



## Newark Public Schools FY18-19 Budget Hearing

5.10.2018

# AGENDA

- **Introduction**
- **Background on Budget Process**
- **FY18-19 General Fund Budget**
  - **FY18-19 School Budgets**
- **Appendix**
  - Weighted Student Funding Methodology
  - Building a School Budget

# INTRODUCTION

Key highlights of the FY18-19 Budget include:

1. **We advocated for and received increased funding** - Succeeded in receiving additional aid of \$37.5M, a 5% increase over 2017-18.
2. **With these dollars, we are investing \$20 million more directly in schools than 17-18, which will help us better support our students who need it most** – Funding will support additional teachers, including special education, bilingual programming, academic interventions, student wrap-around supports and a new school.
3. **We are also investing in critical technology and facilities needs**– We have allocated funding for technology improvements that will aid student learning, as well as repairs & maintenance of facilities.
4. **We will continue to manage financial risks** – we continue to identify efficiencies and cost savings opportunities to put NPS in a more stable financial position. Given the uncertainty still present for this budget and in the future, we must be fiscally responsible as we move forward.

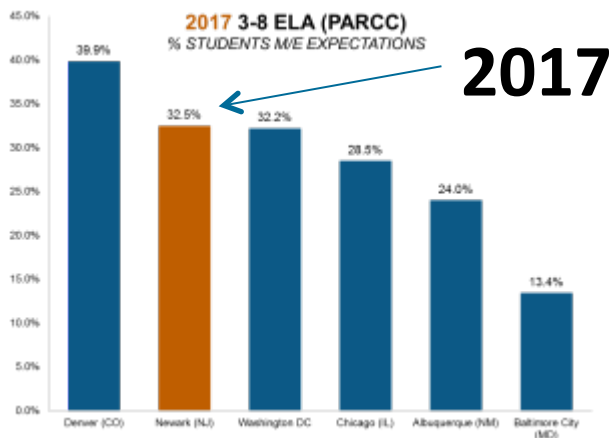
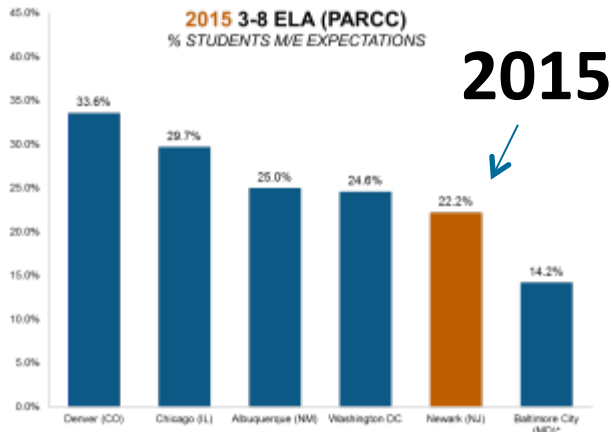
# HOW WILL THIS BUDGET HELP US CONTINUE TO IMPROVE LIFE OUTCOMES FOR NEWARK STUDENTS?

We will share how this budget helps us continue to improve across our core strategic priority areas:

- Prioritizing Student Learning
- Attracting and Keeping Talented Educators
- Fostering Community Involvement
- Improved Budgeting and Operations



# PRIORITIZING STUDENT LEARNING



Coming into this year, Newark Schools have made progress in some key areas:

- **Rising Graduation Rates:** Between 2010 and 2017, Newark graduation rates increased by nearly 20%. Now a record-high 78% of our students graduate.
- **Outperforming Similar Districts:** Newark’s students are now outperforming peers in most similar districts across the state and the country in both reading and math.
- **Gains for Low-Income Students:** Low-income Newark students (80% of enrollment) now outperform peers in nearly all other large U.S. school districts who participate in PARCC.
- **More Students College Bound:** In 2017, a record number of Newark students were accepted to college—including elite universities like Harvard, Yale, Rutgers, and leading HBCUs. And Newark graduates were awarded more than \$15 million in scholarships.

Chart: By growing more than 10 percentage points in ELA over the last 3 years, NPS students now outperform peers in other large city school districts in PARCC states.

# PRIORITIZING STUDENT LEARNING

However, we have much work to do. A few priority areas for improvement include:

1. **Continue to close gaps** between students and schools in Newark, and with more affluent districts across NJ.
2. **Boost the number of our students who not only attend, but graduate from, two- and four-year colleges.**
3. **Cut down on chronic absenteeism**, which lowers student achievement, particularly in Pre-K and early grades and in our High Schools.

**In order to accomplish these priorities, we must build on academic progress and continue to innovate, while increasing supports provided for our neediest students.**



# PRIORITIZING STUDENT LEARNING

This budget helps us build on academic progress and continue to innovate, while increasing supports provided for our neediest students in a few key ways:



- **Providing more robust supports for our students who need it most**
  - Special education supports
    - Increasing inclusion teachers
  - Bilingual education supports
    - Increasing ESL and ELL teachers
  - Social and emotional supports for our students
    - Creates positions for substance abuse support services in high schools
- **Continuing to improve the technology available to our students and teachers**
  - Expand the use of Chromebooks
    - Moving to 1:1 in secondary schools, with a plan to continue into elementary grades in future years
  - Upgrading existing devices
- **Investing in key areas of support for educators**
  - Better supporting our Assistant Superintendents to coach principals

# ATTRACTING AND KEEPING TALENTED EDUCATORS

Newark Schools are making progress at attracting and keeping talented educators in some key areas:

- **New four-year NTU contract approved in 2017:**
  - The contract provided salary increases for all Newark educators in NTU
  - Gave teachers more time for professional development and retained performance bonuses
  - NPS also just reached an agreement with administrator’s union (CASA) to provide raises and the same performance incentives.
- **Keeping our best educators:** Our retention rates keep rising. Last year, 97% of Highly Effective educators and 94% of Effective educators returned.
- **Filling vacancies at higher rates:** At the start of the 2017-2018 school year, NPS had filled nearly 99% of all vacancies, ensuring that all our students were set to learn from day one.
- **Recruiting more great educators:** NPS is working to attract more talent by creating new and stronger partnerships with five universities and launching the TEACH Newark Campaign.
- **Will host city wide celebration of teaching and learning (Spring Colloquium- Week of Learning):** Opportunity for our best teachers to host workshops for their colleagues and highlight their practices in varied content areas.



# ATTRACTING AND KEEPING TALENTED EDUCATORS

**This budget helps us further attract and keep talented educators in a few key ways:**

- **By Increasing staff to support our neediest students, we allow all educators to be more effective.**
  - This budget provides \$11.3M to hire additional teachers and support staff to better address the individualized needs of our students
- **Allocates dollars to fund the new contracts with the NTU and CASA.**
  - This budget provides \$9.0M in additional teacher and school based staff compensation



# FOSTERING COMMUNITY INVOLVEMENT

Newark Schools have been working to improve community engagement and involvement:



- **South Ward Community Schools Initiative:** This partnership initiative moves forward – giving families access to school-based health services, social workers and mental health professionals, afterschool programs, and job training classes.
- **Engaging Students:** We supported students during national school walkouts to engage in a civic dialogue and learn from the experience.
- **Building More Partnerships and Collaborative efforts** with CBOs, anchor institutions, health care and philanthropic community, and city government in an effort to break down silos.

# FOSTERING COMMUNITY INVOLVEMENT

**This budget helps us further attract and keep talented educators in a few key ways:**

- **Improve our communication with our bilingual community**
  - This budget creates a larger budget for interpretation and translation services
- **Expand our community outreach efforts with more support for school engagement events**
  - This budget provides more capacity to support schools with family communication



# IMPROVED BUDGETING AND OPERATIONS

Moving into this year, Newark schools improved financial and operational efficiencies in some key ways:

- **Improved Fiscal Responsibility:** By re-examining legacy line items and contracts over the last two years, we not only closed large deficits, but enabled an additional \$6 million investment in Newark schools and put the district on solid financial footing.
  - **Significant Special Education Savings:** Changed how referrals of special education students are made to out of district placements
  - **Innovative Bond Financing:** Raised \$30 million in critical capital funds, repairing dozens of schools and freeing up facilities money to be transferred to classrooms
  - **Comprehensive Residency Audit:** Auditing all charter and NPS enrollment, saving NPS \$2M
  - **Changed Health and Rx Benefits:** Changed health care providers from SEHBP to Aetna (over \$10M cost reduction); changed prescription benefits from outdated administrator to third party (10% cost reduction)
  - **Increased Federal Reimbursements:** Improved paperwork to maximize federal reimbursement (Medicaid)
  - **Reorganizing Transportation:** Identifying routing efficiencies, implementing a performance/data-driven P3, and revising the special education transportation policy to target ridership according to need

# IMPROVED BUDGETING AND OPERATIONS



**This budget helps us continue to improve financial and operational efficiency by:**

- **Improving technology infrastructure in schools**
  - This budget will provide students and educators more access to important content by upgrading and adding wireless access points
- **Investing in our aging school buildings, including:**
  - Long overdue capital improvement such as asbestos remediation
  - Roofing repairs and replacements
  - HVAC upgrades
- **Repairs to Re-open the Old Oliver School (New East Ward School for newcomers)**

These efforts support our recent bond financing and our work with the SDA to Open a new South Street School

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# FY18-19 BUDGET PLANNING BEGAN IN JULY 2017

- ✓ **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 FY18-19.
  - This process resulted in a significant amount of new resources for our students.
  
- ✓ **Using conservative estimates, NPS developed a plan to balance the budget** in the event that the potential budget gap was realized. Thankfully, additional revenue was provided by the State that will permit us to better serve our student population.
  
- ✓ The FY18-19 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:**
    - Meetings with the School Board finance/budget committee
    - District shared the budget with school leaders
    - School leaders held community budget meetings
  - **Ongoing:** Multiple meetings with Budget and Finance Committee

# KEY DRIVERS ARE CREATING PRESSURE ON THE NPS BUDGET

This budget had to address many financial challenges regardless of the amount of funding received from the State.

- 1. State Aid:** While revenue has increased recently this follows many years of flat funding.
- 2. Enrollment:** Newark city enrollment has increased by 13%, reducing the amount of funds available per student.
- 3. Increased Aid to Charter Schools:** Charter school aid has increased from \$231M in 2016 to a projected \$255M in FY18-19.
- 4. Increased Operating Costs for FY18-19:**
  - Salary and health benefits increases, totaling approximately \$15M
  - Out of District tuition rate increases approximately \$1M
  - Other operating growth from key contracts
- 5. Other Decreases in Revenue:** Non-recurring revenues, approximately \$9.3M



# **NPS HAS MANAGED THIS PRESSURE IN 2 KEY WAYS**

## **1. We have Aggressively Managed the Budget Over the Last Few Budget Cycles – Reduced Significant Gaps Per Year**

- We've done this by increasing efficiencies in areas like central office, selling unused buildings, and renegotiating benefits.

## **2. We Advocated for and Received Increased Funding**

- We want to thank Newark elected leaders and the broader advocacy community for their on-going support for our schools.
  - Our team worked with members of the Board, the Mayor's Office, the Municipal Council, and the Essex County Delegation to advocate for school funding.
- Efforts included visits to Trenton, meetings with elected leaders and a letter to the Governor.
- We commend the Governor for his commitment to increase funding to Newark schools this year and for his commitment to move toward fully funding the state formula over a four year time period.

# LEGISLATIVE APPROVAL OF STATE AID IS STILL PENDING

- There remains uncertainty heading into the spring.
- At the end of his budget address, the Governor proposed new legislation that will leverage new taxes (marijuana, millionaire's tax and corporate taxes) to fund these state-wide investments in schools. There is risk that the legislature will not approve all of the proposed tax increases.
- This implies that adjustments to state aid could still be made prior to the start of the 2018-19 school year.
- Our team is proceeding with plans based on the state aid notice we received; however, if changes are made, we will need to take the necessary cost-saving measures.
- We communicate all of this information to make sure that we are open and transparent with you, in order to be collectively prepared for all possibilities.

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# BUDGET OVERVIEW

School budgets have increased as a result of aggressive budget management and additional state aid which directly benefits schools and academic programs.

Fund Sources (Revenue)			
\$ in millions	FY 17-18 Original Budget	FY18-19 Original Budget	Variance
State & Host district aid	\$750.2	\$787.6	\$37.5
Local tax levy	\$130.3	\$132.9	\$2.6
Other general fund	\$21.0	\$12.3	(\$8.7)
Budgeted Fund Balance	\$20.2	\$26.8	\$6.6
<b>Total General Fund Revenue</b>	<b>\$921.7</b>	<b>\$959.6</b>	<b>\$37.9</b>
Fund Uses (Expenses)			
Charter payment	\$242.6	\$254.8	\$12.2
<b>NPS total</b>			
NPS: Central Office	\$53.5	\$38.9	(\$14.6)
School Supports (Centrally budgeted)	\$301.6	\$321.7	\$20.1
<b>* NPS Contribution to Schools (GF)</b>	<b>\$324.0</b>	<b>\$344.2</b>	<b>\$20.3</b>
<b>Total General Fund Expenses</b>	<b>\$921.7</b>	<b>\$959.6</b>	<b>\$37.9</b>
Title I (Blended funds)	\$15.1	\$14.9	(\$0.2)
<b>Total Original Budget</b>	<b>\$936.8</b>	<b>\$974.5</b>	<b>\$37.7</b>

*Note: The table above includes the General Fund and a portion of Special Fund budgets. The Special Revenue Fund also includes additional funding for student programs. In FY18-19, NPS is anticipating \$133M and includes funding from for PreK programs (State and federal \$99M), IDEA (\$10M) and other Title and School Improvement funds (\$24M).*

*\* Includes \$2.9M for New East Ward School*

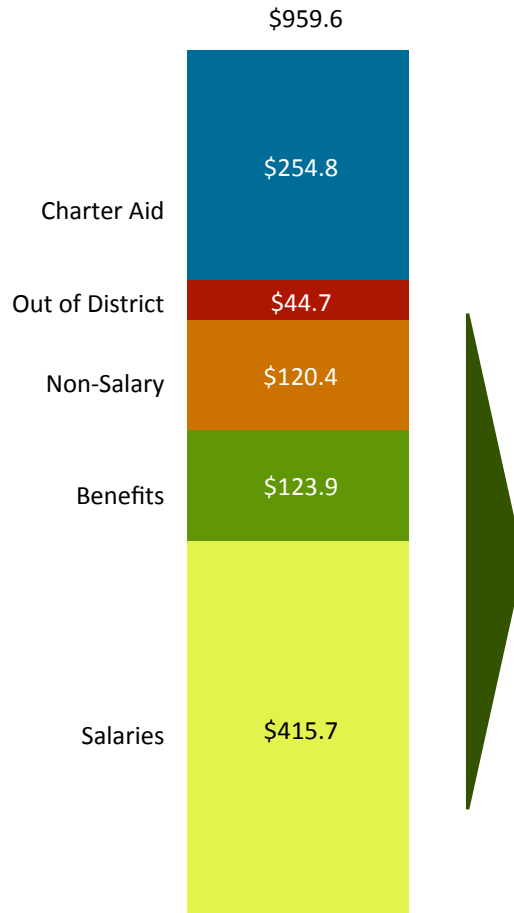
# WHERE DOES REVENUE COME FROM & WHERE DOES IT GO?

Where does the money come from?



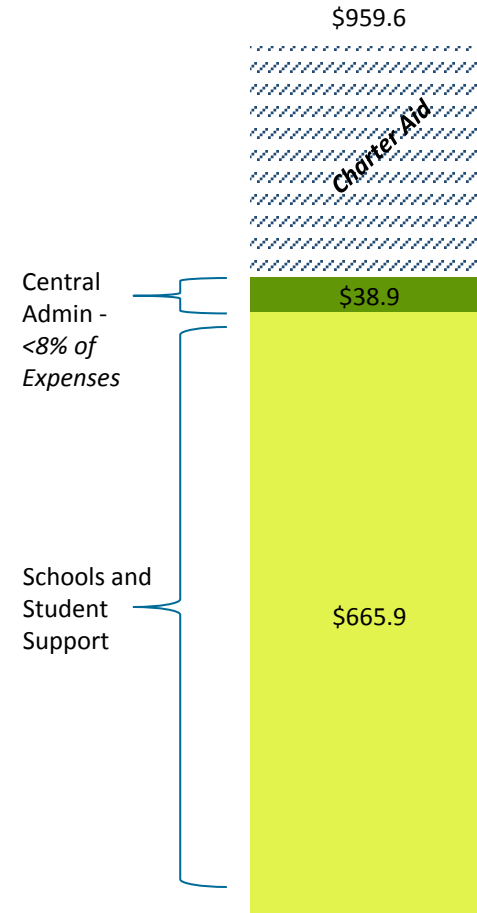
FY18-19 General Fund Revenue

How is it spent?



FY18-19 General Fund Expense

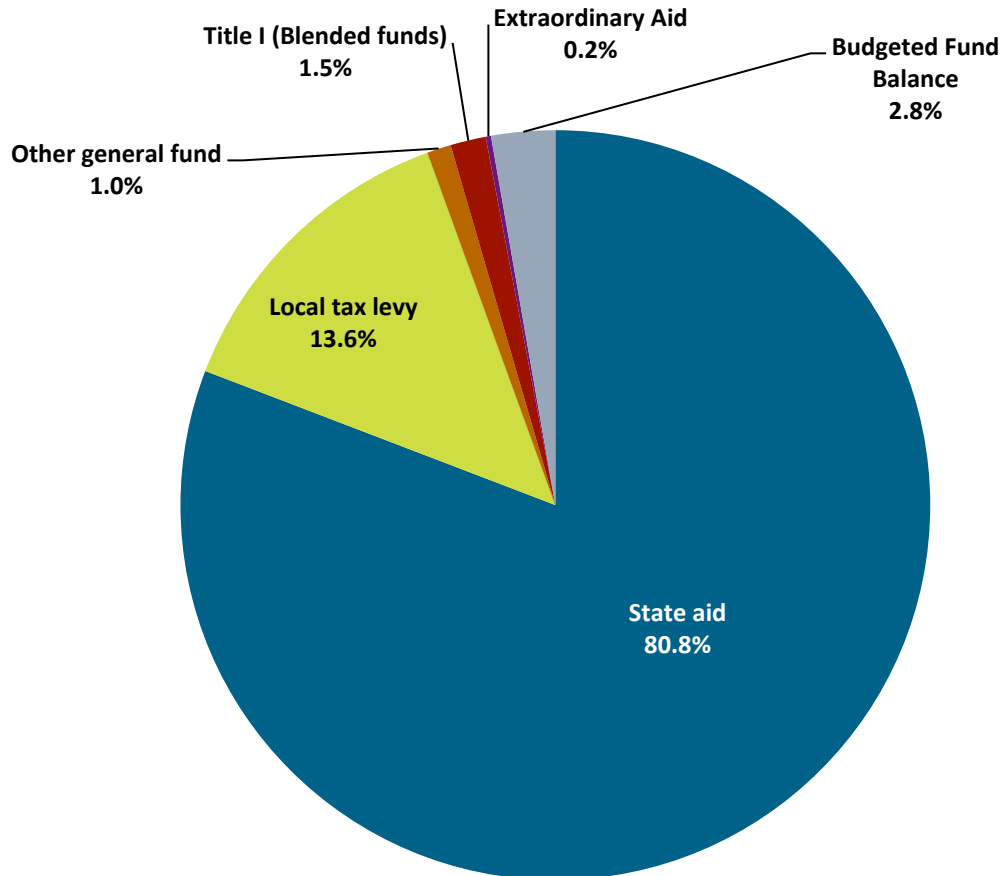
How much of it directly supports schools?



FY18-19 General Fund Expense

# BREAKDOWN OF FY18-19 REVENUE

**FY18-19 General Fund Revenue**  
\$ in Millions



- The State provides 81% of NPS general funds.
  - 80.8% from General State Aid consisting primarily of Equalization Aid, Categorical Special Ed Aid, Categorical Security Aid
  - 0.2% from Extraordinary Special Ed Aid for high cost special education students
- Local Tax Levy funds contribute an additional 13.6%
- Due to aggressive budget management, there is a carryover from FY17-18, contributing 2.8% to cover identified FY18-19 expenses
- Remaining 2.5% consists of blended Title I funds, asset sales and other miscellaneous revenue.

# YEAR OVER YEAR CHANGE IN STATE REVENUE

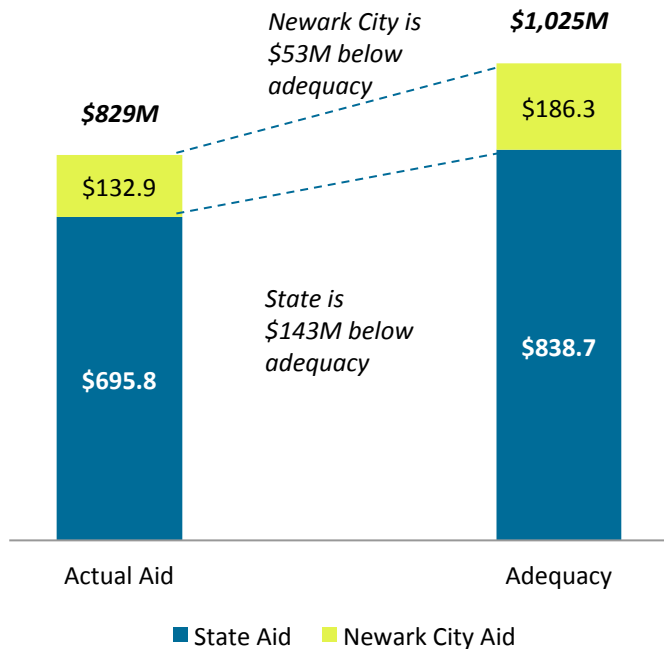
<b>Year-Over-Year Comparison of State Aid</b>			
(\$ in millions)	<u>State Revenue</u>		<u>YoY Change</u>
	<u>FY17-18 Budget</u>	<u>FY18-19 Budget</u>	<u>FY18-19 v. FY17-18</u>
General State Aid			
Equalization Aid	\$ 655.9	\$ 695.8	\$ 39.9
Categorical Special Ed Aid	28.7	45.8	17.1
Categorical Security Aid	19.4	24.6	5.2
Adjustment Aid	12.8	12.8	(0.0)
Categorical Transportation Aid	6.8	8.5	1.7
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)
Host District Support Aid	23.5	-	(23.5)
<b>Total State Aid</b>	<b>\$ 750.1</b>	<b>\$ 787.6</b>	<b>\$ 37.5</b>

**Funding from the State increased \$37.5M in FY18-19**

**Funding sources have been streamlined and are now included in the aid categories above**

# Newark's Adequacy Status

## Newark FY18-19 Adequacy Calculation



## State Adequacy

- For FY 18-19, the State has proposed to increase funding by 5%, and over the next four years, the Governor has committed to move New Jersey districts toward their SFRA adequacy calculations.
- Despite this effort, for FY 18-19 Newark remains \$143M below adequacy according to SFRA.

## Local Adequacy

- Prior to 2007 Newark did not increase its local tax levy for 20 years.
- In that last 10 years the district has on average raised its local taxes by approximately 4%
- Newark remains \$53M below the local fair share adequacy calculation according to SFRA

*Adequacy figures here are according to the State of New Jersey School Funding Reform Act. The 'actual' numbers used above have been adjusted to reflect most recent budget and tax levy.*

Newark is by far the most underfunded of any of the school districts according to SFRA. Jersey City, Camden, and Paterson are all funding at levels much closer to adequacy.



# 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%.
- Local Tax Levy revenue will increase \$2.6M in FY18-19.

<b>Year-Over-Year Comparison of Local Tax Levy</b>			
<b>(\$ in millions)</b>	<b>FY17-18 Budget</b>	<b>FY18-19 Budget</b>	<b>FY18-19 v. FY17-18</b>
Local Tax Levy	\$ 130.3	\$ 132.9	\$ 2.6
<b>Total Local Tax Levy</b>	<b>\$ 130.3</b>	<b>\$ 132.9</b>	<b>\$ 2.6</b>

# FY18-19 AVERAGE TAX INCREASE

(Portion of Property tax for NEWARK Schools)

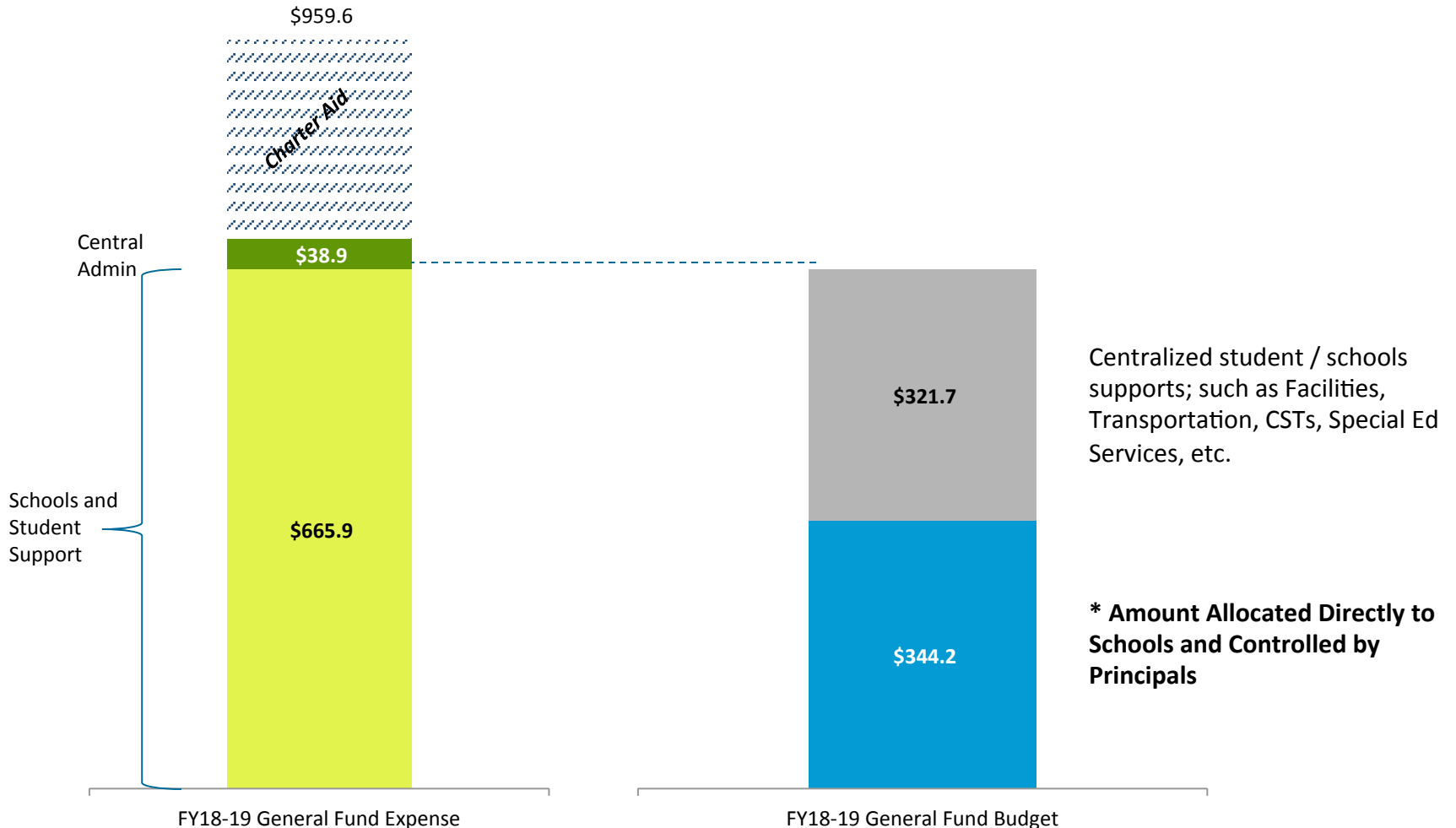
- Property taxes (attributable to Newark schools) will increase \$51 annually for the average homeowner.

	Average Newark Homeowner
Average Property Assessed Value	\$175,000
2017-18 Tax Levy	\$1,864
2018-19 Tax Levy	\$1,915
Average Annual Increase	\$51

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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.



\* Amount allocated directly to schools includes \$2.9M for New East Ward School

# KEY GUIDING PRINCIPLES OF FY18-19 SCHOOL BUDGETING PROCESS

- Keep schools stable while adjusting for programmatic changes
- 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 additional resources for bilingual, ESL and student supports
- Provide 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 \$20.3M (6.0%)**

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

## **Areas of investment that the district supported through its funding formula**

- ✓ Investing in special education
- ✓ Investing in Bilingual / ESL programs
- ✓ Investing in student supports in schools (social workers)

# FY18-19 SCHOOL ALLOCATION SUMMARY STATISTICS

- For FY18-19, NPS made a greater investment in both elementary and High schools and distributed funds more equitably.
  - Many schools will be adding teaching and student support positions.
  - NPS funded changes in related to enrollment and programs at schools
  - The district made additional investments in Bilingual/ESL and Special Education

## NPS School Budgets

FY2018-19

	FY2017-18	FY2018-19	Change	% Change
<b>1) No. Students</b>				
Elementary	24,569	24,790	221	0.9%
High School	10,213	9,942	-271	-2.7%
Total	34,782	34,732	(50)	-0.1%
<b>2) \$ Allocated to Schools</b>				
Elementary	\$ 224,562,638	\$ 238,473,547	\$ 13,910,909	6.2%
High School	\$ 114,848,630	\$ 121,218,894	\$ 6,370,264	5.5%
Total	\$ 339,411,268	\$ 359,692,441	\$ 20,281,173	6.0%
<b>3) Per Pupil</b>				
Elementary	\$ 9,140	\$ 9,620	\$ 480	5.2%
High School	\$ 11,245	\$ 12,192	\$ 947	8.4%
Total	\$ 9,758	\$ 10,356	\$ 598	6.1%

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\* Includes Title I Funds of \$15.1M in FY17-18 and \$14.9 in FY18-19 (Blended in the General Fund)

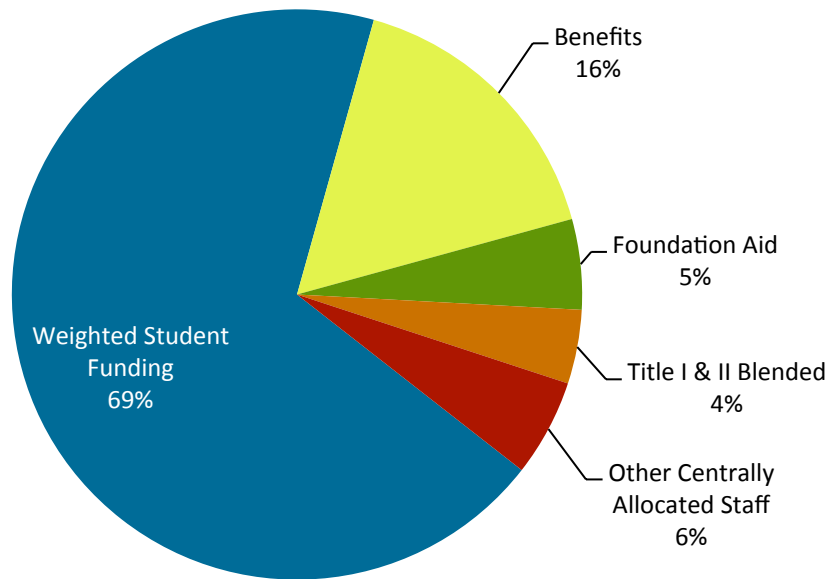
# APPROACH TO DETERMINING FY18-19 SCHOOL ALLOCATIONS

- **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.



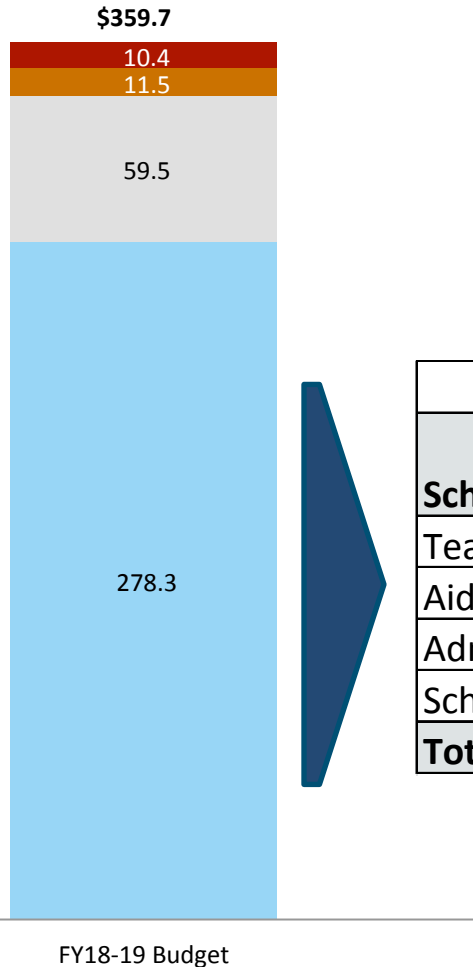
# HOW DO WE DETERMINE THE ALLOCATION OF THE PRINCIPAL-CONTROLLED SCHOOL BUDGET?

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

# HOW SCHOOLS SPEND THEIR MONEY

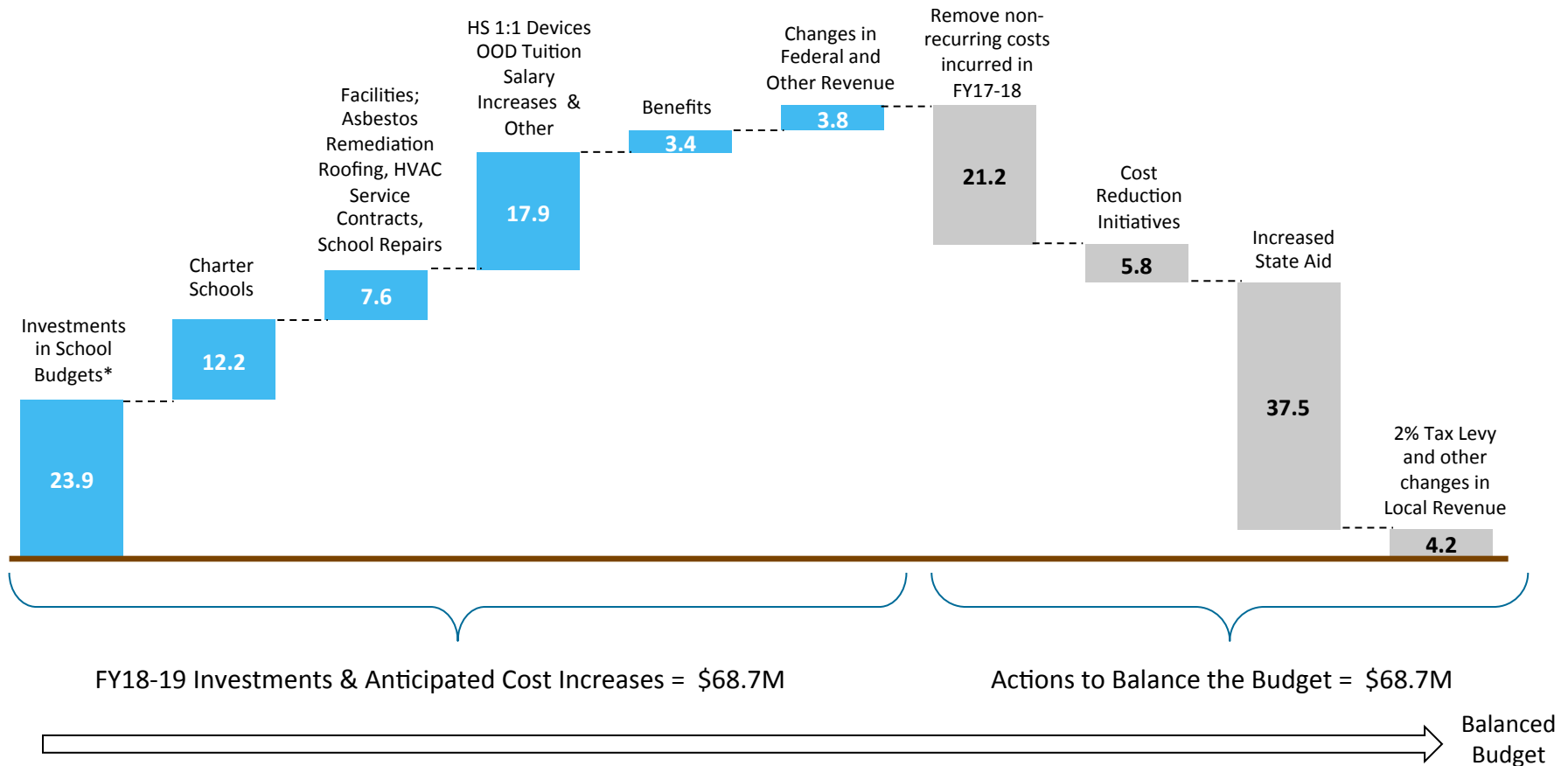


- 94% of School budgets are spent on salaries and benefits
- Schools will have 173 new positions including 80 new teaching positions as compared to FY17-18 Original Budget.

School FTE Analysis			
Schools (Fund 15)	FY17-18 Original Budget FTE's	FY18-19 Original Budget FTE's	FTE Change
Teachers	2,549	2,629	80
Aides	218	234	16
Administration	216	220	4
School Support	732	805	73
<b>Total FTE's</b>	<b>3,715</b>	<b>3,888</b>	<b>173</b>

# BREAKDOWN OF CHANGES IN FY2018-19 BUDGET

## FY18-19 Bridge to Ensure Balanced Budget



\* Investments in School Budgets includes all schools, new New East Ward School and PreK transfer

# CONCLUSION

In Review, Key highlights of the FY18-19 Budget include:

1. **We Advocated for and Received Increased Funding** - Succeeded in receiving additional aid of \$37.5M, a 5% increase over 2017-18.
2. **With these dollars, we are investing \$20 million more directly in schools than 17-18, which will help us better support our students who need it most** – Funding will support additional teachers, including special education, bilingual programming, academic interventions, student wrap-around supports and a new school (New East Ward School).
3. **We are also investing in critical technology and facilities needs**– We have allocated funding for technology improvements that will aid student learning, as well as repairs & maintenance of facilities, and created a capital reserve budget.
4. **We will continue to manage financial risks** – we continue to identify efficiencies and cost savings opportunities to put NPS in a more stable financial position. Given the uncertainty still present for this budget and in the future, we must be fiscally responsible as we move forward.

# APPENDIX

- Historical Tax Increases
- School Support and Central Admin Expenses
- Weighted Student Funding
- Building a School Budget

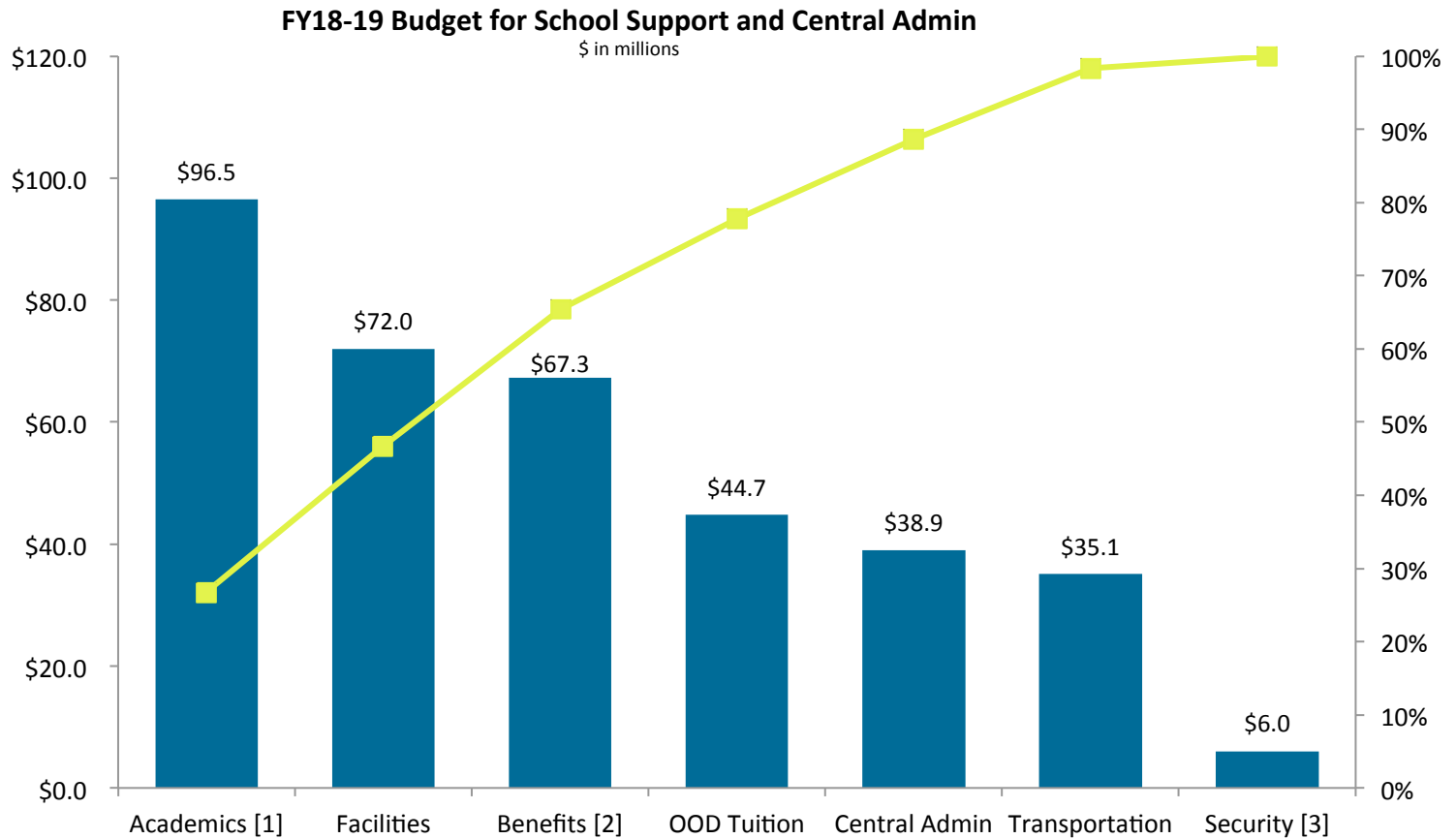
# TAX LEVY ANALYSIS

- Property taxes (school portion) were not raised for 20 years (1987-2006).
- Since 2007 Newark Public Schools has increased taxes by \$52.9M

YEAR	PROPERTY TAXES	Increase year over year	% Increase
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%
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%
2019	\$ 132,944,004	\$ 2,606,745	2.0%

# 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.



[1] Includes funding for child study teams, curriculum programs, special ed aides. Includes teacher substitutes, Chromebooks and other school supports.

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

[3] An additional \$8.2M in security officers is funded on school budgets (Fund 15). Total security is \$14.2M

# Key Strategies of FY18-19 School Budgets

1. Maintain FY2017-18 WSF Methodology with minor refinements
  - Nurses allocated on required FTEs
  - Teacher Subs budgeted at 13 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 13 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	\$138,025
School Operations (e.g.: SOM, SOA, clerk)	1	\$57,037
Student Support (e.g.: Social worker, GC)	1	\$86,073
Community Support (e.g.: CES)	1	\$45,025
<b>Total</b>	<b>4</b>	<b>\$326,160</b>

## 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: FY17-18 Amounts

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

<u>Gen Ed / Inclusion Student Grade Weight</u>	Basic Cost	Specialty Teachers <sup>(1)</sup>	School Operations Support <sup>(2)</sup>	Stipends	Substitutes	Materials	Absolute Operating Cost per Student
<b>Kindergarten</b>	<b>\$5,231</b>	<b>\$1,222</b>	<b>\$298</b>	<b>\$80</b>	<b>\$117</b>	<b>\$239</b>	<b>\$7,187</b>
Grade 1-3	\$3,530	\$1,222	\$298	\$80	\$117	\$239	\$5,486
Grade 4-5	\$3,223	\$1,116	\$298	\$80	\$107	\$239	\$5,063
Grade 6-8	\$3,089	\$1,069	\$298	\$115	\$102	\$239	\$4,912
Grade 9-12	\$3,089	\$1,853	\$732	\$253	\$121	\$309	\$6,358
<b>Special Education Weights</b>							
K-12 AI	\$13,420	\$3,157	\$298	\$80	\$228	\$239	\$17,422
<b>K-8 Autism/K-8 AI</b>	<b>\$17,893</b>	<b>\$4,210</b>	<b>\$298</b>	<b>\$80</b>	<b>\$303</b>	<b>\$239</b>	<b>\$23,023</b>
HS Autism	\$15,750	\$4,865	\$732	\$253	\$202	\$309	\$22,111
HS Cognitive Impairment Mild	\$6,710	\$2,736	\$732	\$80	\$114	\$309	\$10,681
K-8 Cognitive Impairment Mild	\$6,710	\$1,579	\$298	\$80	\$114	\$239	\$9,019
K-8 Cognitive Impairment Mod	\$8,947	\$2,105	\$298	\$80	\$152	\$239	\$11,820
HS Cognitive Impairment Mod	\$8,947	\$3,649	\$732	\$253	\$152	\$309	\$14,041
K-12 Learning Disability Mild/Moderate	\$6,710	\$1,579	\$298	\$80	\$114	\$239	\$9,019
K-12 Learning Disability Severe	\$8,947	\$2,105	\$298	\$80	\$152	\$239	\$11,820
K-12 Behavioral Disability	\$11,194	\$2,105	\$298	\$80	\$152	\$239	\$14,068
K-8 Behavioral Disability Severe	\$42,406	\$3,157	\$298	\$80	\$228	\$239	\$46,407
HS Behavioral Disability Severe	\$33,925	\$4,378	\$732	\$253	\$182	\$309	\$39,779
K-12 Multiple Disability	\$8,947	\$2,105	\$298	\$80	\$152	\$239	\$11,820
K-12 Multiple Disability MI	\$13,420	\$3,157	\$298	\$80	\$228	\$239	\$17,422
K-8 RCI	\$3,040	\$0	\$0	\$0	\$0	\$0	\$3,040
HS RCI	\$3,040	\$0	\$0	\$0	\$0	\$0	\$3,040
K-8 RCO	\$3,040	\$0	\$0	\$0	\$0	\$0	\$3,040
HS RCO	\$3,040	\$0	\$0	\$0	\$0	\$0	\$3,040
<b>ELL Weights</b>							
K-8 ESL	\$2,029	\$0	\$0	\$0	\$0	\$0	\$2,029
HS ESL	\$0	\$0	\$0	\$0	\$0	\$200	\$200
K-8 Part-time Bilingual	\$2,029	\$0	\$0	\$0	\$0	\$0	\$2,029
HS Part-time Bilingual	\$3,044	\$0	\$0	\$0	\$0	\$0	\$3,044

# Putting it all together: Sample School Budget Allocation

## 7.1 School Summary

NPS School Code  
NPS School Name

### Ann Street Budget Summary:

	FY17 Current	FY 18	Change
Enrollment (K-12, excl PK)	1,278	1,255	(23)
School Allocation	\$10,575,068	\$10,656,236	\$81,168
School-level Per Pupil Funding	\$8,275	\$8,489	\$215

### Ann Street Budget Detail:

	FY 18 Enroll.	FY 18 Funds	Per Pupil
<u>Gen Ed Student Breakdown:</u>			
Kindergarten (21:1, 1 programmatic aide)	126	\$905,529	\$7,187
Grade 1-3 (21:1)	422	2,315,107	5,486
Grade 4-5 (23:1)	290	1,465,948	5,063
Grade 6-8 (24:1)	402	1,973,122	4,912
Grade 9-12 (24:1)	0	0	NA
<b>Gen Ed Student Sub-total</b>	<b>1,239</b>	<b>\$6,659,706</b>	<b>\$5,374</b>

### Self-contained SpEd Student Breakdown:

K-12 AI (8:1, 1 programmatic aide)	0	\$0	NA
K-8 Autism (6:1, 1 programmatic aide)	0	0	NA
HS Autism (9:1, 2 programmatic aides)	0	0	NA
K-8 Cognitive Impairment Mild (16:1, 1 programmatic aide)	0	0	NA
HS Cognitive Impairment Mild (16:1, 1 programmatic aide)	0	0	NA
K-8 Cognitive Impairment Mod (12:1, 1 programmatic aide)	0	0	NA
HS Cognitive Impairment Mod (12:1, 1 programmatic aide)	0	0	NA
K-12 Learning Disability Mild/Moderate (16:1, 1 Prog aide)	16	144,307	9,019
K-12 Learning Disability Severe (12:1, 1 programmatic aide)	0	0	NA
K-12 Behavioral Disability (12:1, 1 prog aide & .34 Social Worker)	0	0	NA
HS Behavioral Disability Severe (10:1, 2 programmatic aide)	0	0	NA
K-12 Multiple Disability (12:1, 1 programmatic aide)	0	0	NA
K-12 MDMI (8:1, 1 programmatic aide)	0	0	NA
<b>Self-contained Special Education Sub-total</b>	<b>16</b>	<b>\$144,307</b>	<b>\$9,019</b>

# Putting it all together: Sample School Budget Allocation

	FY 18 Enroll.	FY 18 Funds	Per Pupil
<i><u>Pullout/Pushin SpEd Student Breakdown:</u></i>			
K-8 RCI/RCO (8:1) Multiplied by 3 sections	116	\$352,693	\$3,040
HS RCI/RCO (8:1) Multiplied by 3 sections	0	0	NA
<b>Pullout/ Pushin Special Education Sub-total</b>	<b>116</b>	<b>\$352,693</b>	<b>\$3,040</b>
<b>Special Education Unfilled Seat Funding</b>		<b>\$0</b>	<b>NA</b>
<i><u>ELL Student Breakdown:</u></i>			
K-8 ESL (40:1)	393	\$798,050	\$2,029
HS ESL (\$200 materials)	0	0	NA
<b>ELL Sub-total</b>	<b>393</b>	<b>\$798,050</b>	<b>\$2,029</b>
<b>Total Dollars for Weighted Student Funding</b>	<b>1,255</b>	<b>\$7,954,757</b>	<b>\$6,337</b>
Foundation aid	0	\$323,394	NA
Title I Funds	0	496,543	NA
Pre-K Overhead Reimbursement	0	19,390	NA
Benefits	0	1,809,354	NA
Security	0	218,467	NA
Nurses	0	219,350	NA
High School Athletics	0	0	NA
Sped Prog Aide Reimburse	0	0	NA
<b>Total Non-Weighted School Funding</b>	<b>0</b>	<b>\$3,086,498</b>	<b>NA</b>
Policy-Based Adjustment	0	(385,019)	NA
<b>Ann Street Total Budget Funding</b>	<b>1,255</b>	<b>\$10,656,236</b>	<b>\$8,489</b>

## Bottoms-up Budget Build Overview

- For FY18-19, 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 FY18-19
- 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	
<b>Elementary Schools</b>					
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
<b>Total</b>	<b>6.00</b>	<b>6.00</b>	<b>7.00</b>	<b>7.00</b>	
<b>High Schools</b>					
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
	<b>6.00</b>	<b>9.25</b>	<b>11.50</b>	<b>13.75</b>	

[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>
<b>1 Classroom Teachers</b>		
K-3	Teacher + Aide	21
Gr. 4 - 5	Teacher	23
Gr. 6 - 12	Teacher	24
<b>2 Special Education Self-Contained Teachers</b>		
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*
<b>3 English as a Second Language</b>	Addtl Teacher	40
<b>4 Inclusion (e.g.: RCI/RCO)</b>	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>
<b>1 Centrally Determined Staff</b>		
Security	FTE Allocation	No
Nurse	FTE Allocation	No
School Athletics	FTE Allocation	No
<b>2 Stipends</b>		
Grade K-5	\$59 / student	Yes
Grade 6-8	\$93 / student	Yes
Grade 9-12	\$241 / student	Yes
<b>3 Substitutes</b>		
Kindergarten	\$90 / student	No
Grade 1-5	\$86 / student	No
Grade 6-8	\$79 / student	No
Grade 9-12	\$93 / student	No
<b>4 Materials</b>		
Grade K-8	\$177 / student	Yes
Grade 9-12	\$293 / student	Yes
<b>5 Benefits</b>		
	FTE Allocation	No