

# Budget 202:

## The 2010-2011 Denville Preliminary K-8 School Budget



Dr. Drucilla Clark & Mr. John Serapiglia  
The Denville Board of Education  
February 22, 2010

# Just a reminder that...

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



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



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

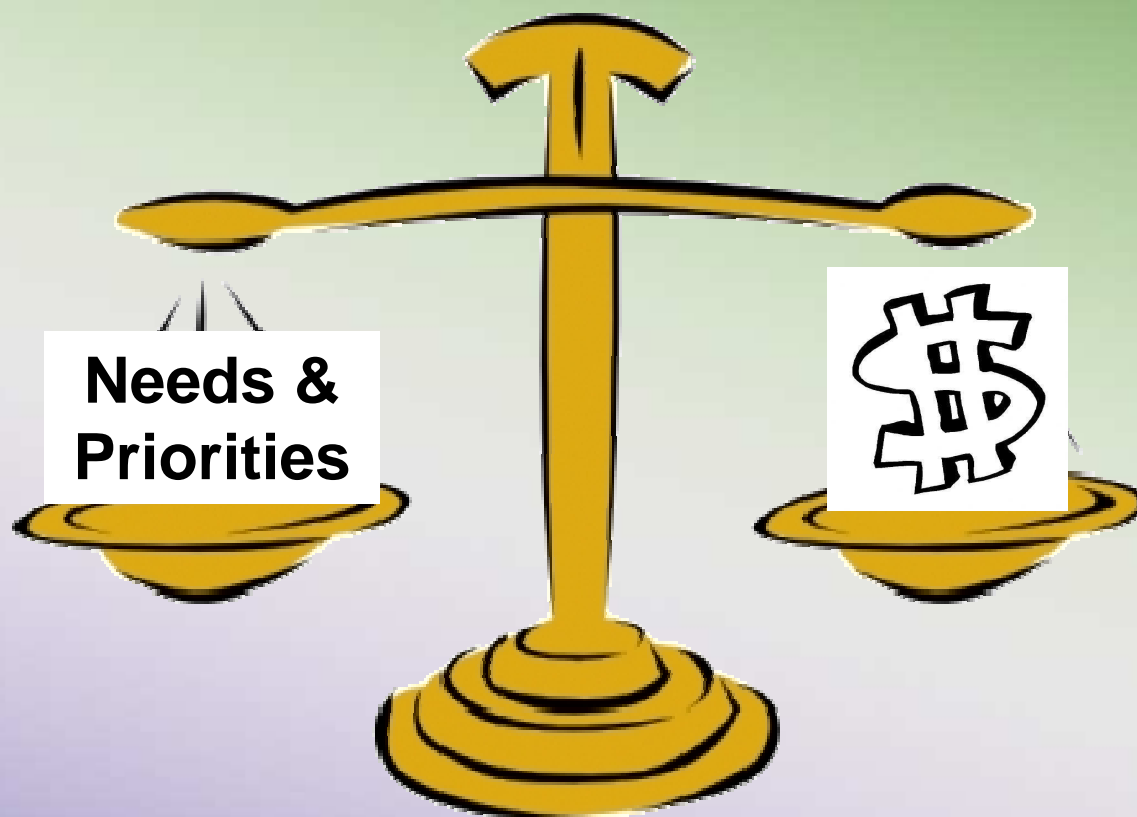


**Valleyview**  
**6-8**  
652 Students  
Built 1962

## 3 Schools - 1,902 Students

DENVILLE TOWNSHIP PUBLIC SCHOOLS

# What is a School Budget? - *Refresher*

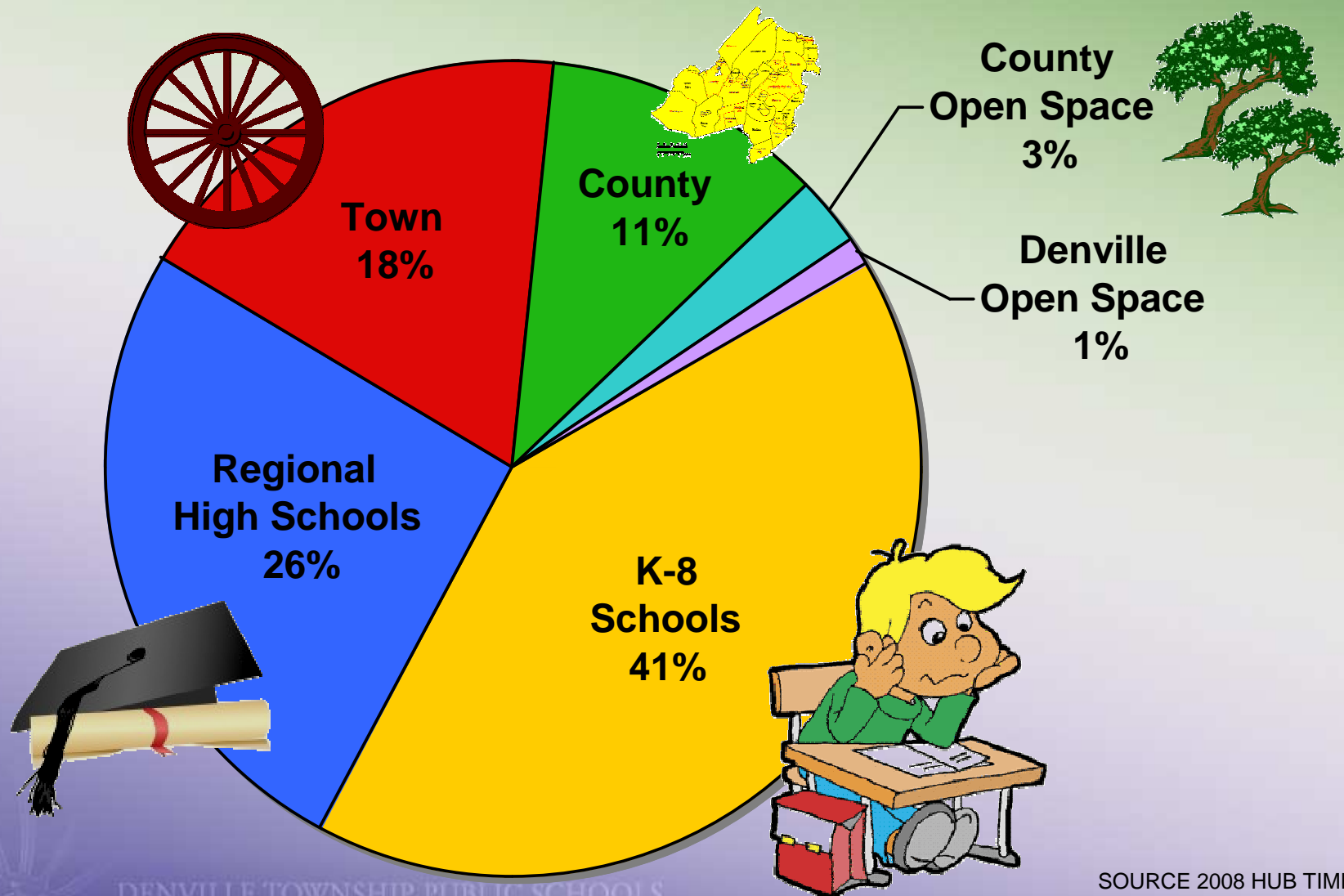


Your School's Fiscal Year (July 1<sup>st</sup> - June 30<sup>th</sup>)

It's developed now for the *upcoming* year

Submitted to you for review / approval in March/April

# Where do Our Property Taxes Go? - Refresher

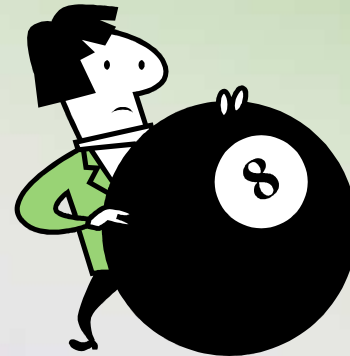


DENVILLE TOWNSHIP PUBLIC SCHOOLS

SOURCE 2008 HUB TIMES

# *The new wrinkle this year...*

- In prior years we are given a number to utilize for state aid (or told to budget what we received this year).
- This year, we will not know the state aid figures until mid-March and we have been told to expect cuts.



# *However...*

- No one is telling us what to expect in terms of cuts. So far, no official word to put together the school budget, only rumors.



# Our current plan

- For purposes of our K-8 preliminary budget, we are assuming a 5% cut for all state aid figures



Important Note: The cuts could be less, more likely to be more. We probably won't know for a month. And when we do, we may need to make changes to this preliminary budget. The County/State can also make changes/recommendations.

## ***Building the 2010-2011 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, trailers, buses)
- + **State Mandated Testing Services, Mandated Election Costs**

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**TOTAL REQUIRED SPENDING**



# We have already....

- Gone thru the budget line by line for cost savings
- Reduced the budget by 5%
- Reduced costs in personnel and programs
- Renegotiated service contracts for no increases next year



# ***Building the 2010-2011 K-8 Denville Budget***

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

- + **Trends analysis to estimate any increases in current costs**  
(done by Business Administrator)
  
- + **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 2010-11 Preliminary Denville K-8 School Budget



Instruction  
\$8,835,749



Special Ed  
\$2,653,433



Tuition  
\$754,627



Basic Skills  
\$258,657



Bilingual Ed – ESL  
\$47,024



Extracurricular  
\$142,815



Support Svc  
\$3,188,730

# The 2010-11 Preliminary Denville K-8 School Budget continued...



Administration  
\$1,884,412



Maintenance  
\$1,726,413



Transportation  
\$1,762,877



Benefits  
\$4,607,982



Capital Outlay  
\$866,638



Grants  
\$695,500



Charter Sch.  
\$56,390



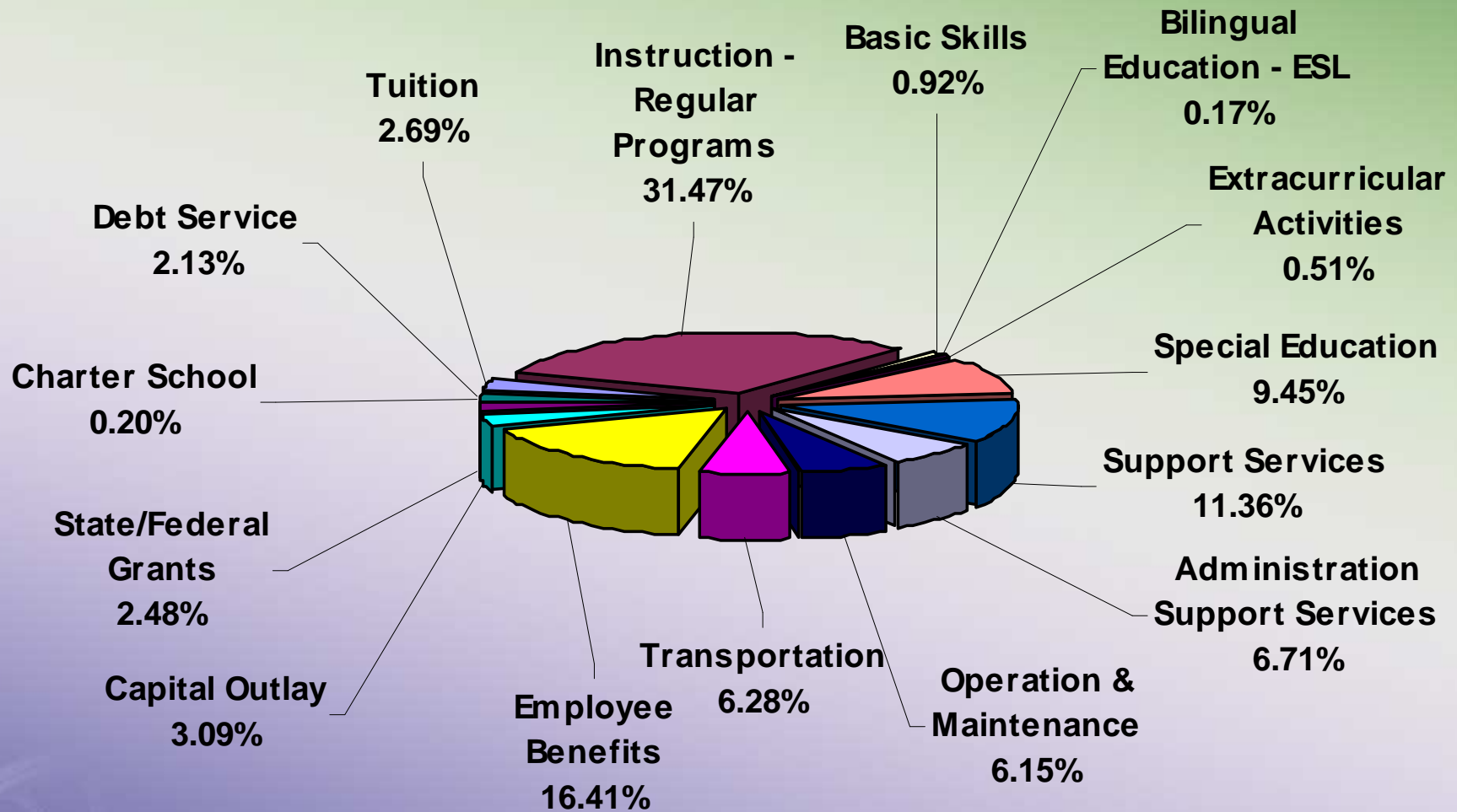
Debt Svc  
\$599,138

# Denville Township Board of Education

K-8

## Budget Appropriations

2010-2011



# ***Building the 2010-2011 K-8 Denville Budget***

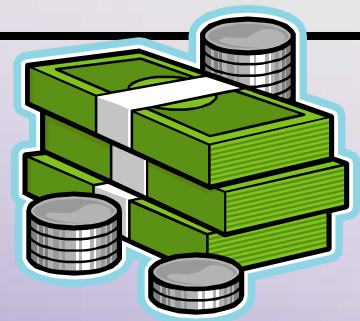
## ***Step 3 - Estimate Aid & Income***

### ***(Revenue, other than Local Taxes)***

- + **State Aid:** Given by Department of Ed, figures expected in March (anticipated at least a 5% decrease)
- + **Federal Aid:** Calculated on trend analysis and projections
- + **Bank Interest:** Calculated by trend analysis and projections
- + **Tuition:** Based on current/expected contracts and trend analysis

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**TOTAL REVENUE NOT FROM TAXES**



*How do we build your Budget?*  
*Step 4 - Calculate Tax Levy*



**+**

**TOTAL REQUIRED SPENDING**

**TOTAL VARIABLE COSTS**

**-**

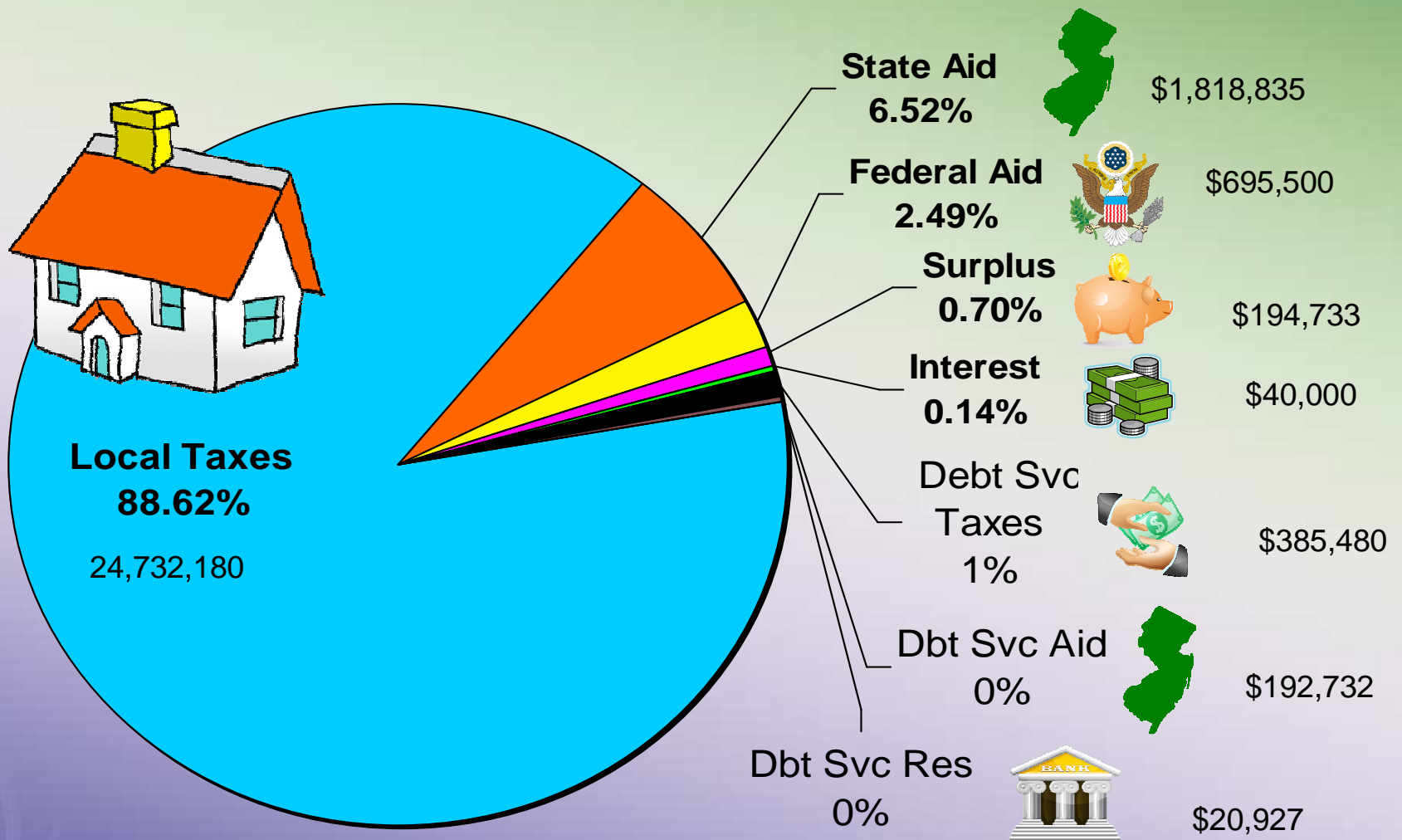
**(TOTAL REVENUE NOT FROM TAXES)**

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**LOCAL TAXES NEEDED TO  
SUPPORT BUDGET**



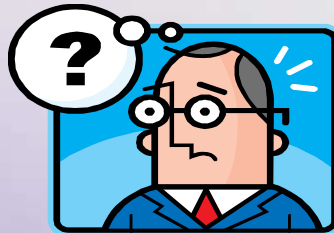
# The Denville 2010-11 K-8 School Budget Revenue Breakdown





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

**Budget Cap:**  
Legally, local tax increase  
cannot exceed **4%** per year



If it goes over, we need to request  
waivers

# Calculation of Budgetary Cap for Denville for 2010-11 School Year

• Denville's 2009-10 K-8 Total Taxes	\$24,665,109
– Less Debt Service	(\$421,613)
– Less 2009-2010 Capital Outlay	(\$837,125)
– Less energy costs waiver	(\$153,141)
– Less Insurance Costs Waiver	(\$35,989)
– Less Special Education Waiver	(\$35,177)
• Pre-budget year adjusted tax levy	\$23,182,064
• Percentage increase for 2010-11	<u>4.00%</u>
• K-8 Tax Levy Cap for 2009-10	\$24,109,347

# Explanation of Budgetary Cap for Denville K-8 for 2010-11 School Year

Budget Cap without Waivers: \$24,109,347

## Waivers

- Health Benefits Waiver \$178,940
- Capital Outlay Waiver \$866,638

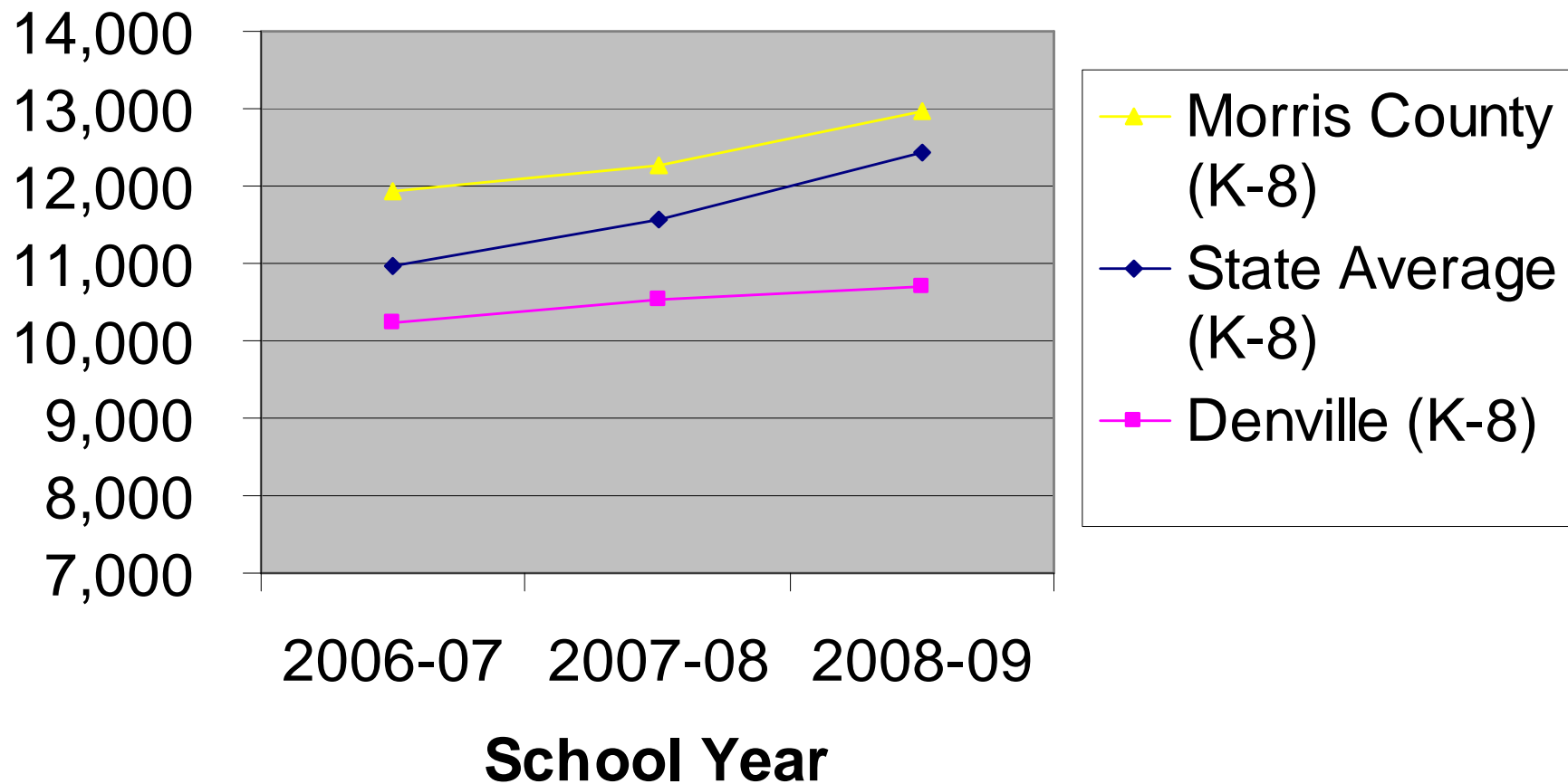


Budget Cap with Waivers: \$25,154,925

## ***ESTIMATED K-8 TAX IMPACT***

	K-8 Prelim Budget 2010-11	Prior Year Budget 2009-10
Total Local Tax for K-8 district	\$25,117,659	\$24,665,109
Increase Local Tax for K-8 District	\$452,550	-\$14,287
% Increase for K-8 taxes	1.83%	-0.058%
Assessed Valuation of Denville		
• As of 1/1/2010: \$2,285,188,800		
• As of 1/1/2009: \$2,283,243,900		
• As of 1/1/2008: \$2,273,457,077		
Effect on Average Home (assessed at \$311,700)	\$3,426.05	\$3,367.19
K-8 Taxes percent increase	1.75%	-0.48%
Dollar increase for K-8 Taxes on Average home for 2010-2011 year	\$58.86	-\$16.30
• Increase per month	\$4.91	-\$1.36
• Increase per day	\$0.16	-\$0.04

## Comparative Cost Per Pupil K-8 District (with Special Education and Transportation costs removed)



Source: NJ Dept of Education Comparative Spending Guide March 2009

# Highlights of 2010-2011 K-8 Budget

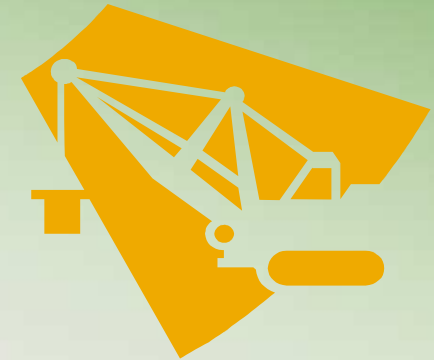
- Additional maintenance person
- Strings teacher
- Purchase of 480 new computers to replace old / outdated computers
- Extracurricular Activities  
(all of them)
- Increase of P/T Special Ed.  
Secretary to Full Time



# Highlights of 2010-2011 K-8 Budget

## **CAPITAL PROJECTS**

*If district receives 40% funding State of NJ guaranteed us last year, we can do following improvements / renovations:*



- Riverview entire roof replacement and partial brick replacement
- Lakeview roof replacement (btw B & C wing) and Boiler replacement
- Valleyview B-wing roof replacement, fire door replacement (interior) and Boiler replacement

# Highlights of 2010-2011 K-8 Budget

## **CAPITAL PROJECTS**

*If district DOES NOT receive 40% funding State of NJ guaranteed us last year, we can do the following improvements / renovations:*

- Riverview partial brick replacement
- Lakeview Boiler replacement
- Valleyview fire door replacement (interior) and Boiler replacement
- Roof patching for all three schools





# *An investment in our future...*

*(49% of Knolls student body comes from Denville)*

- In 2009 the Morris Knolls High School Valedictorian was a Denville Township student
- In 2009, of the 26 Edward J. Bloustein Distinguished Scholars, 16 were Denville Township students – 62%
- In 2009, of the 83 Summa awards given out, 49 were to Denville Township students – 59%

# The Next Steps

On 2/22 Preliminary Budget is presented to the taxpayers

On 2/22 Board of Ed votes to approve

**On 2-25 Preliminary Budget is sent out  
for County and State approval**

Changes could be made by county (including State aid cuts)

When approved it becomes the Final Budget

Final Budget is presented to the public in March

Board Votes to approve the Final Budget in March

Then...

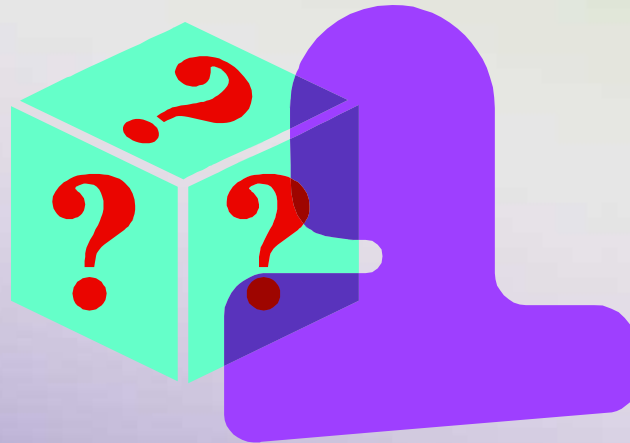
On April 20, 2010  
you vote on your budget!!!



Simple majority is needed to pass.

# What if...

- Assumption of state aid being cut 5%
- What if its cut more? Or what if tax cap is lowered?



- Administration and Board has been running different scenarios to account for just that!

# What if state aid is cut more / tax cap is lowered?

## Possible solutions

- \* Do not reinstate Strings program / s
- \* Do not reinstate Maintenance person
- \* Do not reinstate Extracurricular (or do not reinstate ALL of them)
- \* Do not make P/T Special Svc Secretary FT
- \* Replace less (or none) of aging computers
- \* Reduce scope of capital projects (or eliminate)



# What if state aid is cut more / tax cap is lowered?

## Possible solutions (continued)

- Cut into current programs
  - \* Reduce counselors at RV and VV
  - \* Eliminate Homework Center
  - \* Reduce 1 Media Specialist and share in elementary schools
  - \* Increase class size / reduce sections
- Increase tax impact



# **2010-11 Denville Preliminary K-8 School Budget**

**Thank you for coming out to hear the presentation. Please check the website and attend upcoming Board of Education meetings for additional changes to the Budget**

**We will now open it up to Q & A.**

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

