

# Budget 201:

## The 2014-2015 Denville Preliminary K-8 School Budget



A presentation by Eric Larson and  
The Denville Board of Education  
Denville Township Schools  
March 10, 2014

# Just a reminder that...

## Denville School District is K-8 **ONLY**



**Lakeview**  
**K-5**  
673 Students  
Built 1957



**Riverview**  
**K-5**  
403 Students  
Built 1951



**Valleyview**  
**6-8**  
651 Students  
Built 1962

## 3 Schools - 1,727 Students

# What is a School Budget?

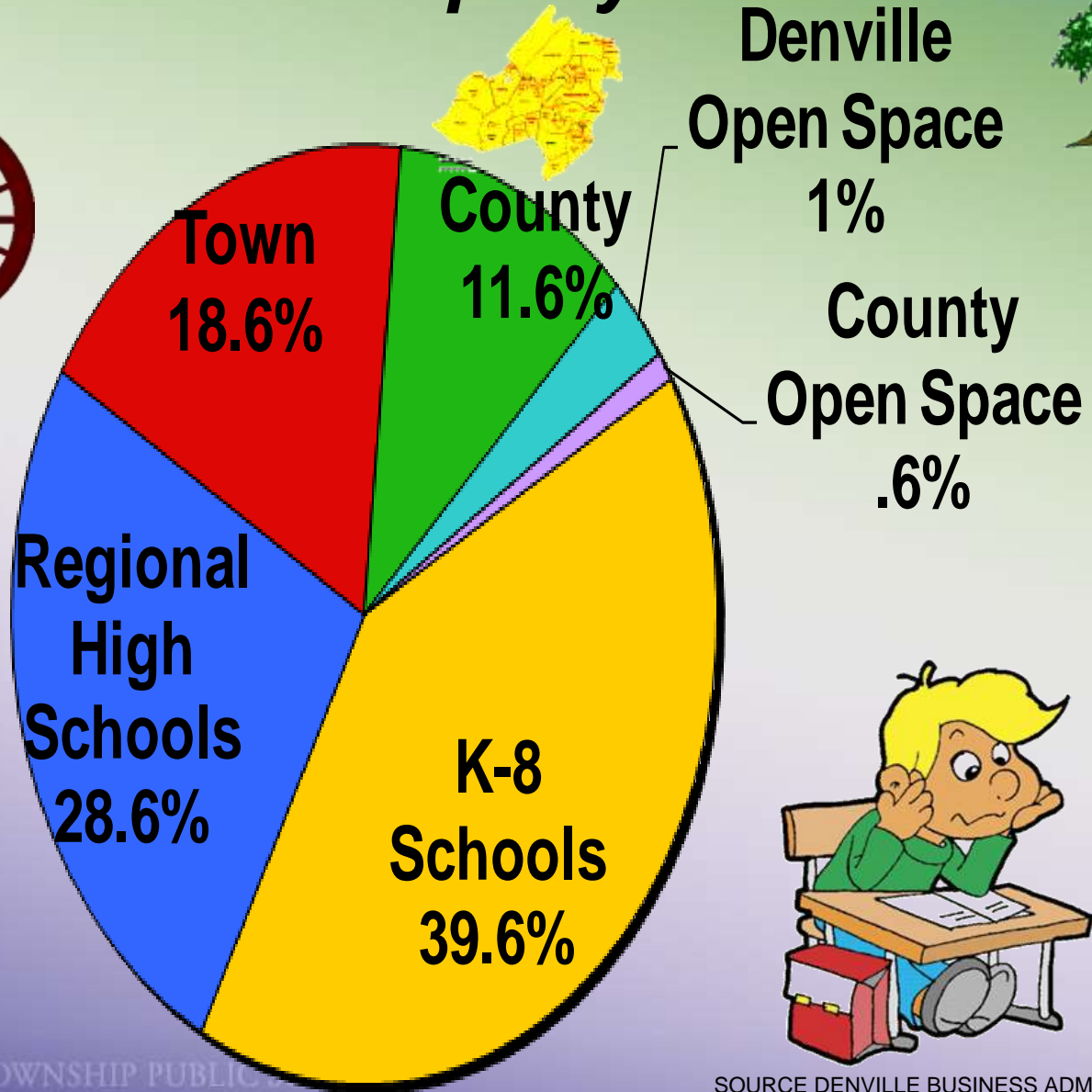


Your School's Fiscal Year (July 1<sup>st</sup> - June 30<sup>th</sup>)

It's developed now for the *upcoming* year

Submitted to you for review / approval in March/April

# Where do Our Property Taxes Go?



# ***Building the 2014-2015 K-8 Denville Budget***

## ***Step 1 - Review Required Spending***

- + **Contracted Salaries**, (Negotiated, then fixed for 3 years)
- + **Contracted Health Benefits** (Negotiated, then the benefits are fixed for 3 years, however the costs are not.)
- + **Mandated Special Education Spending**
- + **Mandated Professional Services**: Lawyer, Auditor, Architect
- + **Essential Building Maintenance**: Custodial supplies & repairs
- + **Transportation**: Required maintenance, fuel, state mandates
- + **Mandated Insurances**
- + **Fixed Equipment Costs** (financing on computers, boilers, buses)
- + **State Mandated Testing Services**

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**TOTAL REQUIRED SPENDING**

# ***Building the 2014-2015 K-8 Denville Budget***

## ***Step 2 – Identify Variable Costs***

- + Trends analysis to estimate any increases in current costs  
(done by Business Admin.)**
- + Superintendent, Principals & District Administration review:**
  - + Curriculum needs**
  - + State mandates**
  - + Textbook review cycle**
  - + Professional development**
  - + Building equipment**
  - + Classroom supplies**
  - + Technology needs**

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## **TOTAL VARIABLE COSTS**



# The 2014 -15 Preliminary K-8 School Budget Total \$29,045,691



Instruction  
\$8,288,468



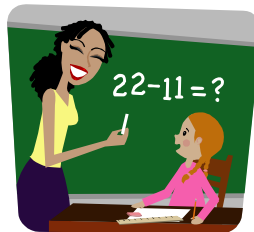
Special Education  
\$2,996,249



Tuition  
\$894,171



Basic Skills  
\$266,858



Bilingual Ed – ESL  
\$59,903



Extracurricular  
\$144,067



Support Svc  
\$3,286,733

# The 2014-15 Preliminary K-8 School Budget Total \$29,045,691



Administration  
\$1,998,608



Maintenance  
\$1,908,329



Transportation  
\$1,831,975



Benefits  
\$5,654,131



Capital Outlay  
\$570,404



Grants  
\$559,795



Debt Svc  
\$586,000



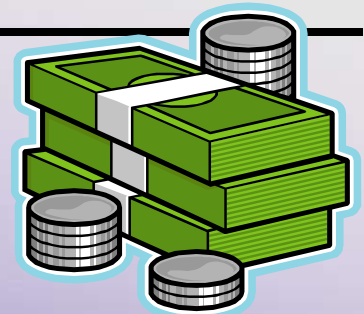
# ***Building the 2014 - 2015 K-8 Denville Budget***

## ***Step 3 – Revenue other than Local Taxes***

- + **State Aid:** Given by Department of Education \$1,446,325
- + **Federal Aid:** Trend analysis and projections \$559,795
- + **Surplus/Capital:** Withdrawals from existing reserves \$185,834
- + **Other:** Tuition, Extracurricular Fees, Sale of Assets \$106,000

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**TOTAL REVENUE NOT FROM TAXES**



# *How do we build your Budget?*

## *Step 4 - Calculate Tax Levy*



**REQUIRED SPENDING \$28,238,453**

**+ VARIABLE COSTS \$807,238**

**- REVENUE NOT FROM TAXES \$2,297,954**

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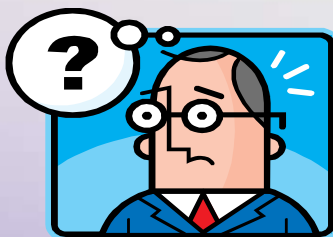
**LOCAL TAXES NEEDED TO SUPPORT  
SCHOOL BUDGET \$26,747,737\***

*\* The General Fund portion excluding debt service is \$26,318,000*

***Step 4 Cont.:  
Calculation of Your K-8 Tax Levy***

**Budget Cap:**

Legally, local tax levy increase  
cannot exceed **2%** per year



But what if the result is over 2%?

# We have 4 options

## 1. **Cut Expenses**

- Cuts done in consultation with Administrative Staff, Finance Committee and Board of Ed, the Superintendent's Office and the Business Office.

## 2. **Implement CAP adjustments**

- Adjustment for increases in health care costs
- Adjustment for increase in pension liability costs

## 3. **Tap into Surplus (aka Emergency Fund)**

Denville has **\$640,914** in current surplus right now, which is what the state recommends  
(State allows a surplus = 2% of expenditures)

## 4. **Banked Cap**

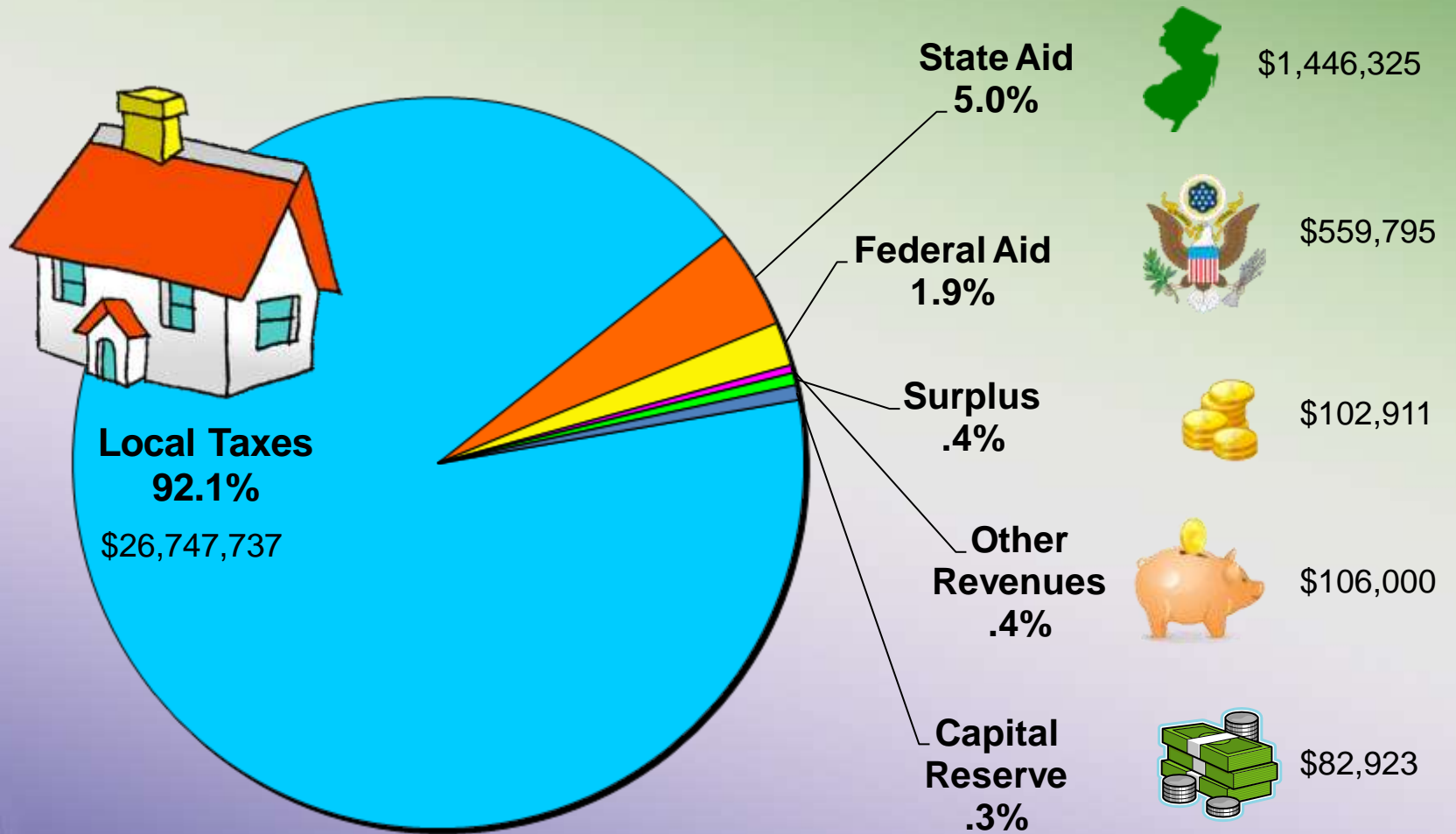
Recapture amount under cap for last two years



# Calculation of Budgetary Cap for Denville for 2014-15 School Year

- Denville's 2013-14 K-8 G.F. Taxes      \$26,231,482
- Percentage increase for 2014-15      2.00%
- K-8 Tax Levy Cap for 2014-15 G.F.      \$26,756,112
- \* G.F. stands for General Fund
- *General Fund taxes are \$26,318,000, \$438,112  
UNDER cap*

# Where does your Denville 2014 - 2015 school budget revenue come from?





# 2014 TAX IMPACT

|   | Prelim Budget<br>2014-15 | Prior Year Budget<br>2013-14 |
|---|--------------------------|------------------------------|
| Local Tax for K-8 district (incl Debt Service)                        | \$26,709,382             | \$26,477,794                 |
| Increase Local Tax for K-8 District                                   | \$231,588                | \$467,663                    |
| % Increase for K-8 taxes  | .87%                     | 1.79%                        |
| Assessed Valuation of Denville  |                          |                              |
| • 2013: \$2,253,332,800   |                          |                              |
| • 2014: \$2,220,537,000   |                          |                              |
| Effect on Average Home (assessed at \$306,700)                        | \$3,689                  | \$3,604                      |
| K-8 Taxes percent increase  | 2.36%                    | 2.79%                        |
| Dollar increase for K-8 Taxes on Average home (assessed at \$306,700) | \$85                     | \$98                         |
| • Increase per month  | \$7.10                   | \$8.17                       |
| • Increase per day  | \$0.23                   | \$0.27                       |

# Capital Projects

- VV STEM Lab: \$125,100
- Principal's Requests: \$181,900
- Fire Alarm Panels & Genie Lift: \$67,500
- VV lockers and science room floor tiling: \$44,000
- RV Chimney Crack repair: \$92,500
- Leases on Boilers/Wireless Upgrade: \$59,404



# The Next Steps

Preliminary Budget is presented - NOW

Board of Ed votes to approve Prelim Budget – March 17

Preliminary Budget is sent to State for approval - March 20

Board of Ed votes on Final Budget – April 28

Latest Date for Final Budget Adoption – May 14

# **2014-15 Denville Preliminary K-8 School Budget**

**Thank you for coming out to hear this presentation. The Denville Board of Education will vote on the final budget on April 28, 2014.**

**Questions can be emailed to us at  
[c.mozak@denville.org](mailto:c.mozak@denville.org)**

