

West Milford Township Public Schools Preliminary Budget 2023 - 2024

Dr. Alex Anemone, Superintendent
Barbara Francisco, Business Administrator
March 15, 2023

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Fiscally Responsive Budget

- ▶ Adjusts for escalating costs in contracted transportation, health insurance, and energy.
- ▶ Total Budget +2.50%
- ▶ General Fund +2.58%
- ▶ This is year six of the seven-year phase in of the State funding formula referred to as S-2. The cumulative state aid reduction is \$9,075,763. Each year brings additional cuts and makes future budgets exceedingly difficult to sustain.

Curriculum Highlights

- ▶ High School Dual Enrollment Course Offerings
- ▶ New Aviation and EMT Courses @ WMHS
- ▶ New AP Human Geography Course
- ▶ Conquer Math Training (Year 2) - Algebra I and Geometry
- ▶ Technology Upgrades
 - ▶ Robotics
- ▶ Intervention and Referral Services Training (I&RS)
- ▶ Response to Intervention Training (RTI)
- ▶ New 0.5 English Language Learner (ELL) position funded

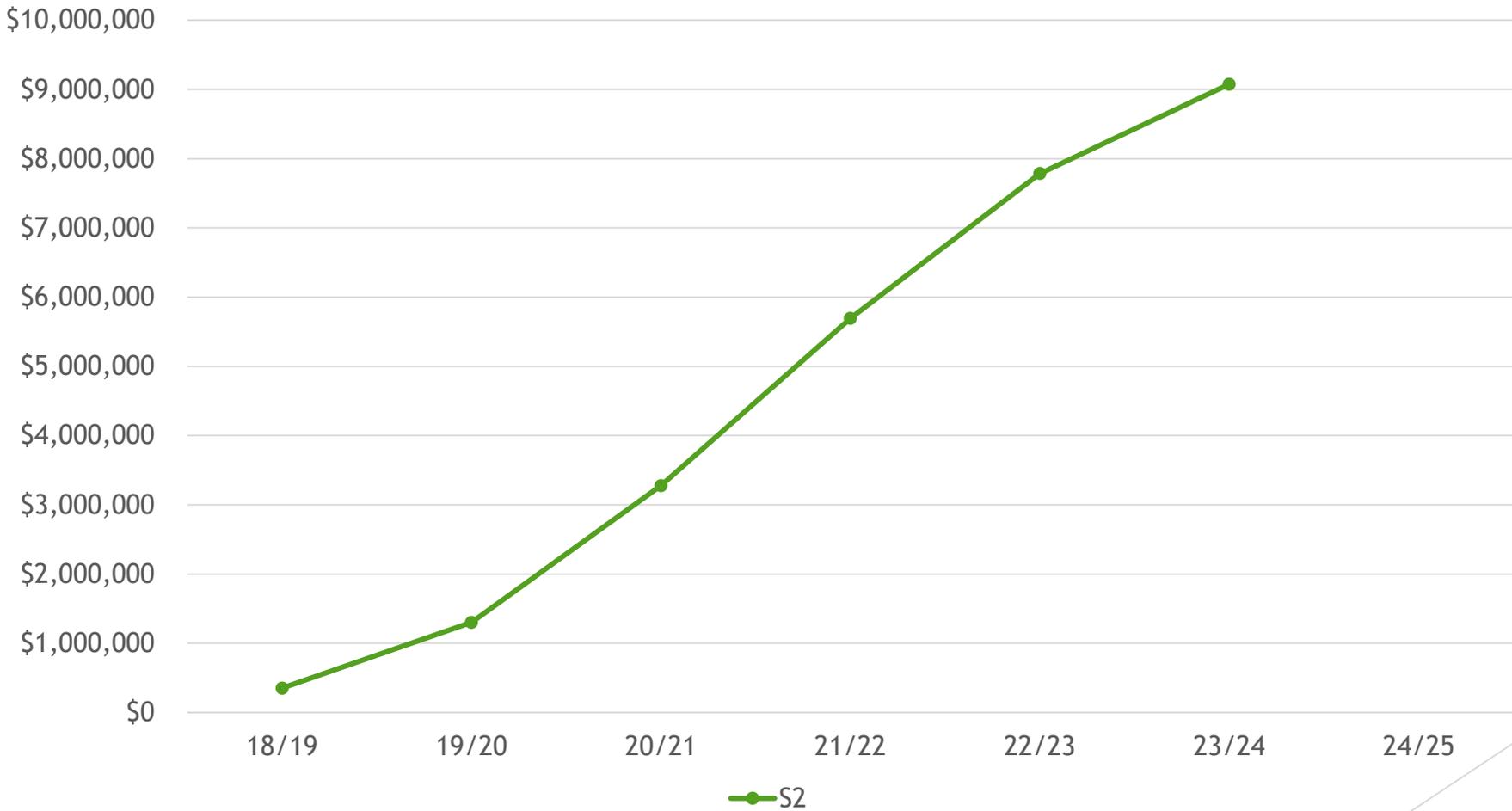
Curriculum Highlights

- ▶ New Math Program (K-5) - NJDOE Stabilization Grant funded
- ▶ English Language Arts
 - ▶ Phonics First
- ▶ Knowing Science (K-5) Program
- ▶ Realtime Student Information System (SIS)
 - ▶ Full Program Integration
 - ▶ Coordination of District Services

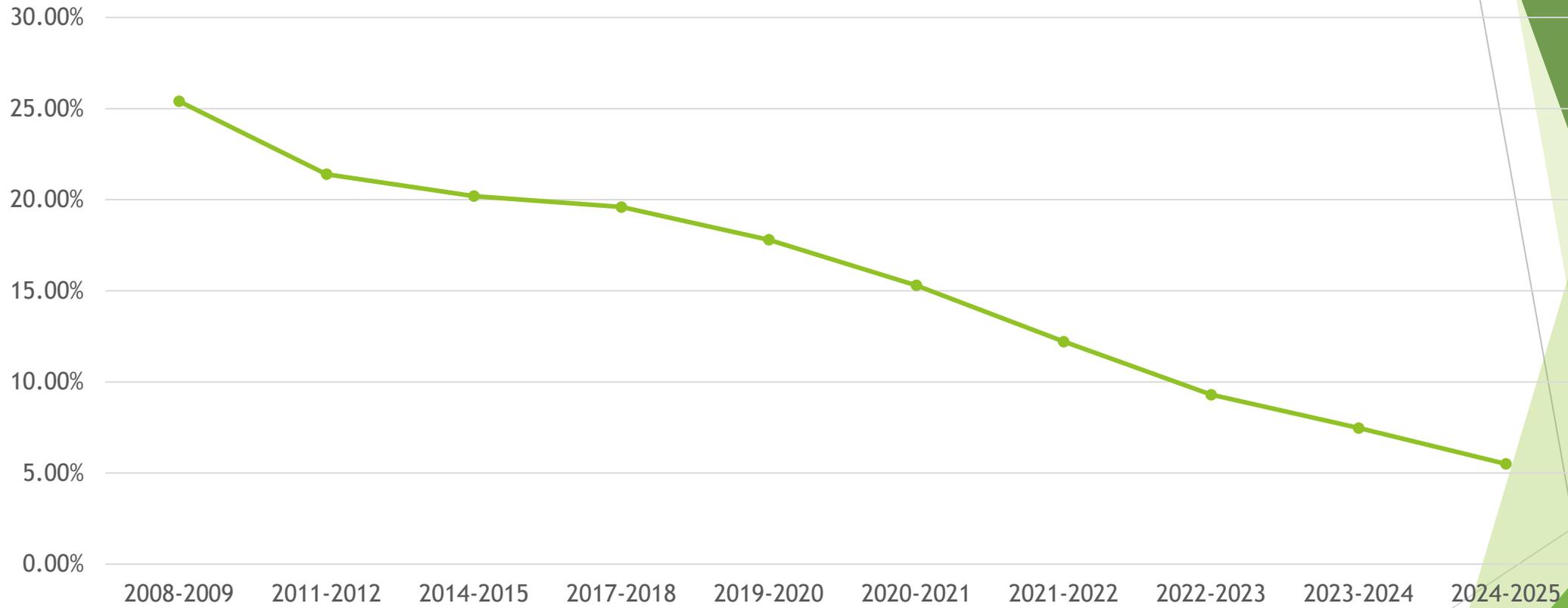
Budget Basics

- ▶ Budget split into two parts: Revenues and Expenses
- ▶ Fundamental problem: revenues are declining and expenses are rising
- ▶ Revenues
 - ▶ Local Tax Levy - capped by State at 2% plus allowable adjustments
 - ▶ State Aid - declining by **\$1,194,106** in 2023 - 2024
 - ▶ Fund Balance - sharply declining; has supported general fund expenses in recent years
- ▶ Expenses
 - ▶ Salaries, benefits, contracted transportation, utilities, etc. - rising at a greater rate than revenues

State Aid Reductions - Cumulative



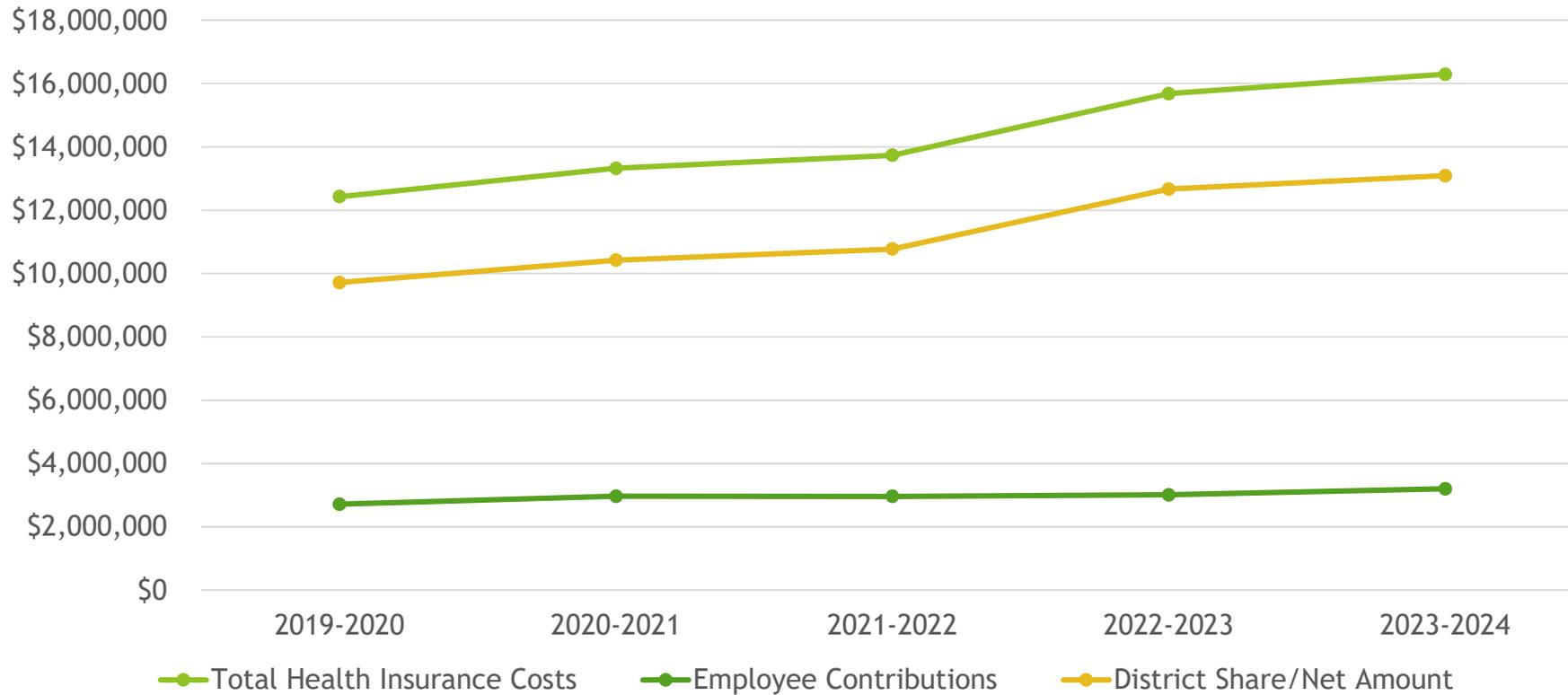
State Aid as a Percentage of Budget



Health Insurance Costs

	2019-2020	2020-2021	2021-2022	2022-2023 (projected)	2023-2024 (est.)
Total Health Insurance Costs	\$12,429,556	\$13,386,860	\$13,734,867	\$15,681,375	\$16,293,039
Less: Employee Contributions	(\$2,713,658)	(\$2,965,389)	(\$2,961,359)	(\$3,011,216)	(\$3,200,000)
District Share/Net Amount	\$9,715,898	\$10,421,471	\$10,773,508	\$12,670,159	\$13,093,039
\$ Change	N/A	+ \$705,573	+ \$352,037	+ \$1,896,650	\$422,880
% Change		+ 7.3%	+ 3.4%	+ 17.6%	+3.3%

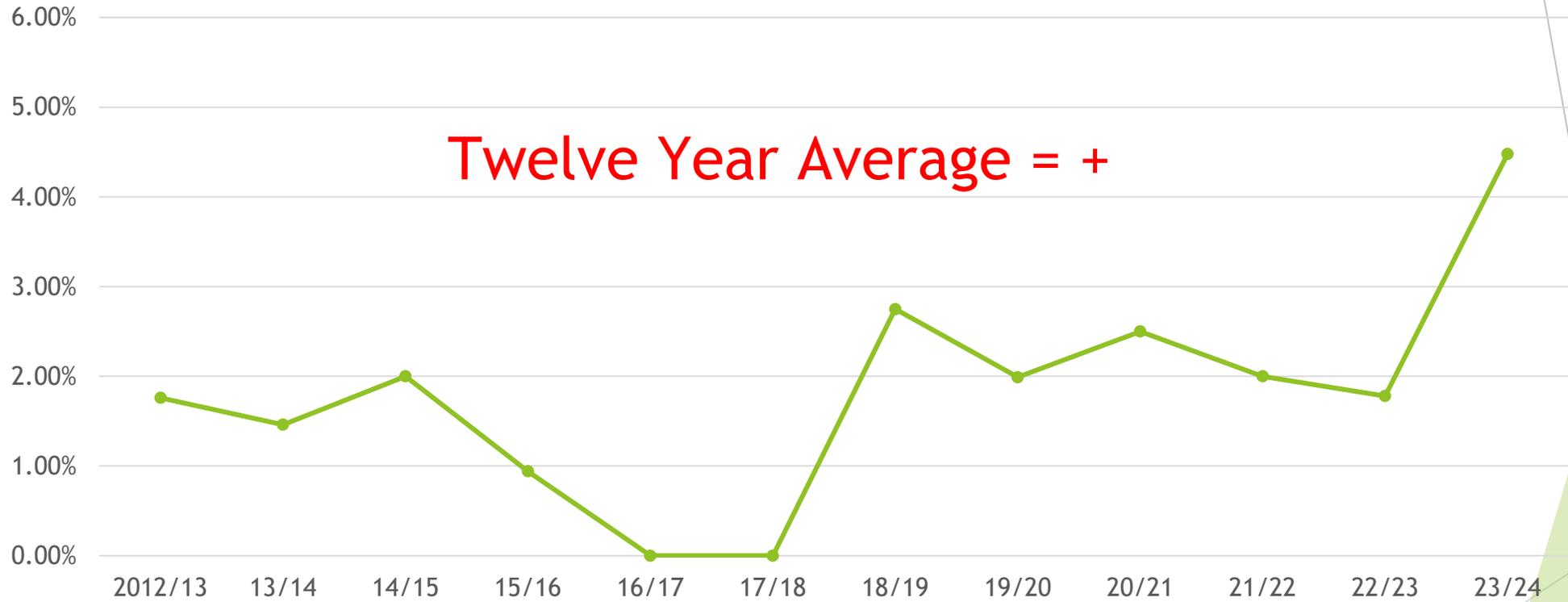
Health Insurance Costs



Local Tax Levy

- ▶ Cap is on the local tax levy, not the overall budget
- ▶ Cap is +2% plus allowable adjustments such as health benefits, banked cap, etc. This cap was instituted in 2010, when inflation was ~1.5%
- ▶ In West Milford, ~80% of our revenues are from our local tax levy. Thus, a tax levy increase of 2% only increases our revenues by 1.6%, or approximately \$1.1M
- ▶ In 23/24, West Milford is eligible for a health insurance adjustment due to the 18.9% increase received in 22/23
- ▶ In this tentative budget, the tax levy increase is projected to be 4.48%

Local Tax Levy



2023 - 2024 Preliminary Budget

	\$ Amount	\$ Change	% Change
Local Tax Levy	\$62,383,738	\$2,672,789	4.48%
General Fund	\$74,545,415	\$1,874,664	2.58%

Note: Additional revenue was added to the 22/23 budget to address the increased costs in contracted transportation and health insurance. This nonrecurring revenue was received through applications for Extraordinary Aid and Stabilization Aid. These awards are not automatic and are dependent upon inclusion in the annual New Jersey State Budget.

General Fund Revenues

	2022/2023	2023/2024	\$ Change	% Change
State Aid	\$6,765,623	\$5,571,517	(\$1,194,106)	(17.6%)
Extraordinary Aid	\$800,000	\$800,000	\$0	0%
Budgeted Fund Balance (audit)	\$2,092,065	\$2,083,204	(\$8,861)	(0.4%)
Add'l Budgeted Fund Balance	\$1,907,935	\$1,990,296	\$82,361	4.3%
Medicaid Reimbursement	\$129,179	\$119,905	(\$9,274)	(7.2%)
Tuition	\$225,000	\$225,000	\$0	0%
Transportation Fees	\$40,000	\$40,000	\$0	0%
Misc. Revenue	\$325,000	\$325,000	\$0	0%
W/drawal from Capital Reserve	\$525,000	\$856,755	\$331,755	63.2%
Withdrawal from Mt. Reserve	\$150,000	\$150,000	\$0	0%
Tax Levy	\$59,710,949	\$62,383,738	\$2,672,789	4.48%
TOTAL	\$72,670,751	\$74,545,415	\$1,874,664	2.58%

General Fund Expenses

	2022/2023	2024/2024	\$ Change	% Change
General Education	\$19,537,283	\$18,884,230	(\$653,053)	(3.3%)
Charter School Tuition	\$0	\$67,070	\$67,070	N/A
Special Education	\$8,801,096	\$8,929,975	\$128,879	1.5%
Encore/Bilingual	\$390,212	\$244,212	(\$146,000)	(37.4%)
Student Support	\$9,951,696	\$9,523,019	(\$428,677)	(4.3%)
Co-Curricular	\$1,284,710	\$1,289,841	\$5,131	0.4%
Transportation	\$5,938,485	\$6,745,687	\$807,202	13.6%
Operations and Maint.	\$6,669,716	\$6,702,518	\$32,802	0.5%
Administration	\$4,895,947	\$4,833,882	(\$62,065)	(1.3%)
Benefits	\$14,592,188	\$16,293,039	\$1,700,851	11.7%
Capital Outlay	\$609,418	\$1,031,942	\$422,524	69.3%
TOTAL	\$72,670,751	\$74,545,415	\$1,874,664	2.58%

Tax Levy Impact

	2022/23	2023/24	Change
General Fund	\$59,710,949	\$62,383,738	\$2,672,789
Debt Service	\$304,084	\$293,153	(\$10,931)
Average Assessed Home	\$242,300	\$242,700	\$300
Average Tax Levy Increase	\$87.78	\$235.44	

- ▶ The average increase of school taxes on the median assessed home is \$235.44 per year or \$19.62 per month.

Capital Projects

▶ UGL:

- ▶ Windows
- ▶ Door Replacements
- ▶ Septic Field
- ▶ Generator

▶ Macopin:

- ▶ Tennis Courts Lights
- ▶ Door Replacements
- ▶ Cafeteria and Kitchen Abatement and Renovation

▶ WMHS:

- ▶ Kilgallen Field Bleachers

Proposed Reductions

Administration: Elementary School Principal

Elementary: 2 Kindergarten, 4 Grades 1-5, 3 Encore, Nurse, Building Aide, Secretary, 4 Cafeteria Aides, 2 Media Specialists

Macopin: ELA, Math, Social Worker, Media Specialist, Security

WMHS: ELA, Math, Phys. Ed., Guidance Counselor, Security

Special Education: 2 Teachers

Transportation: Fuel Technician, Late Bus (4:45 WMHS)

Custodial and Maintenance: 2 Custodians

Reductions to Clubs, Supplies, Athletics, Professional Development, etc.

Next Steps

- ▶ Continue to look for ways to economize
- ▶ Key Dates:
 - ▶ March 21 Operations/Finance Committee
 - ▶ March 28 BOE Meeting/Budget Discussion
 - ▶ April 18 Operations/Finance Committee
 - ▶ April 25 Public Hearing on the Budget