

# Staffing Proposal 2014/15

# Presentation Outline

- ❖ Rationale
  - ❖ Referendum
  - ❖ BOE Policy
  - ❖ Strategic Plan
- ❖ 3 Scenarios
  - ❖ Status Quo (BASE)
  - ❖ Full Package
  - ❖ Full Package Minus Kindergarten
- ❖ Rationale Supported in Scenarios
- ❖ Further Questions

# Rationale

- ❖ Referendum
  - ❖ Preserve Art, Music, Library, Band, Technology, and AIM
  - ❖ Lower Class Sizes
  - ❖ Stabilize Finances
  - ❖ Support Transition to the Common Core

During the referendum campaign, the community was told that the referendum money would be used first of all to maintain our current programming, secondly to reduce class sizes and stabilize finances. Further program additions and the varying levels of support for curriculum changes would be determined by state funding levels. The referendum was sold on stability in programming and reduction in class sizes as the state money allows.

# Rationale

- ❖ Board Policy
  - ❖ Balanced Budget (BOE 4:20)
  - ❖ Consistent Programming (BOE 6:10)
  - ❖ Administration Responsibility (BOE 3:10)

These are three of the Board policies that directly impact any staffing changes. There may be others, but these are the main policies.



# Rationale

- ❖ Strategic Plan –
  - ❖ Facilities and Finance
    - ❖ Stabilize – Goal 2
    - ❖ Communicate and Document Budget Process – Goal 3
  - ❖ Student Learning
    - ❖ Explore Scheduling Options (3B)
    - ❖ Support 21<sup>st</sup> Century Skills (Common Core) (3B)
    - ❖ Review Resource Time (3A)
    - ❖ Increase Academic Minutes in Middle School (3B)
    - ❖ Increase Tech Support (3B)

This is a result of the strategic planning process that continues to guide our focus moving forward. These are some of the main ideas that our community wanted to focus on when the strategic planning process was completed in 2012. While some of the specific tasks are no longer relevant, the general concepts are certainly relevant.

## Financial Assumptions Base

- ❖ 2.1% CPI – 5 year average- (1.5% for FY 15)
- ❖ FY 15 2.5% and then 2% salary increases thereafter
- ❖ 5% benefits increase
- ❖ Kindergarten enrollment as steady
- ❖ Current Staffing Levels
- ❖ Continued \$100,000 per year of curriculum materials
- ❖ Continued \$50,000 curriculum development salary
- ❖ No Increase in educational supplies
- ❖ Retirement payments to TRS at .5% more per year

Base Assumptions are included in all the other assumptions as minimums. We had to have some assumptions in place in order to make comparisons.



Date

Integrity Commitment Performance

### Millburn School District 24

Aggregate - Historical Summary

	ACTUAL REVENUE / EXPENDITURES								BUDGET		
	FY 2009	FY 2010	% chg	FY 2011	% chg	FY 2012	% chg	FY 2013	% chg	FY 2014	% chg
REVENUE											
Local	\$8,948,895	\$9,367,953	4.68%	\$9,375,651	0.08%	\$9,890,242	5.49%	\$9,987,409	0.98%	\$10,312,014	3.25%
State	\$3,831,974	\$4,020,975	4.93%	\$4,069,628	1.21%	\$3,875,743	-4.76%	\$3,668,923	-5.34%	\$3,777,477	2.96%
Federal	\$96,762	\$1,002,281	935.82%	\$336,807	-66.40%	\$426,915	26.75%	\$210,177	-50.77%	\$193,575	-7.90%
Other	\$0	\$28,256		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$12,877,631	\$14,419,465	11.97%	\$13,782,086	-4.42%	\$14,192,900	2.98%	\$13,866,509	-2.30%	\$14,283,066	3.00%
EXPENDITURES											
Salary and Benefit Costs	\$12,070,829	\$11,457,962	-5.08%	\$11,714,303	2.24%	\$10,897,125	-6.98%	\$10,311,481	-5.37%	\$11,090,602	7.56%
Other	\$3,111,868	\$2,776,795	-10.77%	\$2,555,881	-7.98%	\$2,691,718	5.31%	\$2,745,872	2.01%	\$3,013,097	9.73%
TOTAL EXPENDITURES	\$15,182,697	\$14,234,757	-6.24%	\$14,270,184	0.25%	\$13,588,843	-4.77%	\$13,057,353	-3.91%	\$14,103,699	8.01%
SURPLUS / DEFICIT	(\$2,305,066)	\$184,708		(\$488,098)		\$604,057		\$809,156		\$179,367	
OTHER FINANCING SOURCES/USES											
Transfer Among Funds (Net)	(\$113,905)	(\$108,889)		\$0		(\$5,376)		(\$124,158)		\$2,300	
Sale of Bonds	\$205,284	\$5,099		\$261,254		\$352,864		\$0		\$0	
Other Financing Sources	\$0	\$99,666		\$0		\$0		\$0		\$0	
Other Financing Uses	\$0	\$0		(\$103,190)		(\$184,135)		\$0		(\$112,000)	
TOTAL OTHER FINL. SOURCES/USES	\$91,379	(\$4,124)		\$158,064		\$163,353		(\$124,158)		(\$109,700)	
SURPLUS / DEFICIT INCL. OTHER FINL. SOURCES	(\$2,213,687)	\$180,584		(\$330,034)		\$767,410		\$685,000		\$69,667	
BEGINNING FUND BALANCE	\$1,413,516	(\$800,171)		(\$697,758)		(\$5,599,001)		(\$4,809,706)		(\$4,102,821)	
YEAR-END FUND BALANCE	(\$800,171)	(\$697,758)		(\$5,599,001)		(\$4,809,706)		(\$4,102,821)		(\$4,033,154)	
FUND BALANCE AS % OF EXPENDITURES	-5.27%	-4.90%		-39.24%		-35.39%		-31.42%		-28.60%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	(0.63)	(0.59)		(4.71)		(4.25)		(3.77)		(3.43)	

This is a historical document on our expenditures and revenues.



Base

Integrity Commitment Performance

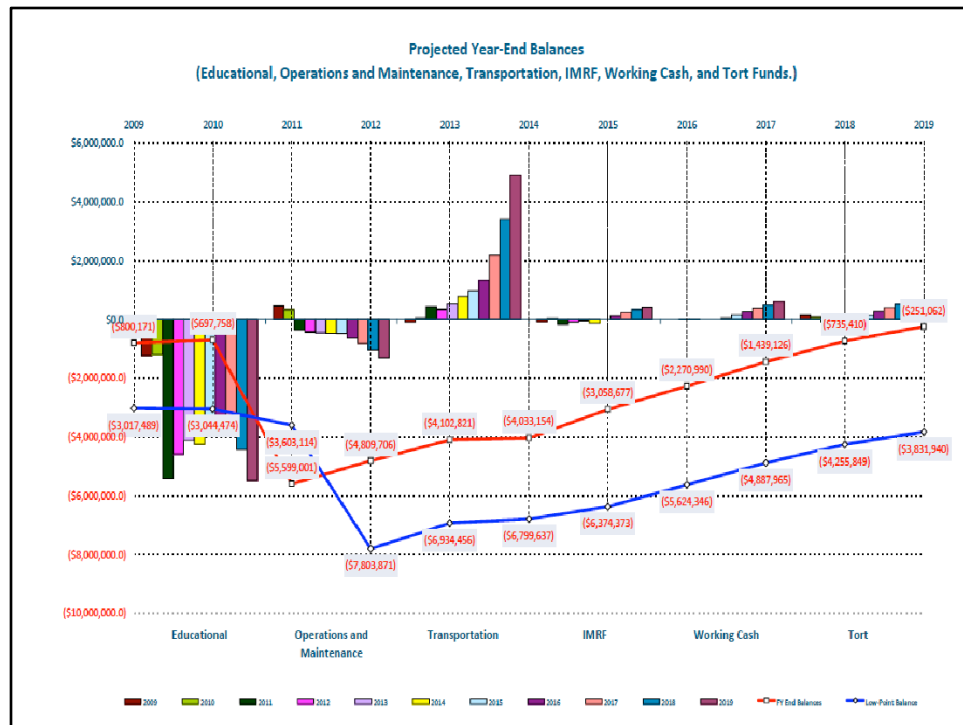
### Millburn School District 24

Aggregate - Projection Summary

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	FY 2014	FY 2015	% chg	FY 2016	% chg	FY 2017	% chg	FY 2018	% chg	FY 2019	% chg
REVENUE											
Local	\$10,312,014	\$11,427,722	10.82%	\$11,614,303	1.63%	\$11,872,121	2.22%	\$12,140,988	2.26%	\$12,418,671	2.29%
State	\$3,777,477	\$3,827,664	1.33%	\$3,901,786	1.94%	\$3,907,020	0.13%	\$3,808,330	-2.53%	\$3,661,654	-3.85%
Federal	\$193,575	\$193,575	0.00%	\$193,575	0.00%	\$193,575	0.00%	\$193,575	0.00%	\$193,575	0.00%
Other	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$14,283,066	\$15,448,961	8.16%	\$15,709,663	1.69%	\$15,972,715	1.67%	\$16,142,892	1.07%	\$16,273,900	0.81%
EXPENDITURES											
Salary and Benefit Costs	\$11,090,602	\$11,260,039	1.53%	\$11,557,523	2.64%	\$11,702,498	1.25%	\$11,947,773	2.10%	\$12,243,511	2.48%
Other	\$3,013,097	\$3,069,445	1.87%	\$3,119,454	1.63%	\$3,193,354	2.37%	\$3,246,408	1.66%	\$3,301,041	1.68%
TOTAL EXPENDITURES	\$14,103,699	\$14,329,484	1.60%	\$14,676,977	2.43%	\$14,895,852	1.49%	\$15,194,176	2.00%	\$15,544,553	2.31%
SURPLUS / DEFICIT	\$179,367	\$1,119,477		\$1,032,687		\$1,076,864		\$948,716		\$729,348	
OTHER FINANCING SOURCES/USES											
Transfer Among Funds (Net)	\$2,900	\$0		(\$100,000)		(\$100,000)		(\$100,000)		(\$100,000)	
Sale of Bonds	\$0	\$0		\$0		\$0		\$0		\$0	
Other Financing Sources	\$0	\$0		\$0		\$0		\$0		\$0	
Other Financing Uses	(\$112,000)	(\$145,000)		(\$145,000)		(\$145,000)		(\$145,000)		(\$145,000)	
TOTAL OTHER FIN. SOURCES/USES	(\$109,700)	(\$145,000)		(\$245,000)		(\$245,000)		(\$245,000)		(\$245,000)	
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	\$69,667	\$974,477		\$787,687		\$831,864		\$703,716		\$484,348	
BEGINNING FUND BALANCE	(\$4,102,821)	(\$4,033,154)		(\$3,058,677)		(\$2,270,990)		(\$1,439,126)		(\$735,410)	
PROJECTED YEAR END BALANCE	(\$4,033,154)	(\$3,058,677)		(\$2,270,990)		(\$1,439,126)		(\$735,410)		(\$251,062)	
FUND BALANCE AS % OF EXPENDITURES	-28.60%	-21.35%		-15.47%		-9.66%		-4.84%		-1.62%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	(3.43)	(2.56)		(1.86)		(1.16)		(0.58)		(0.19)	

This is the projected result of ONE scenario. This reflects the BASE scenario with projections. This essentially maintains the current spending levels without adding any additional staff.





This is an additional pictorial representation of the previous graph. The RED line is the line we are most concerned with.

## Financial Assumption Full Proposal

- ❖ Addition of 8.5 certified staff members
  - ❖ 3 K, 1 Elem PE, .5 Elem. Specials, 1 Elem. Classroom, 1 SPED, 2 Middle School.
- ❖ 1 Tech support personnel at Middle School
- ❖ 3 Program AIDES for K
- ❖ 1 Bus
- ❖ 1 Bus Driver
- ❖ \$7500 in one time start-up costs.
- ❖ Increased K enrollment projections to 125 from 100

These are the assumptions that are added on top of the BASE scenario.



Scenario V

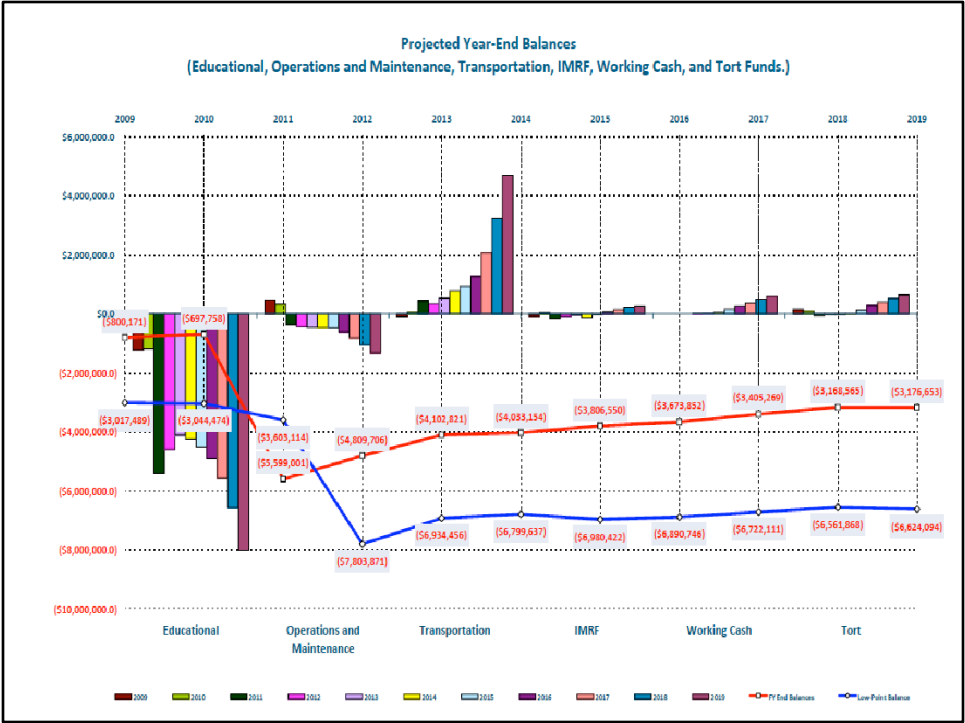
Integrity Commitment Performance

## Millburn School District 24

Aggregate - Projection Summary

	BUDGET		REVENUE / EXPENDITURE PROJECTIONS								
	FY 2014	FY 2015	% chg	FY 2016	% chg	FY 2017	% chg	FY 2018	% chg	FY 2019	% chg
REVENUE											
Local	\$10,312,014	\$11,427,327	10.82%	\$11,611,252	1.61%	\$11,863,978	2.18%	\$12,126,148	2.21%	\$12,394,914	2.22%
State	\$3,777,477	\$3,827,644	1.33%	\$4,018,171	4.98%	\$4,156,672	3.42%	\$4,195,458	0.96%	\$4,068,523	-3.03%
Federal	\$193,575	\$193,575	0.00%	\$193,575	0.00%	\$193,575	0.00%	\$193,575	0.00%	\$193,575	0.00%
Other	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$14,283,066	\$15,448,566	8.16%	\$15,822,998	2.42%	\$16,213,225	2.47%	\$16,515,182	1.86%	\$16,657,012	0.86%
EXPENDITURES											
Salary and Benefit Costs	\$11,090,602	\$11,937,416	7.64%	\$12,262,869	2.73%	\$12,442,922	1.47%	\$12,723,307	2.25%	\$13,054,877	2.61%
Other	\$3,013,097	\$3,139,545	4.20%	\$3,182,432	1.37%	\$3,256,721	2.33%	\$3,310,171	1.64%	\$3,365,223	1.66%
TOTAL EXPENDITURES	\$14,103,699	\$15,076,962	6.90%	\$15,445,300	2.44%	\$15,699,643	1.65%	\$16,033,478	2.13%	\$16,420,099	2.41%
SURPLUS / DEFICIT											
	\$179,367	\$371,604		\$377,698		\$513,583		\$481,704		\$236,913	
OTHER FINANCING SOURCES/USES											
Transfer Among Funds (Net)	\$2,300	\$0		(\$100,000)		(\$100,000)		(\$100,000)		(\$100,000)	
Sale of Bonds	\$0	\$0		\$0		\$0		\$0		\$0	
Other Financing Sources	\$0	\$0		\$0		\$0		\$0		\$0	
Other Financing Uses	(\$112,000)	(\$145,000)		(\$145,000)		(\$145,000)		(\$145,000)		(\$145,000)	
TOTAL OTHER FIN. SOURCES/USES	(\$109,700)	(\$145,000)		(\$245,000)		(\$245,000)		(\$245,000)		(\$245,000)	
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES											
	\$69,667	\$226,604		\$132,698		\$268,583		\$236,704		(\$8,087)	
BEGINNING FUND BALANCE											
	(\$4,102,821)	(\$4,093,154)		(\$3,806,550)		(\$3,673,852)		(\$3,405,269)		(\$3,168,565)	
PROJECTED YEAR END BALANCE											
	(\$4,033,154)	(\$3,806,550)		(\$3,673,852)		(\$3,405,269)		(\$3,168,565)		(\$3,176,653)	
FUND BALANCE AS % OF EXPENDITURES											
	-28.60%	-25.25%		-23.79%		-21.69%		-19.76%		-19.35%	
FUND BALANCE AS # OF MONTHS OF EXPEND.											
	(3.43)	(3.03)		(2.85)		(2.60)		(2.37)		(2.32)	

This is the result of adding Kindergarten





# Financial Assumption

## Full Minus K

- ❖ Minus 3.5 certified staff
- ❖ Minus 1 Bus
- ❖ Minus 1 Driver
- ❖ Minus \$3000 start-up costs
- ❖ Minus 3 Program AIDES

This scenario shows the result of taking full-day Kindergarten costs out of the assumptions.

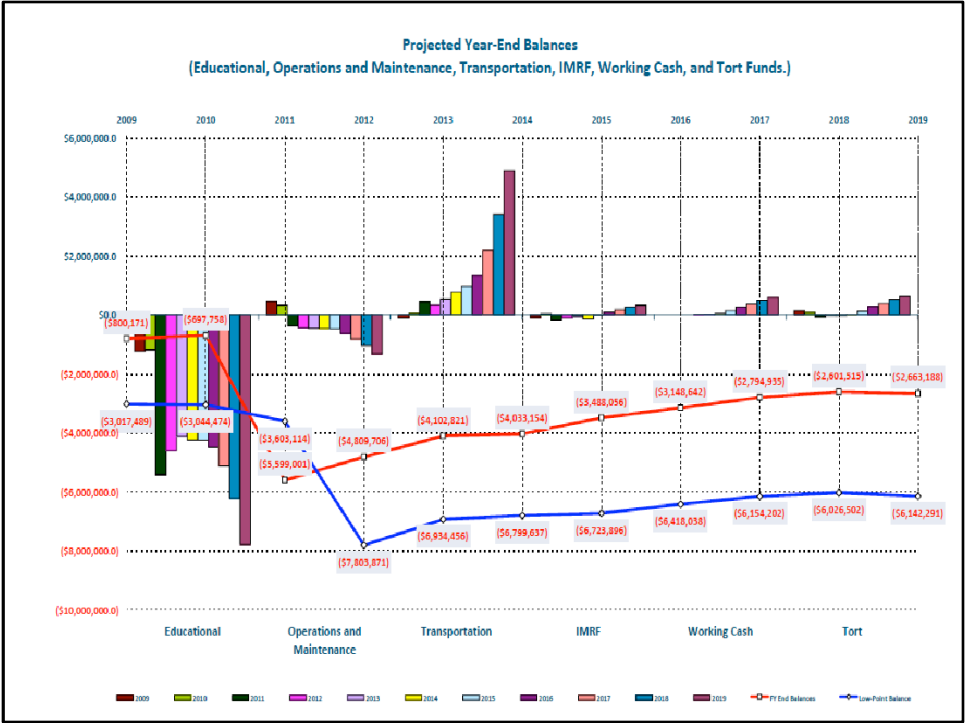


### Millburn School District 24

#### Aggregate - Projection Summary

	BUDGET	REVENUE / EXPENDITURE PROJECTIONS									
	FY 2014	FY 2015	% chg	FY 2016	% chg	FY 2017	% chg	FY 2018	% chg	FY 2019	% chg
<b>REVENUE</b>											
Local	\$10,312,014	\$11,427,484	10.82%	\$11,612,353	1.62%	\$11,866,528	2.19%	\$12,129,918	2.22%	\$12,399,382	2.22%
State	\$3,777,477	\$3,827,664	1.33%	\$3,901,786	1.94%	\$3,907,020	0.13%	\$3,808,330	-2.53%	\$3,661,654	-3.85%
Federal	\$193,575	\$193,575	0.00%	\$193,575	0.00%	\$193,575	0.00%	\$193,575	0.00%	\$193,575	0.00%
Other	\$0	\$0		\$0		\$0		\$0		\$0	
<b>TOTAL REVENUE</b>	<b>\$14,283,066</b>	<b>\$15,448,723</b>	<b>8.16%</b>	<b>\$15,707,714</b>	<b>1.68%</b>	<b>\$15,967,122</b>	<b>1.65%</b>	<b>\$16,131,823</b>	<b>1.03%</b>	<b>\$16,254,611</b>	<b>0.76%</b>
<b>EXPENDITURES</b>											
Salary and Benefit Costs	\$11,090,602	\$11,634,680	4.91%	\$11,953,845	2.74%	\$12,125,061	1.43%	\$12,397,000	2.24%	\$12,720,242	2.61%
Other	\$3,013,097	\$3,123,945	3.68%	\$3,169,454	1.46%	\$3,243,354	2.33%	\$3,296,403	1.64%	\$3,351,041	1.66%
<b>TOTAL EXPENDITURES</b>	<b>\$14,103,699</b>	<b>\$14,758,625</b>	<b>4.64%</b>	<b>\$15,123,299</b>	<b>2.47%</b>	<b>\$15,368,415</b>	<b>1.62%</b>	<b>\$15,693,403</b>	<b>2.11%</b>	<b>\$16,071,283</b>	<b>2.41%</b>
<b>SURPLUS / DEFICIT</b>	<b>\$179,367</b>	<b>\$690,098</b>		<b>\$584,415</b>		<b>\$598,707</b>		<b>\$438,419</b>		<b>\$183,328</b>	
<b>OTHER FINANCING SOURCES/USES</b>											
Transfer Among Funds (Net)	\$2,300	\$0		(\$100,000)		(\$100,000)		(\$100,000)		(\$100,000)	
Sale of Bonds	\$0	\$0		\$0		\$0		\$0		\$0	
Other Financing Sources	\$0	\$0		\$0		\$0		\$0		\$0	
Other Financing Uses	(\$112,000)	(\$145,000)		(\$145,000)		(\$145,000)		(\$145,000)		(\$145,000)	
<b>TOTAL OTHER FIN. SOURCES/USES</b>	<b>(\$109,700)</b>	<b>(\$145,000)</b>		<b>(\$245,000)</b>		<b>(\$245,000)</b>		<b>(\$245,000)</b>		<b>(\$245,000)</b>	
<b>SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES</b>	<b>\$69,667</b>	<b>\$545,098</b>		<b>\$339,415</b>		<b>\$353,707</b>		<b>\$193,419</b>		<b>(\$61,672)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>(\$4,107,821)</b>	<b>(\$4,033,154)</b>		<b>(\$3,488,056)</b>		<b>(\$3,148,642)</b>		<b>(\$2,794,935)</b>		<b>(\$2,601,515)</b>	
<b>PROJECTED YEAR END BALANCE</b>	<b>(\$4,033,154)</b>	<b>(\$3,488,056)</b>		<b>(\$3,148,642)</b>		<b>(\$2,794,935)</b>		<b>(\$2,601,515)</b>		<b>(\$2,663,188)</b>	
<b>FUND BALANCE AS % OF EXPENDITURES</b>	<b>-28.60%</b>	<b>-23.63%</b>		<b>-20.82%</b>		<b>-18.19%</b>		<b>-16.58%</b>		<b>-16.57%</b>	
<b>FUND BALANCE AS # OF MONTHS OF EXPEND.</b>	<b>(3.43)</b>	<b>(2.84)</b>		<b>(2.50)</b>		<b>(2.18)</b>		<b>(1.99)</b>		<b>(1.99)</b>	

It is important to note that expenditures would exceed revenues in FY 19 by \$54,000. It is also important to note that in FY 15, 16 and 17, the expenditures are significantly less than revenues than the previous scenario.



# Kindergarten Impact

	FY 15	FY 16	FY 17	FY 18	FY 19	Total
K Expense	\$318,337	\$322,001	\$331,228	\$340,075	\$348,816	\$1,660,457
K Revenue	-\$157	\$115,284	\$246,103	\$383,359	\$402,401	\$1,146,990
Impact	-\$318,494	-\$206,717	-\$85,125	\$43,284	\$53,585	-\$513,467

Kindergarten students are currently calculated as .5 FTE since they attend a ½ day program. The increase in average attendance would generate additional revenue in General State Aid in future years as is reflected in this graph. The District would need to float additional expenditures in the first three years, but Kindergarten could have the potential to break even in future years. The amount of money generated would be based on General State Aid levels, enrollment, local housing values, and any other changes in the formula. However, it is safe to assume that GSA will always be based on attendance. The more attendance we have the more money we will receive. The amount of additional funds are based on the impact of the variables mentioned previously in this paragraph.



# Rationale

## ❖ Referendum

- ✓ Preserve Art, Music, Library, Band, Technology, and AIM
- ✓ Lower Class Sizes
  - ✓ Current – 28.36, 2015 – 25.89, 2016 – 25.04, 2017 – 24.35, 2018 – 23.59, 2019 – 22.82
- ✓ Stabilize Finances –
  - ✓ Balanced Budgets for foreseeable future
- ✓ Support Transition to the Common Core
  - ✓ New Materials
  - ✓ Additional Staff Development Money

Both of the previous scenarios address these referendum campaign points. We will still need to work on cutting some costs to balance the budget for FY 19 in either scenario. These are simply scenarios based on information that we currently have. It is our best guess of what may happen in the future.

# Rationale

- ❖ Board Policy
  - ✓ Balanced Budget (BOE 4:20)
  - ✓ Consistent Programming (BOE 6:10)
  - ✓ Administration Responsibility (BOE 3:10)

# Rationale

- ❖ Strategic Plan –
  - ✓ Facilities and Finance
    - ✓ Stabilize – Goal 2
    - ✓ Communicate and Document Budget Process – Goal 3
  - ✓ Student Learning
    - ✓ Explore Scheduling Options (3B)
    - ✓ Support 21<sup>st</sup> Century Skills (Common Core) (3B)
    - ✓ Review Resource Time (3A)
    - ✓ Increase Academic Minutes in Middle School (3B)
    - ✓ Increase Tech Support (3B)

While the strategic planning document did not specifically talk about the Common Core, the basic ideas of 12<sup>th</sup> Century Learning are reflected in the Common Core Standards.

## Educational Impact Summary

- ❖ Lower Class Size
- ❖ Increase minutes of direct instruction for general education students in Kindergarten and 6<sup>th</sup>
- ❖ Increase technology support in the classroom
- ❖ Maintains current programming
- ❖ Provide materials for common core support
- ❖ Provide training for common core support
- ❖ Improve technology infrastructure



## Financial Impact Summary

- ❖ Improves negative fund balance
- ❖ Provides stability
- ❖ Slight improvement in contingency
- ❖ Meets the goals of Board Policy, Referendum, and Strategic Plan