

2016-17 NEWARK PUBLIC SCHOOLS BUDGET PRESENTATION



AGENDA

- **Introduction**

- Budget Process
- Review of Progress

- **Budget Overview**

- **2016-2017 Projected Revenues**

- **2016-2017 Projected Expenses:**

- Overview
 - School Budgets
 - Centrally Funded School Support
 - Central Admin
 - Charter School Budgets
-

- **Conclusion:**

- Review of Implications
 - Budget Summary
-

BACKGROUND ON BUDGET PROCESS

- Today's presentation is the culmination of 6 months of collaboration between NPS leaders, the School Board, and Newark Elected Officials.
- **The FY16-17 budget has been discussed publicly and in schools throughout the Spring.**
 - **January:** Superintendent shared budget projections with the School Board
 - **February:** Mayor shared budget projections publicly with the City Council
 - **March:** District shared budgets with school leaders
 - **April:** NPS leaders shared a preview of this final proposed budget with the Mayor's Office and School Board Members (including those newly elected)
 - **On-Going:** Multiple meetings with the Budget and Finance Committee

GUIDING BUDGET PRINCIPLES

- In planning for FY2016-17, NPS was forecasting an \$86M budget shortfall.
- Critical principles used to develop the budget ensured schools are positioned for continued progress:
 - Minimize the impact of budget shortfall on academic programs and direct student supports
 - Identify new revenue opportunities
 - Identify operational efficiencies
 - Minimize reductions in personnel
 - Align spending with district priorities

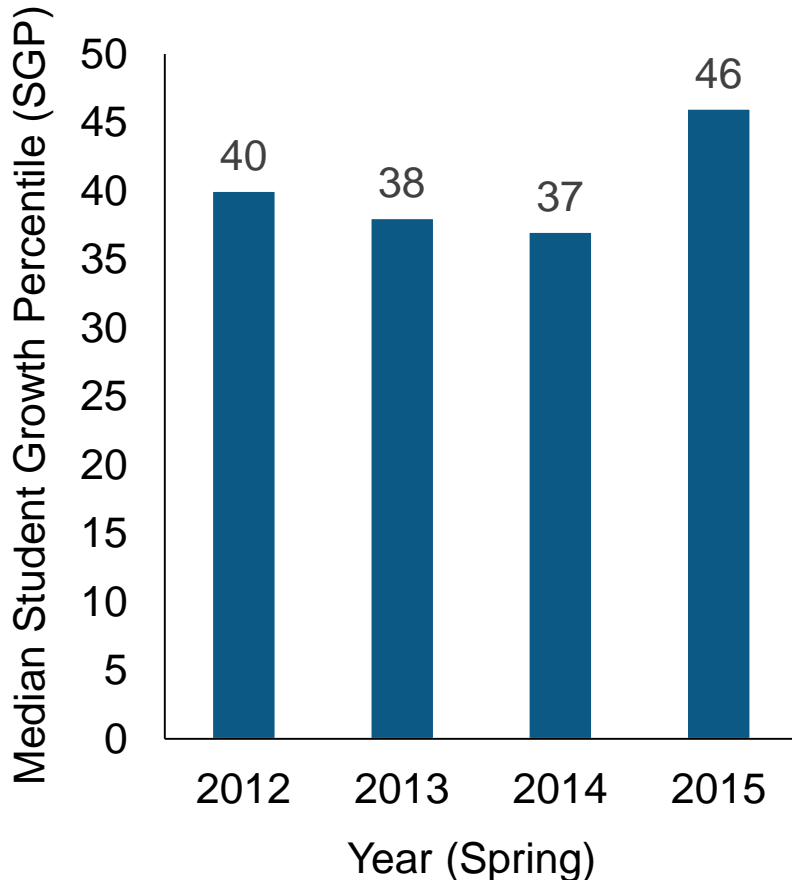
REVIEW OF PROGRESS

Academics: Data shows that our students are making significant progress

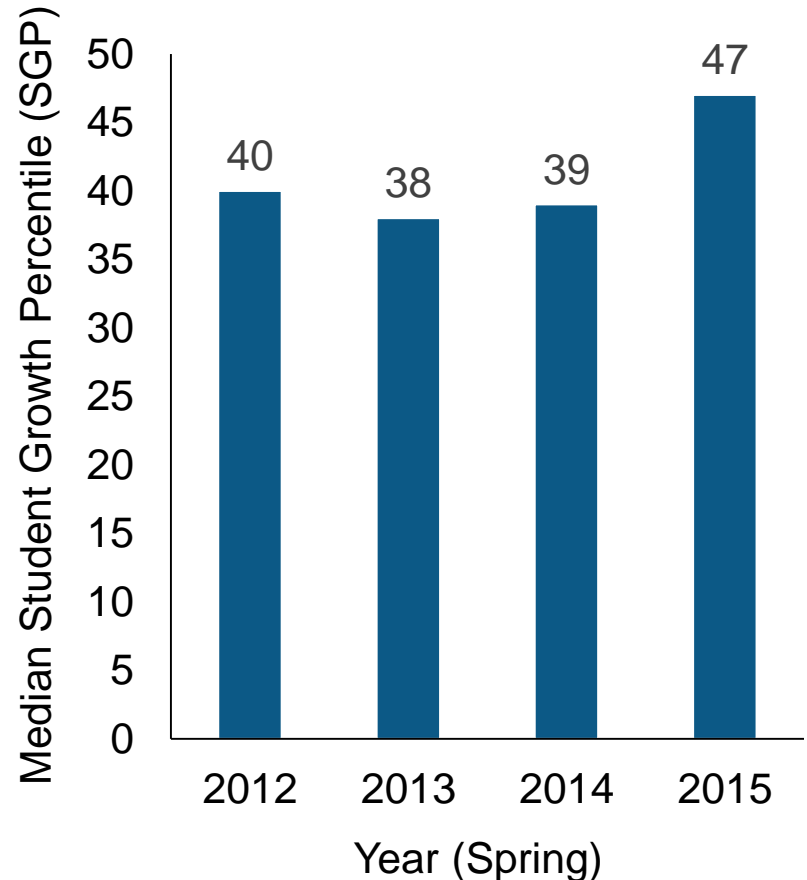
1. **A higher percent of our students are graduating.**
 - Our graduation rate is up from 56% in 2011 to nearly 70% in 2014-15
 - The HSPA rate was up 22% from 2011 in 14-15
2. **Students significantly improved** in both Math and English
3. **Parents now have access to more schools that “Beat the Odds”** than parents in any comparable city in the country
4. **Twice as many African American children are attending schools that beat the state average** compared with 2011.

IMPROVED STUDENT GROWTH

English Language Arts

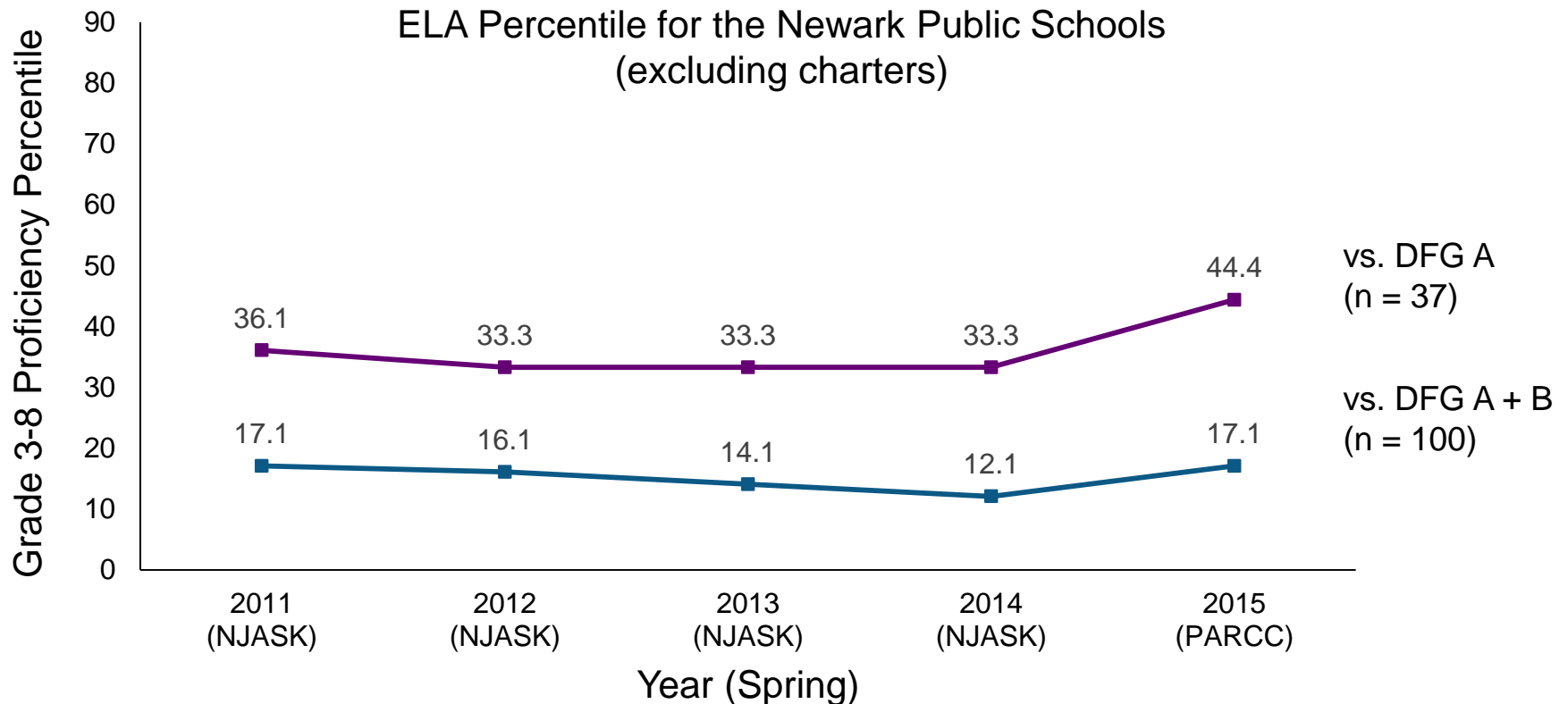


Math

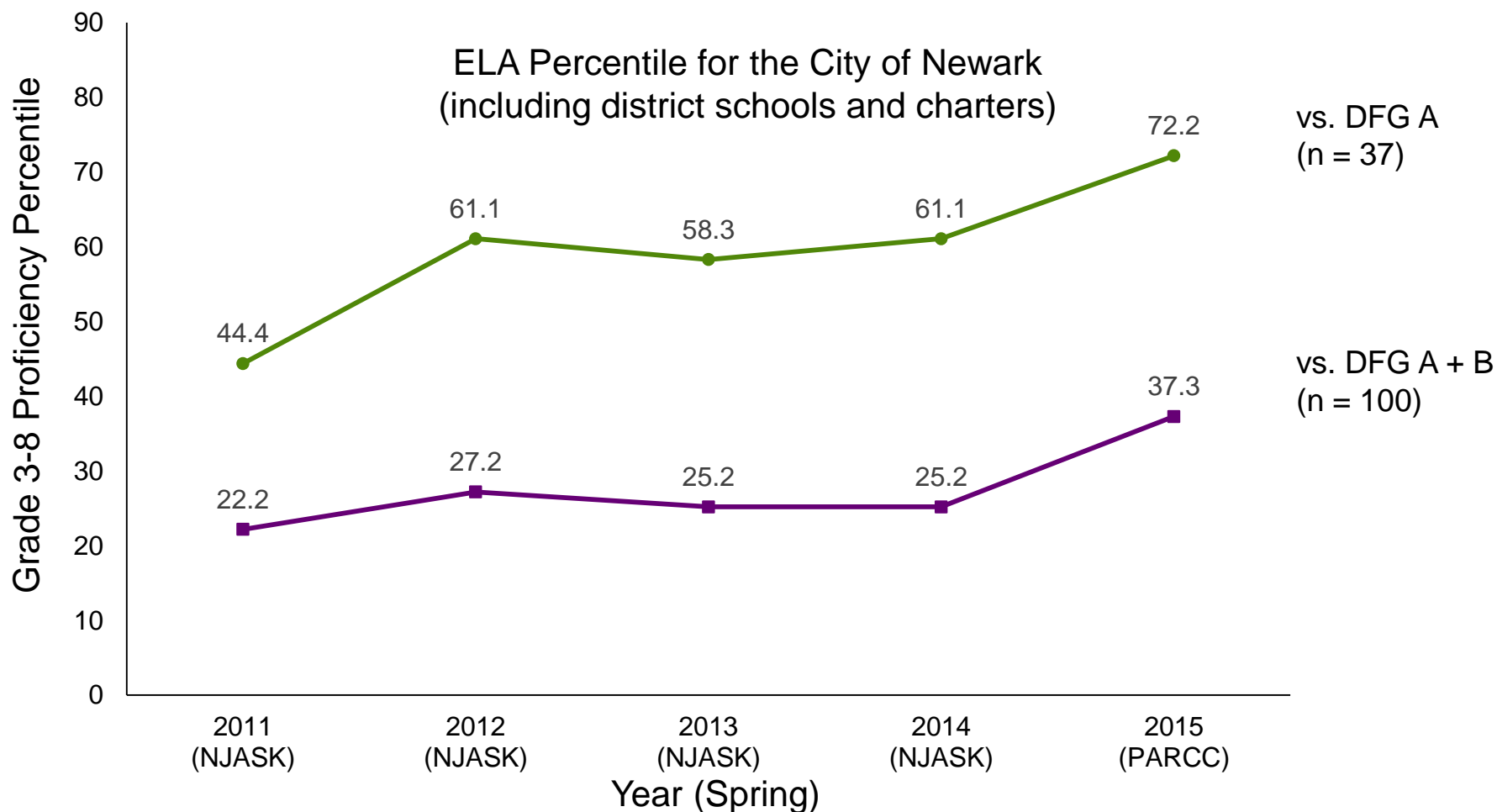


NPS GAINING GROUND: ELA

When comparing NPS student proficiency with students in other districts taking the same tests in ELA, there is clear improvement in the 14-15 school year.

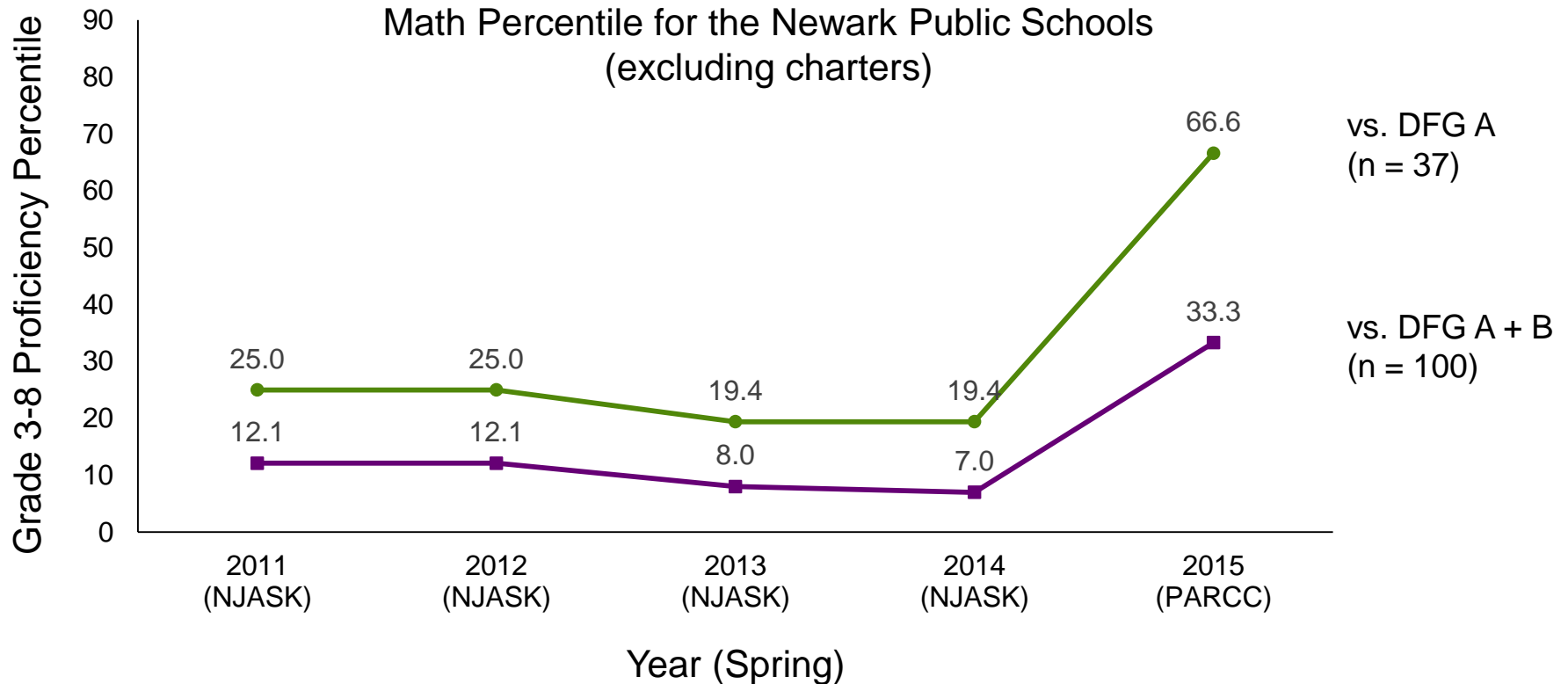


NEWARK GAINING GROUND: ELA

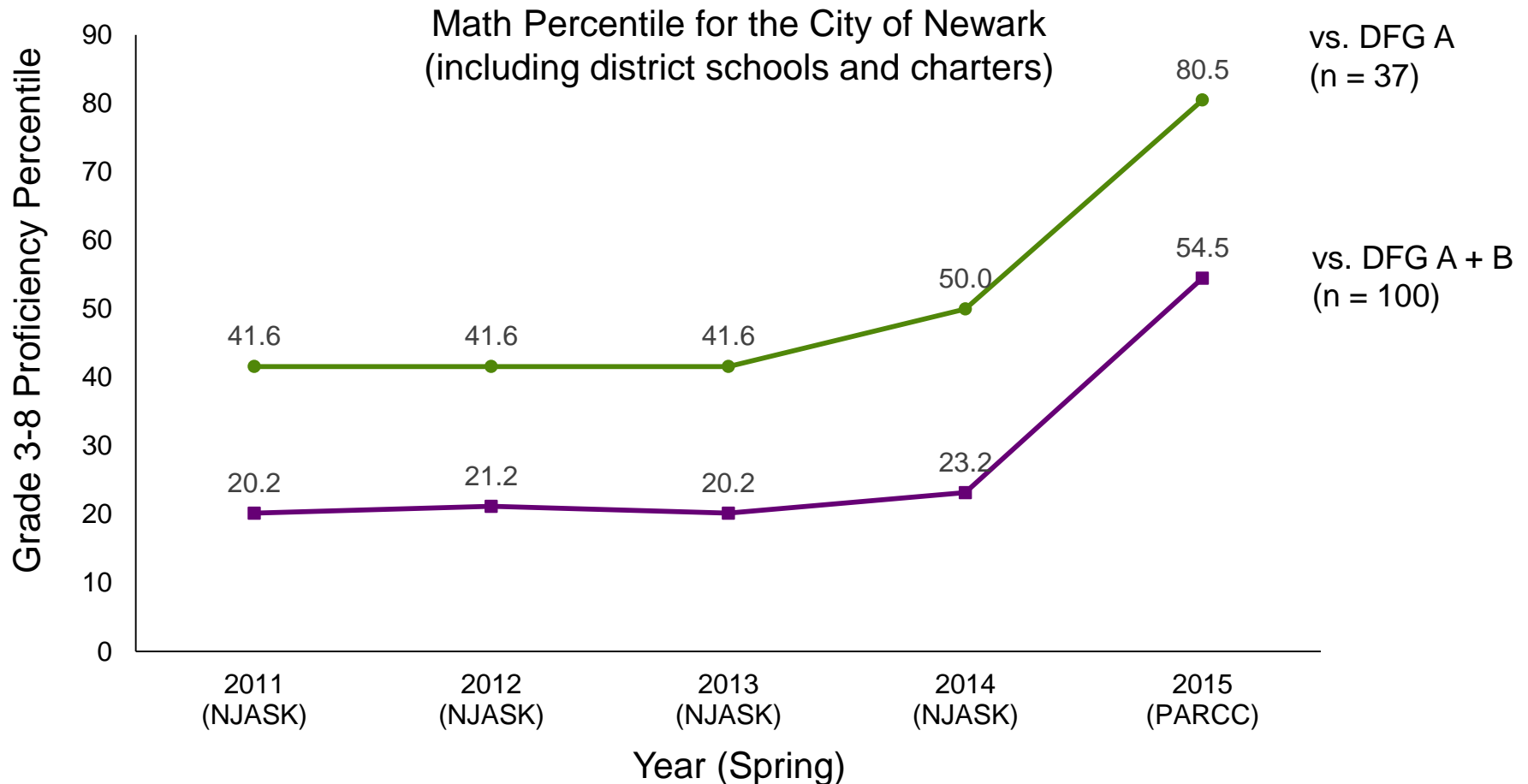


NPS GAINING GROUND: MATH

When comparing NPS student proficiency with students in other districts taking the same tests in Math, there is substantial improvement in the 14-15 school year.



NEWARK GAINING GROUND: MATH



GROWING OUTSIDE THE CLASSROOM TOO

Arts:

- Musical performances sponsored by Disney
- Jazz bands, and many other extraordinary musical performances



Athletics

- 3 State Champion Basketball Teams

Clubs

- Nationally renowned debate teams
- Clubs and extensive after-school programming



REVIEW OF PROGRESS

■ Educator Effectiveness:

■ **Progress:**

- Our most effective educators retained at high rates
- Majority of educators view evaluation and feedback system as accurate, and providing useful information about practice

■ **Challenge:**

- Recruiting best educators and school leaders in region

■ Enrollment:

■ **Progress:**

- Significant improvement in enrollment process
- Sibling and Neighborhood preferences enhances
- Significant improvement in special education assignment
- 59% of families selected either a district school outside of their neighborhood or a charter school as their first choice

■ **Challenge:**

- More space, appropriate staffing, and additional resources for our highest demand schools

REVIEW OF PROGRESS

■ Special Education

■ **Progress:**

- Improved compliance rates
- Hired more CSTs, implemented EasyIEP
- Created a new framework for inclusion

■ **Challenge:**

- Compliance rates still fall short of state requirements
- District rates of self-contained classes remain significantly higher (more than double) the state average

■ Facilities

■ **Progress:**

- NPS will open two new schools and a third is under consideration.
- Shared drinking water data with the community and executing a plan to create a new baseline for water quality.

■ **Challenge:**

- Aging buildings and infrastructure require maintenance and investment to fix.
- Elevated levels of lead in 30 NPS school buildings

REVIEW OF PROGRESS

■ School Finances

■ **Progress:**

- Two years of closing at least a \$75M budget gap, while minimizing impact on school budgets and direct student supports.

■ **Challenge:**

- Creating contracts, structures and policies that are sustainable financially in this environment over the long term

■ Transition to Local Control

■ **Progress:**

- Working with NESB to outline plans towards local control
- Identified goals and priorities consistent with QSAC requirements
- Drafted an Equivalency waiver to improve on QSAC instruction and program

■ **Challenge:**

- Must continue to work collaboratively towards goals and avoid distractions

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HISTORY OF NPS BUDGET CHALLENGES

NPS financial challenges are the result of declining per pupil revenue coupled with increased operating expenses.

$$\frac{\text{State Aid} \leftrightarrow}{\text{\# of Students} \uparrow} = \text{\$ per pupil} \downarrow$$

Key Financial Challenges

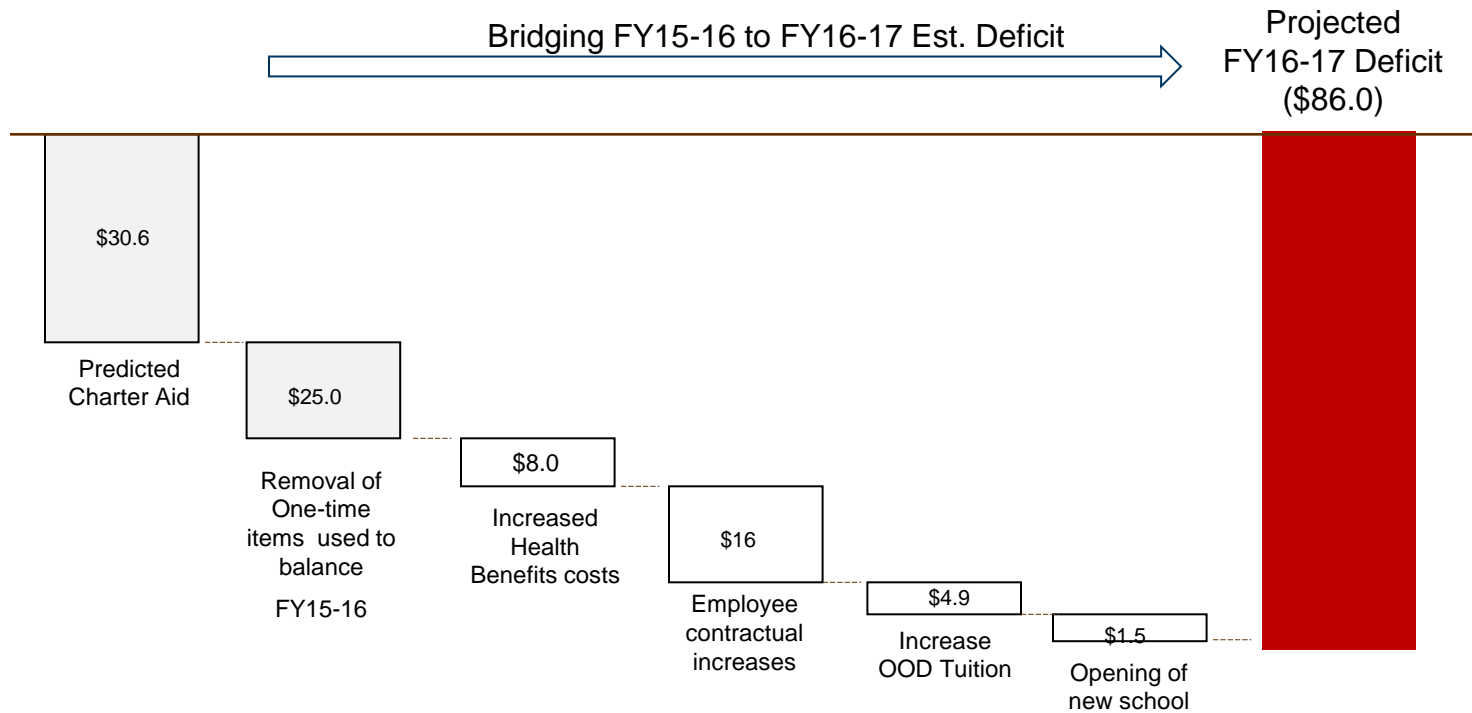
1. State Aid had been unchanged since FY2011
 - Newark resident enrollment has increased 10% since 2011
2. Charter Aid formula
3. Increased Operating Expenses
 - Employee benefits, salaries, and other major contracts are increasing each year
4. Special Ed Costs
 - Costs exceed the aid received by \$66M

Challenges Addressed

1. Teacher EWPS Pool
2. Central Office and Executive Costs
 - Central Office costs have shrunk significantly
 - “High paid consultants” a myth

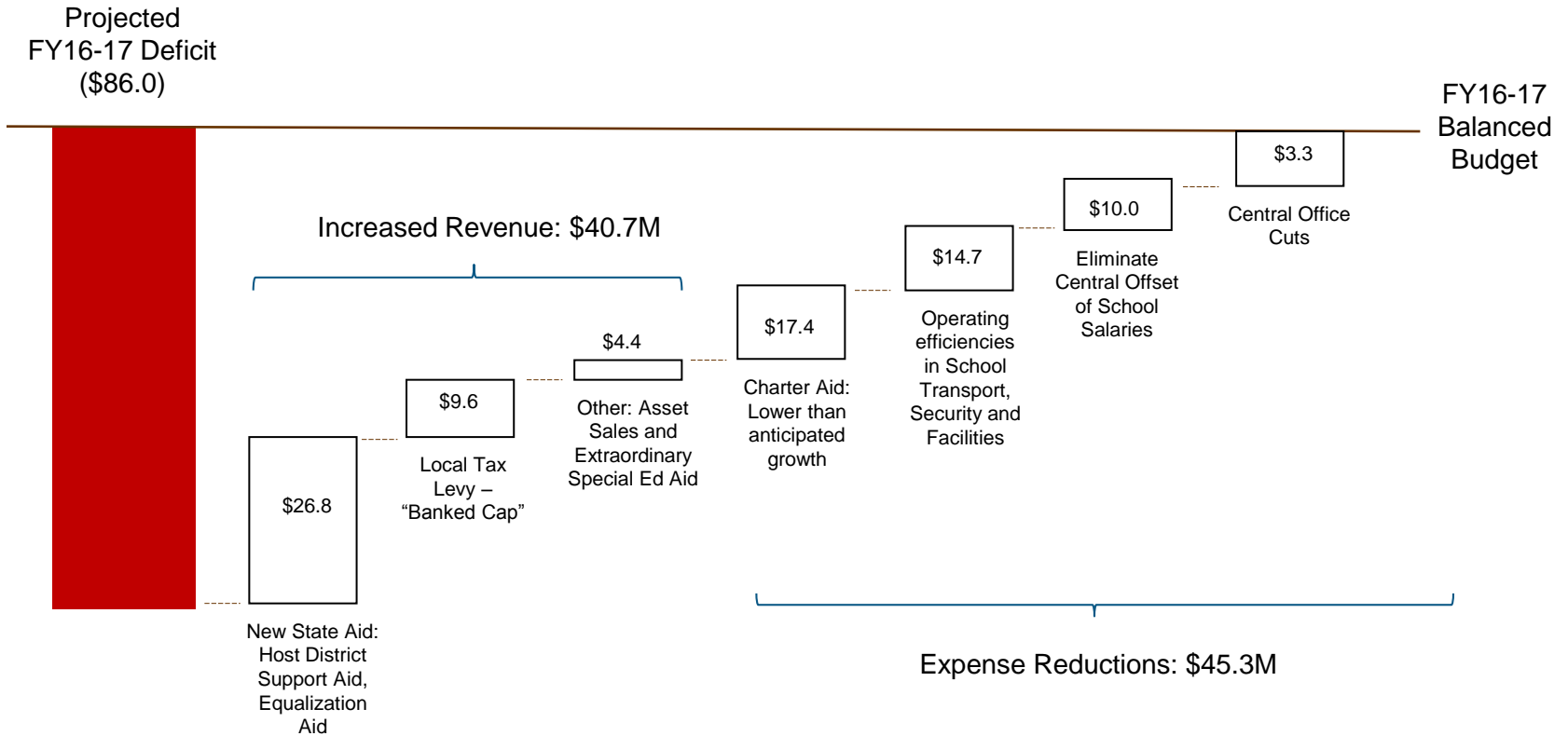
CAUSES OF FY16-17 BUDGET GAP

For the 2016-2017 school year, the district was forecasting an \$86M budget gap.



BRIDGING THE FY16-17 BUDGET GAP

A combination of new revenue and expense reductions in Central Admin and School Support will enable NPS to balance its budget in FY2016-17 with minimal impact to schools.



BUDGET SUMMARY

- NPS projected an \$86M budget gap for the 2016-17 school year.
- NPS closed this gap in two ways:
 1. **\$41M in new revenue** - the majority (\$27M) coming from additional state aid, with additional new revenue from local tax levy and asset sales.
 2. **\$45M in reduced expenses** – achieved through lower than expected charter aid, efficiencies in centrally budgeted expenses, and flat school budgets.
- **As a result of these efforts, no cuts to school budgets**
 - More accurate and equitable allocation to schools
- Expense reductions will result in a net loss of 200 FTEs, mostly in central office.
 - Significant reductions in force were avoided in schools
 - Most of these reductions will be achieved through cutting vacancies.
- While difficult, these actions will allow for schools to continue to make progress and for the district to achieve a structurally sound balanced budget.

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PRELIMINARY FY16-17 BUDGET: FUND SOURCES AND USES

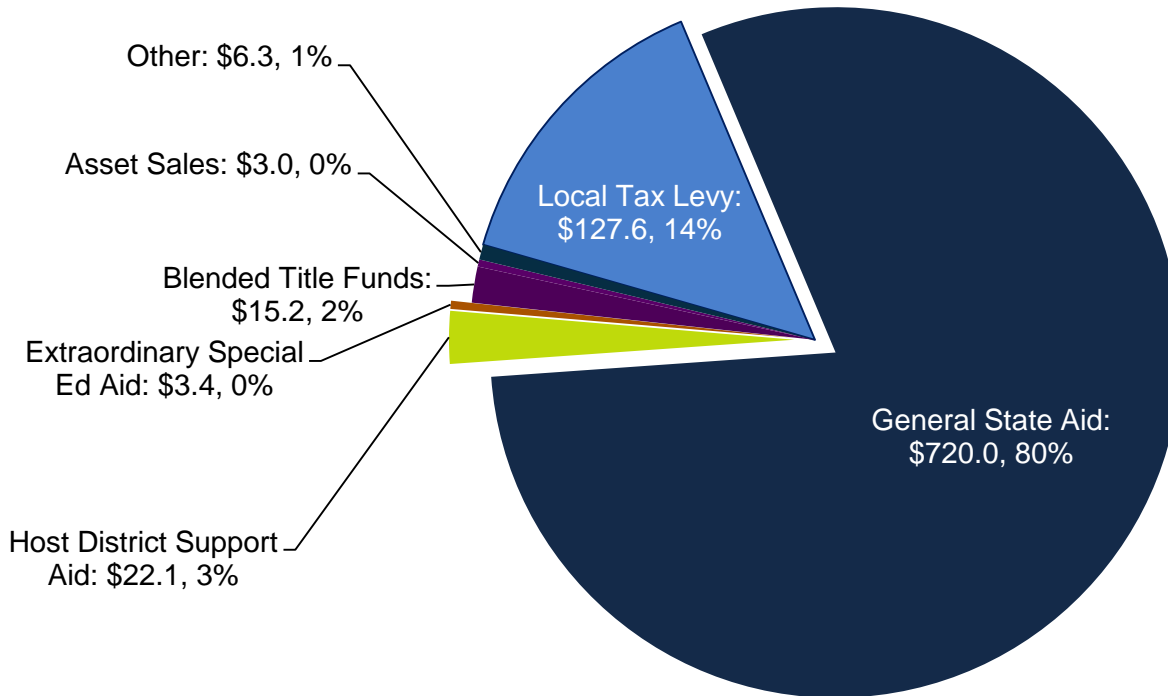
In aggregate, school budgets have remained flat as a result of cost-savings initiatives coupled with new state transition aid, both of which flowed directly to school budgets

Fund Sources (Revenue)			
\$ in millions	FY 15-16 Forecast	FY 16-17 Planning Baseline	FY16-17 Budget
State aid	\$715.3	\$715.3	\$720.0
Local tax levy	\$115.7	\$118.0	\$127.6
Host district support aid	\$0	\$0	\$22.1
Other general fund	\$11.2	\$8.3	\$12.7
Title I (Blended funds)	\$15.3	\$15.3	\$15.2
Total Operating Revenue	\$857.5	\$856.9	\$897.6
Fund Uses (Expenses)			
Charter payment	\$230.6	\$261.2	\$243.8
NPS total			
NPS: Central Office & centrally-budgeted school supports	\$318.6	\$337.4	\$319.4
NPS – School Budgets (Fund 15)	\$333.3	\$344.3	\$334.3
Other	(\$25.0)	\$0	\$0
Total Expenses	\$857.5	\$942.9	\$897.6
Surplus / (Deficit)	\$0.0	(\$86.0)	\$0

FY2016-17 GENERAL FUND REVENUE

FY2016-17 General Fund Revenue

\$ in millions



- The State will provide over 83% of NPS general funds.
 - 80% from General State Aid consisting primarily of Equalization Aid, Categorical Special Ed Aid, Categorical Security Aid
 - 3% Host District Support Aid – new in FY2016-17
 - <1% from Extraordinary Special Ed Aid for high cost special education students
- Local Tax Levy funds contribute an additional 14%
- Remaining 3% consists of blended Title I funds, asset sales and other miscellaneous revenue.

** General fund revenue above excludes \$65.7M in pension and benefits contributions for NPS employees that are funded directly by the State.

HISTORICAL TRENDS IN STATE REVENUE

Three Year Comparison of Aid from the State

(\$ in millions)

	State Revenue			Year-over-year Change	
	FY2014-15	FY2015-16	FY2016-17	FY15-16 v. FY14-15	FY16-17 v. FY15-16
General State Aid					
Equalization Aid	\$ 645.2	\$ 645.2	\$ 649.2	\$ -	\$ 3.9
Categorical Special Ed Aid	28.2	28.2	28.7	-	0.6
Categorical Security Aid	19.3	19.3	19.4	-	0.1
Adjustment Aid	13.3	13.3	12.8	-	(0.5)
Categorical Transportation Aid	6.8	6.8	6.8	-	0.0
PARCC Readiness Aid	0.5	0.5	0.5	-	-
Per Pupil Growth Aid	0.5	0.5	0.5	-	-
Additional Adjustment Aid	1.5	1.5	1.5	-	-
Prof. Learning Community Aid	-	-	0.5	-	0.5
State Aid	715.3	715.3	720.0	-	4.7
Host District Support Aid	-	-	22.1	-	22.1
Extraordinary Special Ed Aid	1.6	2.0	3.4	0.5	1.4
Total State Aid	\$ 716.8	\$ 717.3	\$ 745.5	\$ 0.5	\$ 28.2

Funding from the State will increase \$28.2M in FY16-17

The State provided additional aid to districts via State funding formula

→ New State program

→ State is funding increased aid to charters

→ NPS is seeking additional reimbursement for high cost special education students

HISTORICAL TRENDS IN LOCAL TAX LEVY

Three Year Comparison of Local Tax Levy

(\$ in millions)	State Revenue			Year-over-year Change	
	FY2014-15	FY2015-16	FY2016-17	FY15-16 v. FY14-15	FY16-17 v. FY15-16
Local Tax Levy	\$ 113.4	\$ 115.7	\$ 127.6	\$ 2.3	\$ 11.9
Total Local Tax Levy	\$ 113.4	\$ 115.7	\$ 127.6	\$ 2.3	\$ 11.9

Funding from the Local Tax Levy will increase \$11.9M in FY16-17

Local tax increase is driven by:

- State allowable 2% cap yields a \$2.3M increase in tax levy.
- Additional “banked” cap yields an additional \$9.6M increase
 - “Banked” cap provides NPS the authority to exceed the annual 2% cap to address extraordinary increases in operating costs

LOCAL TAX LEVY INCREASE

Impact of Local Tax Levy Increase

- Average increase to Newark homeowners is \$185 annually.
- Newark taxpayers will continue to pay far less in net property taxes per year than neighboring cities with similar property values.

Reasons for Local Tax Levy Increase

- Ensure stable schools and programs across the district.
 - If NPS did not increase the local tax levy, school budgets would have been reduced by \$9.6M forcing schools to eliminate 135 teachers.
- Increases in operating costs from rising enrollment and health benefits have exceeded historical increases in local tax levy.

TAX LEVY ANALYSIS

- Property taxes (school portion) were not raised for 20 years (1987-2006).
- Since 2007, the average annual increase has been 3.7%.
- 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

Fiscal 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	\$127,561,586	\$11,911,420	10.3%

Average annual increase = 3.7%

2016-17 AVERAGE TAX INCREASE (PORTION OF PROP. TAX FOR NEWARK SCHOOLS)

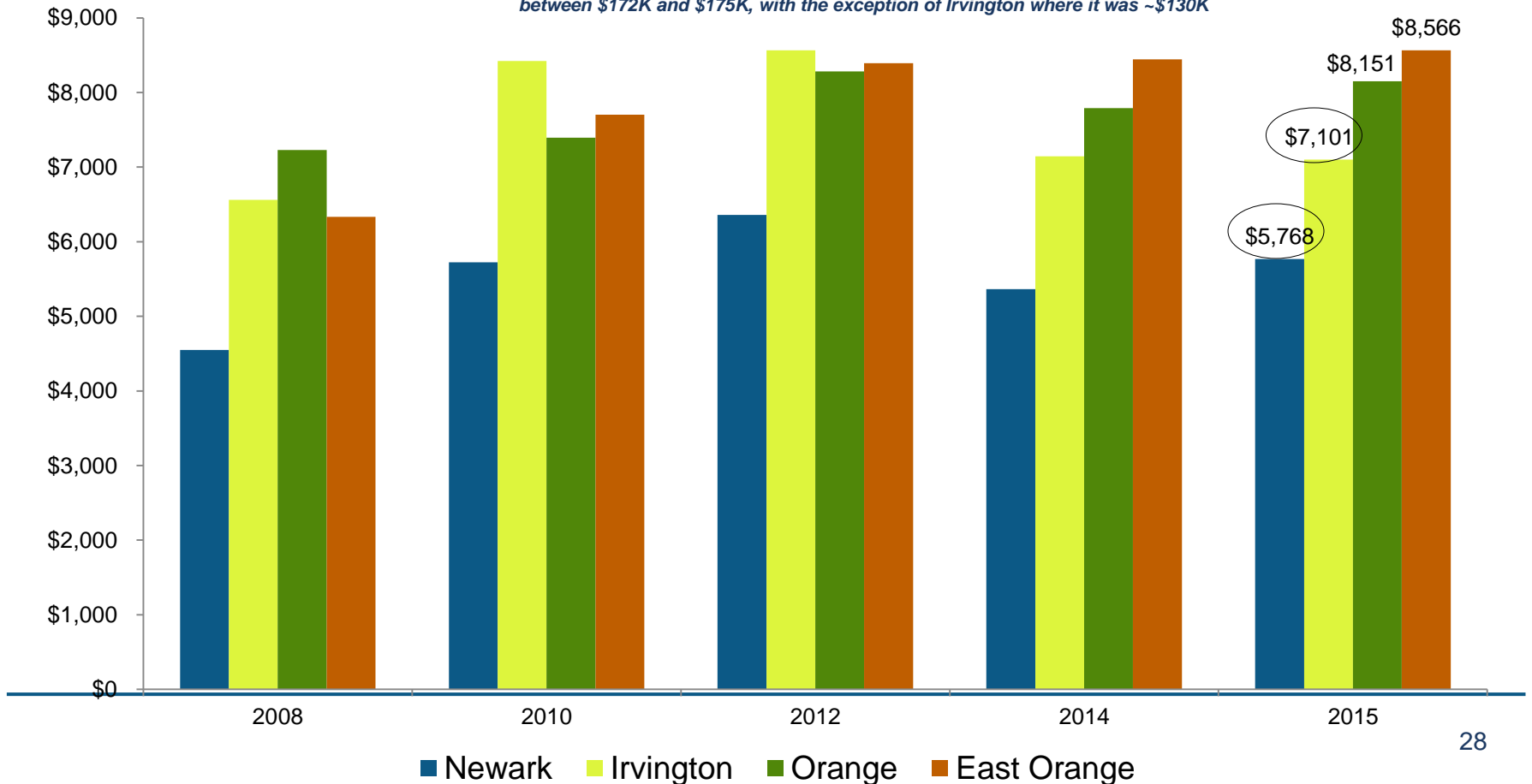
- Property taxes for the average homeowner will increase \$185 annually or \$0.51 per day.

	Family #1	Family #2
Average Property Assessed Value	\$175,000	\$200,000
2015-16 Tax Levy	\$1,499	\$1,713
2016-17 Tax Levy *	\$1,684	\$1,924
Average Annual Net Increase	\$185	\$212
Daily Cost	\$0.51	\$0.58

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 28% higher than Newark in 2015.

**Figures are based on tax levy for the median home price in each city. All of which were between \$172K and \$175K, with the exception of Irvington where it was ~\$130K*



HISTORICAL TRENDS IN OTHER GENERAL FUND REVENUE

Three Year Comparison of Other General Fund Revenue

(\$ in millions)	State Revenue			Year-over-year Change	
	FY2014- 15	FY2015- 16	FY2016- 17	FY15-16 v. FY14-15	FY16-17 v. FY15-16
Asset Sales	\$ -	\$ -	\$ 3.0	\$ -	\$ 3.0
Blended Title Funds	22.0	15.3	15.2	(6.7)	(0.1)
Other Revenue					
Medicaid	1.4	1.3	1.2	(0.1)	(0.1)
E-Rate	1.7	1.0	1.0	(0.7)	-
ARRA	0.8	-	-	(0.8)	-
Rentals	1.8	-	1.4	(1.8)	1.4
Tuition	0.8	0.6	0.7	(0.2)	0.1
Interest	0.2	3.0	0.3	2.8	(2.7)
Miscellaneous	2.0	1.9	1.8	(0.1)	(0.1)
Other Aid	0.4	1.4	-	1.0	(1.4)
Internal Audit Reimb.	0.3	-	-	(0.3)	-
	9.4	9.2	6.3	(0.2)	(2.9)
Other General Fund	\$ 31.4	\$ 24.5	\$ 24.5	\$ (6.9)	\$ (0.0)

→ Sale proceeds from assets transferred to NHA

→ NPS is conservatively estimating changes in other revenue and will monitor other revenue to ensure maximization.

FUND BALANCE ANALYSIS

- NPS has used excess fund balance, leaving no surplus funds available to help balance the FY2016-17 budget.

Fund Balance - Excess Surplus Available to Balance Budget

	Actual 6/30/2013	Actual 6/30/2014	Actual 6/30/2015	Estimated 6/30/2016
I. <u>Change in (General) Fund Balance</u>				
Beginning Fund Balance	\$ 70,216,882	\$ 70,821,362	\$ 56,755,902	\$ 34,751,376
Annual Surplus / Deficit	604,480	(14,065,460)	(22,004,526)	(13,290,964)
Year-End Fund Balance	<u>\$ 70,821,362</u>	<u>\$ 56,755,902</u>	<u>\$ 34,751,376</u>	<u>\$ 21,460,412</u>
II. <u>Breakdown of Year-end Fund Balance</u>				
Unassigned Fund Balance **	17,402,345	17,121,616	15,676,452	8,176,452
Capital Reserve	1,500,000	1,500,000	1,500,000	-
Year-end encumbrances	13,196,507	14,948,294	11,783,960	13,283,960
Excess Surplus	38,722,510	23,185,992	5,790,964	-
Year-End Fund Balance	<u>\$ 70,821,362</u>	<u>\$ 56,755,902</u>	<u>\$ 34,751,376</u>	<u>\$ 21,460,412</u>

**** Max Unassigned Fund Balance Permitted by State**

Adjusted General Fund Expenditures	\$ 870,117,250	\$ 856,080,800	\$ 860,344,172	\$ 860,344,172
2% Max Unassigned Fund Balance	17,402,345	17,121,616	17,206,883	17,206,883

Unassigned fund balance is less than 2% max unassigned balance. No excess funds are available to balance budget in FY2016-17.

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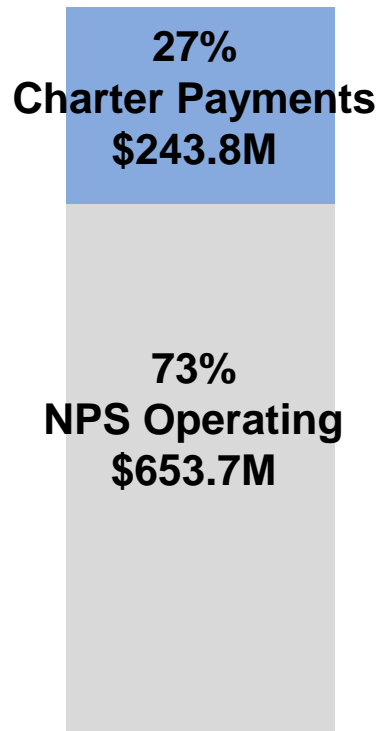
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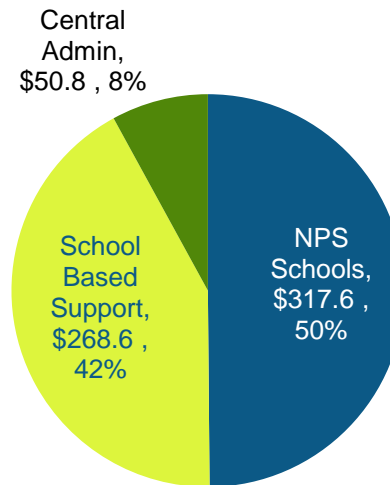
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MAJOR EXPENSES



Total Budget*
\$897.6M

FY2016-17 General Fund Expenditures in \$millions



- In FY2016-17, 92% of NPS operating fund will be spent on Schools and School Support.
 - 50% on Schools
 - 42% on School Support
- Central Office expenses represent 8% of operating fund.

* Includes Title One Blended Funds

DETERMINING SCHOOL ALLOCATIONS

- 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.

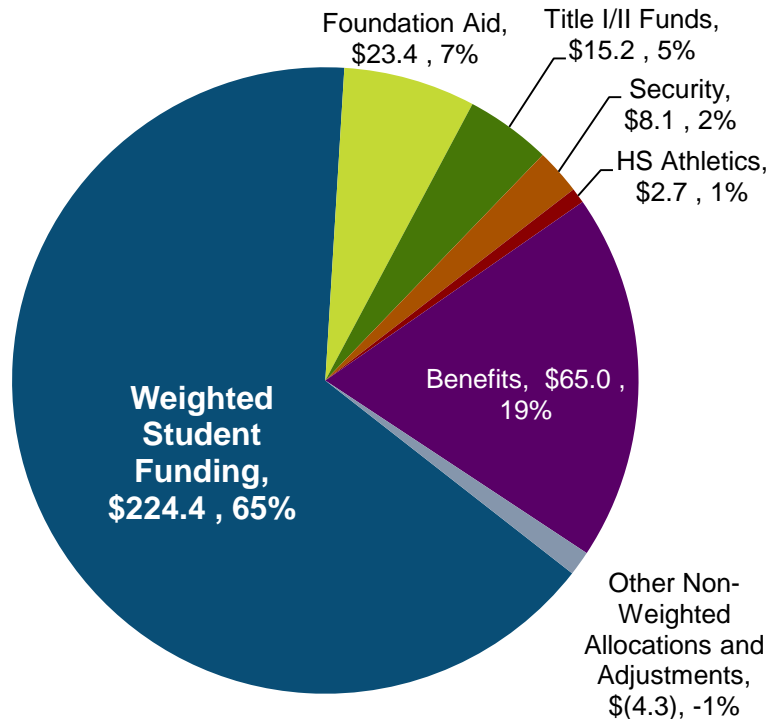
FY16-17 SCHOOL ALLOCATION SUMMARY STATISTICS

Year over year per pupil funding is up across all grade levels

Est. FY16-17 School Allocations				
	FY2015-16	FY2016-17	Change	% Change
1) No. Students (Projected) ¹				
Elementary	24,843	24,300	(543)	-2.2%
High School	10,839	9,955	(884)	-8.2%
Total	35,682	34,255	(1,427)	-4.0%
2) \$ Allocated to Schools (Fund 15)				
Elementary	\$ 210,834,172	\$ 217,245,112	\$ 6,410,940	3.0%
High School	122,454,409	117,039,765	(5,414,644)	-4.4%
Total	333,288,581	334,284,877	996,296	0.3%
3) Per Pupil \$				
Elementary	\$ 8,487	\$ 8,940	\$ 453	5.3%
High School	11,298	11,757	459	4.1%
Total	\$ 9,341	\$ 9,759	\$ 418	4.5%
¹ Actual FY15-16 enrollment is 34,148 - ES: 24,292, HS: 9,856.				

COMPONENTS OF SCHOOL ALLOCATIONS

- School budgets total \$334M allocated via seven allocations.
 - 65% of the funds allocated via WSF.



School Budget Components	
1. Weighted Student Funding (WSF)	Projected enrollment is multiplied by the per pupil funding amounts for each grade span and program type. The sum of each of these amounts is your weighted student funding.
2. Foundation Aid	Fixed allocation per school of \$389.5K. Funds five core personnel : principal, nurse, student support, school ops and community eng.
3. Title I/II Funds	Blended Title funds allocated based on % of students that are eligible for free and reduced lunch
4. Benefits	Allocation per FTE to cover the cost of employee benefits of personnel in the school
5. Security	Allocation to cover the cost of the FTE security guards in the school
6. HS Athletics	Allocation to cover the cost of high school team sports
7. Other Non-Weighted Allocations and Adjustments	Other adjustments include: <ul style="list-style-type: none"> • Unfilled Special Education seats funding • Special Education aide adjustment • Policy based adjustments

HOW DO SCHOOLS SPEND THEIR MONEY

- Schools invest over 96% of their budgets in personnel costs, reserving only \$11.5M or 3.5% for non-salary expenses.



School FTEs (Fund 15)	FY2016-17 Budgeted FTEs
Teachers*	2,527
Aides	224
School Administration	187
School Support	715
	3,653

**Note: Only includes teachers paid for out of Fund 15, approximately 150 teachers, and other school based supports are paid for out of centrally budgeted dollars.*

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

FY16-17 IMPACT ON SCHOOL BUDGETS

- As a result of our efforts to increase revenue and reduce expenses, net funding across all schools will be flat for the 2016-17 school year
- Flat net funding will allow schools to limit cuts, but it also means that schools will have reduced purchasing power as their costs continue to grow.
- Individual schools will experience increases or decreases year over year based on an updated funding approach that aligns funds with enrollment and student needs

CENTRALLY FUNDED SCHOOL SUPPORT

- Centrally funded school supports refers to many of those employees and services that are centrally budgeted, but spend the majority of their time in schools.
- NPS intends to realize \$15M in cost savings through execution of operating efficiencies.

\$ Mils	FY15-16 Forecast	FY16-17 Baseline	FY2016-17 Budget	Savings	Comments
Facilities	\$ 68.0	\$ 68.0	\$ 59.2	(\$8.7)	Facilities reduction in OT, Per Diem and other efficiencies; Access funds available for capital projects / maintenance
Transportation	37.4	37.4	32.8	(4.6)	Routing efficiencies, elimination of hubs, other efficiencies
Security ¹	7.0	7.0	5.6	(1.4)	Allocation of staffing to student ratio and other efficiencies
OOD SPED	41.5	46.4	47.4	1.1	Increases in enrollment/tuition offset by aging out and efficiencies
Academics	57.9	60.5	60.0	(0.6)	Reductions in SPED Aides, Academic re-org and other efficiencies, teacher salaries actual v 1 st step
Centrally Budgeted Benefits	56.6	64.6	63.0	(1.5)	Benecard reductions
Food Service ²	1.0	0.0	0.5	(0.5)	Allocation for overage
Total Centrally Funded S	\$269.4	\$283.8	\$268.6	(\$15.2)	

¹ An additional \$7.7M in security officers is funded on school budgets (fund 15). Total security budget is \$13.3M

² Food service amounts represent general fund subsidy only. Food services are budgeted in Fund 60. Total cost of NPS food program is \$22.6M.

CENTRAL ADMIN – SPENDING

By reducing staffing and identifying other efficiencies, the district will save nearly \$3M in Central Administration costs.

\$ Mils	FY15-16 Forecast	FY16-17 Baseline	FY2016-17 Budget	Savings	Comments
Central Administration	\$ 49.3	\$ 53.6	\$ 50.8	\$ -2.8	Reduction in staffing and other efficiencies

CHARTER SCHOOL SPENDING

- In planning for FY2016-17, NPS anticipated charter schools would grow by 1,815 students at the current per pupil rate bringing aid to charters to \$261M.
- The charter aid formula used a lower than expected per pupil rate in calculating the charter aid for FY2016-17 resulting in \$17.4M of additional funds being available for schools.
 - NPS anticipated the average per pupil rate to charters would be \$16,222, but the actual average per pupil rate will be \$15,135.
- In addition, NPS received \$22M in Host District Support Aid from the State to support increased funding to charters.

\$ Mils	FY15-16 Forecast	FY16-17 Baseline	FY2016-17 Budget	Savings	Comments
Charter School Aid	\$ 231.0	\$ 261.0	\$ 243.3	(\$17.4)	Formula for charter aid was based on a lower than anticipated per pupil.

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- **Centrally Funded School Support**
- **Central Admin**
- **Charter School Budgets**

- **Conclusion:**

- **Review of Implications**
- **Budget Summary**

FULL TIME EMPLOYEE (FTE) POSITION IMPACT

- Over 200 budgeted positions will be eliminated with the majority in central office roles.
- Impact of these reductions on actual personnel is yet to be determined as many of the positions eliminated are vacancies and/or may be vacated through resignations or retirements.

Schools (Fund 15)	Beginning FTES	Positions Eliminated	New Positions	Ending FTES	FTE change
Teachers	2,551	142	118	2,527	(24)
Aides	227	12	9	224	(3)
School Administration	194	9	2	187	(7)
School Support (guidance, social workers, teacher coaches, etc.)	733	83	65	715	(18)
Total Schools	3,705	246	194	3,653	(52)

Note: Cut positions 246 includes 208 filled positions and 38 vacancies

Central Office (Fund 11)					
Teachers*	47	1	0	46	(1)
Operations Support (coordinators, clerks)	84	23	7	68	(16)
Central Admin / Ops. Support	768	165	44	647	(121)
Academic Support	267	30	5	242	(25)
Other Certificated Staff	65	7	7	65	0
EWPS	122	0	2	124	2
Total Central Office	1,353	226	65	1,192	(161)

Note: Cut positions 226 includes 97 filled positions and 129 vacancies

* Teachers of the Deaf, Home Instruction, Preschool Disabled and SPED

FTE IMPACT

- Reduction in positions will have minimal impact of student to teacher and student to staff ratios.

Positions	FY2015-16	FY2016-17 Budgeted
Total NPS Staff	5,058	4,845
Total Teachers	2,720	2,697
School-Budgeted Teachers (Fund 15)	2,551	2,527
Ratio of Students to Total NPS Staff	6.8 : 1	7.0 : 1
Ratio of Students to Total Teachers	12.6 : 1	12.7 : 1
Ratio of Students to School-Budgeted Teachers (Fund 15)	13.4 : 1	13.5 : 1

BUDGET SUMMARY

- NPS projected an \$86M budget gap for the 2016-17 school year.
- NPS closed this gap in two ways:
 1. **\$41M in new revenue** - the majority of this (\$27M) coming from additional state aid, with additional new revenue from local tax levy and asset sales.
 2. **\$45M in reduced expenses** – this is achieved through lower than expected charter aid, efficiencies in central office and centrally budgeted supports, and flat school budgets.
- As a result of these efforts, **school budgets will be flat.**
 - Significant cuts at the school level have been avoided this year
 - Schools will have reduced purchasing power as their costs increase.
- Expense reductions will result in a net loss of 200 FTEs, mostly in central office.
 - Significant reductions in force were avoided in schools
 - Most of these reductions will be achieved through cut vacancies.
- While difficult, these actions will allow for schools to continue to make progress and for the district to achieve a structurally sound balanced budget.

AGENDA

APPENDIX

IDENTIFYING GOALS AND PRIORITIES FOR THE NEXT THREE YEARS

Overarching Project Goals for Strategic Plan:

- Help ensure that every Newark child has access to a high-quality, free public education
- Lead to a smoother transition back to local control and an operationally stable and sustainable school system

Goals and Priorities Identified:

1. Strengthen academics and student supports
2. Great leaders and educators in every school and classroom
3. Community-centered decisions: parent choice and parent voice in schools
4. Efficient operations, sustainable budgets and skilled governance in the district

IDENTIFYING GOALS AND PRIORITIES FOR THE NEXT THREE YEARS

Key Milestones and Updated Timeline for Completion

DECEMBER– FEBRUARY

- ▣ Board retreat
- ▣ Community meetings
- ▣ Stakeholder meetings, focus groups
- ▣ Survey

MARCH–JUNE

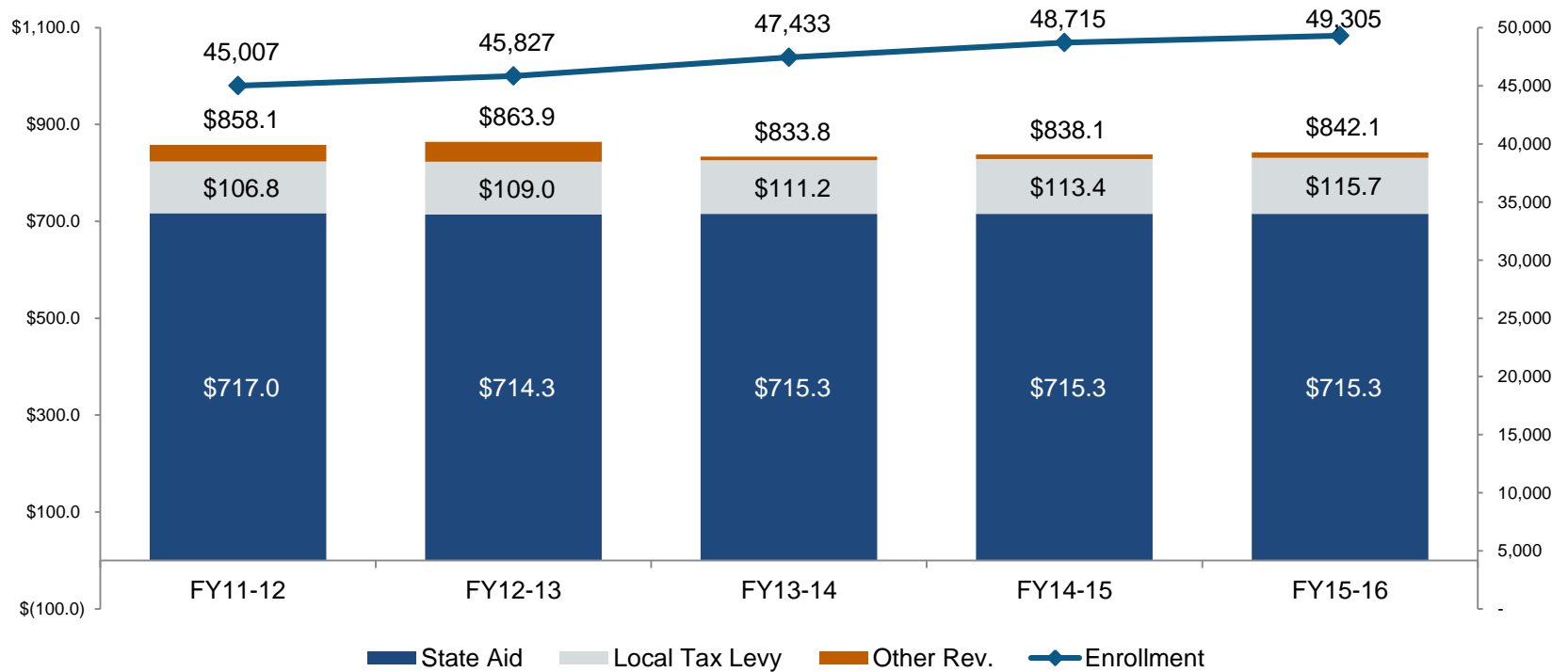
- ▣ Initial priorities
- ▣ Working Groups
- ▣ Community feedback

JUNE–JULY

- ▣ More detailed strategic plan

HISTORICAL OVERVIEW

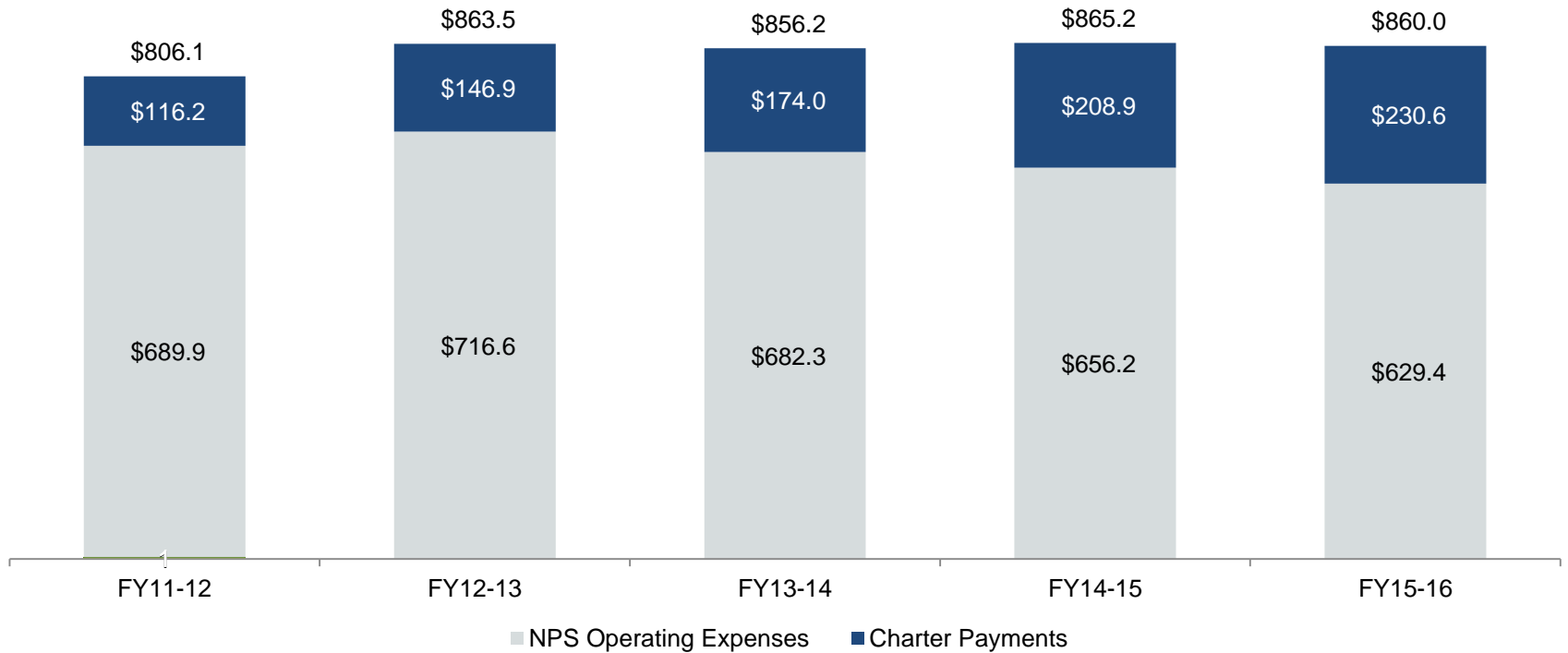
5 Year Enrollment and General Fund Revenue Trends
(\$ in millions)



HISTORICAL OVERVIEW

5 Year General Fund Expense Trends

(\$ in millions)



WEIGHTED STUDENT FUNDING METHODOLOGY

- Each student receives a base per pupil funding based on their grade level.
- Students with special needs receive additional per pupil funding.
- Student counts used in allocations are based on projected enrollment.
- Per pupil amounts were created based on the cost to educate for each student type, based on appropriate class section sized and required staffing ratios.

WEIGHTED STUDENT FUNDING – METHODOLOGY EXAMPLE

	Classroom Teachers/ Aides	+ Specialty Teachers	+ School Operations Support	+ Stipends	+ Substitutes	+ Materials	= Cost per Student
Gen Ed Grade Weight							
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 Weights							
K-8 Autism/K-8 AI	\$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
K-8 Behavioral Disability Severe	\$46,470	\$1,184	\$200	\$58	\$175	\$173	\$48,260
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 Multiple Disability MI/ HS AI	\$12,671	\$1,184	\$200	\$58	\$175	\$173	\$14,462
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
ELL Weights							
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

<u>Enrollment Summary</u>	<u>FY16 Proj.</u>	<u>FY 16 Oct</u>	<u>FY16 Mar</u>	<u>FY17 Proj</u>
	776	787	789	796

School X Budget Summary:

Projected Enrollment
 School Allocation
 School-level Per Pupil Funding

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

School X Budget Detail:

Gen Ed Student Breakdown:

	<u>FY 17 Enroll.</u>	<u>FY 17 Funds</u>	<u>Per Pupil</u>
Kindergarten (21:1, 1 programmatic aide)	84	\$562,102	\$6,692
Grade 1-5 (22:1) Base Weight	436	2,155,410	4,944
Grade 6-8 (24:1)	276	1,269,770	4,601
Gen Ed Student Sub-total	796	\$3,987,282	\$5,009

Self-contained SpEd Student Breakdown:

K-12 Learning Disability Mild/Moderate (16:1, 1 Prog aide)	32	99,041	3,095
Self-contained Special Education Sub-total	32	\$99,041	\$3,095

PUTTING IT ALL TOGETHER: SAMPLE SCHOOL BUDGET ALLOCATION, CONT.

	<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 (8:1) Multiplied by 3 sections	45	\$151,731	\$3,372
K-8 RCO (9:1, 1 programmatic aide) Multiplied by 3 sections	13	55,088	4,238
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 (40:1)	119	\$228,420	\$1,919
ELL Sub-total	225	\$228,420	\$1,015
Total Dollars for Weighted Student Funding	796	\$4,521,561	\$5,680
Foundation aid	0	\$389,649	NA
Title I Funds	0	331,511	NA
Benefits	0	1,293,336	NA
Security	0	82,853	NA
Special Ed Aide Reallocation	0	(32,197)	NA
Other School-based Funding Sub-Total	0	\$2,065,152	NA
Guardrail Adjustment	NA	(\$257,266)	NA
School X Total Budget Funding	796	\$6,329,447	\$7,952