



2021-2022 Budget Hearing
May 5, 2021

2021-22 Budget Goals

- **Maintain tradition of excellence in our schools.**
- **Provide a well-rounded, comprehensive education for our students.**
- **Be fiscally responsible and responsive to local taxpayers.**

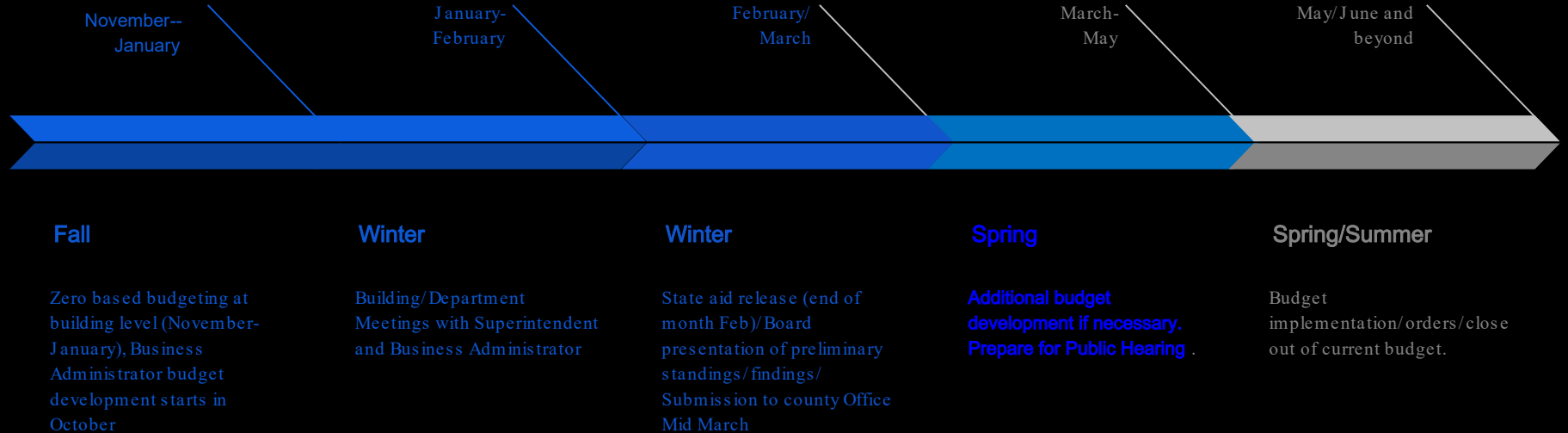
Responsive to Taxpayers

Measures put into place by the state to promote responsible budgeting by local school districts

- **Statutory cap on tax levy increase**
 - Designed to slow down rate of property tax growth
 - Public vote of portion that exceeds cap (if necessary)
- **Health benefits reform**
 - Employee contribution towards cost of health benefits
 - New health plan offerings - recent legislation
- **Transparency**
 - Review of budget by NJ Department of Education officials
 - User-friendly budget document posted on district website
 - Mandated public hearing
- **Scrutiny of expenditures** (multi-year spending analysis)

Budgeting Process

Timeline



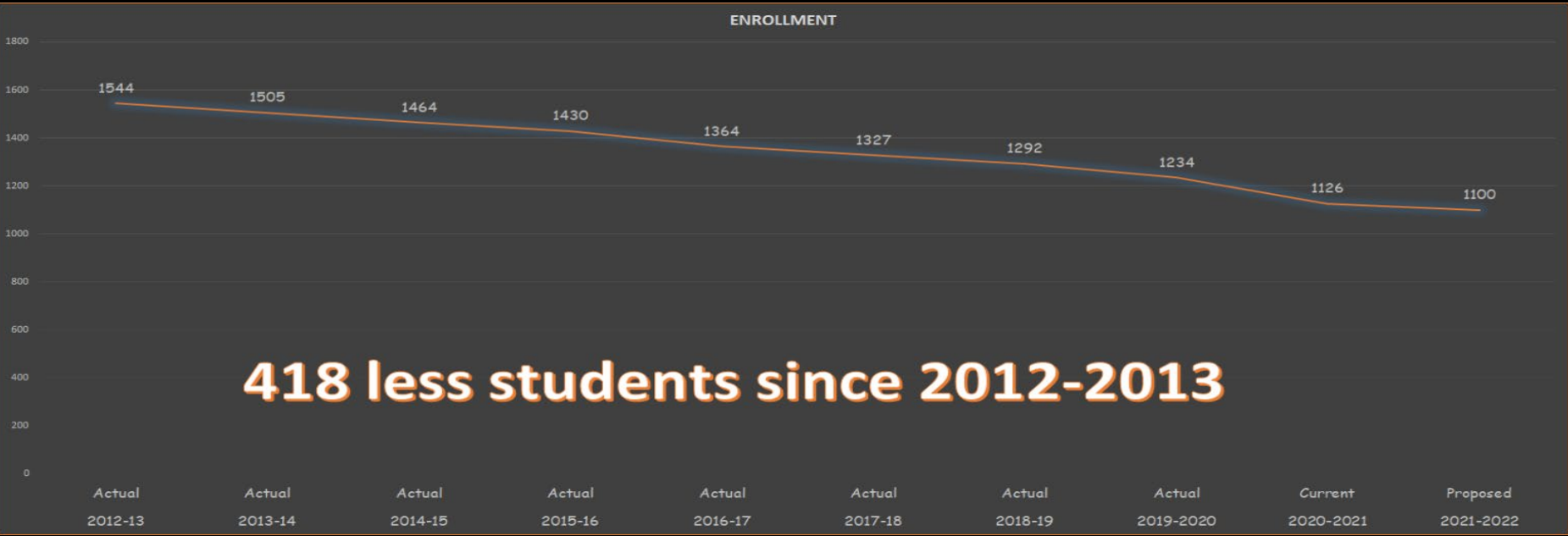
Specific Challenges 2021-2022

State Aid reduction of \$879,123

- All adjustment aid was reduced \$661,288; this appears to go against the state's plan to reduce adjustment aide over 7 years.
- Reduction in equalization aid of \$217,835



Enrollment



Specific challenges for 2021-2022

- Health Benefits - Chapter 44
- New EHP plan, the effect on the budget is an additional \$100,000 in expenditures with loss of employee benefit contributions and overall higher premiums than current plan.

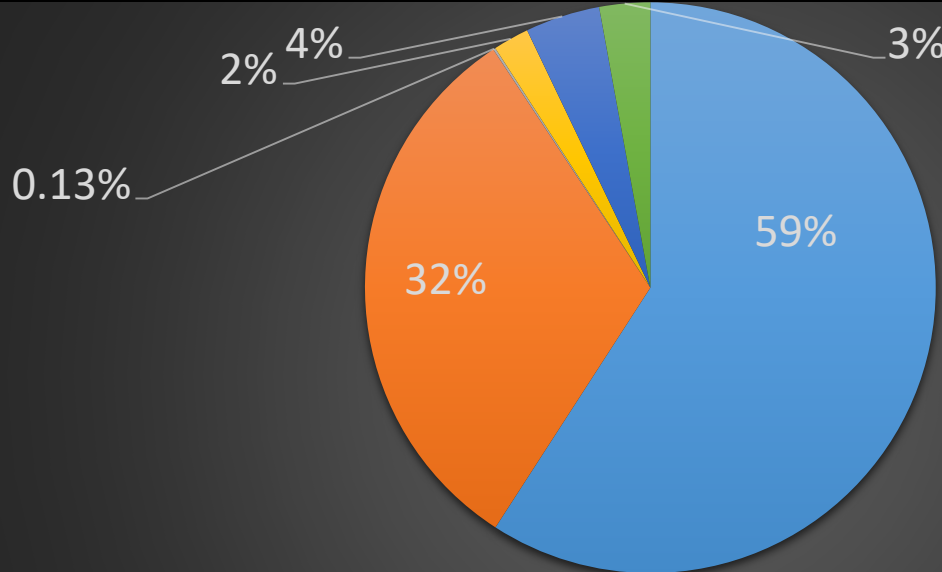
Challenges continued

- Reduction of state aid \$879K
- Possible reductions in other Federal grants where staff and expenditures are budgeted (staff salaries and tuition)
- Reduction in student population equates to long term loss of funding going forward.
- Facility issues that need to be addressed in upcoming years

Budget Considerations

- Fund balances
- Excess Surplus - \$154,419 being used in 2021-2022 to offset expenditures
- ESSER II funds - \$513,244
- Other federal funds being potentially reduced (IDEA, NCLB)
- Virtual learning - timeline for full return of students and staff
- Facility needs/critical projects/required maintenance items
- Withdrawal from reserves (Capital/Maintenance)
- Prior year budgets assumed salary increases for current year and last year, this is no longer the case for 21-22 and 22-23
- Additional money to increase Capital and Maintenance Reserves at year end.

Revenue at a glance....



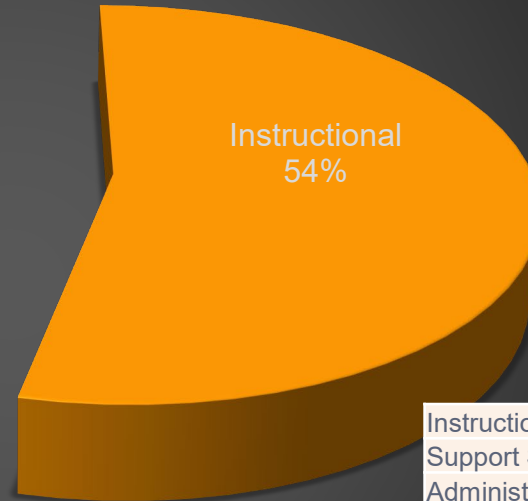
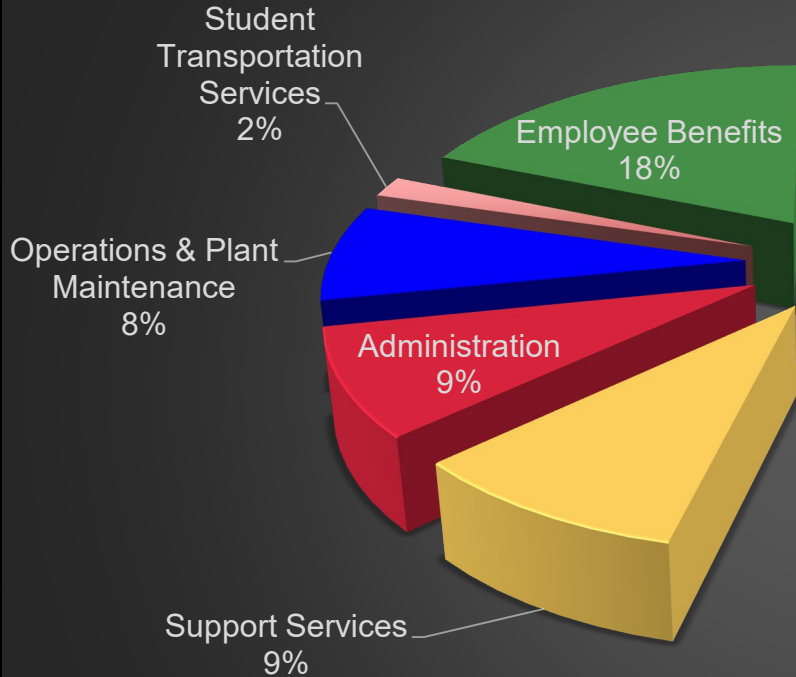
Local Sources	\$	15,518,118
State Sources	\$	8,290,393
SEMI	\$	34,494
Fund Balance	\$	535,000
Grants	\$	1,110,187
Debt Service	\$	754,875
	\$	26,243,067

- Local Sources
- State Sources
- SEMI
- Fund Balance
- Grants
- Debt Service

Other Revenue Sources

- PreK-12 Tuition program (parent paid)
- Federal grants
 - Title I and II grants (remedial programs)
 - IDEA grant (special education)
 - Recent federal grants (COVID)
- Shared Services with other districts
- SREC's – revenue from HS solar array
- E-Rate – federal rebate for telecom

Expenditures at a glance.... (exclusive of grants and debt service)



Instruction and Programs	\$	13,091,295.00
Support Services	\$	2,280,973.00
Administration	\$	2,124,054.00
Operations & Plant Maintenance	\$	1,899,321.00
Student Transportation Services	\$	415,481.00
Employee Benefits	\$	4,566,881.00

Expenditures (2021-22)

- Submitted budget supports current instructional programs and staffing levels
- Employee contributions towards health benefits
 - Contribution levels (between 14% to 35%), but new plans require lower contribution
 - BOE has offered incentives to waive medical coverage (saves taxpayers money)
 - BOE offers lower premium plan option to staff
- Unfunded/underfunded mandates
 - education reform initiatives, homeless services, etc.
- Increases in fixed costs
 - Insurance costs – health care, property/liability
 - Utilities
 - Contractual obligations
- Includes \$50K contribution to Borough to fund SRO program to schools

Cost Saving Measures

- The district takes advantage of several purchasing consortia and shared service arrangements
 - utilities
 - telecommunications
 - insurances
 - general supplies
 - food service
 - transportation
 - technology services

Cost Saving Measures

■ Energy

- savings from solar panels
- energy efficient plumbing fixtures, windows, doors, lighting

■ Shared services

- Student services (other school districts)
- Facilities use, trash, copy paper (borough)

What's included in this budget?

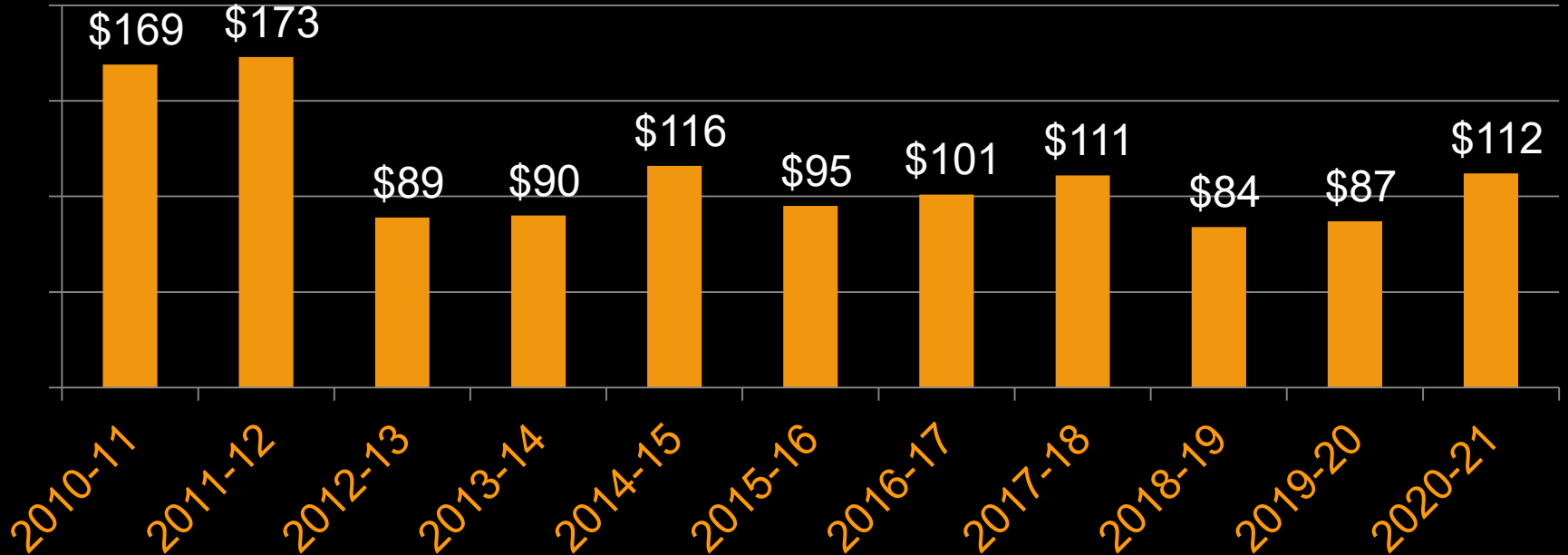
ZERO STAFF CUTS ** reduction in positions may occur due to attrition but no staff cuts due to budgetary reasons presently

- Chromebook replacements, Lab replacement at HS, staff desktop replacements
- Additional software/supports to address learning loss
- All ESSER II money available for the district to utilize
- Pre-K moved back into General Fund and closing out proprietary fund
- **means no money budgeted to cover losses
- \$25,000 to be used for security items
- Training for staff to address interventions
- \$60,000 set aside for playground equipment at Memorial
- Use of Fund Balance maintained \$535,000 ** this also needs to be watched as we should be reducing this going forward.

Items adjusted/cut for 2021-2022 Budget

- Breakage from retirements
- Reduce budgeted Long Term Subs from 5 contingents down to 4
- Fund Transfers to cover deficits in other funds (food service and Pre-K)
- Lease for Technology, taken out because lease was budgeted elsewhere
- Leases were paid off early last year and this year
- Additional Capital Reserve budgeted for a total of \$246,315
- Additional Maintenance Reserve budgeted \$139,025
- Reduced from Capital Lease (HVAC/Roof) for money not needed for those two projects,
 - reduced for one year only
- Reduction in Tuition Out line items

School Tax (2010-2022)



Tax Impact for 2021-2022

- Average assessed home = \$169,455
- 2% tax levy increase for 2021-2022
- Annual increase of \$96.59 on average assessed home (\$.057 increase from prior year)

How do I figure out what MY tax increase is?

Annual Assessment x Projected Tax Rate Increase (.057)
/100= Annual Increase for this budget year

Considerations for the future

- Enrollment
 - Enrollment projection study (Nov. 2017): minimal growth through 2021-22
 - Updated study Summer 2019 to support configuration committee
 - COVID impact: accelerated decline (move to homeschooling, etc.)
 - Competition for students
- School funding
 - Defined reductions in adjustment aid (“hold harmless” funding)
 - Reductions in aid due to enrollment decline
- Community feedback
 - Strategic vision/plan: what do we want for our schools?
- Meeting demands of preparing students for the future
 - Investments in facilities, infrastructure, resources, programming, etc.

Planning for the future

- District restructuring
 - Cost/benefits (district's best interests): instructional, financial, etc.
 - Planning for 2021-22 and beyond
- Short term borrowing to support critical infrastructure repairs
 - 5 year term lease (2019 – 24 general fund) - roofs, HVAC, etc.
- Capital/maintenance reserve projects
 - Security enhancements
 - Plumbing and Electrical repairs
 - Other required maintenance costs
- Evaluation of longer term building projects
 - Future referendum (2023 or beyond)? ESIP?
 - Analysis of future building needs