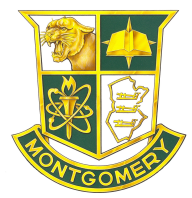


Montgomery Township Board of Education

Proposed Budget 2016-2017

March 15, 2016



MTSD Mission

Our mission as a forward-thinking community is to ensure that **all** students grow into confident, compassionate, successful, and self-directed learners in a multi-cultural and socio-economically diverse society by providing engaging and challenging real world educational experiences in a student-centered environment.

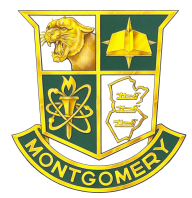


District Goals

Goal 1: To review, evaluate and assess current programs and staffing structures to determine gaps/needs. Raise academic performance of all demographics and results should compare favorably against similar districts year after year. Special focus on the MHS Science department, where a measurement of student achievement will be developed in 2015 and used every year to measure positive progress.

Goal 2: To identify and implement social emotional learning programming to be addressed district wide through the counseling programs. Specifically, implement evidence based social and emotional learning programs with the aim to prevent bullying, discipline problems and improving school climate (and stress) for all children.

Goal 3: To identify and effectively utilize specific communication practices with students, parents, staff and community members that are timely, accessible, and consistent in message. Administer a district-wide communications survey and compare the results with the Spring 2013 results.



The Argument for Change?

Good is the enemy of Great

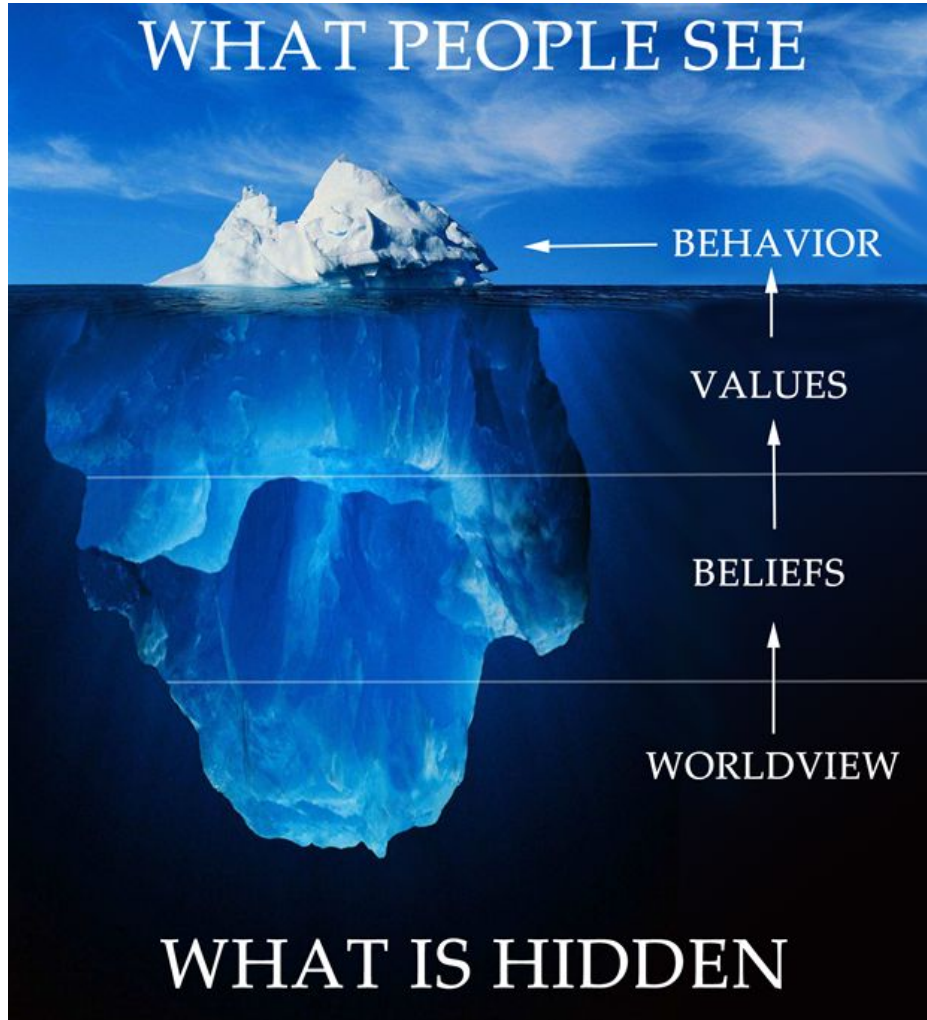
- **Montgomery is Good:** Our students perform incredibly well on both national and state assessments. Our students are readily accepted into competitive universities, and have access to a variety of 20 AP courses before graduation.
- At the top of most State/National rankings
- Our goal is to take MTSD from good to great. Great districts are responsible for developing students who are resilient learners. Students who systematically grapple with new and unfamiliar situations with confidence.



Great Districts:

- Ensure that each and every student has been afforded the opportunity to learn in an environment that embraces them as a unique learner, and can effectively provide them with a learning pathway that has been purposefully and thoughtfully designed to help them to grow to their fullest potential both academically and socially.
- Develop students who will become effective and successful leaders in whatever goal they pursue. This is possible because great districts ensure that every student graduates with the type of deep and progressive skill set that is essential to tackle real world problems.

WHAT PEOPLE SEE

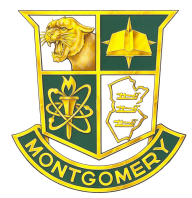


WHAT IS HIDDEN



Efficiencies

- Capacity Building
- Cost Avoidance



Efficiencies: Operations & Facilities

Energy:

- Software: climate controls
- LED lighting
- Solar

Transportation:

- Three tiers
- Jointures
- Contract busing

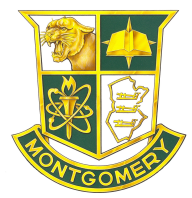
Purchasing:

- State Contracts
- Consortium (Somerset & Middlesex-powerful purchasing)
- Ed Data (bids on behalf of district)



Efficiencies: Instructional

- Capacity building
 - Professional development
 - Curriculum
 - Assessment
 - Technology
 - Teacher Development/Evaluation
 - Technology
 - Google
 - Printers
 - Copiers
 - Certification programs (Google, Epson, Dell)
 - Phones



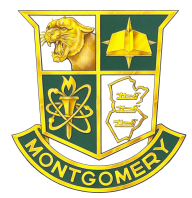
Efficiencies: Pupil Services

- Capacity building
 - Reading Interventionist /Dyslexia
 - Autism programs
 - Counseling
 - College and Career
 - Naviance
 - Nurses
 - Pediatrician
 - Traumatic loss



Efficiencies: Human Relations

- Capacity building
 - State Health Benefits
 - System 3000
 - Applitrack
 - AESOP
 - HIB training
 - Teacher Evaluation



Goal:

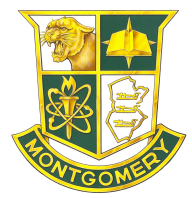
Attract and retain world class
teachers



Focus

The key to success is not innovation; it is “simplicity and diligence” applied with fierce devotion to our highest priorities

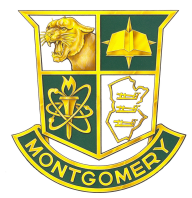
(Collins, Good to Great Fast Company 2001bp.104)



Simplicity, Clarity, and Prioritization

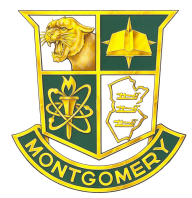
Emphases:

- What we teach: Curriculum
- How we teach: Instruction
- Literacy



Fact

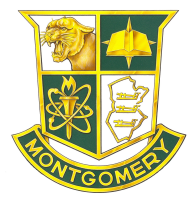
- 328 courses running throughout the district - each has its unique curriculum guide
 - Scope and sequence
 - Standards
 - Assessments
 - Instructional materials



What's happening now?

By end of 2016-2017:

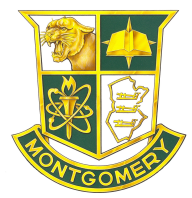
- K-4 Report Card implementation
- Genesis implemented K-4
- Scheduling K-6
- Related Arts K-8
- Next Generation Science Standards 5-12
- Elective offerings 9-12



What's happening now?

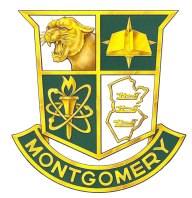
By end of 2016-2017:

- Anti-Defamation League (ADL) training implementation (Peer Leaders/Parent Education)
- English Language Learners programming (ELL)



Communication

- Community Engagement (website, social media, surveys, print media)
- Employ technology tools to support a range of information sharing
 - Performance Matters
 - Rubicon Atlas
 - MAP testing
 - Odyssey



Budget Process

September 2015 - Budget Managers receive procedures and timelines

November 2015 - Budget Managers submit budget requests

October 2015 to Present - Budget discussions with the Administration and Operations Facilities and Finance Committee

December 1, 2015 - Public Operations Facilities and Finance meeting

February 9, 2016 - Presentation on Operations Budget

February 23, 2016 - Presentation on Curriculum and Instruction Budget

March 1, 2016 - Presentation on Special Education and Personnel Budgets

March 15, 2016 - Presentation on Tentative Budget



Cost Drivers (greatly exceeds 2%)

- Salaries (Excluding Special Education)
 - Nursing Services
 - Bilingual Education
- Special Education
 - Paraprofessionals 1:1
- Out of District Tuition
- Transportation (Excluding Salaries)



Budget Reductions

- Equipment
- Buildings and Grounds
- Media Services
- Administrative Costs
 - General Administration
 - Reallocation of responsibilities
 - Travel
 - Supplies
 - Technology



Cost Driver Overview



	Budget	% Increase	\$ Increase
Total Salaries (excluding Special Ed.)	33,793,534	2.30%	\$ 759,438
Special Education	12,510,936	6.33%	744,974
Out of District Tuition	3,267,355	27.51%	704,848
Transportation (excluding salaries)	1,914,825	11.32%	194,788
Total			2,404,048
Tax Levy Cap			1,432,020
Amount Above Tax Levy Cap			(972,028)
Equipment	261,384	-36.45%	149,911
Buildings and Grounds (excluding salaries)	3,981,153	-6.86%	293,262
Media Services (excluding salaries)	158,086	-19.28%	37,747
Administrative Costs (excluding salaries)	1,143,455	-8.99%	125,838
Prior Year Banked Cap Allowance			365,270

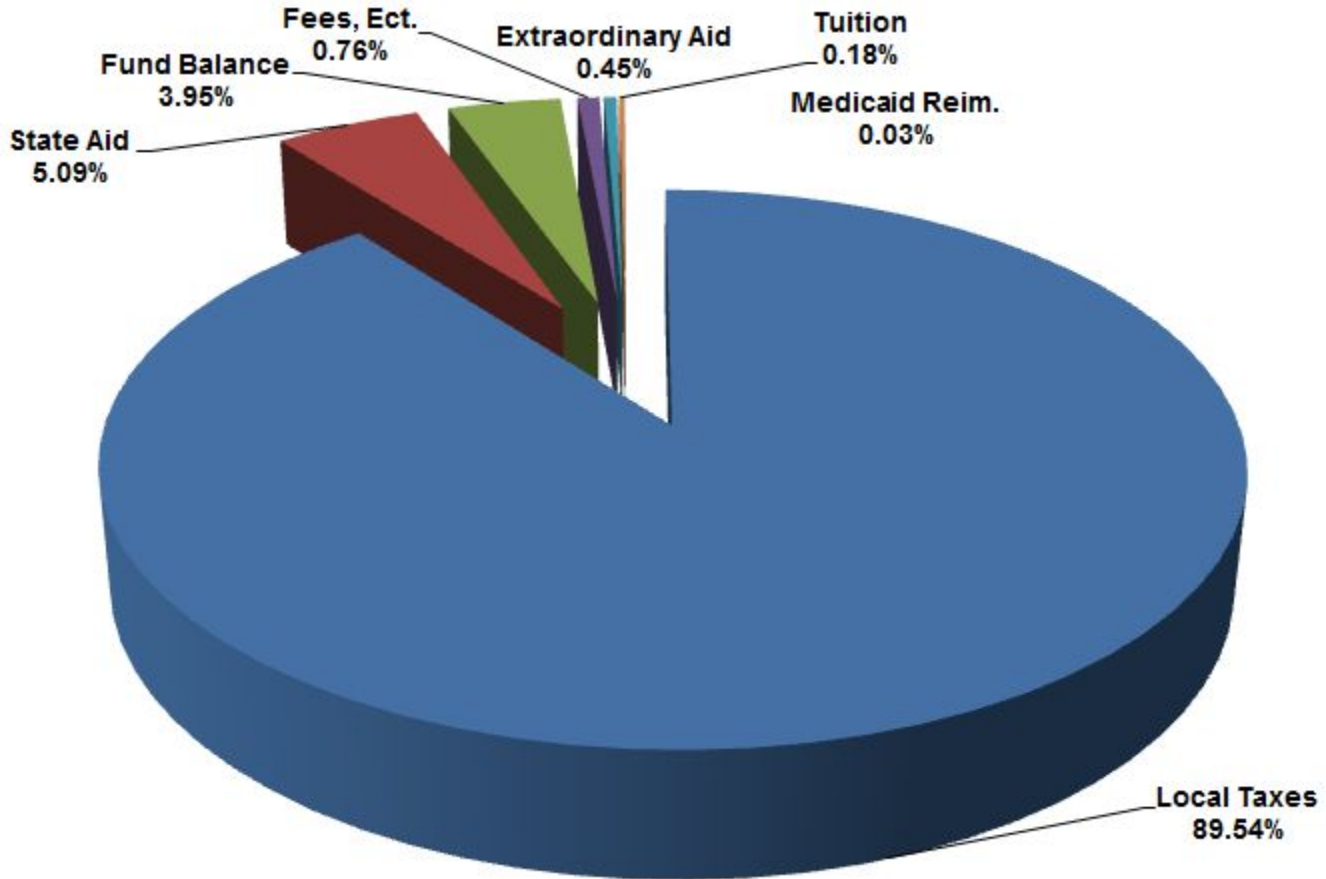


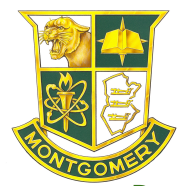
General Fund Revenues (Anticipated)

	2014-2015 Budget	2015-16 Budget	2016-17 Budget
Local Taxes	68,033,428	70,131,163	71,928,453
State Aid	4,022,106	4,022,106	4,085,768
Extraordinary Aid	360,945	360,945	360,945
Medicaid Reim.	-	11,183	26,717
Tuition	112,000	121,852	144,800
Activity Fees	150,000	150,000	125,000
Parking Fees	50,000	50,000	50,000
Building Rental Fees	250,000	300,000	300,000
Interest	30,000	30,000	30,000
Misc.	70,000	80,000	110,001
Fund Balance	4,003,653	3,169,671	3,170,543
Total Revenues	77,082,132	78,426,920	80,332,227



2016-2017 Budget General Fund Revenue



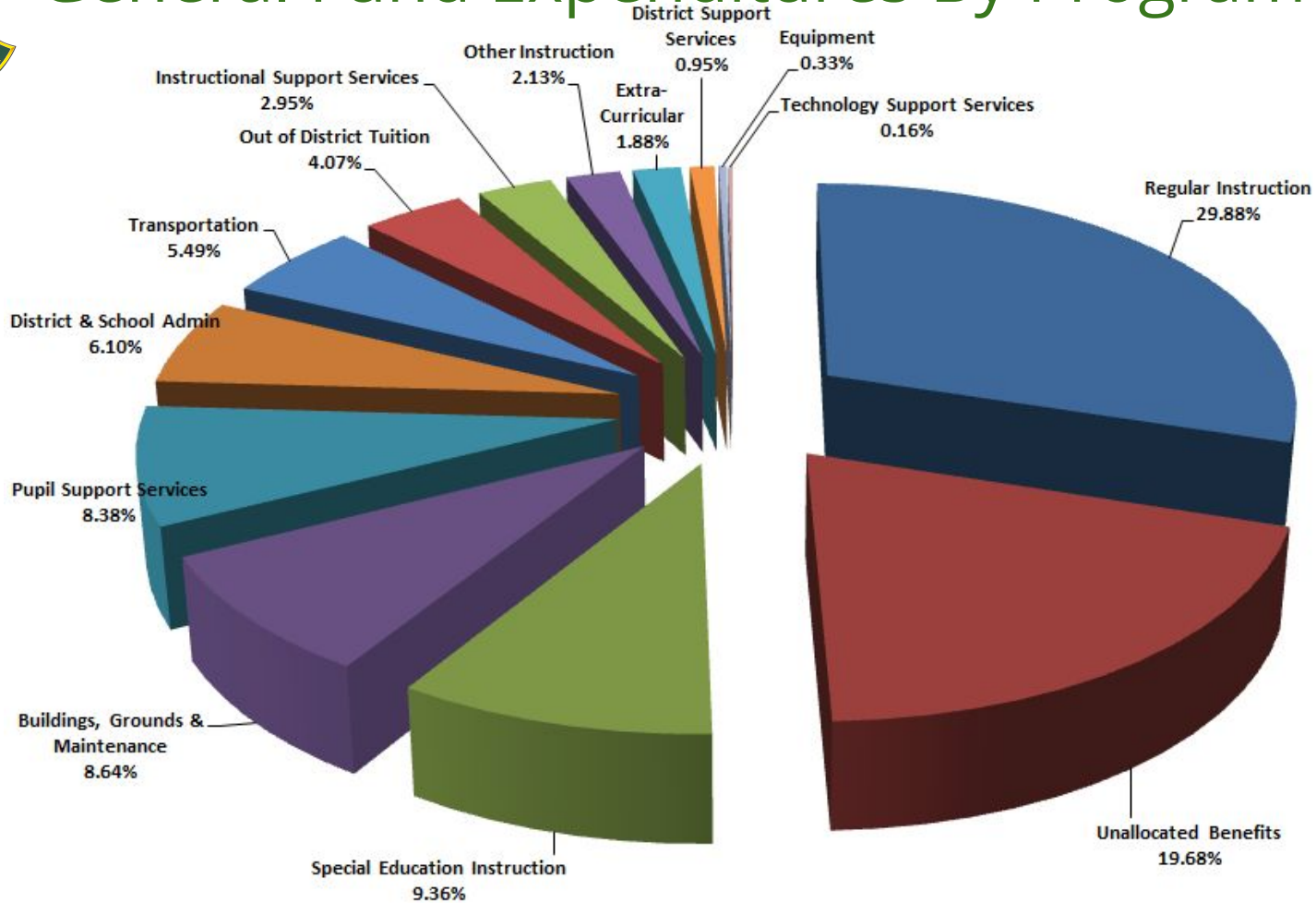


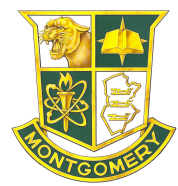
General Fund Expenditures By Program

	2014-2015 Actual	2015-16 Budget	2016-17 Budget
Regular Instruction	22,960,069	23,547,292	24,001,702
Unallocated Benefits	14,640,954	15,865,333	15,810,870
Special Education Instruction	6,476,458	6,965,803	7,515,691
Buildings, Grounds & Maintenance	6,481,695	7,193,778	6,941,495
Pupil Support Services	5,775,776	6,362,959	6,730,282
District & School Admin	4,817,567	4,897,293	4,899,000
Transportation	3,990,259	4,227,481	4,410,085
Out of District Tuition	1,961,277	2,562,507	3,267,355
Instructional Support Services	2,147,888	2,415,951	2,366,046
Other Instruction	1,432,091	1,537,597	1,713,503
Extra-Curricular	1,341,171	1,423,389	1,507,937
District Support Services	565,006	818,637	766,612
Technology Support Services	175,512	193,309	140,265
Equipment	902,398	415,591	261,384
General Fund Total Expenses	73,668,121	78,426,920	80,332,227



General Fund Expenditures By Program





Budgetary Cost Per Pupil

District Name	Actual 2012-2013	Actual 2013-2014	Budgeted 2014-2015
Princeton Regional	17,736	18,484	19,845
Hopewell Valley Regional	16,171	16,720	17,816
Millburn Township	13,857	14,458	15,329
Bridgewater- Raritan Regional	13,260	13,774	15,159
State Average	14,156	14,496	14,986
Livingston Regional	13,948	14,464	14,791
Montgomery Township	12,785	13,715	14,487
W Windsor-Plainsboro Reg.	12,819	12,833	13,919
Bernards Township	12,622	13,043	13,910
School District of the Chathams	12,171	12,741	13,186

Source: <http://www.state.nj.us/education/guide/2015>



Total Administrative Cost Per Pupil

District Name	2012-2013	2013-2014	2014-2015
Princeton	1,593	1,669	1,748
Livingston	1,626	1,627	1,633
Bridgewater-Raritan	1,387	1,469	1,609
Randolph	1,446	1,533	1,590
State Median	1,476	1,507	1,556
Hopewell Valley	1,327	1,347	1,531
School District of the Chathams	1,412	1,454	1,521
Group Average (K12/3501+)	1,422	1,483	1,517
Montgomery	1,392	1,492	1,517
Millburn	1,351	1,400	1,483
W Windsor-Plainsboro	1,241	1,257	1,441
Montville	1,329	1,339	1,398
Hillsborough	1,142	1,228	1,311
Bernards	1,123	1,187	1,243
2015-2016 Montgomery Township	1,560		
2016-2017 Montgomery Township	1,518	(-42)	
2016-2017 Regional Limit	1,990		

Source: <http://www.state.nj.us/education/guide/2015>



General Fund Legal Expenses

2011/2012	\$165,000
2012/2013	\$219,638
2013/2014	\$309,952
2014/2015	\$176,334
2015/2016 to date	\$128,953
2016/2017 Budget	\$240,000*

*collective bargaining



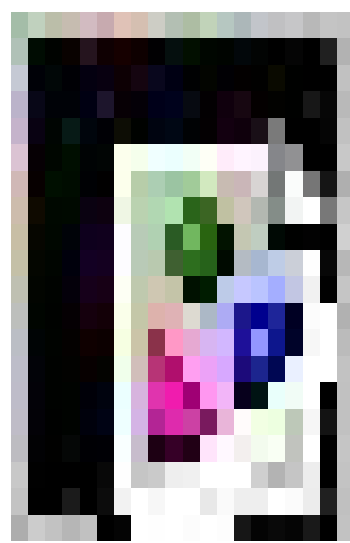
Historical Timeline

1997/98 - Montgomery Township enrollment was approximately 2856. Rocky Hill paid tuition for approximately 70 students

1998 - Montgomery Township incurred Debt to secure property and build Village Elementary School

2000 - Montgomery Township approved a referendum to build Montgomery High School

2001 - Montgomery Township refunding bonds from November 29, 1994 referendum for Lower Middle School and renovations to other schools





Historical Timeline

2009 - State forced merger between the school districts of Montgomery Township and Rocky Hill and set the formula for distribution of taxes at 38.5% Equalized Valuation (market value) and 61.5% Enrollment (results in same tax levy allocation as 2009/10)

December 8, 2009 - Montgomery Township and Rocky Hill Residents pass a referendum for additions and alterations to four schools

March 8, 2016 - Montgomery Township and Rocky Hill residents pass a referendum for additions and alterations to all five schools



Historical Timeline

2008 Equalized Valuations

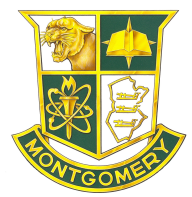
Montgomery Township	\$5,124,163,852
Rocky Hill	\$139,003,219

2008/09 Enrollment

Montgomery Township	5,272.5
Rocky Hill	94.5

2009/10 General Fund Tax Levy

Montgomery Township	\$60,629,655
Rocky Hill	\$1,310,920



State Calculation for Tax Distribution 2016-2017

<u>Municipality</u>	<u>Equalized Valuation</u>	<u>% of Total Equalized Valuation</u>	<u>38.5% Share</u>
Montgomery Township	4,486,410,550	0.971168459	37.3899857
Rocky Hill	<u>133,190,209</u>	<u>0.028831541</u>	<u>1.1100143</u>
Total	4,619,600,759	1.000000000	38.5000000

<u>Municipality</u>	<u>Enrollment 10-15-15</u>	<u>% of Total Enrollment</u>	<u>61.5% Share</u>
Montgomery Township	4,670.5	0.97709205	60.0911611
Rocky Hill	<u>109.5</u>	<u>0.02290795</u>	<u>1.4088389</u>
Total	4,780.0	1.000000000	61.5000000



State Calculation for Tax Distribution 2016 - 2017

<u>Municipality</u>	<u>38.5% Share</u>	<u>61.5% Share</u>	<u>Total Share</u>
Montgomery Township	37.3899857	60.0911611	97.4811468
Rocky Hill	<u>1.1100143</u>	<u>1.4088389</u>	<u>2.5188532</u>
Total	38.5	61.5	100



Tax Distribution

2016-2017

<u>Municipality</u>		<u>Montgomery Twp.</u>	<u>Rocky Hill</u>
Percent Share		0.974811468	0.02518853
General Fund Tax Levy	\$71,928,453	\$70,116,681	\$1,811,772
Debt Service Tax Levy			
Pre merger	\$ 5,818,285	\$ 5,818,285	\$ 0
Post merger	<u>282,236</u>	<u>275,127</u>	<u>7,109</u>
	\$ 6,100,521	\$ 6,093,412	\$ 7,109
New Referendum	<u>\$ 850,000</u>	<u>\$ 828,590</u>	<u>\$ 21,410</u>
Total Debt Service	<u>\$ 6,950,521</u>	<u>\$ 6,922,002</u>	<u>\$ 28,519</u>
Total Tax Levy	\$78,878,974	\$77,038,682	\$1,840,292



Tax Impact

Montgomery Township -

2015/16 Ratables \$3,737,903,200

2016/17 Ratables \$3,782,581,566 Increase of \$47,678,366

Average Assessment \$498,623

Estimated Impact Based on Average Assessment \$177

***Includes referendum**



Tax Impact

Rocky Hill -

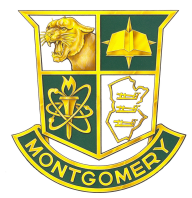
2015 Ratables \$127,424,724

2016 Ratables \$129,210,889 Increase of \$1,786,165

Average Assessment \$441,600

Estimated Impact Based on Average Assessment \$199

***Includes referendum**



Future Challenges

- Health Benefits Increases
- Banked Cap
- Debt Service transfers from prior referendum
- Budgeted Fund Balance

Questions?