

# PRINCETON PUBLIC SCHOOLS 2016 ~ 2017 BUDGET

**EXTRAORDINARY PEOPLE  
EXTRAORDINARY PROGRAMS  
FISCAL RESPONSIBILITY**

Budget Hearing, April 26, 2016

*A budget is not  
about numbers;  
it is about  
children.*

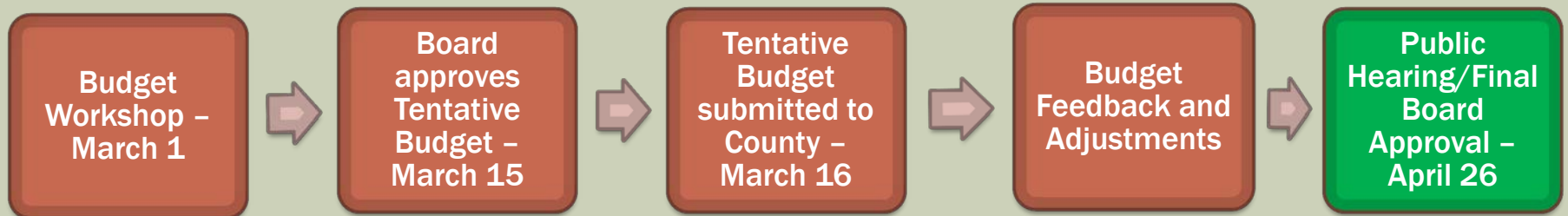
*It is about the  
future of our kids  
and how we, as a  
community,  
choose to finance  
their future.*

# BUDGET PRIORITIES 2016 ~ 2017

- Maintain focus on teaching, learning, student achievement
- Support District Vision based on Strategic Planning Goals
  - Wellness, Every Child Known, Closing the Achievement Gap, Innovation, Communication
- Provide salary increases per negotiated contracts
- Maintain class size in the face of rising enrollments
- Support state mandates
- Limit tax impact
- Ensure fiscal sustainability for future years



# BUDGET PROCESS



# UNDERSTANDING OUR EXPENSES AND REVENUES

# CHANGES MADE TO 2016~2017 PRELIMINARY BUDGET

## PRELIMINARY 2016~2017 BUDGET CHANGES MADE AFTER MARCH 15, 2016

Insurance: Property, Casualty, Liability, Workers Compensation		
Existing program renewal quote:	\$ 898,500.00	3.15.16
Insurance package request for quotes:	\$ 690,000.00	4.26.16
Reduced Budget by:	\$ <b>208,500.00</b>	
Health Benefit Coverage Insurance		
Original Estimates:	\$ 10,935,816.00	3.15.16
Aetna's final renewal presented minimal rate changes:	\$ 10,547,755.00	4.26.16
Prescription/Dental/Eye estimates remained unchanged		
Reduced Budget by:	\$ <b>388,061.00</b>	
<b>TOTAL BUDGET REDUCTION:</b>	<b>\$ <u>596,561.00</u></b>	4.26.16

**Budget presented to Board this evening is \$596,561.00 less than presented on March 15, 2016**

**Superintendent Cochrane & Business Administrator Kennedy recommend a Final 2016~2017 Budget as presented in the following slides.**

# EXPENSES 2016~2017

Office/Department/School	2015~2016	2016~2017 PROPOSED	Difference
Superintendent	\$ 45,622	\$ 46,181	\$ 559
Board Office	\$ 389,990	\$ 385,500	\$ (4,490)
Human Resources/Communications	\$ 145,750	\$ 160,750	\$ 15,000
Business Office	\$ 54,220	\$ 54,670	\$ 450
Maintenance	\$ 1,246,215	\$ 1,330,610	\$ 84,395
Transportation	\$ 2,278,120	\$ 2,278,120	\$ -
Student Services/SE	\$ 5,152,327	\$ 5,027,445	\$ (124,882)
Curriculum & Instruction	\$ 687,397	\$ 717,397	\$ 30,000
Media	\$ 395,000	\$ 477,500	\$ 82,500
Technology/Security	\$ 572,843	\$ 487,500	\$ (85,343)
Waiver funds added 1516	\$ 92,500	\$ -	\$ (92,500)
Community Park	\$ 151,383	\$ 148,883	\$ (2,500)
Johnson Park	\$ 145,619	\$ 148,737	\$ 3,118
Littlebrook	\$ 146,506	\$ 148,506	\$ 2,000
Riverside	\$ 133,300	\$ 134,070	\$ 770
John Witherspoon	\$ 251,225	\$ 264,062	\$ 12,837
Princeton High School/PAC	\$ 673,197	\$ 693,322	\$ 20,125
Athletics/Pool	\$ 429,059	\$ 459,059	\$ 30,000
Trainer/Impact/Supplies	\$ 14,500	\$ 13,000	\$ (1,500)
	<b>\$ 13,004,773</b>	<b>\$ 12,975,312</b>	<b>\$ (29,461)</b>

# EXPENSES 2016~2017 CONTINUED

<b>SALARIES</b>	<b>2016~2017</b>			
	<b>2015~2016</b>	<b>PROPOSED</b>	<b>Difference</b>	
PREA	\$ 30,736,790	\$ 31,377,546	\$ 640,756	2.08%
EPES	\$ 949,980	\$ 992,802	\$ 42,822	4.51%
PREA Subs	\$ 540,000	\$ 540,000	\$ -	0.00%
PRESSA	\$ 7,251,442	\$ 7,442,453	\$ 191,011	2.63%
PAA	\$ 3,215,405	\$ 3,145,502	\$ (69,903)	-2.17%
Unaffiliated	\$ 3,561,048	\$ 3,507,552	\$ (53,496)	-1.50%
Grant offset	\$ (71,545)	\$ (126,171)	\$ (54,626)	
<b>Total</b>	<b>\$ 46,183,120</b>	<b>\$ 46,879,684</b>	<b>\$ 696,564</b>	<b>1.51%</b>

# EXPENSES 2016~2017 CONTINUED

<i>Non-discretionary</i>	2016~2017			
	2015~2016	PROPOSED	Difference	
Insurance P&C WC	\$ 743,400	\$ 690,000	\$ (53,400)	
Health Benefits	\$ 10,039,251	\$ 10,547,755	\$ 508,504	5.07%
Waivers/Shared Savings	\$ 474,024	\$ 906,000	\$ 431,976	
Other District Wide	\$ 3,283,112	\$ 3,304,361	\$ 21,249	
Charter School/s	\$ 5,005,695	\$ 5,050,122	\$ 44,427	
Utilities ~ All	\$ 1,795,000	\$ 1,830,000	\$ 35,000	
NJSDA debt payment	\$ 239,765	\$ 239,765	\$ -	
	<b>\$ 21,580,247</b>	<b>\$ 22,568,003</b>	<b>\$ 987,756</b>	<b>4.58%</b>



# NON-DISCRETIONARY BUDGET ITEMS 2016~2017

HEALTH BENEFITS	\$ 10,547,755.00
WAIVERS/SHARED HB SAVINGS	\$ 906,000.00
CHARTER SCHOOL/S	\$ 5,050,122.00
OTHER*	\$ 6,064,126.00
<b>NON~DISCRETIONARY:</b>	<b>\$ 22,568,003.00</b>

\*OTHER DETAIL BELOW: \$ 6,064,126.00

INSURANCE PROPERTY.CASUALTY.WC	\$ 690,000.00
UTILITIES: ALL	\$ 1,830,000.00
NJSDA PAYMENT	\$ 239,765.00
OTHER DISTRICT WIDE	\$ 3,304,361.00
PERS: PENSION PAYMENT	
SOCIAL SECURITY	
LEAVE OF ABSENCE COSTS	
OTHER CONTRACT BENEFITS	

# BUDGET BREAKDOWN

**SALARIES:** \$ 46,879,684.00

**NON~DISCRETIONARY:** \$ 22,568,003.00

**SCHOOLS & DEPARTMENTS BUDGETS:** \$ 12,975,312.00

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**SUB TOTAL:** \$ 82,422,999.00

**CAPITAL RESERVE WITHDRAWAL/INTEREST:** \$ 378,800.00

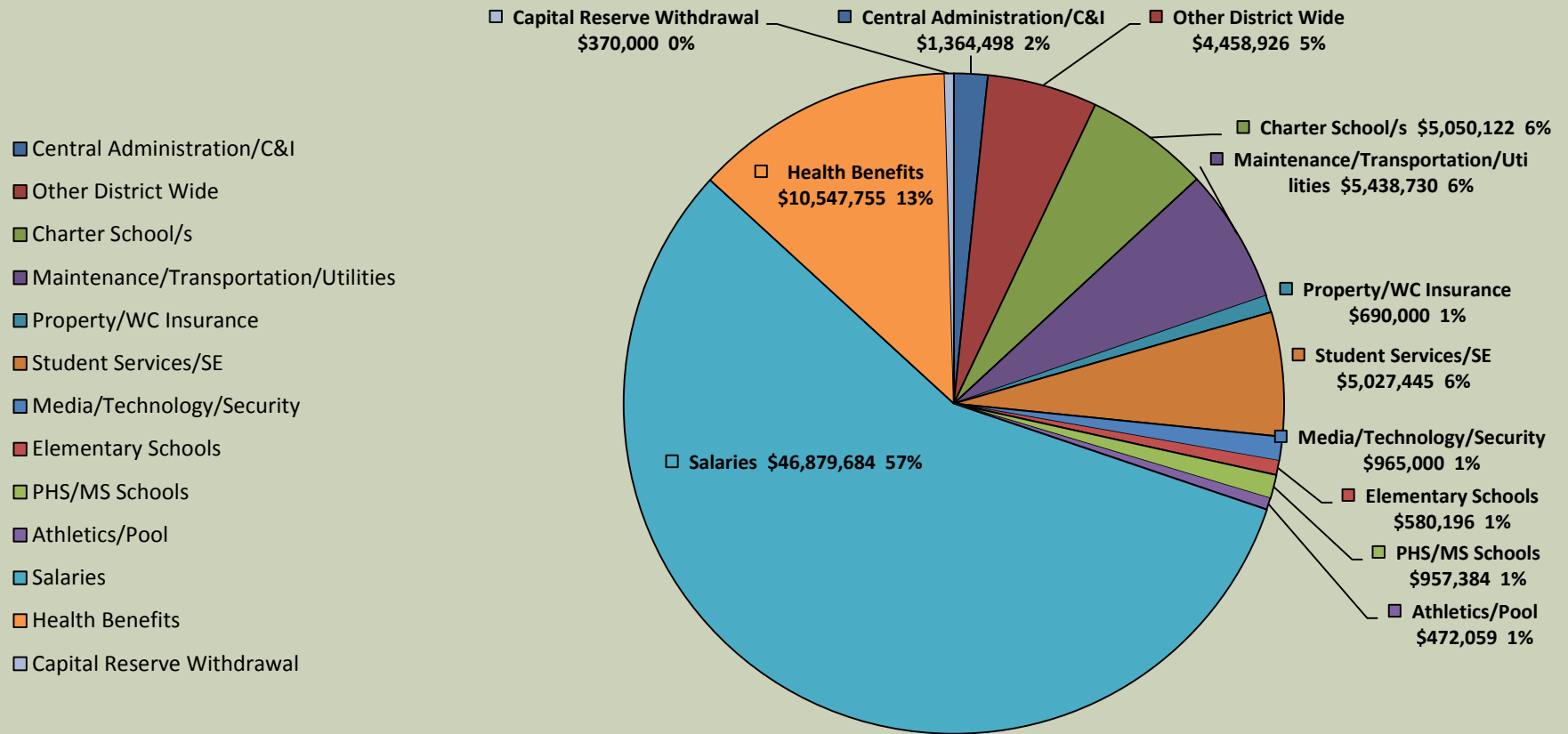
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**GENERAL FUND/OPERATING BUDGET TOTAL:** \$ 82,801,799.00

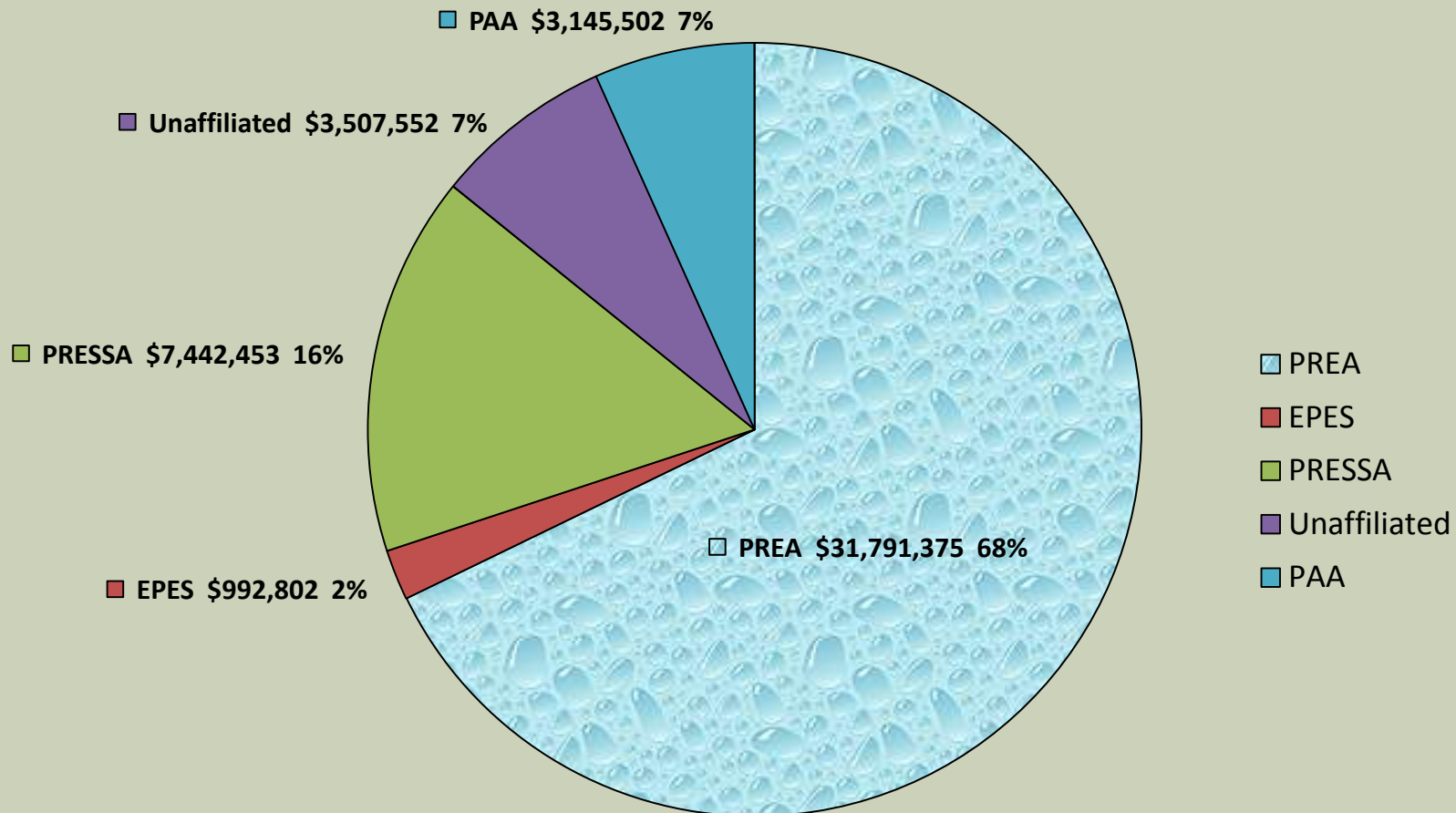
# CAPITAL RESERVE FUNDS

- **Capital reserve withdraw planned in this budget:**
- **\$310,000 to be used to fund a roof replacement at Valley Road Administration building**
- **\$60,000 to be used to fund the creation of a Life Skills room at Princeton High School**
- **\$8,800 ~ Capital reserve account interest income appears in the budget detail**
- **Total Capital Reserve Funded Projects: \$370,000**

# EXPENSES 2016~2017



# 2016~2017 SALARIES: \$46,879,684



# REVENUES 2016~2017

	Budgeted		Proposed			
GENERAL FUNDS	2015-2016		2016-2017			
Excess Reserve over 2% at 6.30	\$	446,108	14-15	\$	147,897	Amount Required per 14.15 Audit
Extraordinary Aid Prior Year	\$	600,000	14-15	\$	659,000	Extraordinary aid from 14.15
Operating Margin C. Year	\$	1,775,000	15-16	\$	1,735,000	
Cap Reserve-WD	\$	1,164,795	15-16	\$	370,000	VR Roof/Life Skills
	\$	3,985,903		\$	2,911,897	(1,074,006)
<b>LOCAL SOURCES</b>						<b>Tax Levy Increase</b>
Tax Levy	\$	68,227,891	2.82%	\$	70,148,718	\$ 1,920,827
Hazardous Routes	\$	175,729		\$	175,729	
Tuition ~ Cranbury, LEAs	\$	4,837,535		\$	4,791,508	
Tuition from Individuals	\$	427,897		\$	353,472	
Cap Reserve Interest	\$	7,000		\$	8,800	
Restricted Revenues	\$	216,500		\$	217,500	
Miscellaneous Revenues	\$	196,902		\$	196,902	
	\$	74,089,454		\$	75,892,630	

# REVENUES 2016~2017 CONTINUED

## State Sources of Revenues: General Fund

Budgeted 2015.16

PROPOSED

16.17

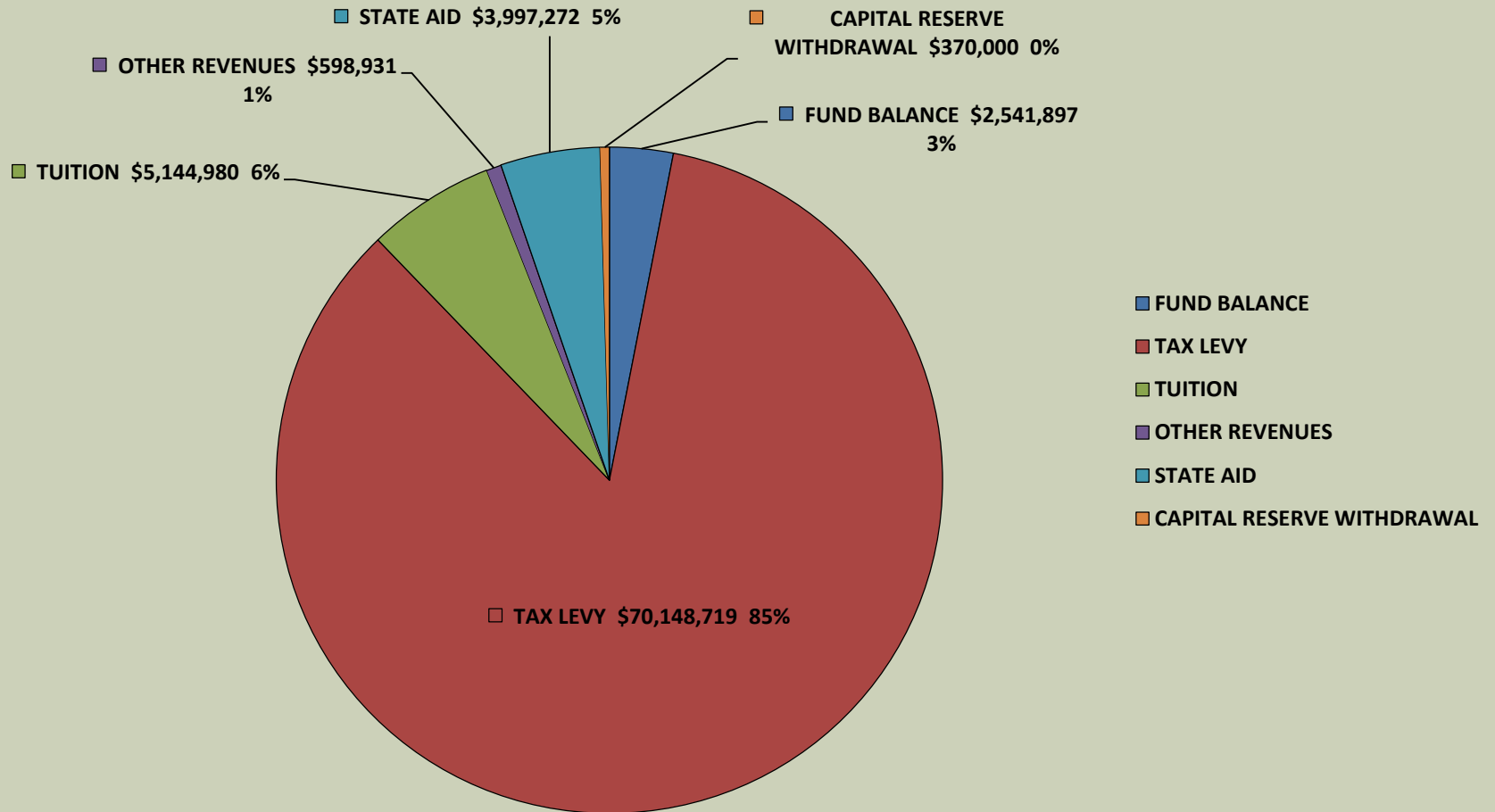
Extraordinary aid	15.16	\$ 435,000	\$ 460,000	Budgeted X Aid of 16.17
Transportation		\$ 846,497	\$ 845,567	
Special Ed aid		\$ 2,107,628	\$ 2,140,906	
Security aid		\$ 299,807	\$ 300,916	
Adjustment aid		\$ 107,606	\$ 107,606	
Other State aid		\$ 68,040	\$ 103,850	PARCC, PPG, PLC
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State aid		\$ 3,864,578	\$ 3,958,578	

## Federal Source: GF

SEMI Medicaid		\$ -	\$ 38,427	
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<b>Operating Budget Revenues</b>		<hr/> \$ 81,939,935	<hr/> \$ 82,801,799	<b>\$861,864 Revenue Increase</b>
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# 2016~2017 GF REVENUES: \$82,801,799





# TAX LEVY WAIVERS PROPOSED 2016~2017

Tax Levy at 2%	\$ 69,592,449	
Health Benefit Waiver:	\$ 264,382	
Banked Cap Waiver for Enrollment:	\$ 291,888	
Total Proposed Tax Levy:	<u>\$ 70,148,719</u>	2.82%
Debt Long Term:	\$ 5,447,926	
Total Tax Levy 2016~2017:	<u><u>\$ 75,596,645</u></u>	2.975%

# BUDGET CONTEXT: ENROLLMENT PROJECTIONS

Year	PK-5	6-8	9-12	PK-12 Total
2015 - 16 Current Year	1270	724	1574	3568
2016 - 17	1322	726	1549	3597
2017- 18	1342	695	1585	3622
2018 - 19	1347	695	1561	3603
2019 - 20	1346	714	1520	3580

- Elementary level most impacted next year with projected rise of 52
- Avalon Bay (280 units) to come on line this summer

# BUDGET SUMMARY: APRIL 26, 2016

- Operating Budget: \$82,801,799 (*General Fund*)
- Total Budget: \$90,861,899  
(includes debt service & Fed/State grants)
- Percent increase in total General Fund budget: less than 1% with changes made
- Percent increase in General Fund tax levy: 2.82%
- Percent increase in total tax levy: 2.98%
- Total General Fund tax increase: \$1,920,828
  - Includes Health Benefit Waiver of \$264,382 (.39%)
  - Includes Banked Enrollment Waiver of \$291,888 (.43%)
  - Balance of Banked Waiver for future budgets: \$950,000
- Tax Impact: \$179.70 increase on Average Assessed Home Value of \$810,191 in 2016

# TAX IMPACT 2016~2017 BUDGET

	2014-2015 TAX LEVY	2015-2016 TAX LEVY	2016-2017 TAX LEVY	Increase of	
GENERAL FUND	\$ 65,996,845	\$ 68,227,891	\$ 70,148,718	\$ 1,920,827	2.815%
				Portion of banked enrollment adjm. & HB waiver max	
DEBT SERVICE	\$ 5,632,588	\$ 5,184,676	\$ 5,447,926	\$ 263,250	5.08%
<b>TOTAL TAX LEVY</b>	<b>\$ 71,629,433</b>	<b>\$ 73,412,567</b>	<b>\$ 75,596,644</b>	<b>\$ 2,184,077</b>	<b>2.975%</b>

*Tax Impact: \$179.70 increase on Average Assessed Home Value of:*

*\$ 810,191.00 2016*

# EDUCATIONAL IMPACT

- Supports all current programs
- Adds PHS counselor/college advisor
- One additional psychology intern at PHS
- Includes funding for possible new section of K at CP
- Supports position of Director of Communications/Website Operations
- Adds P/T Innovation Coach
- Adds 30K in anticipation of PD for Action Team initiatives:
  - Individualized Instruction
  - Problem-based Learning
  - Cultural Responsiveness
- Adds 20K for Student Equity Fund
- Supports Family Literacy Center for Parents/Older Siblings of Pre-Schoolers
- Adds 30K to offset booster club contributions to athletics
- Includes 40K for garden educators at elementary schools

# OUR MISSION

To prepare all of our students to lead lives of joy and purpose as knowledgeable, creative, and compassionate citizens of a global society

