

2021-2022 Budget Presentation



West Orange School District

February 22, 2021

Proposed Expenditures for 2021-2022 Budget

Salaries	\$102,191,592	57.47%
Benefits	\$27,776,307	15.62%
Special Education (Including Transportation)	\$16,308,951	9.17%
Instruction and Support	\$6,502,168	3.66%
Operations / Maintenance / Security	\$7,221,404	4.06%
Transportation - General Education	\$7,077,002	3.98%
Charter School	\$266,937	0.15%
Capital Outlay	\$1,167,523	0.66%
Special Revenue	\$3,229,122	1.82%
Debt Service	\$6,082,026	3.42%
Total	\$177,823,032	100%

Major Proposed Increases for 2021-2022 Budget

Salaries: (All Bargaining Units are in Negotiations) Includes Training Level Changes and Longevity		\$3,933,669
Benefits:		\$2,080,405
Medical	11%	\$2,702,598
Prescription	14%	\$512,400
Dental	9%	\$130,210
Transportation: General Ed.	26%	\$1,021,225
Out of District Tuition	8%	\$493,460
Total		\$8,171,369

2021-2022 Budget Scenarios

TAX LEVY	PROPOSED CUT
0% Increase without \$1.5M additional state aid	\$9.5M
0% Increase with \$1.5M additional state aid	\$8.0M
2% Increase without \$1.5M additional state aid	\$6.7M
2% Increase with \$1.5M additional state aid	\$5.2M

➤ State Aid Allocations announcement tentatively scheduled for February 22, 2021.

Available Banked CAP

SCHOOL YEAR	AMOUNT	EXPIRES
2018-19	\$3,438,571	2021-2022 BUDGET
2019-20	\$1,220,517	2022-2023 BUDGET
TOTAL	\$4,659,088	

2% Tax Levy Impact on West Orange Homeowners

Calendar Year 2021

January → June

2020-2021 School Budget

Tax Levy

$\$146,840,146 \div 2 =$

$\$73,420,073$

July → December

2021-2022 School Budget

Tax Levy

$\$149,667,296 \div 2 =$

$\$74,833,648$

Tax Rate on BOE Worksheet = Tax Rate on Tax Bill

$\frac{1}{2}$ of Current Budget Levy

\$ 73,420,073

+ $\frac{1}{2}$ of Proposed Budget Levy

\$ 74,833,648

= Calendar Year 2021 Tax Levy

\$148,253,721

$\frac{1}{2}$ of Current
Budget Levy

Tax Impact Based on **2%** Tax Levy Average Assessed Value Not Market Value

	2020	2021 *	Increase
Average Assessment Single Family Home	\$338,121	\$338,121	\$0.00
School Tax	\$2.601	\$2.657	\$0.056
Average Annual Increase	\$8,795.51	\$8,984.53	\$189.02
Average Monthly Increase			\$15.75

* Waiting for Updated Assessed Valuations from Township. Utilized Prior Year's Amount.

0% Tax Levy Impact on West Orange Homeowners

Calendar Year 2021

January → June

2020-2021 School Budget

Tax Levy

$\$146,840,146 \div 2 =$

$\$73,420,073$

July → December

2021-2022 School Budget

Tax Levy

$\$146,837,472 \div 2 =$

$\$73,418,736$

Tax Rate on BOE Worksheet = Tax Rate on Tax Bill

$\frac{1}{2}$ of Current Budget Levy

\$ 73,420,073

+ $\frac{1}{2}$ of Proposed Budget Levy

\$ 73,418,736

= Calendar Year 2021 Tax Levy

\$146,838,809

$\frac{1}{2}$ of Current
Budget Levy

Tax Impact Based on **0%** Tax Levy Average Assessed Value Not Market Value

	2020	2021 *	Increase
Average Assessment Single Family Home	\$338,121	\$338,121	\$0.00
School Tax	\$2.601	\$2.632	\$0.031
Average Annual Increase	\$8,795.51	\$8,898.79	\$103.28
Average Monthly Increase			\$8.61

* Waiting for Updated Assessed Valuations from Township. Utilized Prior Year's Amount.

Cost Expenses/Additions to Budget

Scenario 1: State Aid of 1.5M Reinstated

	Tax Levy:	2%	0%
Budget Increase		4,178,962	1,349,138
Original Expenditures		<u>9,408,196</u>	<u>9,408,196</u>
	Required Cuts:	5,229,234	8,059,058
Additional Expenditures:			
Additional Charter School Expense		145,365	145,365
Special Education Staffing		275,496	275,496
Math Interventionalist - Edison		71,784	71,784
Mechanical Units		<u>640,000</u>	<u>640,000</u>
	Additional Required Cuts:	6,361,879	9,191,703

Cost Savings/Reductions to Budget

	Tax Levy:	2%	0%
Reductions:			
Reduction in Instructional Supplies 20%		226,490	226,490
Reduction in Non-Instructional Supplies 10%		156,439	156,439
Reduction in Equipment - Fund 12		284,609	284,609
Savings - Tuition - Graduating Students		543,524	543,524
Reduction in Retiree Payout		359,536	359,536
Breakage from Potential Retirees		218,587	218,587
Reduction in PD In-District Training		50,000	50,000
Attendance Officer Resigned - Not Replaced		34,474	34,474
Reduction in HD Incentives - Due to Chapter 44 Enrollment		150,000	150,000

Cost Savings/Reductions to Budget

	Tax Levy:	2%	0%
Reductions (continued):			
Reduction/Restructuring of Staff:			
Reduction in Administration		181,986	181,986
Reduction in Other		<u>264,099</u>	<u>264,099</u>
	Required Cuts:	3,892,135	6,721,959
Staffing Reduction Based on \$69,000/Staff*		56	97
Entry Level Salary \$57,000			
Benefits \$12,000			
\$69,000 *			

Cost Savings/Reductions to Budget Scenario 2: Flat State Aid

	Tax Levy:	2%	0%
Required Cuts:		3,892,135	6,721,959
Revised State Aid with 1.5M Reduction		1,552,838	1,552,838
		5,444,973	8,274,797
Staffing Reduction Based on \$69,000/Staff*		79	120
Entry Level Salary \$57,000			
Benefits \$12,000			
\$69,000 *			

Thank you.

