

Bernards Township 2023-2024 Preliminary School Budget

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**BOARD OF EDUCATION MEETING
March 13, 2023**

Goals for 2023-2024 Budget

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- **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

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	Final Budget	Preliminary Budget	Change (+/-)
	<u>2022-2023</u>	<u>2023-2024</u>	<u>23-24 v 22-23</u>
General Operating Expenses (Fund 11)	\$104,550,479	\$109,532,503	\$4,982,024
Equipment (Fund 12)	\$177,324	\$192,000	\$14,676
Subtotals	\$104,727,803	\$109,724,503	\$4,996,700
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	\$104,727,803	\$115,186,211	\$10,458,408
Federal Grant Expenses	\$1,632,969	\$2,273,161	\$640,192
Debt Expenses	\$5,378,463	\$6,482,513	\$1,104,050
Total Budget	\$111,739,235	\$123,941,885	\$12,202,650

Total General Operating Expenses (Fund 11 and Fund 12 Equipment)

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Salaries	\$66,022,214	60.2%
Employee Benefits	\$18,810,239	17.1%
Instructional Supplies	\$2,096,359	1.9%
Instructional Services (213-223)	\$2,777,249	2.5%
Administrative Support (230-252)	\$1,443,443	1.3%
Tuition	\$2,045,171	1.9%
Transportation	\$7,194,308	6.6%
Facilities	\$8,085,111	7.4%
Security	\$563,140	0.5%
Other	\$687,219	0.6%
TOTAL	\$109,724,503	100%

Total General Operating Expenses (Fund 11 and Fund 12 Equipment)

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Total Increase over current year's budget: \$4,996,700

Salaries:	\$ 2,903,164
Pension and Social Security:	\$ 375,196
Tuition:	\$ 91,118
Transportation:	\$ 1,352,327
Police Services (SLEO III and SRO):	\$ 500,000
Other-Net Increases/(Decreases):	\$(225,105)

Capital Projects and Reserve Deposits

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- **Total INCREASE over current year's budget: \$5,461,708**
- **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

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- **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 now)
 - 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

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- **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

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	<u>2022-2023</u>	<u>2023-2024</u>	<u>23-24 v 22-23</u>
Fund Balance *1	\$4,490,828	\$6,014,229	\$1,523,401
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	91,614,864	300,000
State Aid *1	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	104,727,803	115,186,211	10,458,408
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	111,739,2355	123,941,885	11,649,821

Budgeted Fund Balance

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Audit Process:	\$8,763,260
4% Reserve Reduced to 2%:	<u>\$2,159,848</u>
Total Fund Balance*	\$10,923,108

Budgeted Fund Balance Uses:

Operating Budget Fund 11	\$6,014,229		
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:

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- **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

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	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							4744	0.64%
Classroom: Sal & Ben	9430	9697	10244	10754	11166	11367	12110	6.54%
Classroom-Supplies & Textbooks	532	528	431	463	477	511	399	-21.92%
Classroom-Purchased Services	40	38	48	49	42	48	52	8.33%
Total Support Serv.	2609	2908	2848	3219	3370	3226	3939	22.1%
Total Per Pupil Classroom	12611	13171	13571	14485	15055	15152	16500	8.9%

Taxes: 11 Year History

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	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	\$91,614,864	\$300,000	0.33%	\$5,155,001	0	0	0.31%

Curriculum Highlights in 2023-2024 Budget

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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

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- ◆ **Addition of two new semester elective courses at Ridge High School:**
 - **The Alpha Test (STEM)**
 - **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

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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

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- Largest portion of the budget, adjusted throughout the spring 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.

Summary

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- **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.**

Going Forward

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- Board discussion.
- Board meeting added on March 20th to vote on submitting the preliminary budget for review and approval.
- May 8th final public hearing on the budget.

Thank you.