special Education was growing at 8.6% 2000-2005
- Discretionary budget was \$1.685m in 2000/2001

Benefit Costs

Summary of Benefits lines: \$4,690,638

Mandatory Benefits/Taxes	Total: \$1,047,144	
Social Security/State Pensions	\$817,314	.
Unemployment & Workers Compensation	\$229,830	
Negotiated Benefits/Healthcare	Total: \$3,643,494	
Healthcare	\$3,630,494	Law requires healthcare be provided, but some specifics are negotiated.
Dental Plan	\$183,000	
Opt-out incentives	\$300,000	Incentive results in over \$1,240,874 less premiums.
Employee Contribution	-\$600,000	Tier III of 4 year Chapter 78 Law
Tuition reimbursement and sick day payments	\$130,000	

Non-discretionary and Discretionary Spending

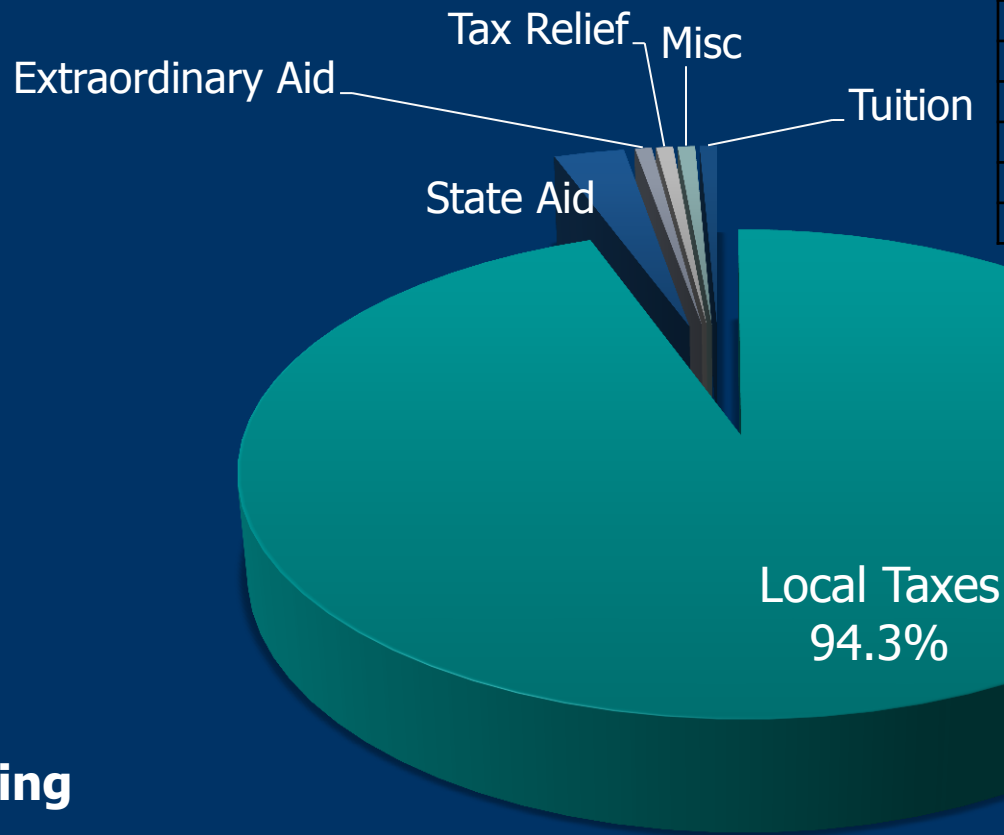
Non-discretionary

- Copier and technology leases
- Staff in-service and professional development
- Testing
- Legal and auditing fees
- Postage
- Phones and internet service
- Advertising
- Liability insurance
- Office supplies
- Buildings and grounds

Discretionary

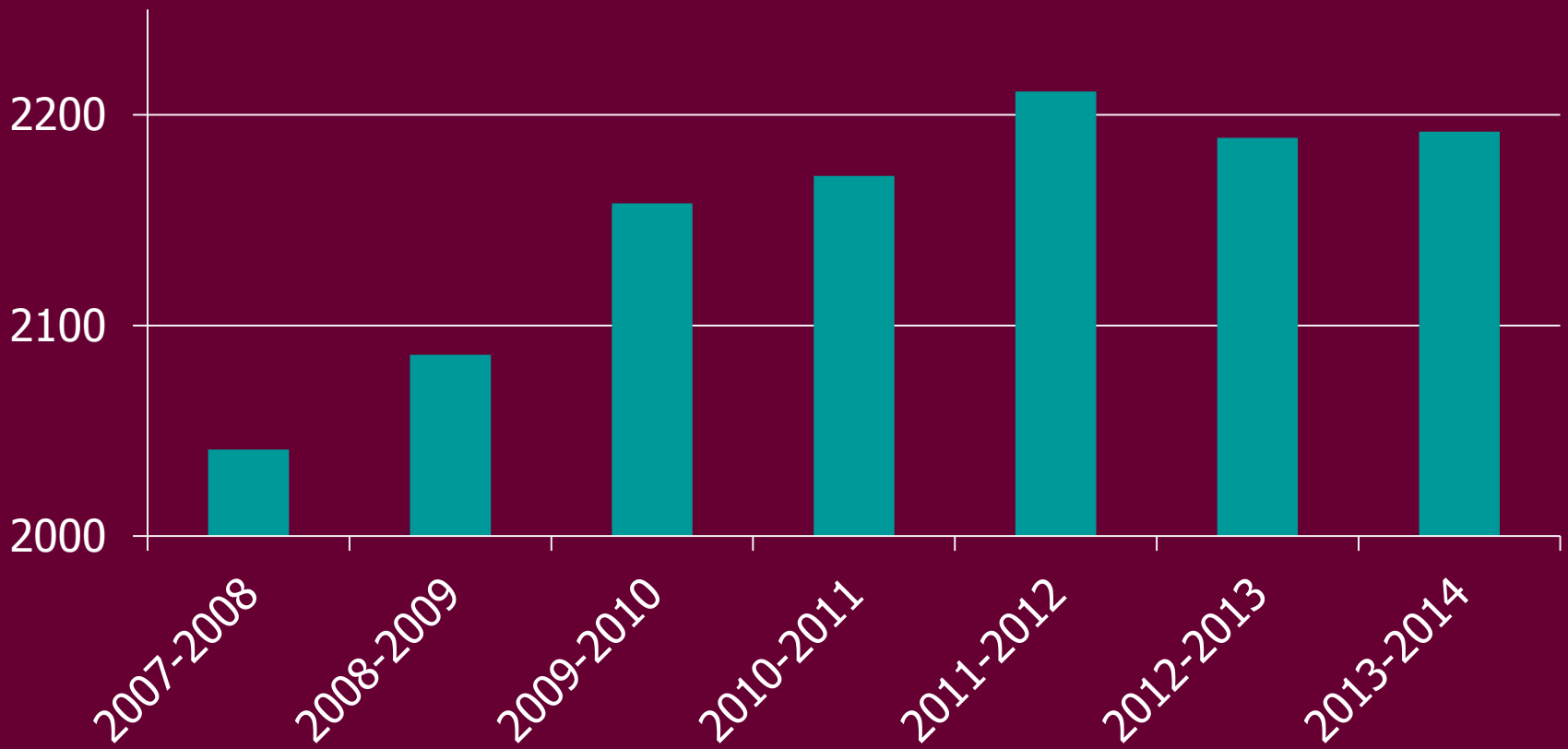
- Health supplies
- Guidance supplies
- Library and audio visual supplies
- Classroom supplies
- Athletic and co-curricular supplies
- Computer and printer purchases

Revenue



Funding

Enrollment



Increase of 6.7% over 7 years

Comparable Districts

SCHOOL DISTRICTS	
BERKELEY HEIGHTS TWP	<p>Similar size</p> <ul style="list-style-type: none"> • K-12 • 1800-3500 students <p>Similar socio-economic category</p> <ul style="list-style-type: none"> • “I” district factor group • Essex and surrounding counties (added Mahwah & Ramsey in 2012) <p>* Indicates district previously included but no longer at 1800-3500 students</p>
CALDWELL-W. CALDWELL	
CEDAR GROVE TWP*	
CRESSKILL BORO*	
GLEN RIDGE BORO	
KINNELON BORO	
MADISON BORO	
MAHWAH TWP	
NEW PROVIDENCE BORO	
PARK RIDGE BORO*	
RAMSEY BORO	
VERONA BORO	

Property Tax Data 2013

Comparison Group

MUNICIPALITY	COUNTY	Total County Levy	Total School Levy	Total Local Municipal Tax Levy	Total Levy on Which Tax Rate is Computed	Average Total Property Taxes	School Levy as % of Total
Glen Ridge Borough	Essex	7,227,179	26,857,652	10,362,329	44,447,160	17,498	60%
Cresskill Borough	Bergen	4,696,492	24,794,725	13,634,262	43,125,479	14,423	57%
Kinnelon Borough	Morris	5,286,757	34,121,568	9,328,654	48,736,978	13,363	70%
New Providence Borough	Union	12,409,062	32,533,073	12,384,141	57,326,276	12,710	57%
Madison Borough	Morris	8,997,194	36,064,003	14,247,168	59,308,365	11,691	61%
Berkeley Heights Township	Union	16,081,811	37,528,612	12,182,661	65,793,084	11,369	57%
Ramsey Borough	Bergen	7,740,836	49,707,902	16,409,542	73,858,280	11,347	67%
Park Ridge Borough	Bergen	3,997,483	25,056,829	8,979,717	38,034,029	11,145	66%
Verona Township	Essex	10,608,507	30,750,103	14,865,208	56,223,818	10,085	55%
West Caldwell Township	Essex	11,564,120	26,228,900	12,450,999	50,244,019	9,763	52%
Cedar Grove Township	Essex	10,925,187	25,193,964	9,222,278	45,341,429	9,505	56%
Mahwah Township	Bergen	14,123,039	57,101,159	23,016,066	94,240,263	7,833	61%

http://www.nj.gov/dca/divisions/dlgs/resources/property_tax.html April 2014

Highlights of Comparison Spending Data

District	Total Spending	Budgeted Cost	Classroom Salaries & Benefits	Class Supplies/ texts	Extra-curricular Costs
Cedar Grove	\$22,962	\$13,493	\$6,920	\$338	\$422
Park Ridge	\$20,235	\$17,412	\$9,190	\$378	\$595
Mahwah	\$18,355	\$15,287	\$7,929	\$201	\$420
Ramsey	\$18,107	\$15,638	\$9,304	\$222	\$404
Glen Ridge	\$17,963	\$13,258	\$7,426	\$367	\$482
Kinnelon	\$17,641	\$14,424	\$7,914	\$336	\$541
Caldwell/W. Caldwell	\$16,794	\$13,460	\$7,145	\$201	\$489
Madison	\$16,777	\$13,731	\$7,645	\$248	\$530
Cresskill	\$16,415	\$13,415	\$7,777	\$216	\$368
New Providence	\$16,299	\$13,430	\$7,842	\$280	\$449
Berkeley Heights	\$16,251	\$13,732	\$8,197	\$212	\$527
Verona	\$15,458	\$12,085	\$6,776	\$223	\$380
Rank	12 out of 12	12 out of 12	12 out of 12	7 out of 12	11 out of 12

- Spending on a comparative basis is below the group average.
- Note the Class Supplies and Texts category. The BOE focus is to route more funds directly into the classroom, even with a lower total spending level.

<http://www.state.nj.us/education/data/>
August 2012

Admin and B&G Comparison Spending Data

District	Students	Number of Buildings	Per Pupil Admin Salaries & Benefits	Calculated total	Total Admin per building	Operations Plant/ Maint
Mahwah	3,413	6	\$1390	6,102,444	1,017,074	\$1,759
Berkeley Heights	2,825	4	\$1200	3,997,375	999,344	\$1,331
Ramsey	3,111	5	\$1122	4,380,288	876,058	\$1,497
Glen Ridge	1,923	4	\$1329	3,428,709	857,177	\$1,387
New Providence	2,241	4	\$1306	3,419,766	854,942	\$1,307
Kinnelon	2,221	4	\$1225	3,120,505	780,126	\$1,514
Madison	2,401	5	\$1169	3,455,039	691,008	\$1,458
Caldwell/West Caldwell	2,632	6	\$1301	4,140,136	690,023	\$1,673
Verona	2,185	6	\$1255	3,190,100	531,683	\$1,290
vs Comp Group (1= highest)			5/9		9/9	9/9
vs Total State Group (1= lowest) of 67			30/67			11/67

•Spending on building maintenance is also the lowest in the group, even with more buildings than most other places. An area of concern.

Did you know...

- ...the administration is continuing to look for new revenue? Rentals, Corporate Sponsors and Advertising
- ...the administration continues to look for ways to improve efficiency? Government Energy Programs, Coops and Auctions

In Summary

- Budget represents 2.58% increase on tax levy
 - Maintains existing academic programs
 - Funds curricular enhancements and additional staff
 - Budget delivers great value and supports some strategic goals
 - Creates a new class for Verona Middle School students who would otherwise have to be sent to an out of district placement.
 - Adds needed revenue and staff to the technology and BG departments
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