

Bernards Township 2022-2023 Preliminary School Budget

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**BOARD OF EDUCATION MEETING
MARCH 28, 2022**

Budget Expenditure Snapshot FY22-23 V. FY21-22

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	Final Budget	Preliminary	Change (+/-)
	<u>2021-2022</u>	<u>2022-2023</u>	<u>22-23 v 21-22</u>
General Operating Expenses	\$103,190,829	\$104,550,479	\$1,359,650
Capital Expenses	\$257,324	\$177,324	-\$80,000
Sub Total General Fund	\$103,448,153	\$104,727,803	\$1,279,650
Federal Grant Expenses	\$1,632,999	\$1,632,969	-\$30
Debt Expenses	\$5,369,263	\$5,378,463	\$9,200
Total Budget	\$110,450,415	\$111,739,235	\$1,288,820

General Operating, Grant And Debt Expense Changes

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- **Total Increase over current year's budget-> +\$1,288,820**
- **Salaries-> +\$401,582 Major Drivers: Contractual Increases, ESY, Substitute Costs,**
- **Employee Health Benefits->+\$972,932**
- **Instructional Supplies and Services-> +\$144,529**
- **Support Services Supplies & Prof. Services -> -\$41,432**
- **Professional Services and Telcom Services-> +\$20,982**
- **Pension and Unemployment-> +\$194,212**
- **Current Capital Outlay-> -\$80,000**
- **Facilities, Grounds and Maintenance Unionization and RDS-> +\$352,439**
- **Technology-> +\$72,000**
- **Special Education Placements-> -\$757,594**
- **Payment of outstanding Serial Bond Debt-> +\$9,200**
- **Federal Grants->-\$30**

Budgeted Fund Balance

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• FY2020-2021	Audited Reserve Balance	\$4,015,828
	Budgeted Total:	<u>\$4,490,828</u>

Budget Revenue Comparison Year to Year

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	<u>2021-2022</u>	<u>2022-2023</u>	<u>22-23 v 21-22</u>
Fund Balance *1	\$4,758,938	\$4,490,828	<u>-\$268,110</u>
RSF Capital Contribution	0	0	<u>0</u>
Maintenance Reserve	0	0	<u>0</u>
Capital Reserve	0	0	<u>0</u>
Interfund Transfer	0	0	<u>0</u>
Tuition& Misc. Rev.	692,050	693,050	<u>1,000</u>
General Levy	90,655,316	91,314,864	659,548
State Aid *1	5,629,858	6,517,070	887,212
Extraordinary Aid	1,700,000	1,700,000	<u>0</u>
SEMI Reimbursement	11,991	11,991	0
Federal Grant	1,632,999	1,632,969	-30
Debt Levy	5,105,651	5,115,001	9,350
Debt Service Fund Balance	0	1	1
State Debt Aid	263,612	263,461	-151
Total	\$110,450,415	\$111,739,235	\$1,288,820

Major Factors in Budget

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- **Current programs and services are sustained.**
- **Staffing levels will reflect needs for projected enrollment**
- **District enrollment continues to decline**
- **State mandated Chapter 44 Health Benefit programs negatively impacted the district**
- **Unionization of facilities services negatively impacted the district**
- **Major District Capital Projects continue to proceed**
- **Significant Costs related to one-time and non-recurrent pandemic related needs have been largely offset by one-time Federal grants**

Sustaining Programs and Services

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- All district programs and services from 2021-2022 are maintained in this budget for 2022-2023.
- The budget supports the district's ongoing efforts to complete district goals connected to the strategic plan.
- ❖ Key components of the strategic plan include the professional development of the staff, student competence, safety and security, and communication and collaboration.
 - Some of the more significant activities to support these objectives include: professional development of staff, technological hardware and software resources and infrastructure, staff such as instructional coaches and curricular materials.

Expanded Opportunities

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- **The budget supports expanded opportunities through:**
 - ❖ **Enrichment/Gifted and Talented programming (aka QUEST)**
 - ❖ **Expansion of our Handwriting Without Tears program into Grade 2 as well as the second year of our new Word Study program.**
 - ❖ **Revision of our cycle and elective offerings in order to expand our STEM programing to all students**
 - ❖ **The addition of a second ELL course for students identified with this need.**
 - ❖ **At the high school level, this budget will support two very important programs entering their second year; the rotate and drop schedule and the Ridge Wellness program.**
 - ❖ **Curriculum writing and staff development opportunities that will support teachers' work on the rotate and drop schedule**
 - ❖ **This budget will support the second year of our Wellness Coordinators**
 - ❖ **Support of the second year of our student device initiative as we continue to refine our district approved digital subscriptions.**

Enrollment Decline

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Annual State Enrollment Count

Year over Year Change

Oct-21	4709.0	-2.8%
Oct-20	4845.5	-5.5%
Oct-19	5125	-3.2%
Oct-18	5295.5	-2.3%
Oct-17	5419	-1.8%
Oct-16	5518.5	
Six year change:	-809	

Sustaining Programs and Services: Per Pupil Spending in Classroom

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					6 Year			
	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY2019-2020	FY 2020-2021	FY 2021-2022	FY2022-2023	Percentage
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Enrollment Count October of School Year:	5518.5	5419	5295.5	5125	4845.5	4709		
Projected enrollment Count October 2022							4860	-11.93%
Classroom-Salaries and Benefits	\$9,328	\$9,430	\$9,697	\$10,244	\$10,754	\$11,166	\$11,367	21.85%
Classroom-General Supplies and Textbooks	\$477	\$532	\$528	\$431	\$463	\$477	\$511	7.12%
Classroom-Purchased Services	\$61	\$40	\$38	\$48	\$49	\$42	\$48	-21.31%
Total Support Services	\$2,396	\$2,609	\$2,908	\$2,848	\$3,219	\$3,370	\$3,226	34.64%
Total Per Pupil	\$12,262	\$12,611	\$13,171	\$13,571	\$14,485	\$15,055	\$15,152	23.57%

Impact of State Mandated Chapter 44

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- On July 1, 2020, Governor Murphy signed P.L. 2020, Chapter 44
- The law mandated the creation of two new health benefit plans: NJEHP and GSHP to be implemented Jan. 1, 2021 and August 1, 2021 respectively
- The law requires districts with private insurance or self insurance to implement equivalent plans
- Effective January 1, 2022 some 375 district staff elected the NJEHP
- That is a 19% increase from the prior year at January 1.
- This plan eliminated the employee contribution requirements of Ch.78 and thereby significantly increased the district's share of the cost
- The estimated increased cost is \$800,000 annually due to lost contributions
- Since the State has delayed release of the requirements for the GSHP underwriters can not estimate what the fiscal impact of that program.

Unionization of Facilities Contracts

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- **The local employees of the district's third party contractor for custodial, grounds and maintenance services unionized last year.**
- **We have been advised by our facilities consultant (Edvocate) that the union master agreement with the third party provider escalates wages above the State of New Jersey already progressive minimum wage rate scales**
- **We have also been advised that the union master agreement provides for a significant increase in health benefit plans for each employee without regard to tiering.**
- **The impact of the above is being phased in over 2 ½ years**

State Aid

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- **The State Aid proposed for FY 2022-2023 is +\$877,212**
- **The district is utilizing this entire increase to reduce local tax levy.**

Taxes: 12 Year History

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	General Fund Levy	\$ Increase		Debt Service Fund Levy	\$ Increase/ (Decrease)		% Increase		Net Taxpayer Impact
2011-12	\$74,368,937	\$1,458,214	2.00%	\$5,766,182	\$174,940		3.13%		2.080%
2012-13	\$75,856,316	\$1,487,379	2.00%	\$5,761,929	(\$4,253)		-0.07%		1.851%
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%

***In the past 12 years the district has reduced its debt levy by 11.3% and increased its bond rating to AAA. The net tax levy has averaged 1.69 % over the last 9 years. The district is one of only a handful of K-12 districts in the state with a AAA bond rating.**

Pandemic Related -Federal Funds

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Budgeted Purchases:

Air Purifiers	\$390,487
HVAC Upgrades	\$1,000,000
HVAC Controls (AME)	\$165,320
Technology for Virtual Learning	\$350,000
Outdoor Seating	\$50,000
Accelerated Learning, Coaching, and Educator Support	\$446,723
Additional Social Workers, Nursing Services, and Student Supports (ESS Program)	\$315,000
Summer and Afterschool Programming and Quarantined Student Learning	\$80,000
Tuition for Students with Disabilities Post Graduate and Pandemic related Transport Costs	\$894,063
Non Public Special Education Funding	\$7,309
Total	<u>\$3,698,902</u>

Federal Funding Offsets:

American Rescue Plan (ARP) Act - IDEA	\$277,666
American Rescue Plan (ARP) Act - ESSER	\$2,756,218
Elementary and Secondary School Emergency Relief Fund (ESSER II Fund) – Balance of \$1,109,776	<u>\$665,018</u>
Total	<u>\$3,698,902</u>

FY 2022-2023 Budget Presentation-March 28, 2022

Renovation/Improvement Projects

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✗ Funding

✗ Oak Street School Roofing Project

What's being Done?

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- **Remove existing shingle roofing system and replace with new shingle roofing system.**
- **Remove and replace existing cornice, gutters, downspouts and trim.**

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Oak Street School Roofing Project

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