

Bernards Township 2024-2025 Preliminary School Budget

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BOARD OF EDUCATION MEETING
March 11, 2024

Goals for 2024-2025 Budget

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- **Maintain programs and services.**
- **Achieve our mission, philosophy and goals.**
- **Minimize tax increases by:**
 - **Reducing Expenses**
 - **Leveraging Grants**
 - **Budgeting Required Fund Balance**
 - **Budgeting for Increased State Aid**
 - **Maximizing Miscellaneous Revenues**
 - **Utilizing Reserve Funds**

Budget Development Summary

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- December 2023: Initial general current expense/revenue gap was approximately \$6 million, assuming a 2% levy increase.
- January 2024: Realignment of accounts relative to actual audited expenses as of June 30, 2023 reduced the expense/revenue gap to about \$5 million.
- February 2024: Further adjustments and increased state aid of \$883,861 reduced the expense/revenue gap to about \$4 million.

Budget Development Summary

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- March 2024: Close the ~\$4 million budget gap with a balanced approach of decreased expenses and increased revenues.

Expense reduction: \$2,145, 000

Revenue increase: \$2,056,366

Budget Development Summary

Expense Reduction: \$2,145, 000

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- Triple tier busing: \$1,300,000

School Level:	School Starts:	School Dismissal:	Length of Day:
Annin* *Shortens day by 5 minutes	7:30 AM	2:00 PM	6:30
Ridge* *Shortens day by 12 minutes	8:20 AM	2:58 PM	6:38
Elementary	9:00 AM	3:30 PM	6:30

- Reduce Overall Personnel Budget: \$845,000
Retirement, attrition, post-covid adjustments, new high school substitute teaching model, enrollment decline driven reductions

PreK - 12 Enrollment*

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Historical	Gr. PK-5	Gr. 6 - 8	Gr. 9 - 12	District
2023-24	1,967	1,126	1,630.50	4,723.5
Projected	Gr. PK-5	Gr. 6 - 8	Gr. 9 - 12	District
2024-25	1,971	1,123	1,549	4,643
2025-26	2,040	1,093	1,509	4,642
2026-27	2,056	1,099	1,485	4,640
2027-28	2,083	1,110	1,474	4,667
2028-29	2,091	1,117	1,451	4,659
5-year change	124	-9	-179.5	-64.5

[*Demographic report November 2023](#)

Budget Development Summary

Revenue Increase: \$2,056,366

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- Use Banked Cap: \$1,753,588

Districts can use levy amounts under the 2% Cap in future budgets, this is “Banked Cap”. Since our district raised the levy less than 2% in each of the last two school budgets (.73% and 0%) we have banked cap that can be used in the 2024-2025 budget. When added to the 2%, this additional \$1,753,588 will bring the total increase for tax purposes to 3.92%.

- Use Fund Balance: \$202,808
- Anticipate Additional Extraordinary Aid: \$100,000

Banked Cap Analysis

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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

Recent Levies and Proposed Banked Cap Use

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2013-2014 until 21-22 went 2%

Actual General School Levy 22-23, 23-24 and 24-25	IF 2% LEVY HAD OCCURRED 22-23, 23-24, and 24-25
\$277,524,447.28	\$282,990,358.69

3 Year Levy Savings	\$5,465,911.41	Avg Home Savings	\$445.51
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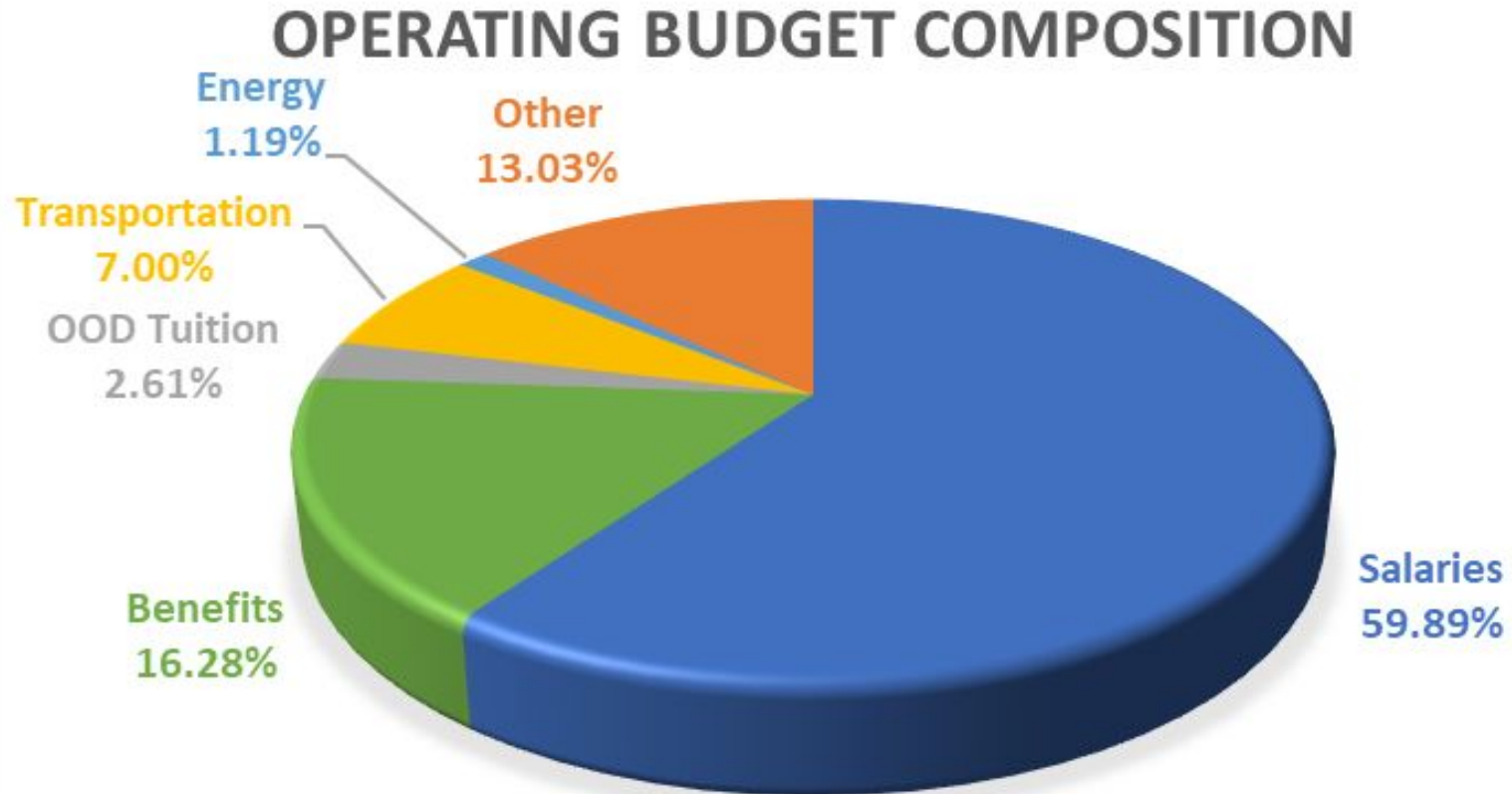
Budget Expenditure Snapshot FY24-25 V. FY23-24

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	Revised Budget	Proposed Budget	Change (+/-)
	<u>2023-2024</u>	<u>2024-2025</u>	<u>23-24 v 24-25</u>
General Operating Expenses (Fund 11)	\$110,092,811	\$113,091,320	\$2,998,509
Equipment (Fund 12)	\$321,507	\$282,500	-\$39,007
Capital Expenses (Fund 12) less equip	\$3,361,265	\$2,401,920	-\$959,345
Capital Reserve Increase and Interfund (Fund 40)	\$1,570,776	\$65,299	-\$1,505,477
Sub-total Fund 12	\$5,253,548	2,749,719	-2,503,829
Federal Grant Expenses	\$2,273,161	\$1,555,242	-\$717,919
Debt Expenses	\$6,482,513	\$5,920,800	-\$561,713
Total Budget	\$124,102,033	\$123,317,081	-\$784,952

General Operating Expenses (Fund 11)

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Top 3 Year over Year Operating Increase Drivers

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**Total Increase over current year's General Operating budget:
\$3,206,969.91**

	22-23 Audited	23-24 Adjusted Budget	24-25 Proposed Budget	% Incr/ Decr	\$ Incr/Decr
Unallocated Employee Benefits	\$15,755,193.88	\$17,651,615.00	\$18,410,454.25	4.30%	\$758,839.25
Out of District Tuition	\$2,407,786.41	\$ 2,207,171.00	\$2,947,418.00	33.54%	\$740,247.00
Student Transportation	\$7,276,522.13	\$ 7,289,187.99	\$7,921,246.10	8.67%	\$632,058.11

Out of District Tuition Comparative Analysis

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District	Number of Students	Out of District Tuition	Operating Budget
Montgomery	45	\$3,702,408	\$102,677,535
Millburn	56	\$4,151,615	\$105,996,390
Bernards 24-25	34	\$2,947,418.00	\$113,091,320
West Windsor- Plainsboro	97.5	\$9,568,410	\$200,803,849
Chatham	45.5	\$5,159,656	\$78,796,907
Ridgewood	130	\$8,664,167	\$123,402,665
Livingston Twp	54.5	\$5,626,901	\$130,685,405
Princeton	43	\$3,691,921	\$98,408,471

Categorical Year over Year Operating Comparison

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Unallocated Employee Benefits	4.30%	\$ 758,839.25
Out of District Tuition	33.54%	\$ 740,247.00
Student Transportation	8.67%	\$ 632,058.11
Facilities & Grounds Cost Centers	6.12%	\$ 593,170.40
Special Education & Bilingual Instruction	3.18%	\$ 509,660.32
Speech, O/T, P/T & Related Svcs	9.29%	\$ 152,538.10
Guidance	3.59%	\$ 115,958.52
Child Study Team	3.10%	\$ 91,039.55
Regular Programs-Instruction	0.26%	\$ 74,340.07

Categorical Year over Year Operating Comparison

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Co/Extra-Curricular Activities-Instr	9.43%	\$ 56,166.00
Supplemental/At Risk Prog Instr.	3.60%	\$ 26,804.00
Extraordinary Svcs	1.06%	\$ 17,001.52
Security	2.22%	\$ 14,426.70
Athletics-Instruction	0.65%	\$ 10,594.00
Health Services & Attendance	-0.10%	\$ (1,100.59)
Regular Programs-Home Instruction	-8.33%	\$ (5,000.00)
Regular Programs-Undistrib Instruction	-6.64%	\$ (129,062.02)
Improvement of Instruction, Media Services, Staff Training	-4.13%	\$ (198,211.72)
FY 2024-2025 Preliminary Budget Presentation-March 11, 2024		

Capital Projects

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- **Planned for Summer 2024:**

- **Ridge HVAC Replacement (ROD Grant):** **\$924,000**
- **WAMS Paving Loop:** **\$675,000**
- **District Wide Flooring** **\$650,000**
- **Capital Reserve Used to Fund Debt:** **\$64,799**

Debt Service Budget Expense Drivers

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- **Total Decrease over current year's budget: \$561,713**
 - **In order to avoid raising taxes to pay for the increased debt expense, we are withdrawing \$64,799 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 \$2,099,966.**
 - **This assumes that debt service state aid will continue to be funded at the current share.**

Major Budget Revenue Comparison Year to Year

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	23-24	24-25	\$ Change	% Change
Local Tax Levy	91,314,864	94,894,719	3,579,855	3.92%
Total Tuition	750,000	143,490	-606,510	-80.87%
Transportation Fees from Individuals	100,000	209,000	109,000	109.00%
Unrestricted Miscellaneous Revenues	150,000	1,350,000	1,200,000	800.00%
Revenues from State Sources (Incl ExAID)	11,079,157	12,163,018	1,083,861	9.78%
Medicaid Reimbursement	15,253	20,423	5,170	33.89%
Budgeted Fund Balance	10,978,562	4,000,000	-6,978,562	-63.57%
Budgeted Use of Reserves	552,829	3,059,389	2,506,560	453.41%
TOTAL OPERATING BUDGET	115,346,359	115,841,039	494,680	0.43%
TOTAL REPAYMENT OF DEBT	6,482,513	5,920,800	-561,713	-8.67%
TOTAL REVENUES/SOURCES	124,102,033	123,317,081	-784,952	-0.63%

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:
 - **Current LRFPs:** \$15,824,408
 - **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.

Taxes: 11 Year History

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	General Fund Levy	\$ Increase		Debt Service Fund Levy	\$ Increase/ (Decrease)	% Increase
2013-14	\$77,373,442	\$1,517,126	2.00%	\$5,505,366	(\$256,563)	-4.45%
2014-15	\$78,920,911	\$1,547,469	2.00%	\$5,084,960	(\$420,406)	-7.64%
2015-16	\$80,499,329	\$1,578,418	2.00%	\$5,218,562	\$133,602	2.63%
2016- 17	\$82,109,316	\$1,609,987	2.00%	\$5,284,441	\$65,879	1.26%
2017- 18	\$83,751,501	\$1,642,185	2.00%	\$5,102,268	(\$182,173)	-3.45%
2018- 19	\$85,426,530	\$1,675,029	2.00%	\$5,107,583	\$5,315	0.10%
2019-20	\$87,135,060	\$1,708,530	2.00%	\$5,106,178	(\$1,405)	-0.03%
2020-21	\$88,877,760	\$1,742,700	2.00%	\$5,107,890	\$1,712	0.03%
2021-22	\$90,655,316	\$1,777,556	2.00%	\$5,105,651	(\$2,239)	-0.04%
2022-23	\$91,314,864	\$659,548	0.73%	\$5,115,001	\$9,350	0.18%
2023-24	\$91,314,864	\$0	0.00%	\$5,155,001	0	0
2024-25	\$94,894,7198	\$0	3.92%	\$5,155,001	0	3.71%

School Tax Impact on Average Property

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Assessed Values 2023					\$7,776,475,200.00
Assessed Values 2024					Not Available
EXAMPLE OF ESTIMATED TAX INCREASE-CALENDAR YEAR					
<u>Average Residential Property Value 23</u>			<u>Average Projected Residential Property Value 24*</u>		<u>PRELIMINARY PROJECTED TAX INCREASE</u>
\$720,498.49			\$778,181.86		
<u>0.012400202</u>			<u>0.011693849</u>		
\$8,934.33			\$9,099.94		\$165.61

Curriculum Highlights in the 2024-2025 Budget

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The budget supports expanded opportunities through:

❖ *Curriculum writing highlights:*

- Implementation of 2023 New Jersey Student Learning Standards in English Language Arts and Mathematics K-12
- Implementation of the revised standards for Multilingual Learners
- Program Evaluations:
 - 6-8 Social Studies (Year 1)

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

- K-5 Mathematics, new program adoption - enVisions
- AP Psychology
- AP Environmental Science
- AP Biology
- AP Chemistry
- Personal Financial Literacy

New Opportunities in 2024-2025 Budget

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- ◆ **Addition of new semester elective courses at William Annin in English Language Arts called *Creative Writing* and *Ted Talk: Amplify Your Voice* and at Ridge a new semester elective *Honors Human Rights***
- ◆ **Professional Development for all K-5 Grade Level teachers for the new mathematics program**
- ◆ **Unified Leadership - Ridge Semester Elective**

Budget in Review

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- District programs and services are maintained.
- The budget supports new curricular materials and electives for students.
- The budget supports ongoing district goals and initiatives.
- The budget provides for significant investments in facility maintenance and improvement.

Next Steps

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- Go to bid for new transportation/start time structure to receive bids in April.
- Finalize staffing adjustments throughout the spring to achieve necessary savings and meet student needs.
- Submit budget for state approval.
- Hold public hearing on budget - May 6, 2024.
- Line up contracts for summer projects.

Thank You