



Newark Public Schools FY17-18 Budget

4.20.2017

AGENDA

- **Introduction**
- **FY17-18 General Fund Budget**
 - **FY17-18 School Budgets**
- **Appendix**
 - Weighted Student Funding Methodology
 - Building a School Budget

FY17-18 BUDGET PLANNING BEGAN IN JULY 2016

- ✓ **Today's presentation is the culmination of planning that began at the end of last school year** and is the result of collaboration between NPS leaders, the School Board and Newark Elected Officials.
 - Initial planning began in July with an assessment of the potential budget gap for FY17-18.

- ✓ **Using conservative estimates, NPS developed a plan to balance the budget** in the event that the potential budget gap was realized.

- ✓ The FY17-18 budget has been discussed publicly and in schools throughout the winter and spring.
 - **January and February:** Superintendent and SBA shared initial projections and planning scenarios with the School Board
 - **March and April:** District shared the budget with school leaders
 - School leaders held community budget meetings
 - **April:** NPS previewed the budget with the Mayor's Office
 - **Ongoing:** Multiple meetings with Budget and Finance Committee

EARLY BUDGET PLANNING PROJECTED SIGNIFICANT FISCAL CHALLENGES

Initial projections of the FY17-18 budget gap were based on the following assumptions:

1. **Flat State Aid:** State funding remains flat from FY16-17 (at ~\$742M)
2. **Reduced Host District Aid:** New aid received in FY16-17 of \$22M would be reduced
3. **Increased Charter Aid:** Charter school per pupil rates would return to previous levels and charter school enrollment would increase by 1,400, bringing total enrollment to approx. 17,075. The changes would result in total charter aid increasing \$40M to over \$270M.
4. **Increased Operating Costs:**
 - Salary (~2%) and health (~8%) benefits increases, totaling approximately \$15M
 - Out of District tuition rate increases (~6%)
 - Other operating growth from key contracts
5. **Other decreases in revenue:** Loss of non-recurring revenues, approximately \$8M

WE HAVE AGGRESSIVELY MANAGED THE BUDGET OVER THE LAST TWO BUDGET CYCLES

- ✓ **Selling Buildings:** Arranged for the sale of 12 empty school buildings
- ✓ **Increased Local Taxes:** Used all available 'banked cap,' and continued to raise the full 2% local tax levy
- ✓ **Improved Residency Verification Procedures:** Auditing all charter and NPS enrollment
- ✓ **Changed Health Benefits:** Worked with broker to change health care benefits from SEHBP to Aetna
- ✓ **Changed Prescription Benefits:** Changed prescription benefits to third party (10% cost saving)
- ✓ **Increased Federal Reimbursements:** Improved paperwork to maximize federal reimbursement (Medicaid)
- ✓ **Reorganized Transportation:** Identified routing efficiencies and revised special education transportation policy to better align ridership with disability level
- ✓ **Changed Special Education Policies:** Built more capacity to enable students to remain within the District instead of pushing to Out of District placements
- ✓ **Negotiated New Lease:** Identified new location for central office saving \$2.4M annually

ACADEMIC PROGRESS

- ✓ **Newark's four year graduation rate is now 73.5%, a nearly 15 point gain** since the start of the reforms (2011)
 - Graduation rates have increased in each of the last four years

- ✓ **Twice as many African American children are attending schools that beat the state average** compared with 2011.

- ✓ **PARCC proficiency rates increased** 6 percentage points in ELA and 2.5 percentage points in math in the 15-16 school year.

- ✓ When measured against comparable districts, **proficiency rates are up significantly over the last 5 years** (Compared to the 37 most demographically similar districts in the state):
 - Newark has gone from the 41st percentile to the 75th in Math
 - And from the 44th to the 78th in English

- ✓ Over the last two years, **the district's median student growth percentile has increased by 16 points in Reading (from 37 to 53) and 6 percentile points in Math (from 36 to 45)**. (SGP is the state measure of student progress relative to all other similarly situated students in NJ each year).

- ✓ According to a study by the Center for Reinventing Public Education, **Newark parents have access to a higher percentage of schools that "Beat the Odds" than in any urban school district in the country.**

NPS HAS MADE ORGANIZATIONAL PROGRESS

- ✓ **Newark is on track for the full return of local control**

- ✓ **Made investments in better professional development, more rigorous curriculum and assessment, and improved educational technology**
 - Regular LIFTT, PLI, VPLI sessions are developing educators across schools
 - Higher college- and career-ready standards in ELA and math, with aligned curriculum and assessments
 - Better use and implementation of curriculum and assessments across schools
 - PSAT and/or SAT exam offered to all eligible students - more access to AP level courses
 - Vastly improved technology across schools. Student and teacher use of tools shows improved utilization

- ✓ **Improved student and community supports**
 - Launched the Community Schools initiative
 - Established Student Support Teams at every school
 - Improved IEP compliance and inclusion of Special Education Students

- ✓ **Retained our most effective educators**
 - 93% of effective educators being retained and 96% of highly effective educators being retained.
 - In contrast, we retained far fewer partially effective educators 81% and ineffective educators 61%

- ✓ **Improved facilities across the district**
 - Have opened 2 new buildings in the last 12 months and broke ground on a 3rd
 - Have spent nearly \$1M testing and beginning remediation to improve water quality
 - On track to secure bond and additional financing from SDA

ECONOMIC SHIFTS CONTINUE TO ADD COMPLEXITY TO NPS' BUDGET

2 Key Drivers Are Creating Pressure on the NPS Budget

#1: Decreasing per pupil revenue: While the number of students served across all Newark schools (district and charter) has increased by 16%, revenues have remained largely flat, leading to a nearly 9% drop in per pupil funding.

#2: Increased "Aid" to Charter Schools: There has been a large transfer of funds to charter schools from \$91M in 2010 to an anticipated \$242M projected in FY17-18.

- ✓ The critical issue is whether this transfer is cost neutral. If, for every dollar transferred, there was an equal reduction in cost to the district, the charter cost would be net neutral. However, even with aggressive expenditure reduction, this is not possible.
- ✓ In addition, State statute requires that a district retain \$0.10 for every dollar that goes to charter students to help cover these legacy and fixed costs. Historically, the charter funding formula has been inconsistent with statute.

The impact of these factors has led to significant budget challenges at Newark Public Schools

AGGRESSIVE BUDGET MANAGEMENT WILL CONTINUE IN FY17-18

Revenue and savings opportunities were developed with the goal to preserve academic programming:

- ✓ **Selling Buildings (\$5M):** NPS will benefit from the sale of up to 12 empty buildings through NHA
- ✓ **Placing More EWPS teachers(\$14.4M over 3 years):** Ongoing efforts will ensure a reduced excess teacher pool
- ✓ **Ensuring a Fair Contribution from Local Taxes (\$7.2M):** NPS will use all available 'banked cap,' and continue to raise the standard 2% local levy
- ✓ **Reorganized Transportation (\$1.5M):** Identified efficiencies in bus routes
- ✓ **Central Office Move (\$2.4M):** Relocating to new, cheaper space at 765 Broad Street
- ✓ **Better Oversight of Special Education Service Provision (\$5M):**
 - Changed how referrals of special education students are made to out of district placements
 - Improved IEP reviews to ensure that appropriate service levels are given to students for transportation, aides, and related services
- ✓ **Continued savings from changes in insurance plans:** Moved from State benefits plan to Aetna

NPS WILL MAKE FURTHER INVESTMENTS IN 17-18 IN CRITICAL AREAS TO ALIGN WITH OUR STRATEGIC PLAN

New funding to schools plus additional efficiencies will allow NPS to make strategic investments in the following areas:

1. NPS Strategic Plan Priority #1: Academics and Student Supports

- ✓ **Science Curriculum:** Implement new science curriculum in middle school
- ✓ **Re-engagement Center:** Re-engaging dropouts and off-track students and placing them in expanded, appropriate programs.

2. NPS Strategic Plan Priority #2: Talent in Every School

- ✓ **Teachers:** Pay teachers more and invest in more teachers
- ✓ **Teacher recruitment:** Invest in teacher recruitment and training programs

3. NPS Strategic Plan Priority #3: Community Engagement

- ✓ **Community Schools:** Continuing to invest resources in our South Ward Community Schools Initiative

4. NPS Strategic Plan Priority #4: Operations and Budgets

- ✓ **Information Technology:** Expand students' access to digital resources

KEY HIGHLIGHTS OF THE FY17-18 BUDGET

NPS developed a balanced budget that increases our investment in schools to support continued progress and achieves a structurally sound balanced budget. Key highlights of the FY17-18 Budget include:

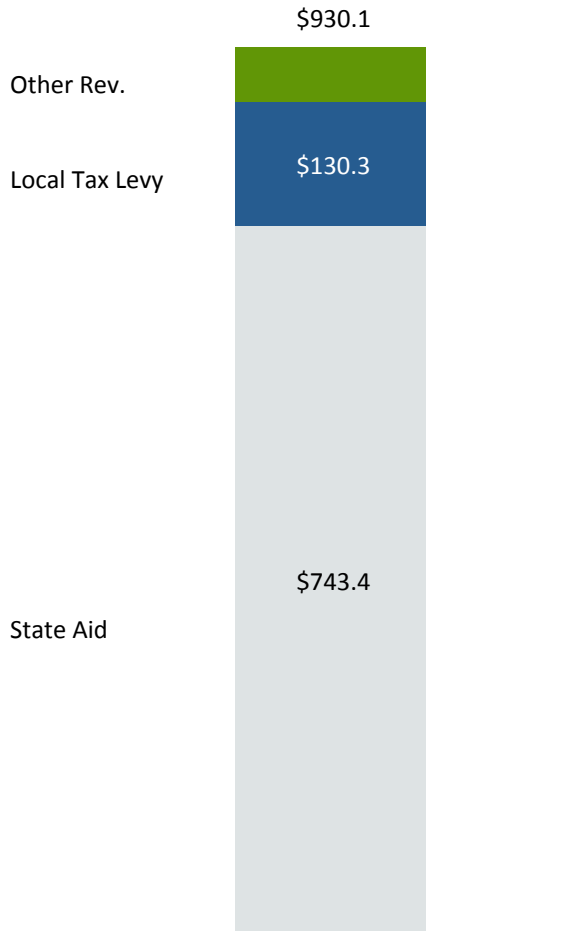
1. **Managed financial risks** – With significant uncertainty, developed a plan to balance the budget assuming an unfavorable state aid notice.
2. **Advocated for funding** – Succeeded in holding host district aid and charter costs flat.
3. **Created more efficient operations** – Identified efficiencies and cost savings opportunities to put NPS in more stable financial position moving forward.
4. **Investing \$5 million more in schools than 16-17** – Funding will support additional teachers, including special education and bilingual programming.
5. **Investing in critical academic programs** – Funding allocated for a new science curriculum, technology improvements, and academic interventions.

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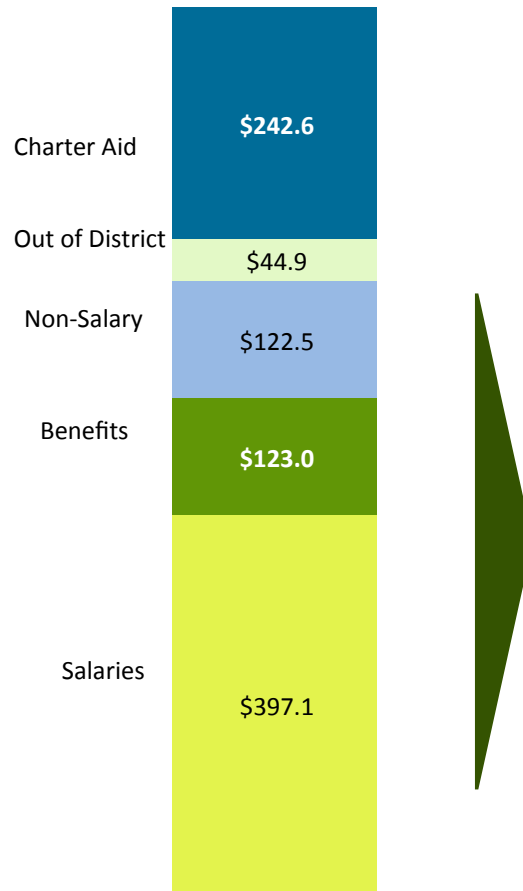
WHERE DOES REVENUE COME FROM & WHERE DOES IT GO?

Where does the money come from?



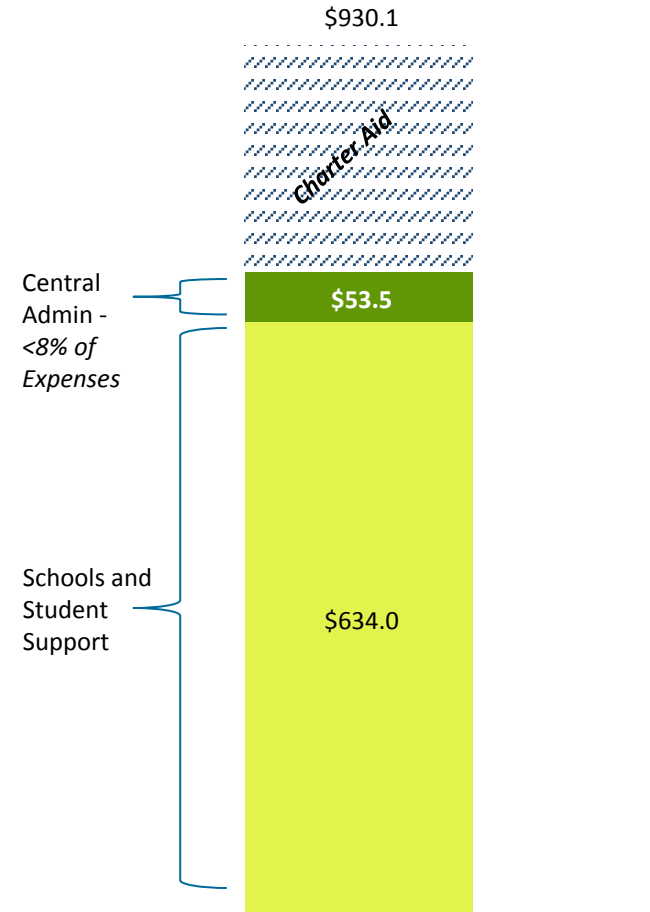
FY17-18 General Fund Revenue

How is it spent?



FY17-18 General Fund Expense

How much of it directly supports schools?



FY17-18 General Fund Expense

BUDGET OVERVIEW

School budgets have increased as a result of aggressive budget management which directly benefited school budgets and academic programs.

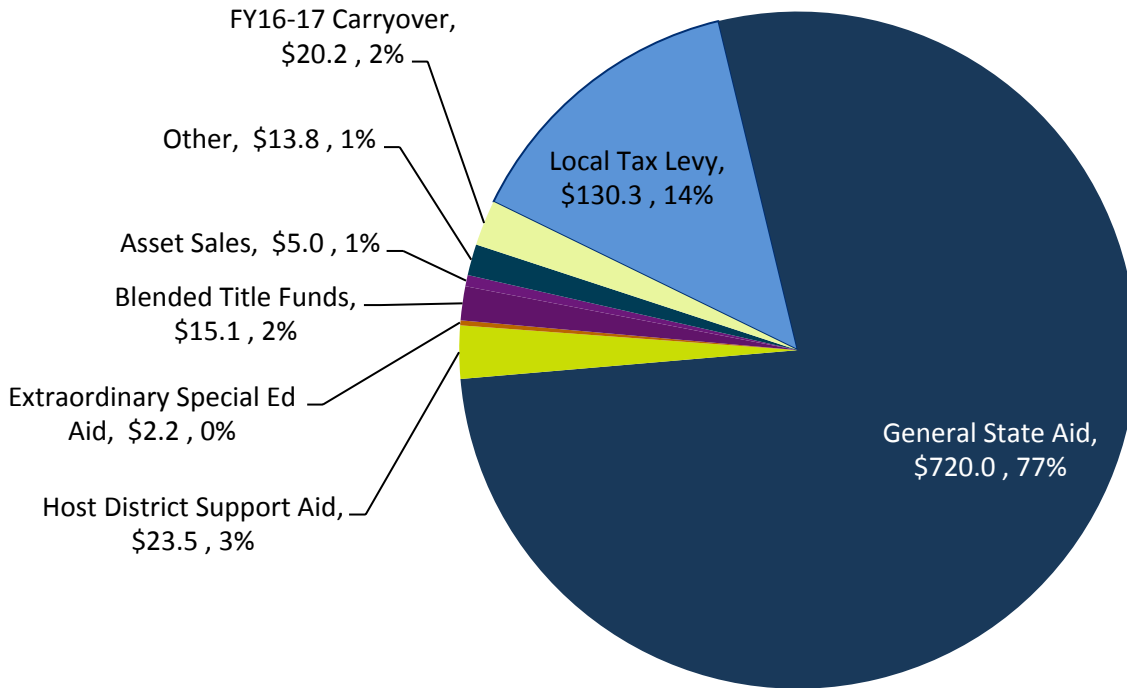
Fund Sources (Revenue)		
\$ in millions	FY 16-17 General Fund Budget	FY17-18 General Fund Budget
State aid	\$720.0	\$720.0
Local tax levy	\$123.2	\$130.3
Host district support aid	\$22.1	\$23.5
Other general fund	\$12.7	\$21.0
Title I (Blended funds)	\$15.2	\$15.1
FY16-17 carryover	\$0	\$20.2
Total General Fund Revenue	\$893.1	\$930.1
Fund Uses (Expenses)		
Charter payment	\$243.8	\$242.6
NPS total		
NPS: Central Office	\$50.8	\$53.5
School Supports (Centrally budgeted)	\$268.6	\$294.9
NPS – School Budgets (Fund 15)	\$334.3	\$339.1
Total General Fund Expenses	\$893.1	\$930.1
Surplus / (Deficit)	\$0.0	\$0.0

Note: The table above includes the General Fund budget only. The Special Revenue Fund includes additional funding for student programs. In FY17-18, NPS is anticipating \$120M and includes funding from for PreK programs (State and federal -\$97M), IDEA (\$12M) and other Title and School Improvement funds (\$8M).

BREAKDOWN ON FY17-18 REVENUE

FY2017-18 General Fund Revenue

\$ in millions



- The State provides over 81% of NPS general funds.
 - 77% from General State Aid consisting primarily of Equalization Aid, Categorical Special Ed Aid, Categorical Security Aid
 - 3% Host District Support Aid
 - <1% from Extraordinary Special Ed Aid for high cost special education students
- Local Tax Levy funds contribute an additional 14%
- Due to aggressive budget management, there is a carryover from FY16-17, contributing 2.2% to cover identified FY17-18 expenses
- Remaining 3% consists of blended Title I funds, asset sales and other miscellaneous revenue.

YEAR OVER YEAR CHANGE IN STATE REVENUE

Year-Over-Year Comparison of State Aid			
(\$ in millions)	<u>State Revenue</u>		<u>YoY Change</u>
	<u>FY16-17 Budget</u>	<u>FY17-18 Budget</u>	<u>FY16-17 v. FY17-18</u>
General State Aid			
Equalization Aid	\$ 649.2	\$ 649.2	\$ -
Categorical Special Ed Aid	28.7	28.7	-
Categorical Security Aid	19.4	19.4	-
Adjustment Aid	12.8	12.8	-
Categorical Transportation Aid	6.8	6.8	-
PARCC Readiness Aid	0.5	0.5	-
Per Pupil Growth Aid	0.5	0.5	-
Additional Adjustment Aid	1.5	1.5	-
Prof. Learning Community Aid	0.5	0.5	-
State Aid	720.0	720.0	-
Host District Support Aid	22.1	23.5	1.4
Total State Aid	\$ 742.0	\$ 743.4	\$ 1.4

Funding from the State will increase \$1.4M in FY17-18

General State Aid has remained flat

→ Increased Host District Aid

YEAR OVER YEAR CHANGE IN LOCAL TAX LEVY

- The Local Tax Levy contributes only 14% of revenues for NPS.
- Newark has historically undertaxed residents when compared to State allowed increases.
- NPS will increase the Local Tax Levy the state allowed 2% and take advantage of the “banked” cap that will expire this year if it is not used.
- Local Tax Levy revenue will increase \$7.2M in FY17-18.

Year-Over-Year Comparison of Local Tax Levy			
(\$ in millions)	FY16-17 Budget	FY17-18 Budget	FY17-18 v. FY16-17
Local Tax Levy	\$ 123.2	\$ 130.3	\$ 7.2
Total Local Tax Levy	\$ 123.2	\$ 130.3	\$ 7.2

FY17-18 AVERAGE TAX INCREASE

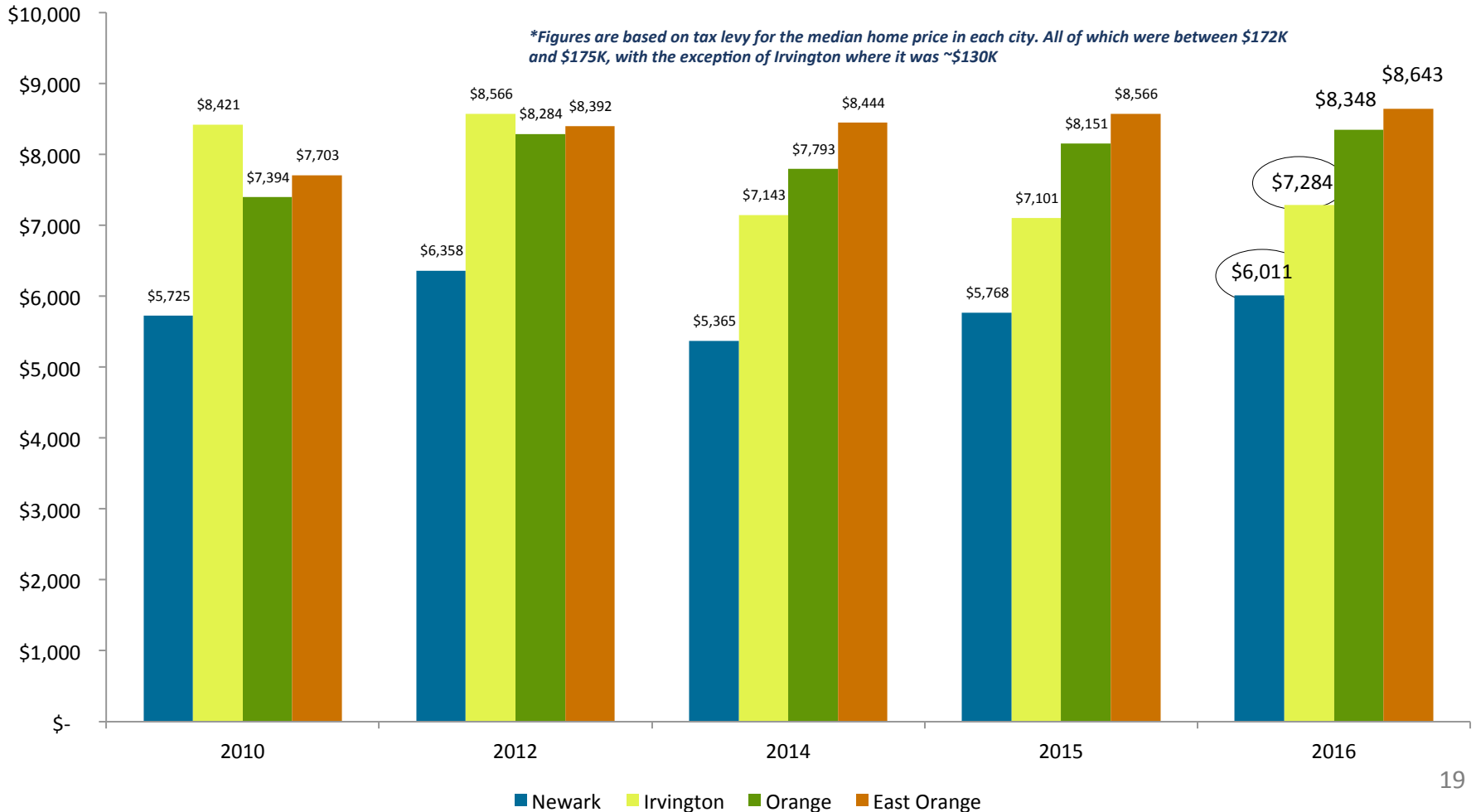
(Portion of Property tax for NEWARK Schools)

- Property taxes (attributable to Newark schools) will increase \$118 annually for the average homeowner.

	Average Newark Homeowner
Average Property Assessed Value	\$175,000
2016-17 Tax Levy	\$1,746
2017-18 Tax Levy *	\$1,864
Average Annual Increase	\$118

NEWARK HOMEOWNER TAX ALLOCATION AMONG PEERS

With this increase, Newark homeowner taxes allocations will remain significantly behind peer districts. Homeowner taxes in Irvington are closest to Newark, but were still 21% higher than Newark in 2016.



HISTORICAL TRENDS IN OTHER GENERAL FUND REVENUE

Year-Over-Year Comparison of Other GF Revenue			
(\$ in millions)	Revenue		Change
	FY16-17 Budget	FY17-18 Budget	FY17-18 v. FY16-17
Asset Sales	\$ 3.0	\$ 5.0	\$ 2.0
Blended Title Funds	15.2	15.1	(0.1)
Extraordinary Aid	3.4	2.2	(1.2)
Other Revenue			
Medicaid	1.2	1.9	0.7
E-Rate	1.0	1.0	-
Rentals	1.4	1.4	-
Tuition	0.7	0.7	-
Interest	0.3	0.3	-
Miscellaneous	1.8	1.8	-
Bond Issuance	-	4.4	4.4
PreK Allocation	-	2.5	2.5
FY16-17 Carryover Balance	-	20.2	20.2
	6.3	34.1	27.8
Other General Fund	\$ 24.5	\$ 56.4	\$ 28.5

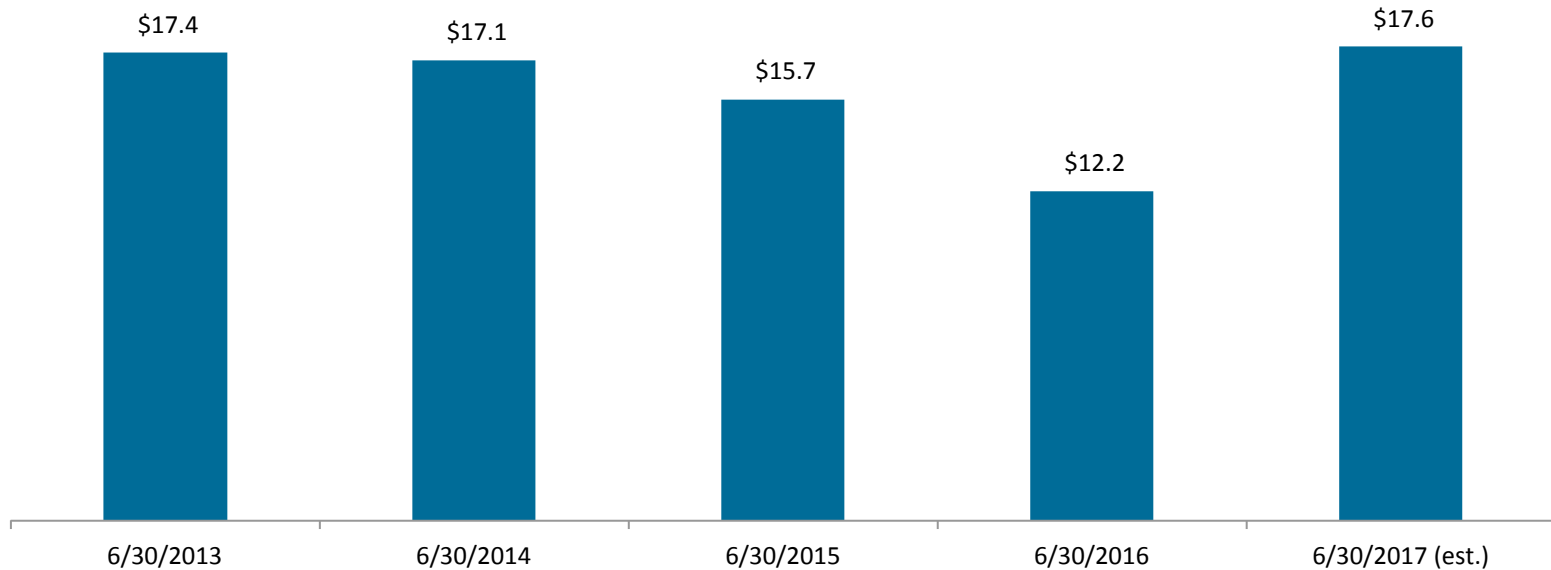
→ Sale proceeds from assets transferred to NHA

- Proceeds will be used for critical capital projects.
- PreK aid that funds a portion of the cost of school leadership teams at schools with PreK programs.
- Carryover from FY16-17 to be used to cover key investments in academic programs in FY17-18

NPS UNRESTRICTED FUND BALANCE

- After recent declines in the unrestricted fund balance, NPS has worked aggressively this year to restore the unrestricted fund balance to the State required 2%.

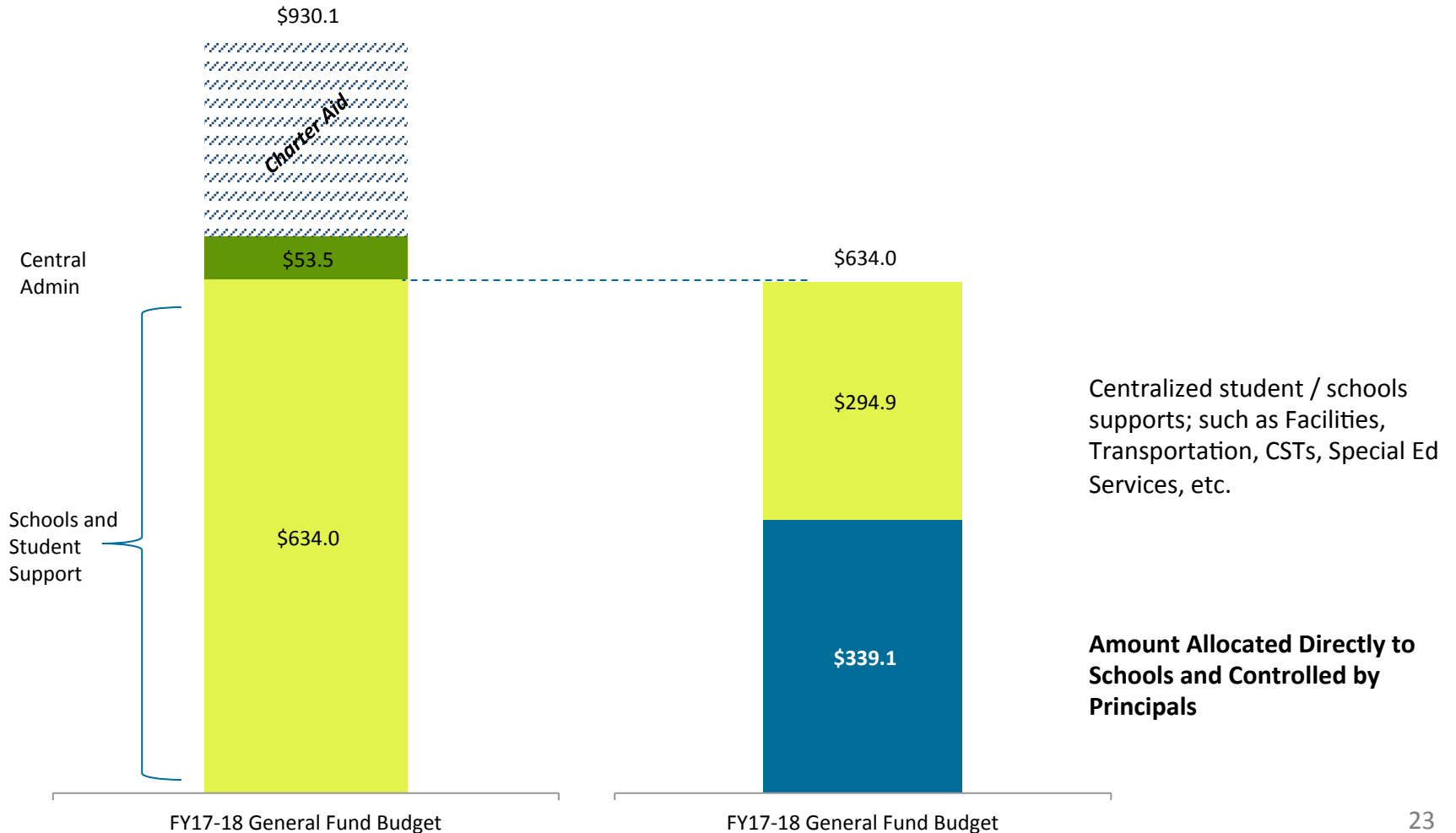
Historical Unrestricted Fund Balance
(\$ in millions)



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WHILE 92% OF THE GENERAL FUND BUDGET IS SPENT ON SCHOOLS AND SCHOOL SUPPORT, 53% IS ALLOCATED TO AND CONTROLLED BY PRINCIPALS.



KEY GUIDING PRINCIPLES OF FY17-18 SCHOOL BUDGETING PROCESS

- Provide schools stability to the greatest extent possible despite the current financial situation
- Increase equity across schools by ensuring dollars follow the student
 - Target resources to students based on need as defined by grade level, IEP requirements, and unique programs at a school
 - Where possible target resources to schools that have been chronically overcrowded and/or under-funded
- Improve transparency in school allocations; methodology used to calculate per pupil is clear and is based on the true cost to educate a student in Newark Public Schools

OVERALL NPS INCREASED FUNDING TO SCHOOLS BY \$5M (1.5%)

- Some schools experienced flat funding
- Others saw a slight loss of funds due to declining enrollments or changing programs
- Still others experienced an increase in funding due to growing enrollments and will be able to make some key strategic investments for their students.

Areas of investment that the district supported through its funding formula

- ✓ Investing in special education
- ✓ Investing in Bilingual / ESL programs
- ✓ Supporting schools with larger than normal class sizes

FY17-18 SCHOOL ALLOCATION SUMMARY STATISTICS

- For FY17-18, NPS made a greater investment in elementary schools and distributed funds more equitably between elementary and high schools.
 - Elementary schools will be adding teaching positions.
 - Even with decreases in high school funding, NPS still invests more in high schools (relative to elementary schools) than nearby districts such as East Orange, Irvington and Jersey City.

NPS School Budgets

FY17-18

	FY16-17	FY17-18	Change	% Change
No. Students				
Elementary	24,300	24,569	269	1.1%
High School	9,955	10,213	258	2.6%
Total	34,255	34,782	527	1.5%

\$ Allocated to Schools

Elementary	\$ 217,245,112	\$ 224,432,445	\$ 7,187,333	3.3%
High School	\$ 117,039,765	\$ 114,691,336	\$ (2,348,429)	-2.0%
Total	\$ 334,284,877	\$ 339,123,780	\$ 4,838,903	1.4%

Per Pupil

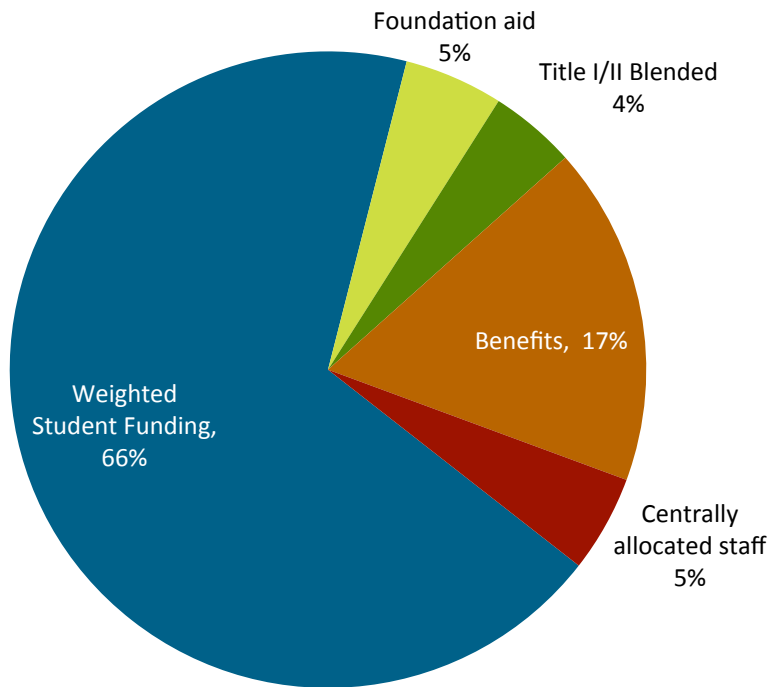
Elementary	\$ 8,940	\$ 9,140	\$ 200	2.2%
High School	\$ 11,757	\$ 11,230	\$ (527)	-4.5%
Total	\$ 9,759	\$ 9,750	\$ (9)	-0.1%

APPROACH TO DETERMINING FY17-18 SCHOOL ALLOCATIONS

- **Projecting Enrollment** – Projections were modeled using actual enrollment adjusted for programmatic changes in schools. Assistant Superintendents reviewed (and where necessary modified) projections to ensure that they aligned with principal expectations.
- **Determining Per Pupil Amounts** – The Weighted Student Funding model was rebuilt based on: (1) current/historical school spending levels and (2) the actual cost to educate an NPS student based on appropriate section sizes and staffing ratios.
- **Providing Stability in Transition** – Individual schools may see their budgets increase or decrease based on changes in enrollment and adjustments to historical over/under allocation. Allocations were adjusted to ensure funding for programmatic needs.

HOW DO WE DETERMINE THE ALLOCATION OF THE PRINCIPAL-CONTROLLED SCHOOL BUDGET?

- A school budget is comprised of five key components.
- The five components are based on school need and other policy considerations
- Weighted Student Funding is the largest source of funding, contributing 66% of a total school’s allocation.



School Budget Components	
1. Weighted Student Funding (WSF)	<ul style="list-style-type: none"> • Projected enrollment multiplied by the per pupil funding amounts for each grade span and program type • Funding is intended to cover the associated cost for each classroom (e.g.: teacher and materials)
2. Foundation Aid	<ul style="list-style-type: none"> • Fixed allocation per school intended to fund the base staff needed to “open the doors”
3. Benefits	<ul style="list-style-type: none"> • Allocation per FTE intended to cover the cost of employee benefits for personnel in the school.
4. Centrally-allocated Support Staff (i.e.: Nurses, Security, HS Athletics)	<ul style="list-style-type: none"> • Allocation specific to each school intended to cover the cost of school-based support staff, who are determined centrally
5. Title I/II Blended Funds	<ul style="list-style-type: none"> • Blended Title funds allocated based on % of students that are eligible for free and reduced lunch • This is the core discretionary pot of funds for schools.

HOW SCHOOLS SPEND THEIR MONEY



- 94% of School budgets are spent on salaries and benefits
- Schools will be using the \$5M new funding in FY17-18 to hire 109 new positions including 67 new teaching positions.

School FTE Analysis

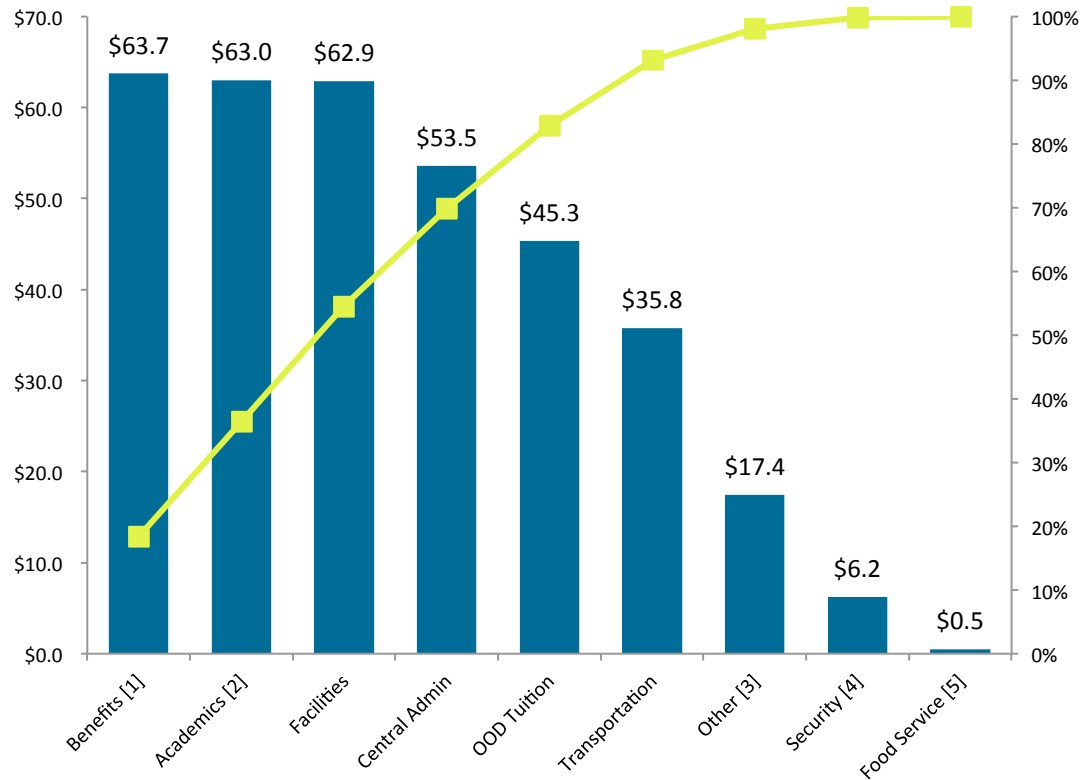
Schools (Fund 15)	FY16-17 FTEs	FY17-18 FTEs	FTE change
Teachers	2,501	2,568	67
Aides	225	215	(10)
Administration	282	316	34
School Support	599	617	18
Total Schools	3,607	3,716	109

■ Salaries ■ Benefits ■ Non-Salary ■ Extra Pay / Stipends

SCHOOL SUPPORTS AND CENTRAL ADMIN

- Centrally funded school supports includes employees and services that are centrally budgeted, but spend the majority of their time in schools.

FY17-18 Budget for School Support and Central Admin
\$ in millions



Key FY17-18 Changes	
Central Benefits	(+\$5.8M) Health Benefits rate increase (+\$1.4M) Workers Comp
Academics	(+\$3.0M) Science Curriculum (+\$1.3M) OYN reengagement center (+\$0.6M) Academic Initiatives
Facilities	(-\$2.4M) Reduction in rent for 2 Cedar St. (-\$0.5M) in misc. efficiencies
Central Administration	(+\$0.6M) Reduction in E-Rate reimburs. (+\$0.6M) Teacher recruitment (+\$0.8M) Other critical hires
Out of District Tuition	(+\$2.0M) Increase in Tuition rate (-\$1.4M) Lower enrollment (-\$0.6M) in misc. efficiencies
Transportation	(+\$1.4M) Investment in NJ Transit Tix (-\$1.5M) Routing efficiencies (-\$0.5M) in misc. efficiencies
Security	(-\$0.2M) Reduction in Per Diem guards

[1] Includes benefits for school support and central admin only

[2] Includes funding for child study teams, curriculum programs, special ed aides.

[3] Includes teacher substitutes, Chromebooks and other school supports.

[4] An additional \$7.4M in security officers is funded on school budgets (Fund 15). Total security is \$13.6M

[5] Food service amounts represent general fund subsidy only. Food services are budgeted in fund 60.

CONCLUSION

NPS developed a balanced budget that increases our investment in schools to support continued progress and achieves a structurally sound balanced budget. Key highlights of the FY17-18 Budget include:

1. **Managed financial risks** – with significant uncertainty, developed a plan to balance the budget assuming an unfavorable state aid notice.
2. **Advocated for funding** – Succeeded in holding host district aid and charter costs flat.
3. **Created more efficient operations** – Identified efficiencies and cost savings opportunities to put NPS in more stable financial position moving forward.
4. **Investing \$5 million more in schools than 16-17** – Funding will support additional teachers, including special education and bilingual programming.
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APPENDIX

- Weighted Student Funding
- Building a School Budget

TAX LEVY ANALYSIS

- Property taxes (school portion) were not raised for 20 years (1987-2006).
- Since 2007, the average annual increase has been 3.9%.
- Historically, NPS has undertaxed residents when compared to State allowed increases. If NPS had raised school taxes at the State allowed amounts between 1987-2013 (4%) and 2013-2017 (2%) the total school tax bill would be \$235.5 million

YEAR	Schools' Tax Levy	Increase year over year	% Increase
1987-2006	\$80,000,000	\$0	0.0%
2007	\$88,215,449	\$8,215,449	10.3%
2008	\$96,358,910	\$8,143,461	9.2%
2009	\$100,213,266	\$3,854,356	4.0%
2010	\$100,213,266	\$0	0.0%
2011	\$104,221,797	\$4,008,531	4.0%
2012	\$106,842,876	\$2,621,079	2.5%
2013	\$108,979,733	\$2,136,857	2.0%
2014	\$111,159,328	\$2,179,595	2.0%
2015	\$113,382,515	\$2,223,187	2.0%
2016	\$115,650,165	\$2,267,650	2.0%
2017	\$123,185,636	\$7,535,471	6.5%
2018	\$130,337,259	\$7,151,623	5.8%

Average
annual
increase =
3.9%

Key Strategies of FY17-18 School Budgets

1. Maintain FY2016-17 WSF Methodology with minor refinements
 - Nurses allocated on required FTEs
 - RCI / RCO reduced from 1 teacher per 24 to 1 per 16
 - Teacher Subs increased to 16 days
2. Provide tools to help schools build budgets
 - Bottoms-up Budget – Budget is prepared for each school based on actual section counts and leadership team recommendations
3. Portfolio and Program Refinements
 - Modifications to ELL and Special Education programs
 - Portfolio changes

Weighted Student Funding: Overview

- Weighted Student Funding (WSF) allows us to distribute dollars equitably across schools, based on the needs of their student population
- Each school's WSF allocation is based on their projected enrollment by grade and student type: (1) General Education, (2) Special Education, (3) English Language Learner)
- A revenue "build-up" was created that took into account the cost to educate each student type, based on appropriate class section sizes and required staffing ratios
- Components of this revenue build-up included: (1) classroom teacher/aide, (2) coverage for specialty teacher, (3) school support, (4) stipends, (5) substitute coverage, and (6) classroom materials

Weighted Student Funding: Revenue Build-Up

1. Classroom teacher/aide:

- ❖ Funding intended to cover the cost of the teacher and classroom aide, if applicable
- ❖ E.g.: Kindergarten, self-contained Sped classroom

2. Coverage for specialty teacher

- ❖ Funding intended to cover the cost of specialty teacher coverage
- ❖ I.e.: K-8 coverage for 4 preps a week; HS coverage for 10 preps a week

3. School support

- ❖ Funding intended to cover the cost of additional school support (e.g.: VP/CIOs)
- ❖ I.e.: K-8: Funding for 1 VP every 360 students; HS: Funding for 1 VP every 300 students and 1 GC every 250 students

4. Stipends

- ❖ Funding intended to cover the cost of afterschool stipends
- ❖ Allocations developed from FY15 actual expense and dividing per students

5. Substitute coverage

- ❖ Funding intended to cover the cost of substitutes when teachers are absent
- ❖ Every school is funded for cost of 16 absences per teacher

6. Classroom materials

- ❖ Funding intended to cover the cost of classroom materials
- ❖ Allocations developed from FY15 actual expense and dividing per students

Foundation Aid

- Foundation aid is intended to fund the basic staffing costs to open a school; as such, all schools regardless of size or grade span receive a flat amount.
- Leaner foundation aid allows us to pass more dollars through the weighted student funding amount, on a per student basis.

Foundation Aid		
Allocated Positions	Allocated # of FTEs	Est. Allocation
Principal	1	\$134,821
School Operations (e.g.: SOM, SOA, clerk)	1	\$54,056
Student Support (e.g.: Social worker, GC)	1	\$82,874
Community Support (e.g.: CES)	1	\$42,188
Total	4	\$313,940

Centrally-Allocated Support Staff

- This year, we created school-specific allocations intended to cover the cost of support staff that are centrally-assigned to a school, based on the school's unique conditions (i.e.: building layout, student composition, etc.)

Centrally-Determined Support Staff		
Allocated Positions	Allocated # of FTEs	Notes
Nurse	At least 1 per building	Depends on size of school and medical need of students
Security	At least 1 FTE (additional per diems not in school budgets)	Depends on building layout, safety of neighborhood, history of safety incidents, etc.
HS Athletics	Intended to fund athletic director, etc.	Depends on athletics offered at HS

Weighted Student Funding: FY16-17 Amounts

Classroom Teachers and Aides + Specialty Teachers + School Support + Stipends + Substitutes + Materials = Allocation Per Student

	Classroom Teachers/Aides	+ Specialty Teachers	+ School Support	+ Stipends	+ Substitutes	+ Materials	= Allocation Per Student
Gen Ed Funding							
Kindergarten	\$4,814	\$1,353	\$200	\$58	\$93	\$173	\$6,692
Grade 1-5	\$3,131	\$1,292	\$200	\$58	\$89	\$173	\$4,944
Grade 6-8	\$2,870	\$1,184	\$200	\$91	\$82	\$173	\$4,601
Grade 9-12	\$2,889	\$1,806	\$929	\$238	\$93	\$291	\$6,246
Special Education Funding							
K-8 Autism	\$16,895	\$1,184	\$200	\$58	\$233	\$173	\$18,744
HS Autism	\$14,841	\$1,806	\$929	\$238	\$156	\$291	\$18,261
HS Cognitive Impairment Mild	\$6,336	\$1,806	\$929	\$58	\$88	\$291	\$9,507
K-8 Cognitive Impairment Mild	\$8,448	\$1,184	\$200	\$58	\$117	\$173	\$10,180
K-8 Cognitive Impairment Mod	\$10,137	\$1,184	\$200	\$58	\$140	\$173	\$11,892
HS Cognitive Impairment Mod	\$7,798	\$1,806	\$929	\$238	\$108	\$291	\$11,170
K-12 Learning Disability Mild/Moderate	\$6,336	\$1,184	\$200	\$58	\$88	\$173	\$8,039
K-12 Learning Disability Severe	\$8,448	\$1,184	\$200	\$58	\$117	\$173	\$10,180
K-12 Behavioral Disability	\$11,020	\$1,184	\$200	\$58	\$117	\$173	\$12,752
HS Behavioral Disability Severe	\$40,969	\$1,806	\$929	\$238	\$140	\$291	\$44,374
K-12 Multiple Disability	\$8,448	\$1,184	\$200	\$58	\$117	\$173	\$10,180
K-12 HS AI	\$12,671	\$1,184	\$200	\$58	\$175	\$173	\$14,462
Additional RCI/RCO Funding							
K-8 RCI	\$2,882	\$0	\$200	\$58	\$58	\$173	\$3,372
HS RCI	\$2,306	\$0	\$929	\$238	\$47	\$291	\$3,811
K-8 RCO	\$3,754	\$0	\$200	\$58	\$52	\$173	\$4,238
HS RCO	\$2,816	\$0	\$929	\$238	\$39	\$291	\$4,313
Additional ELL Funding							
K-8 ESL	\$1,919	\$0	\$0	\$0	\$0	\$0	\$1,919
HS ESL	\$0	\$0	\$0	\$0	\$0	\$200	\$200

Putting it all together: Sample School Budget Allocation

Enrollment Summary	FY16 Proj.	FY 16 Oct	FY17 Proj
	776	787	796

School X Budget Summary:

	FY16 Proj	FY 17 Proj	Difference
Projected Enrollment	776	796	20
School Allocation	\$6,086,007	\$6,329,447	\$243,440
School-level Per Pupil Funding	<u>\$7,843</u>	<u>\$7,952</u>	<u>\$109</u>

School X Budget Detail:

Gen Ed Student Breakdown:

	FY 17 Enroll.	FY 17 Funds	Per Pupil
Kindergarten	84	\$562,102	\$6,692
Grade 1-5	436	2,155,410	4,944
Grade 6-8	276	1,269,770	4,601
Grade 9-12	0	0	NA
Gen Ed Student Sub-total	796	\$3,987,282	\$5,009

Self-contained SpEd Student Breakdown:

K-8 Autism	0	\$0	NA
HS Autism	0	0	NA
K-8 Cognitive Impairment Mild	0	0	NA
HS Cognitive Impairment Mild	0	0	NA
K-8 Cognitive Impairment Mod	0	0	NA
HS Cognitive Impairment Mod	0	0	NA
K-12 Learning Disability Mild/Moderate	32	99,041	3,095
K-12 Learning Disability Severe	0	0	NA
K-12 Behavioral Disability	0	0	NA
HS Behavioral Disability Severe	0	0	NA
K-12 Multiple Disability	0	0	NA
K-12 AI	0	0	NA
Self-contained Special Education Sub-total	32	\$99,041	\$3,095

Putting it all together: Sample School Budget Allocation

	<u>FY 17 Enroll.</u>	<u>FY 17 Funds</u>	<u>Per Pupil</u>
<i><u>Pullout/Pushin SpEd Student Breakdown:</u></i>			
K-8 RCI	45	\$151,731	\$3,372
HS RCI	0	0	NA
K-8 RCO	13	55,088	4,238
HS RCO	0	0	NA
Pullout/ Pushin Special Education Sub-total	58	\$206,819	\$3,566
Special Education Unfilled Seat Funding		\$0	NA
<i><u>ELL Student Breakdown:</u></i>			
K-8 ESL	119	\$228,420	\$1,919
HS ESL	0	0	NA
ELL Sub-total	225	\$228,420	\$1,015
Total Dollars for Weighted Student Funding	796	\$4,521,561	\$5,680
Foundation aid	0	313,940	NA
Title I Funds	0	331,511	NA
Benefits	0	1,293,336	NA
Security	0	82,853	NA
Nurse	0	75,709	NA
High School Athletics	0	0	NA
Special Ed Aide Reallocation	0	(32,197)	NA
Other School-based Funding Sub-Total	0	\$2,065,152	NA
Other Policy Based Adjustments	NA	(\$257,266)	NA
School X Total Budget Funding	796	\$6,329,447	\$7,952

Bottoms-up Budget Build Overview

- For FY17-18, Principals will be given a bottoms-up budget that will be used as a starting point to plan what resources will be needed for their school in FY17-18
- A bottoms-up budget build looks at the key drivers of school budgets to determine staffing at a school. The key inputs for the bottoms up build are:
 - Enrollment by student type (General Ed, Special Ed, ELL)
 - Class size
 - District-wide average salaries by position
 - “Ideal-state” leadership team structure
- Assumptions on enrollment, programs, and leadership teams were developed with guidance from A. Sups, Academic leadership team and principal input.

Bottoms-up Budget Build Overview: Leadership and Student Support Teams

- NPS is recommending the following structure for leadership teams based on school size. However, principals will be given autonomy to deviate from the recommendation with A.Sup approval.

	School Size				Avg Salary
	0-300	300-600	600-900	900-1300	
Elementary Schools					
Principal	1.00	1.00	1.00	1.00	\$134,821
VP/CIO	1.00	1 or 2	2 or 3	2 or 3	\$106,549
Teacher Coaches	2.00	2.00	2.00	2.00	\$80,583
Student Support	1.00	1.00	2.00	2.00	\$82,874
Community Support	-	1.00	1.00	1.00	\$42,188
Operations Support	1.00	1.00	1.00	1.00	\$54,056
Total	6.00	6.00	7.00	7.00	
High Schools					
Principal	1.00	1.00	1.00	1.00	\$132,479
VP/CIO [1]	1.00	1.50	2.00	2.50	\$102,677
Teacher Coaches [2]	2.00	2.00	2.00	2.00	\$77,530
Student Support [3]	1.00	2.00	3.00	4.00	\$86,098
Community Support [4]	-	1.00	1.00	1.00	\$41,313
Operations Support [5]	1.00	1.75	2.50	3.25	\$49,437
	6.00	9.25	11.50	13.75	

[1] 1 per every 15-20 teachers

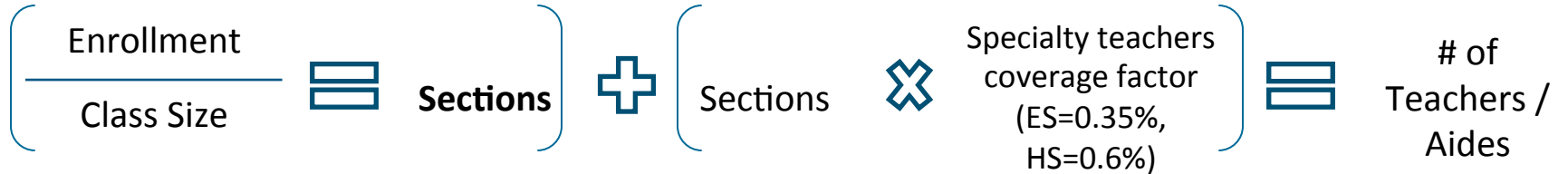
[2] 2 per school

[3] 1 per every 250 students. Funds either guidance counselor or social worker

[4] 1 if more than 500 students, otherwise 0

[5] 1 for every 2 VPs and student supports. Funds SOM, SOA, clerical positions

Bottoms-up Budget Build: Classroom Teachers and Aides



- Bottoms-up budget builds are based on legal class size requirements
- Principals have the discretion to modify class sizes, but will require review and approval by A.Sups

<u>Classroom / Program Setting</u>	<u>Title</u>	<u>Class Size</u>
1 Classroom Teachers		
K-3	Teacher + Aide	21
Gr. 4 - 5	Teacher	23
Gr. 6 - 12	Teacher	24
2 Special Education Self-Contained Teachers		
K-12 Auditory Impairment	Teacher + Aide	8*
K-8 Autism	Teacher + Aide	6
HS Autism	Teacher + 2 Aides	9
K-12 Cognitive Impairment Mild	Teacher + Aide	16
K-12 Cognitive Impairment Mod	Teacher + Aide	12*
K-12 Learning Disability Mild/Moderate	Teacher + Aide	16
K-12 Learning Disability Severe	Teacher + Aide	12
K-12 Behavioral Disability	Teacher + Aide	12
HS Behavioral Disability Severe	Teacher + 2 Aides	10*
K-12 Multiple Disability	Teacher + Aide	12
K-12 MDMI	Teacher + Aide	8*
3 English as a Second Language	Addtl Teacher	40
4 Inclusion (e.g.: RCI/RCO)	Addtl Teacher	24**

* Denotes class size programmed under NJ regulation

** Assumes 8:1 student to teacher RCI ratio, covering 3 periods a day. Under review.

Bottoms-up Budget Build: Other Personnel and Non-Salary

- **Centrally Allocated Staff** - Budget builds will also include FTEs for Security, Nurses and Athletics positions. Principals should not change the number of FTEs allocated.
- **Stipends** – Stipend funds were allocated on a per pupil basis, but principals have discretion to budget this expenditure as needed.
- **Subs** – Subs funds must be budgeted at 16 days per teacher. Principals do not have the discretion to modify this expenditure.
- **Materials** – Materials funds were allocated on a per pupil basis, but principals have discretion to budget this expenditure as needed.
- **Benefits** – Benefits funds are pre-determined by the district and principals do not have the discretion to modify this budget expenditure.

	<u>Bottoms-Up Budget Build</u>	<u>Principal Discretion</u>
1 Centrally Determined Staff		
Security	FTE Allocation	No
Nurse	FTE Allocation	No
School Athletics	FTE Allocation	No
2 Stipends		
Grade K-5	\$59 / student	Yes
Grade 6-8	\$93 / student	Yes
Grade 9-12	\$241 / student	Yes
3 Substitutes		
Kindergarten	\$90 / student	No
Grade 1-5	\$86 / student	No
Grade 6-8	\$79 / student	No
Grade 9-12	\$93 / student	No
4 Materials		
Grade K-8	\$177 / student	Yes
Grade 9-12	\$293 / student	Yes
5 Benefits		
	FTE Allocation	No