



2022-2023

# Preliminary Budget Presentation

West Orange Public School District

March 24, 2022

*“Investing in our children, our infrastructure, and our programs.”*



## **West Orange Board Members**

**Jennifer Tunncliffe, President**

**Gary Rothstein, Vice President**

**Melinda Huerta**

**Brian Rock**

**Eric E. Stevenson**

### **Administration**

**Dr. C. Lauren Schoen, Interim Superintendent of Schools**

**Tonya Flowers, Business Administrator / Board Secretary**

**Ana Flores, Assistant Business Administrator**



# Our 2022-2023 Preliminary Budget Presentation

## Three Parts

- How we formulate our district's budget
- A review of the January 19, 2022 Special Budget Work Session
- Our preliminary 2022-2023 district's budget



# Our District is comprised of 12 Schools with a total enrollment 6,642

West Orange High School	2,140
Edison Middle School	441
Liberty Middle School	569
Roosevelt Middle School	527

Gregory Elementary School	449
Hazel Avenue Elementary School	332
Mt. Pleasant Elementary School	354
Kelly Elementary School	474
Redwood Elementary School	450
St. Cloud Elementary School	396
Washington Elementary School	406
Betty Maddalena Early Learning Center	104



**Our students' instructional, extra-curricular and athletic programs are supported by....**

Certificated Staff	786
Non- Certificated Staff	483



## Formulation of our District's Budget

Our budget is made up of a number of different areas.

It is important to understand those areas and the impact they have on our budget formulation regardless of the State aid we receive.



# The way our budget is funded...

**Local Tax Levy** - Tax bill collected by the municipality for school use

**State Aid** - Funds received from the State to support our budget

**Fund Balance** - Savings reserved for emergency use

**Banked Cap** - Unused tax levy for use in the next 3 budget years

**Tuition & Miscellaneous** - Tuition revenues from our preschool and child development programs and prior year refunds

**Capital /Maintenance Reserve** - Reserved funds for facilities projects

**Other Aid** - Medicaid-Semi, Non-Public Transportation, Extraordinary Aid



# January 19, 2022 - Special Budget Work Session

The Board held a public meeting for the purposes of discussing the 2022-2023 budget information available at that point in time.

## Initial estimated projections to large expenditure areas

- Health benefits costs
- Transportation costs
- Staffing requests





# New staffing positions were discussed...

Position / School
Special Education Supervisor K-5
Assistant Principal at Kelly
Grade 3 Teacher at Hazel
World Language Teachers (2)
ESL Teachers (2)
Special Education Teachers (3)
Supervisor of Grants
<b>11 Positions - \$878,344</b>



# January 19th Meeting continued...

## Funding our 2022-2023 Preliminary budget...

If our State aid came in flat, zero increase over last year's State aid, at \$20,359,311, we projected we would need to come up with a minimum of \$2.6 MILLION OF REDUCTIONS to cover our budget including staffing requests.

- \$1.2 million in Banked CAP - Unused tax levy
- \$1.8 million from our Budgeted Fund Balance  
(Funds designated as revenue to balance the budget)
- This would equate to a 2.85% tax levy



# January 19th Preliminary budget calculations were just that - **Preliminary!**

We DID NOT have the revised estimated percentage increases to these large expenditure areas NOR our actual State aid funding.

- Health insurance
- Transportation
- Tuition
- Additional special education staffing requests
- Instructional supplies
- Utilities
- Preschool special education full day program staffing



## Fast forward....

March 3, 2022 Budget work session - cancelled so we could present a more accurate preliminary 2022-2023 budget to our Board and public.

We started receiving revised estimated projections to our high expenditure areas and calculated the costs for our additional staffing requests based on program need.

We quickly realized that the initial reduction of our budget went from potentially a minimum of \$2.6 million of REDUCTIONS to approximately \$9.2 million.



## Here is why that happened...

- We base our budget on a 2% tax levy increase allowable by law.
- We can go above the 2% tax levy if we utilize banked cap, which is the allowable adjustment from not going up to cap in previous years' budgets.

### 2022-2023 School Year Increases

- Salaries increased by 3.4%
- Health benefits increased by 10%
- Tuition (Out of district) increased by 8% - 10%
- Transportation (In-district) increased by 5%  
(Out of district) increased by 30%



<b>2022-2023 EXPENDITURES</b>	<b>AMOUNT</b>	<b>% of BUDGET</b>
Salaries	\$107,738,876	58.60%
Benefits	\$30,534,951	16.61%
Special Education (Including Transportation)	\$21,354,291	11.61%
Instruction and Support	\$7,098,203	3.86%
Operations/Maintenance/Security	\$7,274,517	3.96%
Transportation-General Education	\$6,504,903	3.54%
Charter School Tuition	\$468,442	0.25%
Capital Outlay	\$2,890,508	1.57%
<b>Total</b>	<b>\$183,864,691</b>	<b>100%</b>



## We quickly got to work...

We did not know how much State aid we would receive, therefore, we had to look even more critically at our staffing requests and requested items from our operational budget.

Our objective was to begin the process of making budget reductions **WITHOUT LOSING STAFF AND PROGRAMS!**



Thursday, March 10, 2022

**OUR STATE AID FIGURES ARE RELEASED!**

**\$29,372,985**

This was an increase of

**\$9,013,694**

over last year!





## Our objective significantly changed...

Instead of balancing our budget by reducing it by \$9.2 million dollars, **we now had to reduce it by approximately \$200,000.**



# **EXCLUDED** - Staffing Considerations from our January 19th Special budget work session...

<b>Position / School</b>
Assistant Principal at Kelly
Special Education Supervisor K-5
World Language Teacher
<b>3 Positions - \$277,793</b>



So, what does our 2022-2023 budget include?

**ALL** current staff  
**ALL** instructional, extracurricular  
and  
**ALL** athletic programs....



# So, what does our 2022-2023 budget include? Additions from January 19th budget meeting

Grade 3 Teacher at Hazel (1)

World Language Teacher (1)

ESL Teachers (2)

Special Education Teachers (3)



## So, what does our 2022-2023 budget include? Additional Staffing

ERI Teacher, Redwood (.5)  
(Emotional Regulation Impairment)

Social Studies Teacher, WOHS (1)

Resource Teacher, St. Cloud (.5)

Paraprofessionals, IEP driven (11)



# So, what does our 2022-2023 budget include? Preschool Disabilities Program Staff\*

Occupational Therapist (1)
Speech Therapist (1)
Child Study Team (CST) (1)
Behaviorist (.5)
Preschool Teachers (3)

\*Increased enrollment, IEP Referrals, Preschool Expansion Aid Eligibility



2022-2023

# Capital Improvement Projects

**Making a Significant Investment in our Infrastructure**

**Approximately \$2.4 million**



# Capital Projects (HVAC)

<b>DESCRIPTION</b>	<b>AMOUNT</b>
RMS: Classroom Unit Ventilator Controls	\$48,688
RMS: Airdale Unit Replacements (4)	\$144,000
RMS: Reheat Coil & Control Valve Replacement	\$70,455
EMS: Airdale Unit Replacement	\$36,000





# Capital Projects (Structural)

<b>DESCRIPTION</b>	<b>AMOUNT</b>
Washington Retaining Wall	\$730,000
Washington Exterior Masonry Foundation Settlement	\$420,000
Architect Fees for various projects	\$68,850
Hazel Retaining Wall & Affected Playground	\$65,000



# Capital Projects (Structural)

<b>DESCRIPTION</b>	<b>AMOUNT</b>
Edison-Raking and Repointing of Exterior and Repair Main Entrance Stairs	\$125,000
WOHS-Tarnoff Roof Refurbishment	\$120,750
Gregory-Gym Roof Replacement	\$99,750



# Capital Projects (Health and Safety)

<b>DESCRIPTION</b>	<b>AMOUNT</b>
RMS Intercom System	\$75,000
Mt. Pleasant Intercom System	\$75,000
RMS Gym Floor Replacement	\$100,000
WOHS Stage Floor	\$110,000
Mt. Pleasant Kiss and Go	\$75,000
RMS Main Entrance Vestibule Door Frame	\$30,000



# Total Cost for our District Capital Projects

**\$2,393,493**

**These projects will be funded by utilizing fund balance  
WITHOUT depleting our Capital Reserve  
or increasing taxes.**



# 2022-2023 Preliminary Budget Tax Impact



# Funding Sources & Balancing the Budget

In order to balance our budget this year, we will use the following revenue sources to pay our expenditures:

- Tax Levy
- Banked Cap
- State Aid
- Other Aid and Miscellaneous Revenue
- Budgeted Fund Balance



<b>2022-2023 REVENUES</b>	<b>AMOUNT</b>
Tax Levy	\$146,485,818
Banked Cap	\$1,220,517
State Aid	\$29,372,985
Other Aid and Miscellaneous Revenue	\$2,891,878
Budgeted Fund Balance	\$1,500,000
Budgeted Fund Balance (Capital Projects)	\$2,393,493
Total	\$183,864,691



# Tax Levy Calculation

There are three areas we are using to calculate the tax levy.

- General Fund - Operating Expenses
- Banked Cap - Unused tax levy for use in the next three budget years
- Debt Service Fund - Repayment of building construction, bonds and lease purchase agreements.

All three areas are used to calculate the net tax increase.





# Determining the Tax Levy

<b>TAX LEVY</b>	<b>2022-2023</b>
General Fund Operating Expenses	\$146,485,818
Banked Cap Unused tax levy for use in the next 3 budget years	\$1,220,517
Debt Service Repayment of construction bonds and lease purchase agreements	\$5,086,669
<b>Total Tax Levy</b>	<b>\$152,793,004</b>



# Tax Impact **2.42%** Average Assessed Home Value

<b>Tax Impact</b>	<b>2021</b>	<b>2022</b>	<b>Increase/ (Decrease)</b>
Average Assessment Single Family House	\$337,703	\$336,282	(\$1,421)
District School Tax per Tax Bill	2.660	2.735	\$0.076
Average Annual Tax Bill	\$8,981.17	\$9,198.82	\$217.65
<b>Average Monthly Increase</b>			<b>\$18.14</b>



# What is the benefit of going **ABOVE** the 2% tax levy cap?

The District has the ability of increasing this year's budget by an additional **\$1,220,517** (banked cap) enabling us to sustain a higher base for future budgets.



## What is the impact of going **BELOW** the 2% cap?

Our annual expenses will always exceed the 2% allowable cap. This means, every year, **we begin our budget process in a deficit.** This is further compounded when we levy below the 2% cap.

## Tax Levy at cap...

2021-2022 \$143,613,547

+ \$2,872,271

2%

2022-2023 \$146,485,818

+ \$2,929,716

2%

2023-2024 \$149,415,534

+ \$2,988,311

2%

2024-2025 \$152,403,845

+ \$3,048,077

2%

2025-2026 \$155,451,922

+ \$3,109,038

2%

Total Compounded Revenue \$14,947,413

## Tax Levy below cap...

2021-2022 \$143,613,547

+ \$1,436,135

1%

2022-2023 \$145,049,682

+ \$2,900,994

2%

2023-2024 \$147,950,676

+ \$2,959,014

2%

2024-2025 \$150,909,690

+ \$3,018,194

2%

2025-2026 \$153,927,883

+ \$3,078,558

2%

Total Lost Revenue \$1,554,518

\$13,392,895



# Tax Levy Historical Perspective

School Year	Tax Levy % Increase
2021 - 2022	1.50%
<b>2020 - 2021</b>	<b>2.79%</b>
<b>2019 - 2020</b>	<b>3.98%</b>
2018- 2019	(0.55)%
<b>2017 - 2018</b>	<b>3.31%</b>
2016 - 2017	2.00%
2015 - 2016	0.91%
<b>2014 - 2015</b>	<b>3.86%</b>
2013-2014	1.29%
<b>Average</b>	<b>2.12%</b>



# Budget Approval Timeline

- |             |  |
|-------------|--|
| March 24    | Preliminary Budget Presentation to Community |
| March 28    | Preliminary Budget Submitted to County       |
| By April 20 | County Approval of Budget                    |
| April 28    | Budget Work Session                          |
| May 9       | Public Hearing for Adoption of Final Budget  |



2022-2023

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