

Bernards Township School District Public Hearing on 2023-2024 School Budget

1

**BOARD OF EDUCATION MEETING
May 8, 2023**

Goals for 2023-2024 Budget

2

- **Maintain all programs and services.**
- **Support District Goals and Strategic Plan.**
- **Minimize tax increases by:**
 - **Reducing Expenses**
 - **Leveraging Grants**
 - **Budgeting Required Fund Balance**
 - **Budgeting for Increased State Aid**
 - **Utilizing Reserve Funds**

Budget Expenditure Snapshot FY23-24 V. FY22-23

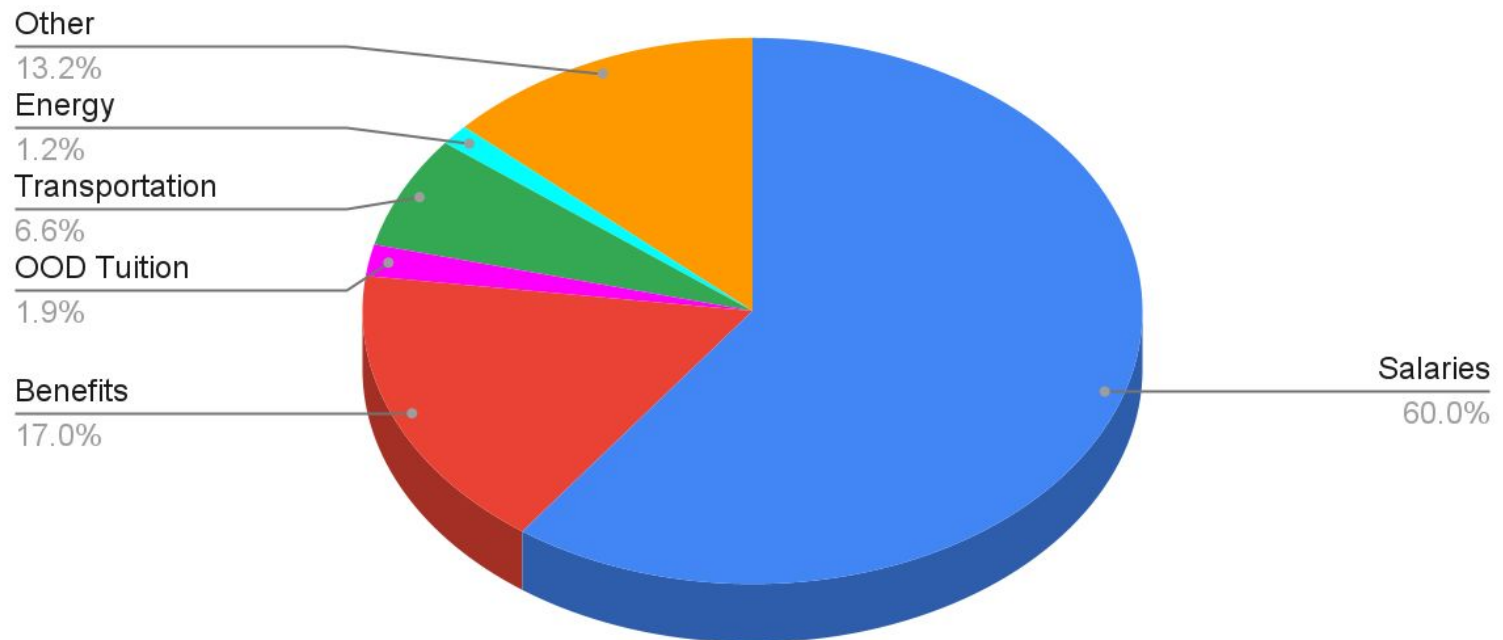
3

	Revised Budget	Proposed Budget	Change (+/-)
	<u>2022-2023</u>	<u>2023-2024</u>	<u>23-24 v 22-23</u>
General Operating Expenses (Fund 11)	\$107,662,615	\$109,807,170	\$2,144,555
Equipment (Fund 12)	\$224,584	\$147,000	-\$77,584
Subtotals	\$107,887,199	\$109,954,170	\$2,066,971
General Operating Reserves (Fund 11)(Maintenance & Emergency)	0	\$529,667	\$529,667
Capital Expenses (Fund 12) less equip	0	\$3,361,265	\$3,361,265
Capital Reserve and Interfund (Fund 12)	0	\$1,570,776	\$1,570,776
Sub-total Fund 12	0	5,461,708	5,461,708
Sub Total General Fund	\$108,494,255	\$114,941,665	\$6,447,410
Federal Grant Expenses	\$4,884,272	\$2,002,661	-\$2,881,611
Debt Expenses	\$5,378,463	\$6,482,513	\$1,104,050
Total Budget	\$119,401,531	\$123,941,885	\$4,240,354

General Operating Expenses (Fund 11)

4

Operating Budget Composition



Top 5 Year over Year Operating Increase Drivers

5

**Total Increase over current year's General Operating budget:
\$2,144,555**

Regular Instruction	\$ 1,270,447
Special Education Instruction:	\$ 690,279
Transportation:	\$ 503,979
Police Services (SLEO III and SRO):	\$ 500,000
Pension and Social Security:	\$ 375,196

Top 3 Year over Year Operating Reductions

6

□ Out of District Tuition	-\$ 716,994
□ Facilities Maintenance	-\$ 711,656
□ Administrative Costs:	-\$ 320,915

Capital Projects and Reserve Deposits

7

- **INCREASE over current year's budget:**
 - **Roof Top Unit (RTU) Replacement Initiative:** **\$661,265**
 - **Varsity Complex Renovations:** **\$2,700,000**
 - **Capital Reserve Used to Fund Debt:** **\$552,829**
 - **Deposit into Capital Reserve** **\$1,017,947**
 - **Deposit into Maintenance & Emergency Reserves** **\$529,667**

Federal Grant Budget Expense Drivers

8

- **American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III) Grant:**
 - In 2022-2023, used \$348,000 of ARP ESSER III to offset transportation costs.
 - In 2023-2024, using \$367,000 of ARP ESSER III to offset transportation costs.
 - \$1,000,000 budgeted for RHS classroom HVAC renovation (out to bid August)
 - In 2024-2025, ARP ESSER III funding will no longer be available.
- **IDEA: Individuals with Disabilities Education Act**
 - Used to fund Out of District Tuition. The actual amount received for use in 2022-2023 for tuition has decreased due to a required reserve. The 2023-2024 IDEA funds used to offset tuition appropriations is \$975,000, down \$121,858.

Debt Service Budget Expense Drivers

9

- **Total Increase over current year's budget: \$1,104,050**
 - **In order to avoid raising taxes to pay for the increased debt expense, we are withdrawing \$552,829 from the capital reserve account. A debt service aid increase by the State provides the balance of the needed increase.**
 - **The district's long term debt will be paid off in the 2030-2031 school year.**
 - **From the period July 1, 2024 through June 30, 2031, the projected amount needed from capital reserve to offset the increase in debt service payments is projected to be \$2,146,066.**
 - **This assumes that debt service state aid will continue to be funded at the current share.**

Budget Revenue Comparison Year to Year

10

	<u>2022-2023</u>	<u>2023-2024</u>	<u>23-24 v 22-23</u>
Fund Balance	\$7,148,716	\$10,978,562	\$3,829,846
Fund Balance for Construction	0	3,361,265	3,361,265
Fund Balance for Reserves	0	1,547,614	1,547,614
Interfund Transfer	0	552,829	552,829
Tuition & Misc. Rev.	693,494	1,001,000	307,506
General Levy	91,314,864	91,314,864	0
State Aid (Less ExAid)	6,517,070	7,379,157	862,087
Extraordinary Aid	1,700,000	3,700,000	2,000,000
SEMI Reimbursement	11,547	15,253	3,706
Total General Fund	108,494,255	114,941,665	6,447,410
Federal Grant	1,632,969	2,273,161	640,192
Debt Levy	5,115,001	5,115,001	0
Debt Service Fund Balance	1	0	-1
State Debt Aid	263,461	814,683	552,122
Transfer from Capital Reserve		552,829	552,829
Total	119,401,531	123,941,885	4,295,808

Budgeted Fund Balance

11

Audit Process:	\$8,703,440
4% Reserve Reduced to 2%:	<u>\$2,275,122</u>
Total Fund Balance*	\$10,978,562

Budgeted Fund Balance Uses:

Operating Budget Fund 11	\$6,069,683		
Capital Budget Fund 12	\$3,361,265		
<u>Reserves</u>	<u>23-24 Deposits</u>	<u>23-23 W/D</u>	<u>Balance</u>
Capital	\$1,017,947	\$552,829	\$8,247,014
Maintenance	\$441,333		\$4,585,583
Emergency	\$88,334		\$1,000,000

*Required to be Budgeted in 2023-2024 Budget

Reserve Accounts:

12

- **Capital Reserve:** Supports long range facility needs (project work) and can also be used for paying long term debt. Currently planned for:
 - HVAC and Other Projects: \$6,081,766
 - Long Term Debt (assuming debt service aid from the state holds): \$2,165,248
- **Maintenance Reserve:** Withdrawn for maintenance projects such as roofs, parking lots, emergent needs, and can also support the general operating budget maintenance accounts.
- **Emergency Reserve:** Supports the health benefits budget, necessary for districts operating self-insured health benefits programs.

Sustaining Programs and Services: Per Pupil Spending in Classroom

13

	17-18	18-19	19-20	20-21	21-22	22-23	23-24	%
Enrollment 10-15	5419	5295.5	5125	4845.5	4709	4714		
Projected Enrollment 10-15-23							4748	0.72%
Classroom: Sal & Ben	9430	9697	10244	10754	11166	11367	12019	5.74%
Classroom-Supplies & Textbooks	532	528	431	463	477	511	397	-22.31%
Classroom-Purchased Services	40	38	48	49	42	48	52	8.33%
Total Support Serv.	2609	2908	2848	3219	3370	3226	3929	21.79%
Total Per Pupil Classroom	12611	13171	13571	14485	15055	15152	16386	8.14%

Taxes: 11 Year History

14

	General Fund Levy	\$ Increase		Debt Service Fund Levy	\$ Increase/ (Decrease)	% Increase	Net Taxpayer Impact
2013-14	\$77,373,442	\$1,517,126	2.00%	\$5,505,366	(\$256,563)	-4.45%	1.544%
2014-15	\$78,920,911	\$1,547,469	2.00%	\$5,084,960	(\$420,406)	-7.64%	1.360%
2015-16	\$80,499,329	\$1,578,418	2.00%	\$5,218,562	\$133,602	2.63%	2.038%
2016- 17	\$82,109,316	\$1,609,987	2.00%	\$5,284,441	\$65,879	1.26%	1.955%
2017- 18	\$83,751,501	\$1,642,185	2.00%	\$5,102,268	(\$182,173)	-3.45%	1.671%
2018- 19	\$85,426,530	\$1,675,029	2.00%	\$5,107,583	\$5,315	0.10%	1.891%
2019-20	\$87,135,060	\$1,708,530	2.00%	\$5,106,178	(\$1,405)	-0.03%	1.886%
2020-21	\$88,877,760	\$1,742,700	2.00%	\$5,107,890	\$1,712	0.03%	1.891%
2021-22	\$90,655,316	\$1,777,556	2.00%	\$5,105,651	(\$2,239)	-0.04%	1.889%
2022-23	\$91,314,864	\$659,548	0.73%	\$5,115,001	\$9,350	0.18%	0.699%
2023-24	\$91,314,864	\$0	0.00%	\$5,115,001	0	0	0.00%

Banked Cap Analysis

15

Banked Cap Generated in 22-23	Banked Cap Generated in 23-24
\$1,153,558	\$1,826,297

Total Banked Cap Available for future Budgets: \$2,979,855

Curriculum Highlights in 2023-2024 Budget

16

The budget supports expanded opportunities through:

❖ *Curriculum writing highlights:*

- Program Evaluations:
 - 6-12 Mathematics (Year 2)
 - 6-12 ELA (Year 2)
 - 6-12 Science (Year 1)
 - 9-12 Social Studies (Year 2)
- K-5 Mathematics Textbook Selection Committee
- Health Curriculum revisions
- K-5 Standards Based Report Card revisions

❖ *Purchase of new textbooks in the following areas:*

- Physics
- Grade 7 Civics
- Grade 11 US History of Government and Economics
- Spanish and French, Levels 1 and 2
- New or updated science kits in Grades 4 and 5

New Opportunities in 2023-2024 Budget

17

- ◆ **Addition of a new semester elective courses at Ridge High School called The Science of Well Being**
- ◆ **Expansion of Handwriting Without Tears into Grade 3 and Word Study into Grades 2 and 3**
- ◆ **Maintain positions added after the 2022-2023 budget was approved in May of 2022: ESL, Guidance, positions added this year to meet student needs.**
- ◆ **Add police staffing at elementary schools SLEO III**

Enrollment Trends

18

Annual State Report	Enrollment	% Change
Projected Fall 2023*	4782	1.4%
October 2022	4714	0.1%
October 2021	4709	-2.9%
October 2020	4845.5	-5.8%
October 2019	5125	n/a

*[Statistical Forecasting report](#)

Personnel

19

- Largest portion of the budget, adjusted throughout the spring and summer to meet student needs for the fall.
- The only positions being added to the budget for 2023-2024 that are not in the current year budget are for police services.
- Funding for “New” positions for 2023-2024:
 - Goal is to stay within funds earmarked for personnel:
 - Repurpose existing staff into new roles
 - Utilize attrition or reduction of one position for another
 - Utilize breakage
 - Sometimes emergent needs (like enrollment changes) cause the personnel budget to require revision.

Personnel - Sectioning

20

- Sectioning is the process done each spring to match up student schedule requests to staff.
- Sectioning is mostly completed in May however changes continue as IEPs are finalized and final adjustments to the master schedules are made.
- It is common for enrollment and student needs to drive minor staffing adjustments for the opening of school. For example preschool and KG enrollment.

Personnel - Police Services

21

- RHS: 1 SRO and 1 SLEO III
- WAMS: 1 SLEO III
- Elementary Schools: 1 SLEO III per school
- Work with the BTPD to find SLEO III staff
- Above positions funded by BT BOE

Personnel - Administration

22

- Fill the middle school vacancy with a dual role of assistant principal/middle school athletic director
- Maintain the other assistant principal positions
- Update demographic report by December 1
- Review administrative structure for the 2024-2025 budget using updated demographic report and other available data

Summary

23

- **All district programs and services from 2022-2023 are maintained in this budget for 2023-2024.**
- **The budget supports the district's ongoing efforts to complete district goals connected to the strategic plan.**
- **The budget relies on the use of fund balance, grants, and state aid increases which are likely to be unsustainable in the long run. Other revenue and/or budget reductions will need to be planned for future budgets.**

Thank You

24

Please remember that at our Board of Education meeting on Monday May 22 we will be talking about school start times and triple tiered bus plans.