



TOWN HALL: BUDGET PRIORITIES

December 15, 2020

7:00pm



Welcome

- **Purpose**
 - Provide an overview of the budget process
 - Provide early insights into the 2021-22 budget
 - Listen to our West Orange community
 - First of 2 Town Hall Meetings
 - This meeting is part of a 2020-21 BOE goal to increase parent and community engagement
 - Fall: School Budget – Identify Budget Priorities
 - Spring: Goal Setting for the Board of Education
- **Outcome**
 - Board of Education and Superintendent will have a better understanding of the current priorities and values of the community
 - This understanding will inform our deliberations as we develop a final budget for the 2021-22 school year

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Welcome

- Agenda
 - Presentation from the BOE and Administration
 - Public Comment (budget only)
 - Primary goal of the BOE is to listen, but there will be “real time” response and discussion when it makes sense during public comments
 - Public Comment (any subject)
- Follow up
 - This Town Hall meeting will be recorded and posted on the BOE website
 - BOE members’ email addresses are on the website at woboe.org

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Introductions

- **Board of Education**
 - Cheryl Merklinger, Board Member
 - Public Relations Committee
 - Gary Rothstein, Board Member
 - Public Relations Committee
 - Ken Alper, Board President
 - Terry Trigg-Scales, Board Vice President
 - Jennifer Tunncliffe, Board Member
- **Administration**
 - Dr. J. Scott Cascone, Superintendent
 - John Calavano, Business Administrator/Board Secretary

BOE's Financial Responsibilities

Board's primary financial responsibility:

Ensure **financial integrity** of the district
by providing a **thorough and efficient education**
at a **price the community can afford**.



Identify Priorities

#1 – outstanding education for all students

What are our community's other priorities?

- Reduce costs and taxes
- Equity
- Athletics
- Arts
- Special needs
- Technology
- Social Emotional Learning
- Counseling
- Safety
- Air and water quality
- Preparing students for careers/advanced education
- Facilities
- Transportation
- ...and many others



Key Issues

- Competing priorities
- Rising costs of labor, benefits, and insurance
- Facilities upgrades
- Safety/Security
- Inadequate State Aid (to be discussed in a moment)
- Taxpayers' concerns, exacerbated by COVID-19



Funding Sources (current school year)

- Local property taxes (Operating* and Debt Service)
 - \$146.8M
- State Aid
 - \$18.6M
- Federal funding
 - \$3.2M
 - Programs: Title I, IIA, III, IV, Perkins and IDEA
- Grants
 - Increasing revenue through grant writing
 - \$1.6M – COPS, CARES, Pre-Apprentice and Coronavirus Relief Fund

*Increase for Operating Budget is capped at 2% each year; but the BOE has the option to add “banked Cap,” if available (addressed in a later slide)



State Aid

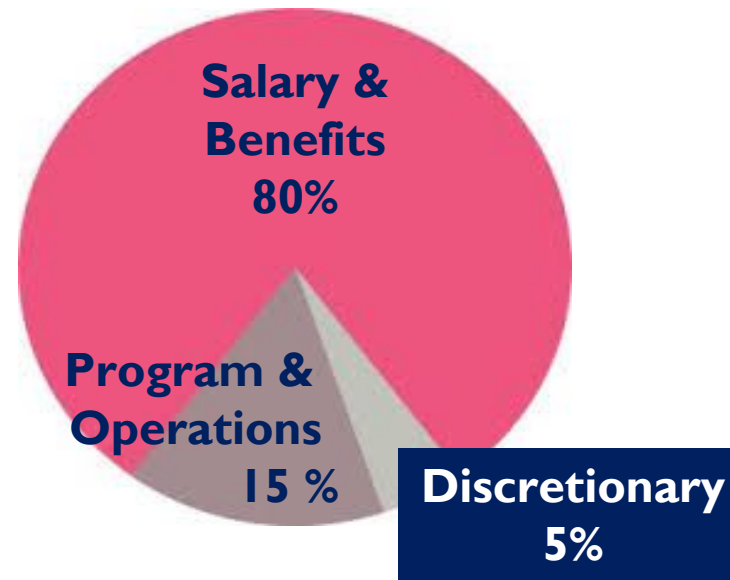
- School Funding Reform Act 2008 (SFRA)
 - Enacted to determine the amount of State school aid each district would receive based on the needs of the student population and the local fiscal capacity
 - Complex funding formula which the state has never fully funded
 - 2018 S2 Bill has “fixed” the SFRA
 - Adjustment aid preserved pre-2008 levels of State Aid
- Our budget is in development before we know the amount that we’ll receive in State Aid
 - This is the “normal” process – not unique to this year
- District’s Adequacy Budget = State determined cost of education for students
- District’s Local Fair Share = Recommended \$ from property taxes based on property values and income
- State Aid = District’s Adequacy Budget – District’s Fair Share (in theory)



Expenses on Average

School District Budget Expenditures

There is very little discretionary spending in a school district budget – usually less than 5%.



Options for Balancing the Budget

- Budget Cuts
- Tax Increases
- Combination
- Examples: Recent School Budgets
 - 2020-21: \$10.5M cuts; \$3.4M tax increase
 - 2019-20: \$8.7M cuts; \$5.2M tax increase



Insights: Expenditures for 2020-21

Salaries	\$98,889,402	58.23%
Benefits	\$25,541,512	15.04%
Special Services (Including Transportation)	\$15,098,537	8.89%
Instruction and Support	\$6,581,556	3.87%
Operations / Maintenance / Security	\$7,083,862	4.17%
Transportation - General Education	\$6,452,355	3.80%
Charter School	\$121,572	0.07%
Capital Outlay	\$767,132	0.45%
Special Revenue	\$3,229,122	1.90%
Debt Service	\$6,082,026	3.58%
Total *	\$169,847,076	100%



* With \$1.5M reduction in state aid

Insights: Major Proposed Increases for 2021-22

Salaries (All Bargaining Units are in Negotiations) Includes Training Level Changes and Longevity		\$3,933,669
Benefits:		
Medical	11%	\$2,080,405
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



Insights: 2021-22 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
1% Increase without \$1.5M additional state aid	\$8.1M
1% Increase with \$1.5M additional state aid	\$6.6M
2% Increase without \$1.5M additional state aid	\$6.7M
2% Increase with \$1.5M additional state aid	\$5.2M



Insights: 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	



School Budget Process: Timeline

- December 2020 – January 2021
 - Initial Planning
 - BOE listens to and shares information with community
- February – March 2021
 - Receipt of State Aid numbers
 - Administration proposes budget to BOE and community
 - Discussions and revisions
 - Submit Budget to County Superintendent of Schools
- April - May 2021
 - Special Budget Meetings
 - BOE approves final budget



School Budget Process: Goals

2021-22 Budget Goals

- Continue to provide funding to maintain a safe environment in all buildings
- Continue to reduce the amount of fund balance utilized to balance the budget
- Optimize district spending in order to increase student achievement
- Review and evaluate district expenditures to identify opportunities for efficiencies and financial savings



Public Comment

(Budget Only)

•Format

- The primary goal is for the BOE and Administration to listen to your comments and understand your priorities regarding the school budget
- Sometimes a question or comment will lead to discussion
- As time is limited, sometimes we will note the question or comment and move on

•Process

- Use the “raise hand” feature if you would like to speak
- When your microphone is unmuted, state your name and address for the record
- Please keep comments brief in the interest of time; we’ll run the clock for 3 minutes but reserve the option to keep conversations going longer
- Please raise your hand only once, as there are other speakers and time is limited
- Email the BOE and the Superintendent if you have follow-ups after the meeting



Public Comment

(Any subject)

• Process

- Use the “raise hand” feature if you would like to speak
- When your microphone is unmuted, state your name and address for the record
- Each speaker has will have 3 minutes; please be aware of the timer on the screen
- Please raise your hand only once
- There may be replies to questions or comments after all speakers have been heard



Thank you!

...for attending! Your participation in this process is critical.

...for speaking up! Your priorities inform our decisions.

The recording of this meeting will be posted on the BOE website.

Good night!

