



Bayonne Board of Education

2018-2019 Proposed Budget Presentation

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Bayonne Board of Education



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Mission Statement

- The Mission of the Bayonne Public School District is to provide optimum learning opportunities for all students in a safe, secure, inclusive learning environment that fosters personal and interpersonal growth, lifelong learning and a strong sense of community. We believe that the district's mission can be accomplished when administrators, teachers, parents and the community collaborate as a team to accomplish its goals which are:
 - To set high standards and expectations for student achievement.
 - To provide a safe environment conducive to learning.
 - To meet the needs of our diverse multi-cultural school population.
 - To provide a challenging curriculum by utilizing educational technologies that meet the needs of the 21st Century.
 - To provide programs that foster successful home, school, and community partnerships.
 - To provide teacher training and professional development.



What is a school budget?



A budget is a description of a financial plan. It is a list of estimates of revenues to and expenditures by an entity for a stated period of time. Normally a budget describes a period in the future, not the past. It is a plan for allocating resources: a plan specifying how resources, especially money, will be allocated or spent during a particular period. It identifies the monies needed for particular purposes for a particular period of time.

The budget is our district's financial plan to deliver and maintain the district's mandated and non-mandated programs as well as our facilities for the student's we serve.

Once our budget is adopted, it is necessary to live within that plan. We know that there will always be fluctuations from that plan and unforeseen circumstances, however it is our duty to manage those changes effectively!

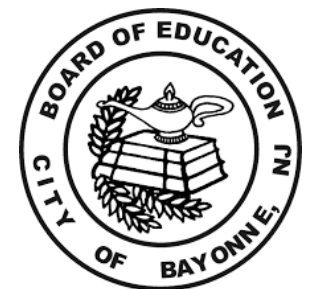
Budget Calendar

- January-February 2018: Meeting with administrators to prepare school based and department budgets

- March 13, 2018: Governor's Address on State Budget and State Aid
 - State Aid Figures - NJDOE March 15, 2018

- March 27, 2018: Adoption and Filing by BBOE of Tentative Budget
 - Preliminary Budget sent to County Superintendent by March 29, 2018

- April 20, 2018: Preparation of Advertised Budget
- April 24, 2018: County Approval
- May 3, 2018: Last Day to Advertise Public Hearing
- May 7, 2018: Last Day for Public Hearing
- May 14, 2018: Deadline to Adopt Budget



2018-2019 BBOE Zero-Based Budgeting Model

Dr. Wanko's Implementation of Zero Based Budgeting

- Process began in November
- Each budget manager throughout the district was trained and developed their optimal budget which was input into our financial software, Systems 3000
- This Budget was then “pared” back to fit into our financial constraints
- All Budget Manager's presented their budgets to Central Administration
- Tremendous amount of work done by the budget managers and their assistant's, countless hours of work put into this process
- Very successful results allowing for much greater insights into the details of the BBOE budget and the overall process
- Preliminary Budget was “rolled-out” to Finance Committee, seeking input from the Board. Each committee had a budget presentation and all Board members received a budget package with all budget details



	1 Jun	1 Jul	1 Aug	1 Sep	1 Oct	1 Nov
	1,307.85	1,240.64	1,235.42	939.09	1,300.67	843.29
	0.00	698.18	0.00	0.00	40.07	0.00
	15.80	78.42	38.16	15.62	256.67	25.46
	1,001.05	1,485.22	6,062.23	447.24	16,048.05	349.55
	677.87	503.91	1,094.97	5,620.31	2,560.60	
	0.00	310.01	3,142.38	9,779.24	14,693.66	
	0.00	670.64	1,259.50	4,294.85	7,473.24	
	83.58	39,386.87	17,848.02	34,414.47	0.00	
	0.00	0.00	0.00	0.00	0.00	
	19,577.90	11,799.74	14,874.16	33,010.23		
	1,335.55	21.76	865.15	348.10		
	0.00	0.00	12,032.74	24,740.68		
	0.00	0.00	4,387.73	18,444.80		
			701.60	4,796.53	502.91	
			2,144.68	2,130.27	1,727.45	
			10,857.02		82.02	
			0.00		0.00	
			0.00		0.00	

2018-2019 BBOE

Budget

Fiscally Sustainable

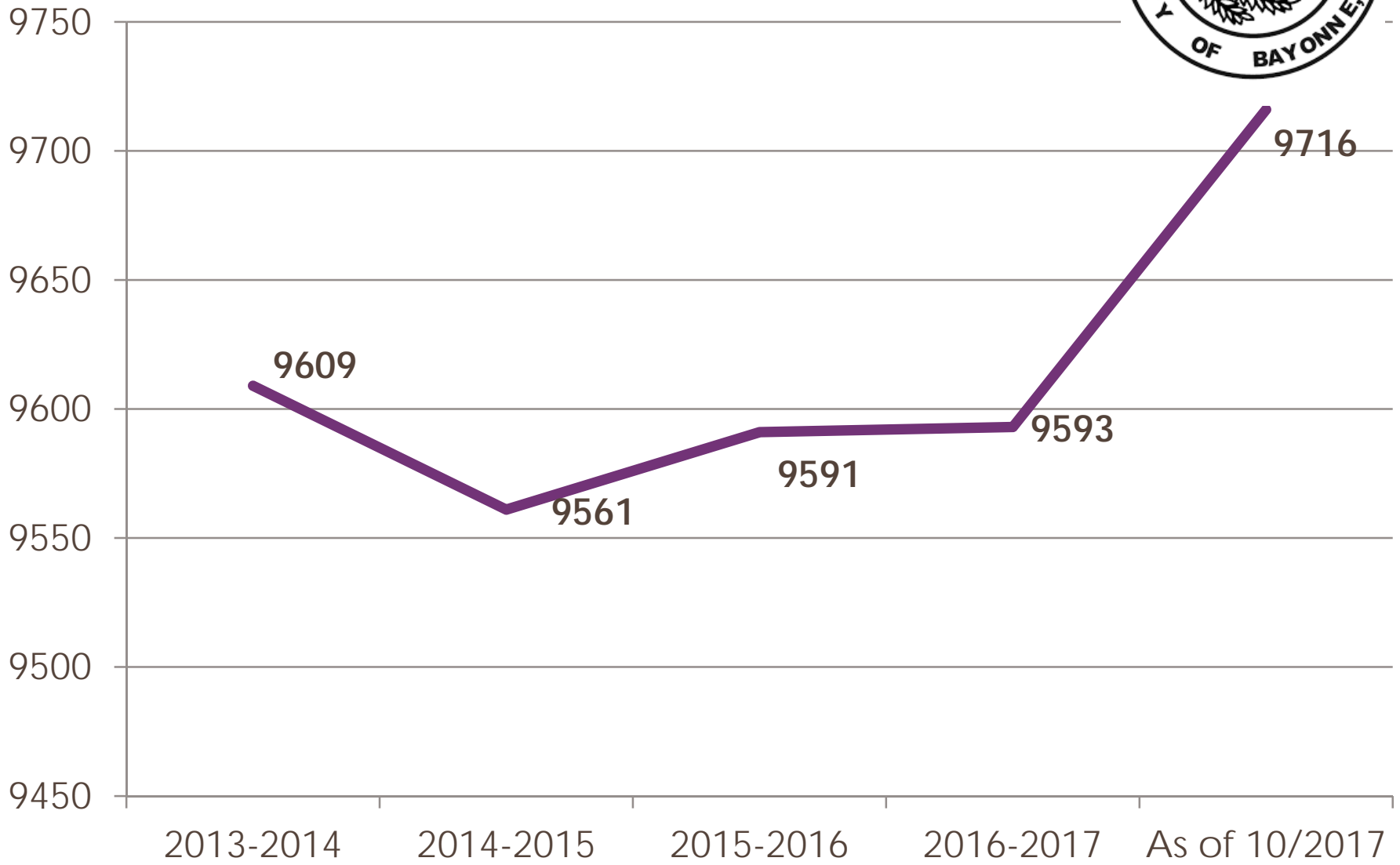
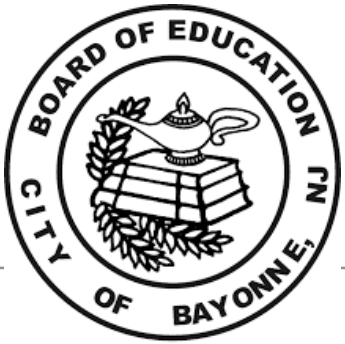
Education



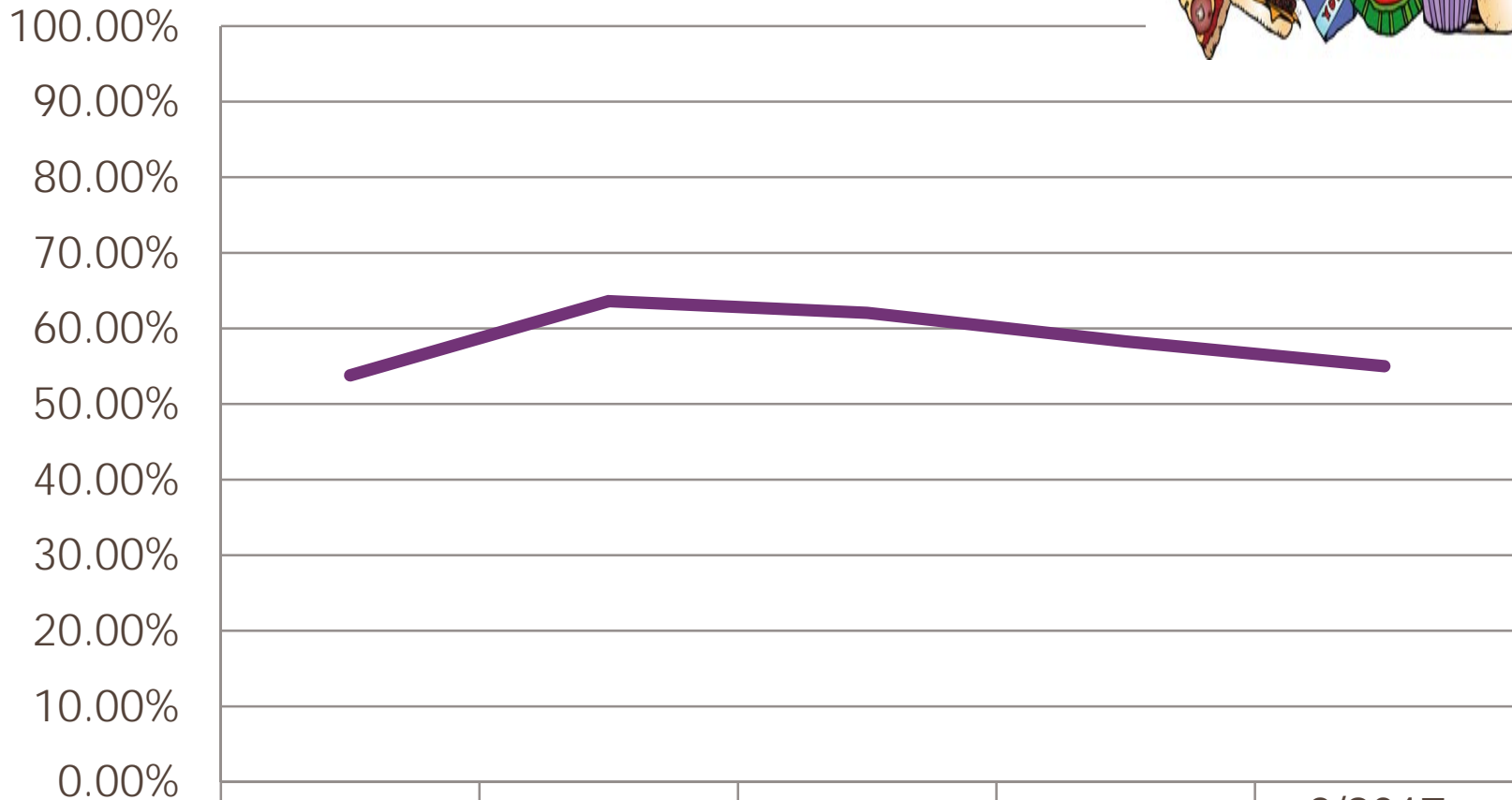
- Sustainable and fair levels of instructional spending, allowing for updating our curriculum's on an on-going basis
- New K-5 Math curriculum with increases in instructional spending across the board and evens out the level of spending for specials (i.e. art, music, gym) across the district
- Allows for up to 5 new teachers as classrooms get too crowded
- Increasing number of security aides at the schools
- Continues filling classrooms with substitutes, when necessary which is crucial to the education of our children. District's "fill rates" for teacher absences have increased approximately 50% since January of 2018
- New early intervention program for our at risk students in K-2 as well as remedial math program for grades 4-8 across the district
- Allows for "fair and reasonable" settlement of collective bargaining contracts

Total District Enrollment

October 15th, 2017 Enrollment



Free and Reduced Percentages



	2013-2014	2014-2015	2015-2016	2016-2017	9/2017-2/2018
— District Total %	53.79%	63.61%	62.06%	58.27%	55.01%

Ten Year Tax Comparison



1.81% compound annual growth rate over last ten years

Year	Tax Levy	% Change
2018-2019 Proposed	\$ 68,312,303	2.87 %
2017-2018	\$ 66,407,653	5.62 %
2016-2017	\$ 62,876,035	2.78 %
2015-2016	\$ 61,174,248	3.00 %
2014-2015	\$ 59,392,474	0.00 %
2013-2014	\$ 59,392,474	2.00%
2012-2013	\$ 58,227,916	2.00%
2011-2012	\$ 57,086,193	0.00 %
2010-2011	\$ 57,086,193	0.00 %
2009-2010	\$ 57,086,193	0.00 %

State Aid Ten Year Comparison

General Fund (“Operations”) Only

Includes Extraordinary Aid



Year	State Aid	% Change
2018-2019	\$ 60,361,877	4.95 %
2017-2018	\$ 57,516,073	5.14 %
2016-2017	\$ 54,705,359	1.18 %
2015-2016	\$ 54,068,308	-0.13 %
2014-2015	\$ 54,140,237	0.29 %
2013-2014	\$ 53,982,141	-0.52%
2012-2013	\$ 54,265,177	6.14%
2011-2012	\$ 51,127,635	6.54 %
2010-2011	\$ 47,991,320	5.44 %
2009-2010	\$ 45,514,889	-10.55 %

Operating Budget Funding

Where does the Bayonne School District receive its funding from?

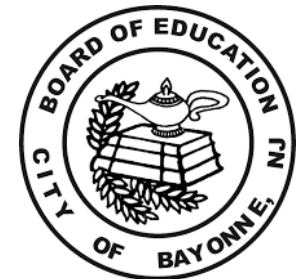


The district receives the majority of its operating budget from local sources, approximately 52.2% of the 18-19 Budget

The other largest source is from State of New Jersey School Aid which is approximately 45.7% of the budget

The remainder is mostly from local user fee based revenue such as facility rentals, before-after care, solar and interest revenue. This makes up 1.8% of the budget. Federal SEMI (Special Education Medicaid Initiative) revenue is the remaining 0.3%

Keep in mind that expenses can and do change during the year, the main revenues do not! School Boards in New Jersey are required to submit balanced budgets with Revenues = Expenditures



Historical Budget Comparison- Operations Last Five Years



	<u>Budgeted Expenditures</u>	<u>% Chnge.</u>
2018-2019 Proposed Budget	\$ 130,746,003	2.69%
2017-2018 Adopted Budget	\$ 127,324,087	4.78%
2016-2017 Adopted Budget	\$ 121,514,941	-0.21%
2015-2016 Adopted Budget	\$ 121,771,126	6.07%
2014-2015 Adopted Budget	\$ 114,805,728	

Operating Budget Breakdown



	Proposed 18-19	
	Expenditures	
Gen Ed Instructional	42,747,676	32.70%
Sp Ed and Bilingual Instructional	17,945,400	13.73%
Adult, Vocational and Community Ed	1,816,556	1.39%
Athletics and Extracurricular	1,107,701	0.85%
CST and Therapy-Sp Ed	5,150,407	3.94%
Health, Attendance, Guidance and Library	4,862,262	3.72%
School and Curriculum Administration	7,224,200	5.53%
Central Administration	5,158,613	3.95%
Facilities, Security and Transportation	16,441,710	12.58%
Benefits: Medical, Dental, Pension, FICA	25,104,030	19.20%
Tuitions incl. Charter (some in Grants)	3,187,448	2.44%
	<u>130,746,003</u>	<u>100.00%</u>

Operating Budget Breakdown



<u>Salary-Benefit Cost</u>	<u>Proposed 18-19 Expenditures</u>	<u>% of Total Budget</u>
Teachers Salaries	50,553,923	38.67%
Student Related Salaries incl. Health, Guidance, CST, Therapists, Aides, Principals and Curr. Directors	15,109,971	11.56%
All Other Salaries incl. Source 4 Teachers	19,597,207	14.99%
Total Salaries	<u>85,261,101</u>	65.21%
Benefits	25,104,030	19.20%
Salaries and Benefits	<u>110,365,130</u>	84.41%
All Other Costs	20,380,873	15.59%
	<u>130,746,003</u>	
 <u>Break-out of "All Other Costs"</u>		
Non Salaried Instructional Costs	6,556,052	5.01%
Energy and Communications and Insurance	4,620,000	3.53%
Tuitions incl. Charter (some in Grants)	3,187,448	2.44%
Facilities and Transportation Services and Supplies	3,802,773	2.91%
All other Costs	2,214,600	1.70%
	<u>20,380,873</u>	15.59%

2018-2019 Special Revenue or Grant Budget



Special Revenue fund is primarily Federal Funds which are passed through the State of New Jersey or State Grants directly from Trenton

We are only allowed to budget for 85% of the prior year award

The major Federal Grants are IDEA and ESSA or more readily identifiable as “Title” Grants, i.e. Title I, II etc...

IDEA or the Individuals with Disabilities Education Act is a federal program which helps to fund Special Education costs in school districts around the country. We changed over to charging out of district special education tuitions, instead of salary costs, which is saving the district approximately \$400,000 a year.

ESSA or Every Student Succeeds Act grants are as follows:

- Title I - This improves basic, elementary aged programs through offering funding for teachers who serve solely children who are economically and/or socially disadvantaged. We have 22 teachers in the district funded by this program.

2018-2019 Special Revenue or Grant Budget



- Title II - Funds dedicated for training teachers, otherwise known as professional development.
- Title III and III Immigrant - Language instruction for English language learners

The District also receives School Based Youth State Grants which helps to fund our student youth center.

The District also administers various Non-Public School grants for the non public schools located in Bayonne.

Finally, there are some local grants administered through this fund some of the companies located in Bayonne such as IMTT, Bayonne Community Bank, Investors Savings Bank, CarePoint Health, RWJ/Saint Barnabas, have been very generous over the years. Generally speaking, these local grants are “earmarked” for a specific purpose, such as STEM.

Special Revenue Fund Analysis



	Budget 16-17	Budget 17-18	Budget 18-19*
Local Grants AAS and HUD	302,188	210,273	240,178
State Pre K 4 year olds	2,418,871	2,739,375	3,443,256
State Non Public Grants	475,089	415,096	352,832
State Municipal Alliance	54,448	54,448	46,281
State School Based Youth	273,216	273,216	232,233
Fed ESSA Title I	2,874,383	3,092,388	2,630,633
Fed ESSA Title II	318,634	462,275	417,694
Fed ESSA Title III	124,286	136,558	120,890
Fed ESSA Title IV	-	39,167	33,292
Fed IDEA	2,576,368	2,559,245	2,175,358
	<u>9,417,483</u>	<u>9,982,041</u>	<u>9,692,647</u>

* For Federal grants, 18-19 amount is 85% of 17-18 award



Cost Per Pupil Comparison

All Data per 2017 NJ DOE Taxpayer Guide to Education Spending unless noted

6/30/2017

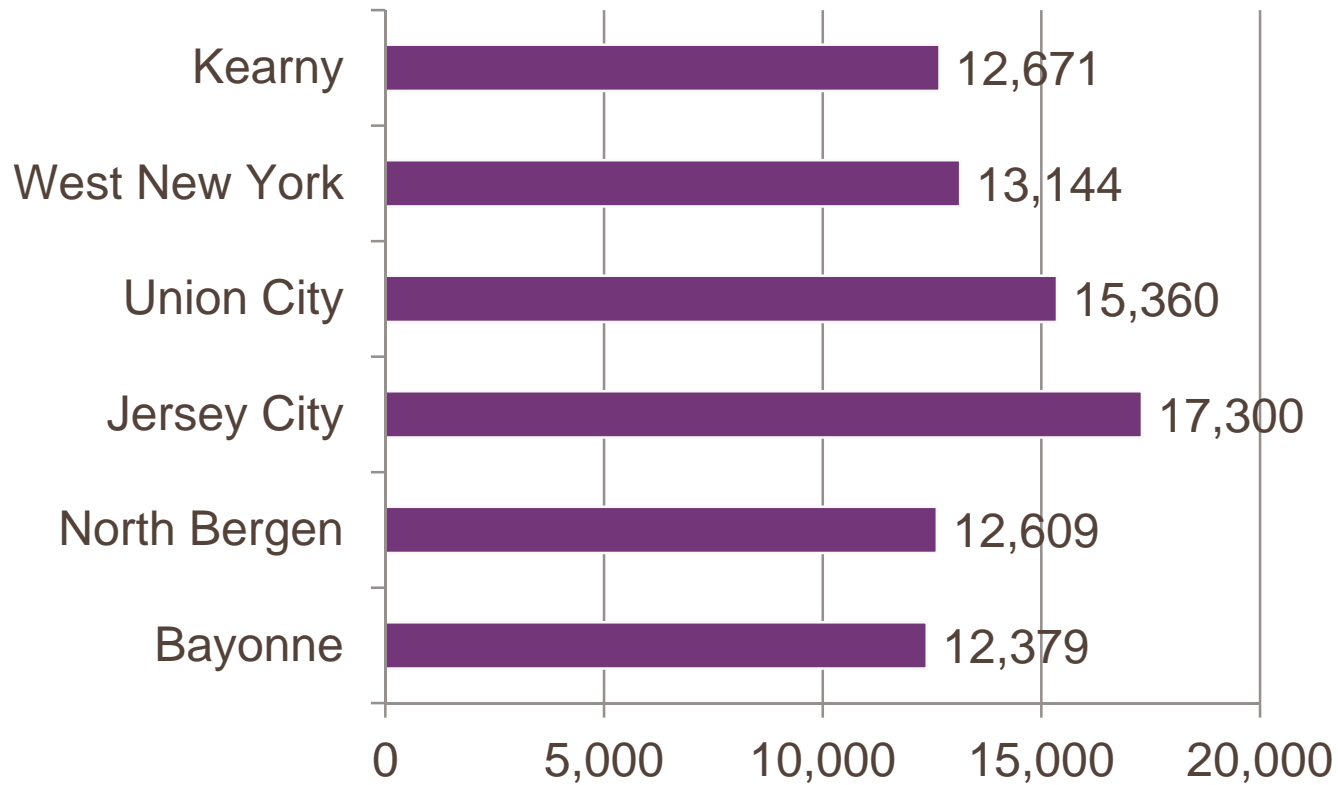
AMR ASSA

Free/Reduce
Calculated

	<u>Per Pupil Cost</u>	<u>% of Rev State</u>	<u>Budg. Cost Per Pupil</u>	<u>Instruction Cost % of Bud.</u>	<u>Free/Reduce Calculated</u>
Bayonne	\$17,049	47.30%	\$ 12,379	67.80%	59.72%
North Bergen	\$16,511	54.40%	\$ 12,609	60.50%	64.76%
Jersey City	\$22,751	79.40%	\$ 17,300	59.10%	68.85%
Union City	\$22,782	88.30%	\$ 15,360	51.90%	86.55%
West New York	\$18,826	86.10%	\$ 13,144	60.30%	79.37%
Kearny	\$16,435	44.30%	\$ 12,671	63.30%	58.97%



Budgeted Cost Per Pupil





Cost Per Pupil Analysis

- The previous data shows that while Bayonne receives the second lowest percentage of its budget from State Aid, it maintains the highest percentage of its cost spent on classroom instruction and the lowest actual budgeted cost per pupil.
- It is important to note also that our community has a District Factor Group of CD, (DFG's range from lowest to highest: A, B, CD, DE, FG, GH, I, and J), which is based on socioeconomic status. Our percentage of students on Free and Reduced Lunch is just over 55% as reported on the 10-15-2017 ASSA (Application for State School Aid) enrollments.
 - The current income level to obtain Free lunch for a child in a family of four is \$31,980.
 - The current income level to obtain Reduced lunch for a child in a family of four is \$45,510

BBOE Immediate Future



- **GOV. MURPHY'S FUNDING PLAN** - The new governor has announced a plan to fund school districts which are underfunded to a greater extent than those which are not. The additional State Aid, if received over the next few years would go to Collective Bargaining Agreements, more educators and personnel, while at the same time keeping the tax increase to a reasonable level.
- **HEALTH CARE COSTS**-It is important to help control health care costs, the Board has begun this by implementing a self insured Rx plan. With six months of data in the results look positive, and this should help to offset the 13.2% rate increase to the State Health Benefit Plan as of Jan. 1st, 2018. We anticipate a significant increase this coming Jan 1st as there has been an exodus of large school districts from the plan.

BBOE

Immediate

Future-Part II



- **FACILITIES and SCHOOL SECURITY:** The School District recently, July 1st, 2015, became a Type II School District. This allows for the district to obtain back in Debt Service Aid from the State approximately 40% of its NJ SDA (School Development Authority) approved facility renovations. The District intends on augmenting our existing security features with secure vestibule areas where possible in each school. Additionally, the district is working on prioritizing the necessary work needed on its buildings which average 83 years of age, with some over the century mark! We will focus on roofs, masonry work and heating, venting and cooling work, some of which have a positive pay-back on their investment in reduced energy costs.

Thank you!

