

# 2019-2020 Final Budget Presentation



West Orange School District

May 6, 2019

# Board of Education

Ken Alper, President

Sandra Mordecai, Vice President

Mark Robertson

Cheryl Merklinger

Terry Trigg-Scales

Eveny de Mendez, Acting Superintendent of Schools

John Calavano, Business Administrator & Board Secretary

# District Priority Areas

- ELA K-5
- Math 6-8
- ESL K-12
- Health K-5
- Diversity Initiatives
- Social Emotional Learning / Restorative Justice (*New State Mandates*)
- Facilities and Capital Projects
- Safety and Security Recommendations

# Board Budget Goals

- Continue to provide funding that prioritizes the safety of our schools to include transportation, emergency operations, and safe air and water quality.
- Provide instructional supports and materials for the elementary ELA program.
- Support recommendations for the new K-8 math program.
- Expand personnel and instructional supports for the elementary ESL program.
- Maintain all educational, co-curricular and athletic programs.
- Minimize the impact on taxpayers while maximizing the efficient use of tax dollars.

# Glossary of Budget Terms

General Fund:	Annual operating budget
Capital Outlay:	Funds used for equipment valued above \$2,000 and building improvements
Special Revenue Fund:	Reserved state and federal grants
Debt Service:	Repayment of building construction bonds and lease purchase agreements
Capital Reserve:	Reserved funds for facilities maintenance projects
Fund Balance:	Savings fund reserved for emergencies restricted to 2% of the budget
Banked Cap:	Unused tax levy for use in any of the next three budget years
School Tax Levy:	Tax bill collected by the municipality for school use
Tax Rate:	Amount of dollars per \$100 of assessed home value

# Budget Approval Timeline



- March 25 Preliminary Budget Presentation to Community
- March 26 Preliminary Budget Submitted to County
- April 5 County Approval of Preliminary Budget
- May 6 Public Hearing for Adoption of Final Budget

# Public School Districts are Required to Seek Cost Savings through Shared Services Programs

Current Shared Services Include:

- Ed Data Services (Purchasing Group)
- Educational Services Commission of New Jersey (Purchasing Group)
- Essex Regional Educational Services Commission (Nonpublic & Transportation Services)
- Hunterdon County Educational Services (Purchasing Group)
- Morris Union Jointure (Professional Development)
- NJ State Contracts
- Sussex County Regional Transportation Cooperative (Transportation Services)
- West Orange Township (Fuel, Road Salt, Facility Usage, Emergency Shelter, Lining of Fields)

# Mandated Programs *not* Funded by the State

## *Upwards of \$2.7 million*

- Public Employees Retirement System (PERS) Contribution
  - \$2,162,000
- Harassment, Intimidation and Bullying
  - \$16,600
- SDA Assessment
  - \$114,991
- Professional Development
  - \$185,339
- Teacher & Principal Evaluation (Achieve NJ)
  - \$31,000
- Diversity Training / Social & Emotional Learning / Restorative Justice
  - \$60,000
- Personal Finance
  - \$85,840 (salary, curriculum development, professional development)



# From Preliminary to Final Budget

	Preliminary	Final	\$ Difference
General Fund Tax Levy	\$138,088,008	\$137,645,823	-\$442,185
Debt Service Fund Tax Levy	\$5,772,257	\$5,772,257	0
Total Tax Levy	\$143,860,265	\$143,418,080	-\$442,185
Total Tax Impact on Average Assessed Home	\$151.82	\$138.28	-\$13.54

# Revenue for the 2019-2020 Budget

<b>Fund 10 (Operating)</b>		
Local Tax Levy		<b>\$137,645,823</b>
State Aid		<b>\$15,399,992</b>
Budgeted Fund Balance		<b>\$2,250,000</b>
Tuition & Miscellaneous		<b>\$921,424</b>
	<b>Total:</b>	<b>\$156,217,239</b>
<b>Fund 20 (Special Revenue)</b>		
Federal & State Restricted Aid		<b>\$3,275,945</b>
	<b>Total:</b>	<b>\$3,275,945</b>
<b>Fund 40 (Debt Service)</b>		
Local Tax Levy		<b>\$5,772,257</b>
State Aid		<b>\$311,143</b>
Budgeted Fund Balance		<b>\$2</b>
	<b>Total:</b>	<b>\$6,083,402</b>
	<b>GRAND TOTAL:</b>	<b>\$165,576,586</b>

# Expenditures for 2019-2020 Budget

Salaries	\$96,944,608	58.55%
Benefits	\$25,836,020	15.60%
Special Services (Including Transportation)	\$12,823,335	7.74%
Instruction and Support	\$7,229,638	4.37%
Operations / Maintenance / Security	\$6,562,012	3.96%
Transportation - General Education	\$6,202,215	3.75%
Charter School	\$158,445	0.10%
Capital Outlay	\$460,966	0.28%
Special Revenue	\$3,275,945	1.98%
Debt Service	\$6,083,402	3.67%
<b>Total</b>	<b>\$165,576,586</b>	<b>100%</b>

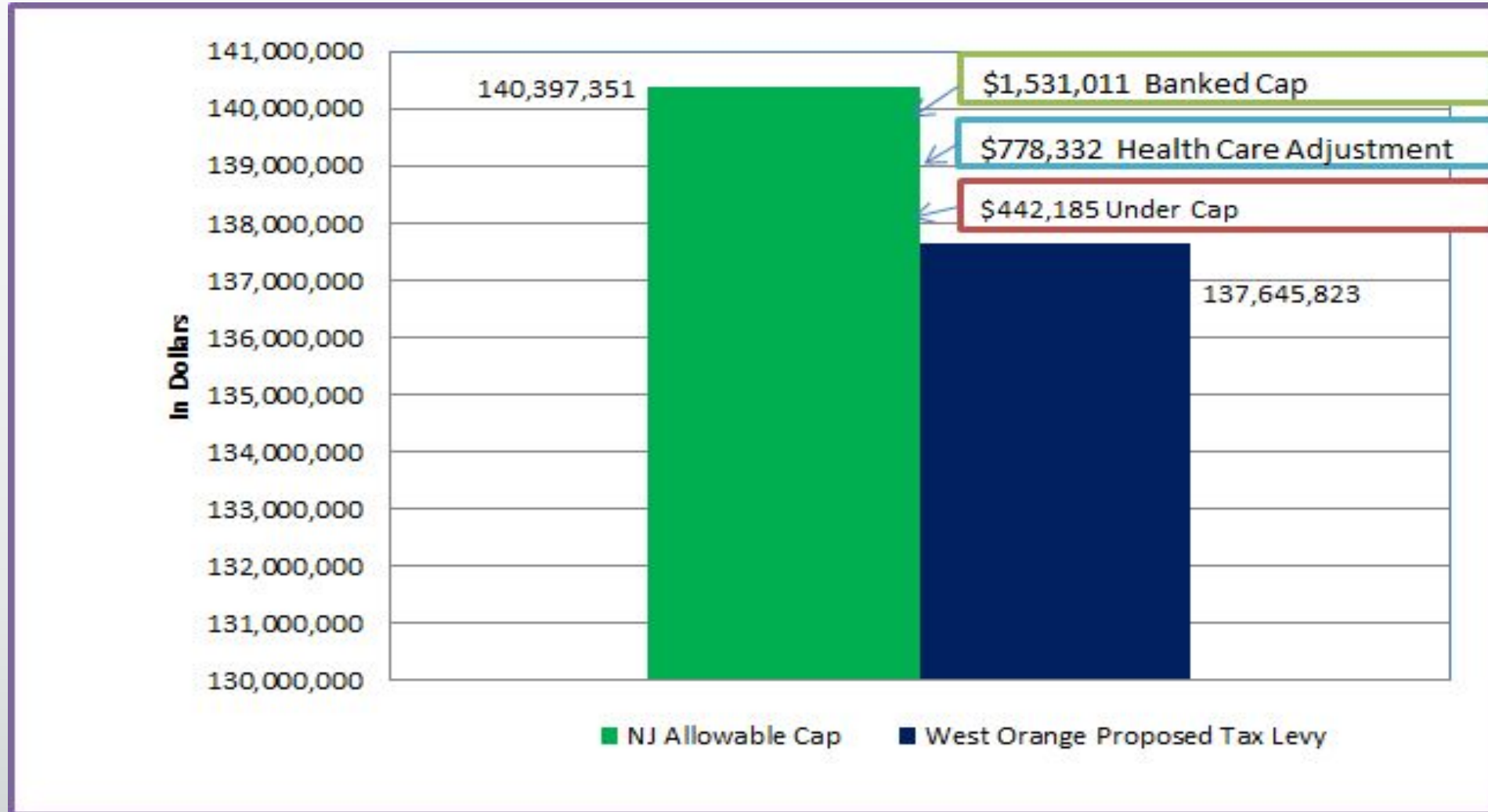
# Special Services 2019-2020 Budget

Salaries	\$21,806,787	65.25%
Out-of-District Tuition	\$8,643,369	25.86%
Benefits	\$5,811,572	17.38%
Transportation	\$2,702,598	8.08%
Purchased Professional Services	\$1,006,700	3.01%
Miscellaneous	\$332,071	0.99%
Supplies and Textbooks	\$138,597	0.41%
Subtotal	\$40,441,694	
Less: Revenues (State Aid, Extraordinary Aid, Medicaid Reimbursement)	(\$7,012,174)	(20.98%)
<b>Total</b>	<b>\$33,429,520</b>	<b>100%</b>

# Operating Budget Tax Levy Cap

	<b>2018-2019</b>	<b>Preliminary 2019-2020</b>	<b>Increase</b>	<b>% of Increase</b>
<b>Original Tax Levy</b>	<b>\$135,380,400</b>	<b>\$138,088,008</b>	<b>\$2,707,608</b>	<b>2.00%</b>
<b>Reduction Due to Additional State Aid</b>	<b>(\$3,000,000)</b>			
<b>Revised Tax Levy</b>	<b>\$132,380,400</b>	<b>\$137,645,823</b>	<b>\$5,265,423</b>	<b>3.98%</b>

# Operating Budget Allowable Adjustment & Banked CAP



# Total Tax Levy 2019-2020

<b>General Fund</b>	<b>\$ 137,645,823</b>
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<b>Debt Service Fund</b>	<b>\$ 5,772,257</b>
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<b>Total</b>	<b>\$ 143,418,080</b>
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# Tax Levy Comparison

	School Year 2018-2019	School Year 2019-2020	\$ Difference	% Difference
General Fund	\$132,380,400	\$137,645,823	\$5,265,423	3.98%
Debt Service Fund	\$5,772,600	\$5,772,257	-\$343	-0.01%
Total Tax Levy	\$138,153,000	\$143,418,080	\$5,265,080	3.81%



# West Orange School District Taxes

## Calendar Year 2019

January → June

2018-2019 School Budget

Tax Levy

$\$138,153,000 \div 2 =$

$\$69,076,500.00$

July → December

2019-2020 School Budget

Tax Levy

$\$143,418,080 \div 2 =$

$\$71,709,040.00$

**Tax Rate on BOE Worksheet = Tax Rate on Tax Bill**

$\frac{1}{2}$  of Current Budget Levy      \$ 69,076,500.00

+  $\frac{1}{2}$  of Proposed Budget Levy      \$ 71,709,040.00

**= Calendar Year 2019 Tax Levy \$140,785,540.00**

# Budget Priorities



# Considering our Budget Priorities

## Safety, Security & Facilities

- Safety & Security Audit
- Facilities and Maintenance
- Transportation
  - Geomapping
  - Zpasses
  - SmartApp

## Instructional Program

- ELA K-5
- Mathematics 6-8
- ESL K-12
- Health / Physical Education
- Academic Intervention, Grade 6
- Summer Institute 9-12
- Curriculum Development

## Supporting our Staff

- Instructional Resources & Materials to Support teaching and Learning
- Professional Development
  - Sheltered Instruction
  - Mathematics
  - Interventions
  - Reading Instruction

*To accomplish our instructional priorities, the budget will add / continue to support the following *programs, curriculum, & instructional materials*:*

- Health Education K-5
- Math Program 6-8
- ELA instructional materials to support our balanced literacy program
- ESL staffing and professional development
- Expand Summer Institute to include opportunities for accelerated coursework

*To accomplish our instructional priorities, the budget will add / continue to support the following *programs, curriculum, & instructional materials*:*

- Continued curriculum development across all content areas
- Differentiation strategies added to newly revised curriculum
- Spanish materials, K-5 Math and Social Studies
- Personal Finance, 6-8 (*New State Mandate*)

*To accomplish our instructional priorities, the budget will add the following *positions*:*

- 1 Special Education Teacher, Grade K
- 2 ESL Teachers, Grades K-5
- 2 Health / Physical Education Teachers, Grades K-5
- 1 Academic Support Teacher, Grade 6
- 1 Occupational Speech Therapist, District
- 1 Part Time Technology Technician, District

*To accomplish our instructional priorities, the budget will add the following *safety / security*:*

- Safety & Security Audit Recommendations
- WOHS New Traffic Pattern Staffing (6 staff)
- AM / PM Parking Lot Security Hazel (student drop-off)
- PM Parking Lot Security Washington (student drop-off)

# Safety & Security Audit Recommendations

*In collaboration with the West Orange Police Department, the District is applying for the School Violence and Prevention Grant of up to (\$225,000-\$300,000).*



*To accomplish our instructional priorities, the budget will add/support the following **professional learning** opportunities:*

- Reading & Writing Instruction K-8
- Mathematics 6-8
- Content Area Professional Development K-12
- Academic Intervention, Grade 6
- Sheltered Instruction K-12
- Diversity / Cultural Proficiency, K-12
- Social Emotional Learning & Restorative Justice, K-12
- Crisis Prevention Intervention Training, K-12

*To accomplish our instructional priorities, the budget will add/continue the following **professional learning opportunities**:*

- HIB, I&RS/ 504, Mental Health, Counseling Dept.
- Makerspace & Adobe Creative Cloud, Career Ed & Library
- Algebra Continuum, Math K-5
- Annual Amistad Training, Social Studies
- Next Generation Instruction, Science
- Writing & Language Instruction, ELA

*To accomplish our instructional priorities, the budget will add/continue to support the following **technology** initiatives:*

- 375 laptops for teachers
- 2100 chromebooks for students to continue to support 1:1 initiative
- WOHS Computer Labs
  - 3 Business Education Labs
  - 1 Computer Graphics Lab

*To accomplish our priorities, the budget will add / continue to support the following **transportation** initiatives:*

- Lease of 2 buses and 2 vans
- Geomapping / geofencing capabilities for all district and contracted buses
- Zpasses for instant identification of students on buses
- SmartApp for sending instant alerts and communication to parents regarding bus status

# Budget Efficiencies, Reductions & Savings



*2019-2020 Preliminary Budget*

# Group Insurance Financial Medical Analysis

## July 2019 – June 2020

<b>Aetna</b>	<b>AmeriHealth</b>	<b>Horizon</b>	<b>Oxford</b>	<b>School's Health Insurance Fund</b>	<b>SEHBP</b>
+9.8% Increase	Declined to Quote	Declined to Quote	Declined to Quote	Declined to Quote	+10.3% Increase

- The School Employees' Health Benefit Program (SEHBP) does not offer equal to or better than coverage to the current negotiated plan designs for WOBOE employees.
- The SEHBP renewal for 1/1/20 is not released until late summer 2019 making it challenging to project upcoming fiscal year cost. 10 year SEHBP average renewal increase is 10.7%.

*The proposed budget includes the following **reductions**:*

- Tuition based programs based on graduating students
- Related and extraordinary services based on changes in individual programming needs
- 4.6 FTEs district wide due to staffing efficiencies
- 5.4 FTEs district wide due to reductions in classroom enrollment
- Out of district professional development

*The proposed budget includes the following **additional reductions**:*

- Transportation efficiencies (single run vs. double / triple runs)
- 7pm late buses at high school
  - consolidation from 4 to 3 late bus runs
  - 3:45pm, 5:30pm, 6:45pm
- Equipment



## Budget & Funding Challenges

Capital Projects not Included in budget:

- Univent Replacements (\$11.7 - \$25.4 million)
- Retaining Wall at Washington (\$500,000)
- Quality Water Recommendations (\$300,000)

***Upwards of \$12.5 million***

# Tax Impact Based on the Average Assessed Value, Not Market Value

## West Orange



**\$138.28**  
**Yearly Increase over**  
**Last Year**

**\$338,561**

**Increase For Year: \$138.28**

**Increase Per Month: \$11.52**

# Thank you.

