

MONTGOMERY
Township School District

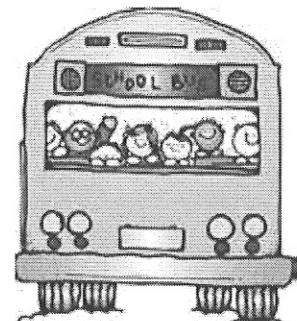
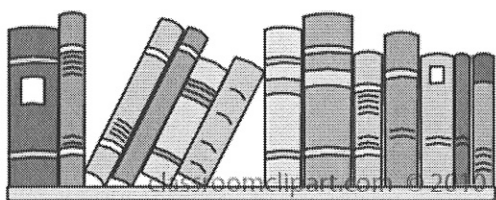
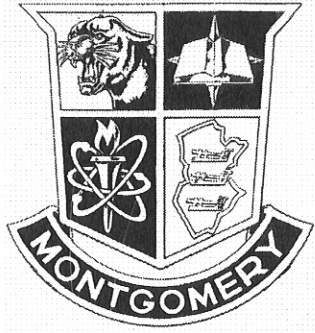


Table of Contents

| <u>Category</u> | <u>Page</u> |
|---|-------------|
| District Mission Statement | 1 |
| Budget Goals & Priorities | 2-3 |
| Benefits Received by the Students in the School District | 4 |
| Challenges in Developing the 2014-15 Budget | 5 |
| Highlights of the Proposed Budget | 6 |
| Initiatives, New Programs and Services in the Proposed Budget | 7 |
| Staffing Comparison for Current Year vs. Proposed Year | 8 |
| Statement on Employee Contract Issues for Proposed Year | 9 |
| Frequently Asked Questions | 10-12 |
| Comparative Data with Other Comparable Districts | 13-14 |
| Revenue Analysis Current Year vs. Proposed Year | 15 |
| Expenditure Summary Current Year vs. Proposed Year | 16 |
| Tax Calculations | 17-18 |

Details on each budget line item and line item comparison summary reports are available on the district website: www.mtsd.k12.nj.us (2014-15 Budget Development).



MISSION STATEMENT

1. Mission Statement

To ensure that students grow into confident, compassionate, and successful learners in a global society by providing engaging and challenging educational experiences in a student-centered environment.

2. Vision Statement

We envision a district on the forefront of public education. We focus on the needs of every child, dedicating ourselves to their present and future success. Success means that students possess a passion for learning and demonstrate cultural awareness, ethical conduct, social skills and healthy habits that will empower them to achieve their goals and aspirations. Achieving this vision requires that the district become a learning community that continually reflects and challenges itself to effect transformational teaching and learning. We prepare our students for life in a global society while nurturing them in a community where each student is known and valued. We believe by embracing a frontier spirit, we can create a unique organization that is recognized as a forerunner in public education.

3. Core Values

In order to achieve our mission and vision, we will operate according to the following values:

1. Accountability
2. Adaptability
3. Communication
4. Commitment
5. Compassion
6. Continuous Learning
7. Cultural Awareness
8. Integrity
9. Respect
10. Team Work

Budget Goals & Priorities

- Goal 1: To develop specific communication protocols with parents, staff and community members that are consistent in message and reflect the vision of “Connected, Known and Valued” with particular focus on the implementation of AchieveNJ and curriculum initiatives.
 - Support implementation of AchieveNJ for district teachers and provide high-quality professional development in the areas of instructional practices and student engagement
 - Develop comprehensive peer leadership course in MHS aimed at supporting 9th grade student transition
 - Expand extra-curricular opportunities for middle and high school students to increase opportunities for physical movement through athletic participation (UMS Boys & Girls Lacrosse, MHS Dance Team, Girls Volleyball and Diving Team)
 - Increase school and community-wide partnerships to increase awareness of available social and emotional programming
 - Develop website resources and review practices and policies for health and wellness including allergy management, fitness, nutrition and emotional health
 - Provide resources (such as eNews) to effectively communicate within the school district and to the community
 - Expand parent involvement and provide parent education around the areas of social and emotional learning curriculum, assessment and technology
 - Improve effectiveness of transportation department with employment of additional staff to support after school communication
 - Maintain class size consistent with Board policy to maximize learning opportunities for students

Budget Goals & Priorities (cont'd)

- Goal 2: To review, evaluate and assess current programs and staffing structures to determine gaps/needs; make specific recommendations to the board to address in a fiscally responsible and efficient manner in the following areas: special education, student/staff attendance and the organizational management structure of the district.
 - Develop a more comprehensive staffing and recruitment plan aimed at increasing diversity within the district staff, as well as retaining, employing and developing world class teachers
 - Review class size data to ensure that we are consistent in addressing learning needs K-12; reallocate resources to areas where staffing may be needed
 - Design guidelines to support Intervention and Referral Services (I&RS)
 - Secure proper staffing to support the specific needs of our students with disabilities
 - Create a uniform Autism Program P-12 with the addition of a Board Certified Behavior Analyst (BCBA)
 - Support the implementation of the Common Core standards in every classroom
 - Prepare technology infrastructure and support the implementation of technology devices for students to provide enhanced learning and for use in State accountability assessments (PARCC)
 - Improve administrative communication by aligning staff function with district priorities; revise organizational management structure
 - Establish the position of Reading Interventionist to align the District's reading program to meet the needs of all students
 - Expand resources to support our partnership with the Teachers College and Columbia University
 - To manage and implement the PARCC assessments with fidelity and in a way that minimizes impact on teaching and learning

- Goal 3: To identify and implement socio-emotional programming appropriate for all schools by June 2014 and identify the appropriate assessments to measure the efficacy of the programs.
 - Expand implementation of a K-12 comprehensive guidance curriculum with emphasis on social and emotional programming by designing Peer Leadership curriculum for MHS
 - Provide teacher development opportunities with emphasis on student engagement and understanding the relationship between student diversity and academic success.
 - Review and design three-year plan to implement recommendations from 2014 Student Engagement Survey
 - Provide training opportunities for K-6 Responsive Classroom
 - Support the implementation of the recommendations from the Special Education Program Review to meet the learning and emotional needs of all students
 - Provide ongoing training on the prevention of Harassment, Intimidation and Bullying

Benefits Received by the Students in the School District

- Comprehensive program based on New Jersey and Common Core Standards in Mathematics and English/Language Arts
- Well-articulated programs due to sequential schools and knowledgeable staff
- Variety of curricular and co-curricular offerings for students to pursue personal interests
- Varied selection of world languages, Grades 1-12, preparing students for a global society
- Award-winning band, orchestra, choral, art and drama programs
- Education programs for students with disabilities designed to meet their individual needs
- Blended educational approach that focuses on the whole child: scholastically, emotionally, physically and socially
- Well-educated and well-trained teachers and administrators who utilize research-based best practices
- Class sizes that enable personal connection between students and teachers
- Extensive and highly-successful Advanced Placement programs
- Integrated preschool program that emphasizes readiness and language skills and promotes social/emotional growth
- Continuing to offer high-quality instructional programs at one of the lowest costs among peer schools
- Responsive classroom-trained staff (K-6)
- Morning Meeting in all homerooms (K-6)
- Caring, responsive school community at all levels, including Board of Education, administration, teachers, support staff, bus drivers, maintenance and custodians
- Multicultural learning environment: emphasis on diversity, sensitivity and acceptance of individual differences
- Two days per week of free SAT prep to students in Math and Verbal as part of the Co-Curricular Program after-school activities
- An array of related services that include speech and occupational therapy for students with special needs as part of their Individualized Education Program (IEP)
- SAT and AP results exceeding State and National Averages
- Free after-school help offered to all students weekly (5-12)
- Influential letters of recommendation written, contributing to high college acceptance, due to good personal teacher-student relationships
- Extensive online educational databases available at home and in school
- Modern, attractive and safe facilities

Challenges in Developing the 2014-15 Budget

- Meeting the critical needs of our students in preparing them to be competitive in our society during difficult economic times.
- Providing adequate staffing in special education and related services to adhere to state-mandated class size by specific program
- A 2% cap on the amount of increase in the local tax levy.
- Containing the increases in the cost of medical insurance where trend in the industry is double digit increases while facing the other challenges listed above.
- Finding alternative and/or additional sources of revenue to offset reductions in other revenue sources.
- Uncertainty of State aid until the end of February.
- Funding various state mandates without state funding to support them.
- Providing sufficient resources through materials and training in support of professional learning for our staff.

Highlights of the Proposed Budget

- The budget maintains the instructional core and existing co-curricular programs.
- No additional outsourcing of services included in the budget.
- Student activity fee for UMS and MHS clubs and athletics will remain at \$100 per student.
- Student parking fee will remain at \$200 per year.
- Various personnel adjustments are included in the budget which include the following new personnel:
 - High School health/physical education teacher
 - Upper Middle School math teacher
 - 5.5 instructional assistants for special education programs
 - K-12 social worker
 - Seven special education teachers
 - District Reading Interventionist
 - Board Certified Behavior Analyst
 - Village technology aide
 - Part-time transportation clerk
 - Five new athletic coaching positions

Positions that have been eliminated include the following:

- Grade 3 teacher
- Grade 4 teacher
- .6 Lower Middle music teacher
- Two basic skills teachers
- Transportation aide
- Additional funding for professional development to prepare our instructional staff for various new initiatives.
- Additional funding for facility maintenance projects with a significant contribution going toward upgrades to security in the schools. Other higher expense items include the following:
 - Replacement of air handler units at Orchard Hill
 - Replacement of doors at Village gym and high school orchestra pit
 - Various carpet replacement and floor repair projects
 - Various fencing projects
- Implementation of the second year of the technology plan.
- Total spending in the general fund is higher than the 2013-14 budget by \$2,211,587 or 2.95%
- The projected tax increase for residents based upon the average assessment does increase as follows:

| | |
|---|-------|
| Montgomery Average Assessment (\$497,790) | \$161 |
| Rocky Hill Average Assessment (\$406,630) | \$209 |

Initiatives, New Programs and Services in the Proposed Budget

- Columbia Teachers College partnership expands to include grades 5-8, K-2 focus on Reading Workshop, and Grades 3-8 focus on Writing Workshop
- K-8 Literacy continues essential revisions to support the common core: focus upon refining instructional practices, monitoring student growth, and expanding variety of materials with renewed focus on informational texts
- K-4 Professional Development workshops focus on differentiation for individual learners based upon formative and summative assessments; more readily-accessible resources enhance small group instruction
- Realigning science curriculum better reflects NJCCCS and the Conceptual Framework for Next Generation Science Standards: practices center upon the development of critical thinking, problem solving and STEM (supported in part by Connect Ed grant)
- New courses at MHS: Honors Math Methods in Engineering and the Sciences, iStem—Advanced Scientific Investigations Honors, Sports and Entertainment Marketing, Radio Broadcasting, Introduction to Engineering, The Art of Baking, Ceramics II and Peer Leadership
- K-12 guidance counseling program meets student social and emotional needs
- Creating a uniform Autism program P-12 with the addition of a Board Certified Behavior Analyst (BCBA)
- Peer Leadership course introduced at MHS to ease 9th grade transition
- Use of student data and analysis tools increase staff ability to meet individual student needs
- New textbook, technology, online products, and other learning tools enhance student learning
- Collaboration among MHS English, Social Studies and Special Education Departments to use common non-fiction informational texts
- Establishing the position of Reading Interventionist to align the district's reading program to meet the needs of all students
- Increased enrichment opportunities in all buildings (See Enrichment Opportunities on our website at: <http://www.mtsd.k12.nj.us/cms/lib5/NJ01000127/Centricity/Domain/25/EnrichmentOfferingsK-12.pdf>)
- Significant training, professional development, and instructional coaching opportunities supporting effective teacher practice; Charlotte Danielson's Framework for Teaching defines what effective teaching looks like
- Technology Plan provides a variety of technology tools to enhance student learning
- Web based district products personalize and differentiate instruction for students of all ages, abilities, and interests
- Expanding Title I programs in all schools

MONTGOMERY TOWNSHIP SCHOOL DISTRICT

2014 - 2015 BUDGET

STAFFING - GENERAL SUMMARY

| | 2013-14 | 2014-15 | Increase/ (Decrease) |
|---|--------------|--------------|-------------------------|
| | Actual | Budgeted | |
| | <u>FTE</u> | <u>FTE</u> | <u>from 2013-14</u> |
| <u>Classroom Instruction</u> | | | |
| Regular Education Teachers | 313.3 | 311.3 | -2.0 |
| Special Education Teachers | 67.4 | 76.4 | 9.0 |
| Instructional Assistants/Educational Support Assistants | 65.4 | 67.4 | 2.0 |
| <u>Support Services for Students</u> | | | |
| Nurses | 11.0 | 11.0 | 0.0 |
| Guidance Counselors | 15.0 | 15.0 | 0.0 |
| Special Education (Related and Extraordinary Services) | 10.4 | 10.4 | 0.0 |
| Child Study Team | 13.8 | 14.8 | 1.0 |
| Supervisors and Directors | 5.4 | 5.4 | 0.0 |
| Media Specialists | 5.5 | 5.5 | 0.0 |
| Secretary/Clerical | 14.0 | 14.0 | 0.0 |
| Athletic Trainers | 2.0 | 2.0 | 0.0 |
| Technicians | 3.4 | 3.4 | 0.0 |
| <u>School Administrative Services</u> | | | |
| Principals/Vice Principals | 13.0 | 13.0 | 0.0 |
| Supervisors and Directors | 9.2 | 9.2 | 0.0 |
| Secretary/Clerical | 14.0 | 14.0 | 0.0 |
| <u>Operations</u> | | | |
| Director/Supervisors/Dispatcher | 4.0 | 4.0 | 0.0 |
| Secretary/Clerical | 1.0 | 1.5 | 0.5 |
| Maintenance/Grounds | 12.0 | 12.0 | 0.0 |
| Custodial | 37.0 | 37.0 | 0.0 |
| Bus Drivers | 50.0 | 50.0 | 0.0 |
| Bus Aides | 10.0 | 9.0 | -1.0 |
| Mechanics | 2.0 | 2.0 | 0.0 |
| <u>Central Administration</u> | | | |
| Administrative Personnel | 5.0 | 5.0 | 0.0 |
| Secretary/Clerical | 6.5 | 6.5 | 0.0 |
| Treasurer of School Monies (Part Time) | 1.0 | 1.0 | 0.0 |
| Other Business Office Staff | 5.0 | 5.0 | 0.0 |
| Technicians | 0.8 | 0.8 | 0.0 |
| TOTAL FTE | 697.1 | 706.6 | 9.5 |

Statement on Employee Contract Issues for Proposed Year

Montgomery Township Education Association (MTEA)

- Represents teachers and other support professional certificated staff, instructional assistants, educational support assistants, secretaries and clerks, custodial and maintenance personnel.
- Existing contract expires 6/30/15.
- The salary increases for members of the MTEA for the three years is 2.5% for each of the three years of the agreement.
- Both parties agreed to the elimination of traditional medical insurance which was the most expensive platform in the school district.

Association of Principals and Supervisors of Montgomery Township (APSMT)

- Represents certificated administrative personnel including principals, vice principals, directors and supervisors.
- Existing contract expires 6/30/14.
- The Board of Education and APSMT also agreed on a number of cost-containment issues on medical and prescription drug coverage which included change of platform on the medical plan and higher co-pays by members of the APSMT.
- A successor agreement will need to be negotiated between the Board of Education and APSMT effective July 1, 2014.

Communication Workers of America (CWA)

- Represents bus drivers and bus aides.
- Existing contract expires 6/30/14.
- The Board of Education and CWA also agreed on a number of cost-containment issues on medical and prescription drug coverage which included change of platform on the medical plan and higher co-pays by members of the APSMT.
- A successor agreement will need to be negotiated between the Board of Education and CWA effective July 1, 2014.

Contributions Toward Health Insurance Plans

- With the passage of Chapter 78, all employees will see an annual escalation in contributions toward health insurance premiums dependent upon either the employee's salary or the cost of the premiums for the employee.

Frequently Asked Questions

What is district fund balance and how much can a school district have?

School districts can legally maintain a maximum of 2% of its operating budget with allowable adjustments in fund balance which in Montgomery amounts to approximately \$1.77 million. Any amount of fund balance generated beyond this level is considered to be beyond the maximum and must be appropriated as a revenue source in the following budget year. The amount of fund balance beyond the maximum permitted generated from the 2012-13 school year budget was \$4,003,653 which must be appropriated during the 2014-15 school year as a revenue source in lieu of local taxes.

How is district fund balance generated?

There are two items which impact the generation of fund balance in a given year. Those two items are unexpended funds on the expenditure side of the budget and unanticipated revenue beyond the amount of revenue anticipated.

Are there any exceptions to the 2% cap increase in the general fund local tax levy increase?

Yes. The exceptions to the cap include any increases in the debt service local tax levy and increases to medical insurance premiums over 2% up to the annual increase in the School Employee Health Benefit Plan which is 5.4%. School districts were also permitted to bank cap space that was not used starting in the 2011-12 school year for those increases which were below the cap of 2% unused banked cap expires after three years. The district has over \$2.5 million available for this purpose for the 2014-15 budget. The increase in the proposed budget for the general fund local tax levy is 2%. Therefore, the exceptions available in the general fund are not included in the proposed budget.

Do registered voters get to approve the budget?

No. A law was passed in 2012 that permitted school districts to eliminate the vote on the budget when the budget was presented within the cap. Although the board of education opted to keep the vote on the budget in place for the 2012-2013 budget, the board of education decided to eliminate the vote starting with the 2013-14 budget. This decision will remain in effect for a minimum of four years.

Why did the board of education eliminate the vote on the budget at cap?

There are a number of reasons for the legislation being passed that provided this option to school districts in the State of New Jersey. Most school districts did opt to eliminate the vote on the budget starting with the 2012-13 school year, and more districts had opted to go in this direction for 2013-14. The primary reasons are due to a very low voter turnout for April elections deciding on the budget and candidates for the board of education. By eliminating the budget vote in April, candidates will be elected at the November general election where a considerably higher voter turnout is achieved to determine membership to the board of education. Another reason deals with the cost to run an election in April which is approximately \$17,000 which is no longer needed. There are no costs to the school district for the November election.

How is the general fund local tax levy split between Rocky Hill and Montgomery?

When the two districts were merged on July 1, 2009, the Somerset Executive County Superintendent determined how the tax levy would be determined based upon a prorated percentage of enrollment and equalized assessed valuation. Current law states that merged districts will split the local tax levy based on enrollment, equalized assessed valuation or a combination of the two. The prorated percentages as determined by the Somerset Executive County Superintendent are applied against enrollment numbers as of October 15, 2013 and equalized assessed valuation as determined by the Somerset County Board of Taxation.

What are the class size standards and our (proposed class sizes) for next school year?

| | |
|-----------------------------|--|
| K-2 | 20-22 (K-18, 1 st -22, 2 nd -20) |
| 3-8 | 23-25 (3 rd /4 th -22, 5 th -21, 6 th -22, 7 th /8 th -24) |
| 9-12 General Academic Class | 23-27 (18-30 for all high school classes) |
| 9-12 Science | 24 |
| 9-12 English | 22 |

| | |
|---|----|
| Minimum Class Size for course to run | 15 |
| Maximum Class Size for Pull-Out Math/Literacy Support | 10 |

Do employees contribute toward health insurance premiums?

Yes. The State passed a law known as Chapter 78 which is a four-year escalation phased-in contribution by all employees toward the cost of all health insurance premiums. The contribution is based upon the employee's salary and type of coverage that the employee has. Some employees will be contributing 1.5% of salary under the first law that was passed a few years ago, but this contribution will only be in effect if it is a higher contribution than the calculation that would come under Chapter 78.

What is the projected increase in health, prescription and dental premiums, and does the district shop for better rates?

All three programs are experienced rated which means that the renewal premium rates are based upon the history of claims in those policies. The board's insurance broker has forecasted that rates could increase July 1, 2014 as follows: dental +7%, prescription +13%, medical +10%. Our claims experience is monitored on a monthly basis to determine if the forecast will increase or decrease, and adjustments could occur to budgeted line items up until the budget is finalized. The insurance broker is responsible for getting quotes from competition and negotiates with all carriers to get the best price for the school district.

What can be done to lower our costs in health, prescription and dental programs?

The level of benefits is negotiated with all bargaining groups. The Board of Education has been successful in the past in this area by negotiating changes in the levels of coverage resulting in lower premiums. The board most recently eliminated traditional medical insurance which was the most expensive type of insurance in the school district.

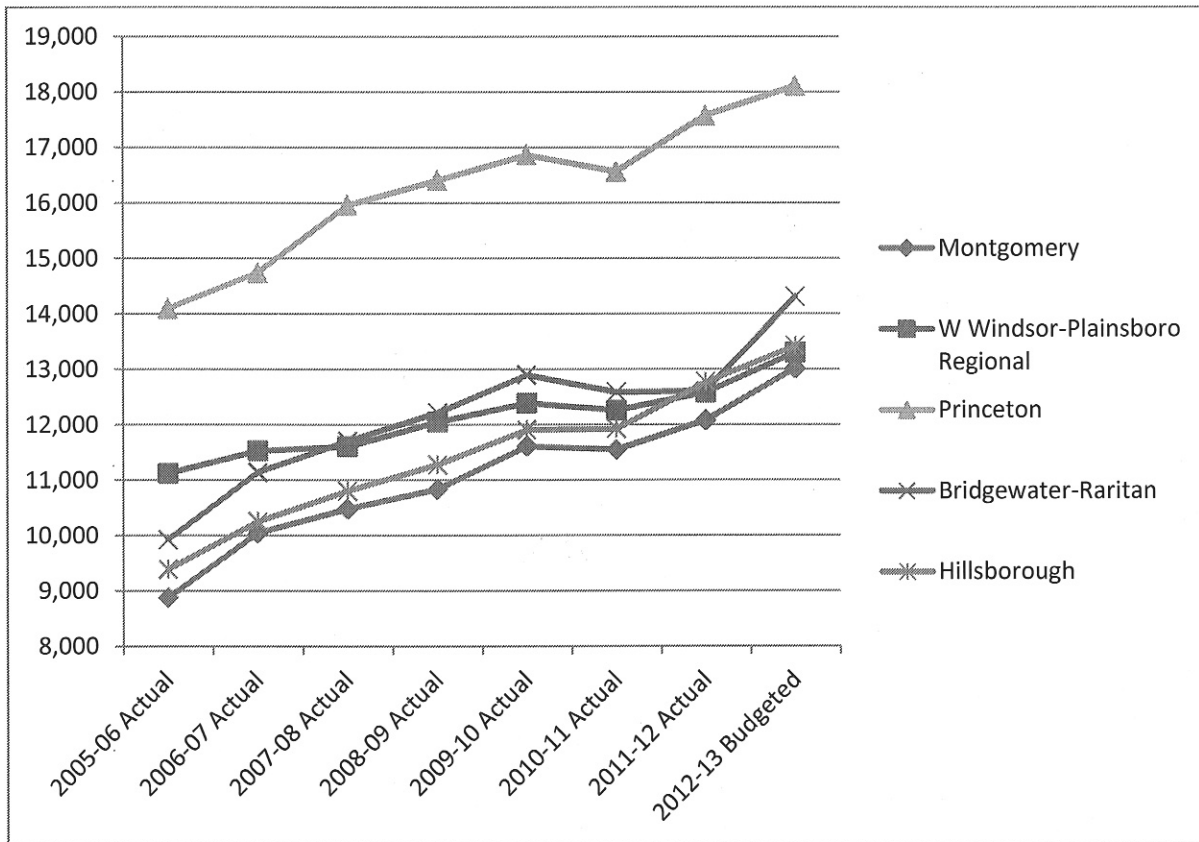
What are the biggest cost drivers in the proposed budget?

The school district is labor intensive in order to adequately meet the needs of students and to provide other sufficient human resources to support our instructional program. Consequently, salaries and benefits comprise the greatest portion of the school district budget. The other areas that are seeing significant increase in funding in the proposed budget include staff development in order to support professional learning opportunities for our staff and various needs to address our special education student population. We have also appropriated a significant amount of funds for technology in order to prepare our students as a result of feedback received from a community-based technology committee. This would be the second year of implementation of the district technology plan.

Comparative Data with Other Comparable Districts

Montgomery Spends Less Than Neighboring School Districts

| School | Budgetary \$ Per Pupil Cost (2012-13 Budgeted) |
|-------------------------------|---|
| Montgomery | \$13,017 |
| W Windsor-Plainsboro Regional | \$13,301 |
| Princeton | \$18,110 |
| Bridgewater-Raritan | \$14,309 |
| Hillsborough | \$13,420 |



Source: www.state.nj.us/education

2012-13 Comparative Spending Guide
All K-12 Districts, Common Peer Group with 3,500+ Pupils

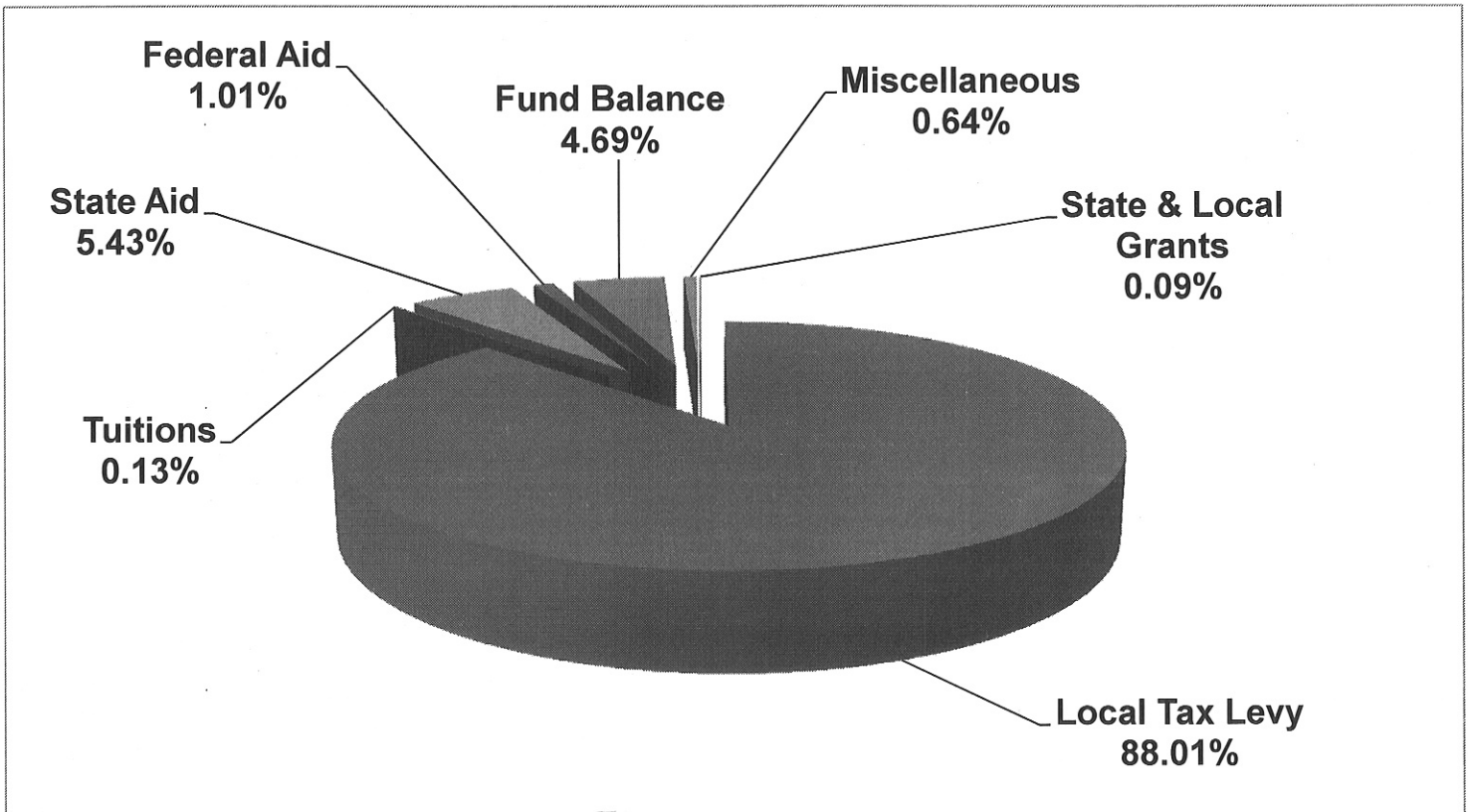
| District Name | Total | Class Instruction | Class Salaries & Benefits | Class Supplies & Textbooks | Class Purchased Services | Salaries & Benefits for Support Services | Administration Salaries & Benefits | Operations & Maintenance | Sal & Ben O & M | Extracurricular |
|---------------------------|-----------------|-------------------|---------------------------|----------------------------|--------------------------|--|------------------------------------|--------------------------|-----------------|-----------------|
| PRINCETON REGIONAL | \$18,110 | \$10,916 | \$10,230 | \$469 | \$218 | \$2,810 | \$1,361 | \$1,978 | \$1,062 | \$448 |
| HOPEWELL VALLEY REGIONAL | \$16,625 | \$10,524 | \$9,906 | \$420 | \$198 | \$2,093 | \$1,145 | \$1,910 | \$960 | \$342 |
| MONTCLAIR TOWN | \$14,812 | \$8,834 | \$8,471 | \$299 | \$64 | \$2,762 | \$1,164 | \$1,444 | \$724 | \$259 |
| MILLBURN TWP | \$14,571 | \$8,859 | \$8,437 | \$313 | \$110 | \$2,300 | \$1,213 | \$1,440 | \$782 | \$309 |
| RIDGEWOOD VILLAGE | \$14,369 | \$8,452 | \$8,063 | \$243 | \$146 | \$2,237 | \$1,143 | \$1,490 | \$57 | \$227 |
| BRIDGEWATER-RARITAN REG | \$14,309 | \$8,924 | \$8,498 | \$295 | \$131 | \$1,770 | \$1,228 | \$1,359 | \$286 | \$252 |
| MONTVILLE TWP | \$14,269 | \$9,032 | \$8,585 | \$267 | \$180 | \$2,029 | \$1,123 | \$1,244 | \$299 | \$412 |
| SOUTH ORANGE-MAPLEWOOD | \$14,234 | \$8,520 | \$7,686 | \$223 | \$611 | \$1,900 | \$1,236 | \$1,743 | \$143 | \$188 |
| SUMMIT CITY | \$14,133 | \$8,862 | \$8,518 | \$272 | \$72 | \$1,556 | \$1,632 | \$1,412 | \$894 | \$366 |
| LIVINGSTON TWP | \$14,131 | \$8,735 | \$8,338 | \$373 | \$25 | \$1,896 | \$1,249 | \$1,303 | \$757 | \$301 |
| TENAFLY BORO | \$13,949 | \$8,521 | \$8,080 | \$322 | \$119 | \$1,619 | \$1,571 | \$1,633 | \$940 | \$319 |
| RANDOLPH TWP | \$13,802 | \$8,416 | \$7,863 | \$393 | \$160 | \$1,818 | \$1,146 | \$1,420 | \$842 | \$349 |
| MOORESTOWN TWP | \$13,740 | \$8,248 | \$7,706 | \$216 | \$326 | \$2,048 | \$981 | \$1,421 | \$678 | \$416 |
| SPARTA TWP | \$13,707 | \$8,349 | \$8,112 | \$219 | \$18 | \$1,778 | \$1,111 | \$1,597 | \$786 | \$295 |
| EAST BRUNSWICK TWP | \$13,512 | \$8,142 | \$7,738 | \$214 | \$190 | \$1,989 | \$1,230 | \$1,578 | \$573 | \$146 |
| HILLSBOROUGH TWP | \$13,420 | \$8,234 | \$8,053 | \$173 | \$8 | \$1,899 | \$1,000 | \$1,204 | \$629 | \$229 |
| BERNARDS TWP | \$13,382 | \$8,170 | \$7,700 | \$418 | \$52 | \$1,905 | \$1,071 | \$1,615 | \$78 | \$311 |
| W WINDSOR-PLAINSBORO REG | \$13,301 | \$8,419 | \$8,184 | \$194 | \$42 | \$1,766 | \$1,071 | \$1,269 | \$90 | \$285 |
| CRANFORD TWP | \$13,276 | \$8,022 | \$7,689 | \$232 | \$100 | \$1,713 | \$1,273 | \$1,482 | \$861 | \$299 |
| MONTGOMERY TWP | \$13,017 | \$7,821 | \$7,480 | \$287 | \$54 | \$1,617 | \$1,160 | \$1,577 | \$736 | \$332 |
| WESTFIELD TOWN | \$12,804 | \$7,950 | \$7,530 | \$275 | \$145 | \$1,812 | \$1,145 | \$1,123 | \$749 | \$242 |
| SCOTCH PLAINS-FANWOOD REG | \$12,647 | \$7,781 | \$7,422 | \$252 | \$107 | \$1,599 | \$1,009 | \$1,541 | \$971 | \$292 |
| SCH DIST OF THE CHATHAMS | \$12,416 | \$7,145 | \$6,669 | \$451 | \$25 | \$1,750 | \$1,292 | \$1,567 | \$674 | \$278 |
| SOUTH BRUNSWICK TWP | \$11,972 | \$7,263 | \$7,060 | \$150 | \$54 | \$1,274 | \$1,149 | \$1,757 | \$904 | \$172 |
| AVERAGE | \$13,938 | \$8,506 | \$8,084 | \$290 | \$131 | \$1,914 | \$1,196 | \$1,504 | \$645 | \$295 |
| VARIANCE | -7.1% | -8.8% | -8.1% | -1.2% | -143.4% | -18.4% | -3.1% | 4.6% | 12.4% | 11.3% |

Source: <http://www.state.nj.us/education/guide/2013>

**MONTGOMERY TOWNSHIP SCHOOL DISTRICT
BUDGETED REVENUE COMPARISON
2013-14/2014-15**

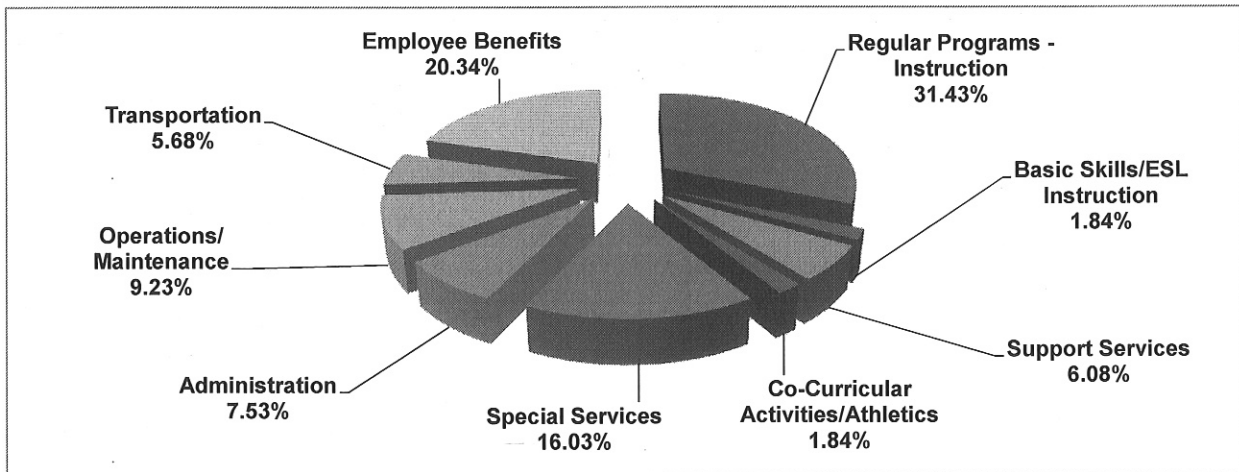
| <u>Revenue Source</u> | <u>2013-14</u> | <u>2014-15</u> | <u>Difference</u> | <u>Percent Change</u> |
|-----------------------------|----------------------|----------------------|---------------------|-----------------------|
| General Fund | | | | |
| Budgeted Fund Balance | \$ 3,208,086 | \$ 4,003,653 | \$ 795,567 | 24.80% |
| Tuition Revenue | \$ 150,028 | \$ 112,000 | \$ (38,028) | -25.35% |
| Miscellaneous Revenues | \$ 521,591 | \$ 550,000 | \$ 28,409 | 5.45% |
| State Aid | \$ 4,291,401 | \$ 4,383,051 | \$ 91,650 | 2.14% |
| Tax Levy | \$ 66,699,439 | \$ 68,033,428 | \$ 1,333,989 | 2.00% |
| | \$ 74,870,545 | \$ 77,082,132 | \$ 2,211,587 | 2.95% |
| Special Revenue Fund | | | | |
| Local Grants | \$ 48,054 | \$ - | \$ (48,054) | -100.00% |
| State Grants | \$ 75,143 | \$ 75,143 | \$ - | 0.00% |
| Federal Grants | \$ 1,065,310 | \$ 859,889 | \$ (205,421) | -19.28% |
| | \$ 1,188,507 | \$ 935,032 | \$ (253,475) | -21.33% |
| Debt Service Fund | | | | |
| Budgeted Fund Balance | \$ 2 | \$ 1 | \$ (1) | -50.00% |
| State Aid | \$ 257,126 | \$ 256,938 | \$ (188) | -0.07% |
| Tax Levy | \$ 7,166,769 | \$ 7,128,159 | \$ (38,610) | -0.54% |
| | \$ 7,423,897 | \$ 7,385,098 | \$ (38,799) | -0.52% |
| Total Revenues ** | \$ 83,482,949 | \$ 85,402,262 | \$ 1,919,313 | 2.30% |

REVENUE COMPARISON 2014-2015



**MONTGOMERY TOWNSHIP SCHOOL DISTRICT
BUDGET SUMMARY FOR 2014-2015**

| TITLE | 2014-15 PROPOSED | 2013-14 REVISED BUDGET | INCREASE (DECREASE) | % INC (DEC) |
|---|-----------------------------|---------------------------------------|--------------------------------|------------------------|
| Regular Programs - Instruction | 23,944,393.00 | 23,828,923.00 | 115,470.00 | 0.48% |
| Basic Skills | 1,191,323.00 | 1,304,663.00 | (113,340.00) | -8.69% |
| Bilingual Education | 207,010.00 | 200,035.00 | 6,975.00 | 3.49% |
| Total Basic Skills/ESL Instruction | 1,398,333.00 | 1,504,698.00 | (106,365.00) | -7.07% |
| Attendance | 4,132.00 | 4,132.00 | 0.00 | 0.00% |
| Health Services | 766,366.00 | 711,275.00 | 55,091.00 | 7.75% |
| Guidance | 1,453,466.00 | 1,426,522.00 | 26,944.00 | 1.89% |
| Improvement of Instruction | 495,058.00 | 486,458.00 | 8,600.00 | 1.77% |
| School Libraries | 1,016,981.00 | 1,052,230.00 | (35,249.00) | -3.35% |
| Instructional Staff Training | 898,155.00 | 600,098.00 | 298,057.00 | 49.67% |
| Total Support Services | 4,634,158.00 | 4,280,715.00 | 353,443.00 | 8.26% |
| Co-Curricular Activities/Athletics | 1,401,668.00 | 1,358,824.00 | 42,844.00 | 3.15% |
| Child Study Teams | 1,609,803.00 | 1,483,011.00 | 126,792.00 | 8.55% |
| Special Education - Instruction | 6,188,326.00 | 5,452,000.00 | 736,326.00 | 13.51% |
| Tuition | 2,471,187.00 | 2,250,886.00 | 220,301.00 | 9.79% |
| Related Services | 1,016,646.00 | 1,008,229.00 | 8,417.00 | 0.83% |
| Extraordinary Services | 924,920.00 | 854,306.00 | 70,614.00 | 8.27% |
| Total Special Services | 12,210,882.00 | 11,048,432.00 | 1,162,450.00 | 10.52% |
| General Administration | 1,217,171.00 | 1,192,744.00 | 24,427.00 | 2.05% |
| School Administration | 3,211,359.00 | 3,280,011.00 | (68,652.00) | -2.09% |
| Business Services | 1,124,596.00 | 1,143,835.00 | (19,239.00) | -1.68% |
| Technology | 182,517.00 | 185,960.00 | (3,443.00) | -1.85% |
| Total Administration | 5,735,643.00 | 5,802,550.00 | (66,907.00) | -1.15% |
| Maintenance of Plant | 1,352,423.00 | 2,376,950.00 | (1,024,527.00) | -43.10% |
| Other Operations/Maintenance | 5,349,303.00 | 5,402,512.00 | (53,209.00) | -0.98% |
| Grounds | 328,515.00 | 328,981.00 | (466.00) | -0.14% |
| Total Operations/Maintenance | 7,030,241.00 | 8,108,443.00 | (1,078,202.00) | -13.30% |
| Transportation | 4,329,979.00 | 4,127,407.00 | 202,572.00 | 4.91% |
| Employee Benefits | 15,494,331.00 | 14,172,611.00 | 1,321,720.00 | 9.33% |
| Transfer to Charter Schools | 0.00 | 21,104.00 | (21,104.00) | -100.00% |
| Current Expense Fund | 76,179,628.00 | 74,253,707.00 | 1,925,921.00 | 2.59% |
| Other Funds | | | | |
| Capital Outlay | 902,504.00 | 616,838.00 | 285,666.00 | 46.31% |
| Special Revenue | 935,032.00 | 1,188,507.27 | (253,475.27) | -21.33% |
| Debt Service | 7,385,098.00 | 7,423,897.00 | (38,799.00) | -0.52% |
| Total Budget | 85,402,262.00 | 83,482,949.27 | 1,919,312.73 | 2.30% |



MONTGOMERY TOWNSHIP BOARD OF EDUCATION

**2014-15 BUDGET
(Tax Impact for Montgomery Residents)
TAX ANALYSIS & COMPARISON**

| 1) Tax Levy | | | Increase | |
|------------------------|----------------------|----------------------|---------------------|--------------|
| | 2013/14 | 2014/15 | (Decrease) | % Increase |
| Ratables | \$ 3,706,651,369 | \$ 3,707,251,067 | \$ 599,698 | 0.02% |
| Average Assessed Value | \$ 499,838 | \$ 497,790 | \$ (2,048) | -0.41% |
| General Fund Tax Levy | \$ 65,172,636 | \$ 66,383,403 | \$ 1,210,767 | 1.86% |
| Debt Service Tax Levy | \$ 7,140,335 | \$ 7,099,709 | \$ (40,626) | -0.57% |
| Total Tax Levy | \$ 72,312,971 | \$ 73,483,112 | \$ 1,170,141 | 1.62% |

| 2) Tax Rate Increase | | | | |
|------------------------------|-----------------|-----------------|-----------------|--------------|
| Avg. Assessed Value Tax Rate | | | | |
| General Fund | \$ 1.757 | \$ 1.791 | 0.033 | 1.90% |
| Debt Service | \$ 0.193 | \$ 0.192 | (0.001) | -0.59% |
| Total Tax Rate | \$ 1.950 | \$ 1.982 | \$ 0.032 | 1.65% |

| Total Tax Increase - Average Home | | | | |
|-----------------------------------|-----------------|-----------------|---------------|--------------|
| Avg. Assessed Value Tax Levy | | | | |
| General Fund | \$ 8,747 | \$ 8,914 | 166 | 1.90% |
| Debt Service | \$ 959 | \$ 953 | (6) | -0.59% |
| Total Tax Levy | \$ 9,706 | \$ 9,867 | \$ 161 | 1.65% |

ONE TAX POINT EQUALS - \$370,725

To determine your own tax impact for 2014 you need to do the following:

- Step 1. Determine your 2013 assessment.
- Step 2. Divide the assessment by 100.
- Step 3. Multiply your answer from step 2 by \$1.950. This is your school tax for 2013.
- Step 4. Determine your new 2014 assessment.
- Step 5. Divide the assessment by 100.
- Step 6. Multiply your answer from step 5 by \$1.982. This is your school tax for 2014.
- Step 7. To determine your increase or decrease subtract your answer from step 3 from your answer in step 6.

MONTGOMERY TOWNSHIP BOARD OF EDUCATION

2014-15 (Tax impact for Rocky Hill Residents) TAX ANALYSIS & COMPARISON

| | | Calendar Year 2014 | Calendar Year 2013 | Avg. School Tax Increase |
|--|--------------|-----------------------|-----------------------|--------------------------------|
| Tax Levy from the 2013-14 School Year (50% Raised in 2014 - January - June 2014) | 1,553,237.00 | 776,618.50 | | |
| Tax Levy from the 2014-15 School Year (50% Raised in 2014 - July - December 2014) | 1,678,475.00 | 839,237.50 | | |
| Total 2014 Local Taxes To Be Raised | | 1,615,856.00 | | |
| Assessed Valuation | | 121,013,824.00 | 120,566,924.00 | |
| School Tax Rate | | 1.335 | 1.284 | |
| Average Assessment | | 406,630.00 | 406,630.00 | |
| Average School Tax | | 5,430 | 5,221 | 209 |

Notes:

The school taxes reflected above are based on the average assessment in 2013 and 2014. Individual home owners should review their 2013 school taxes and compare that number with the 2014 assessment multiplied by the projected school tax rate of \$1.335 to determine the impact.