

WESTFIELD PUBLIC SCHOOLS

2022-2023 Budget Presentation

Dr. Raymond González, Superintendent
Dana Sullivan, Business Administrator



2022-2023 Budget Preview

February 8, 2022

PART I

1. History
2. Overview
3. Revenue
4. Expenditures
5. Review
6. Next Steps

Overview of School Budget

Before 2010

- District budget voted on annually by Westfield community
- Average tax levy increase was 4.9%

2011

- State of New Jersey reduces aid by 65%
- Reductions in excess of \$4-million made to District operating budget

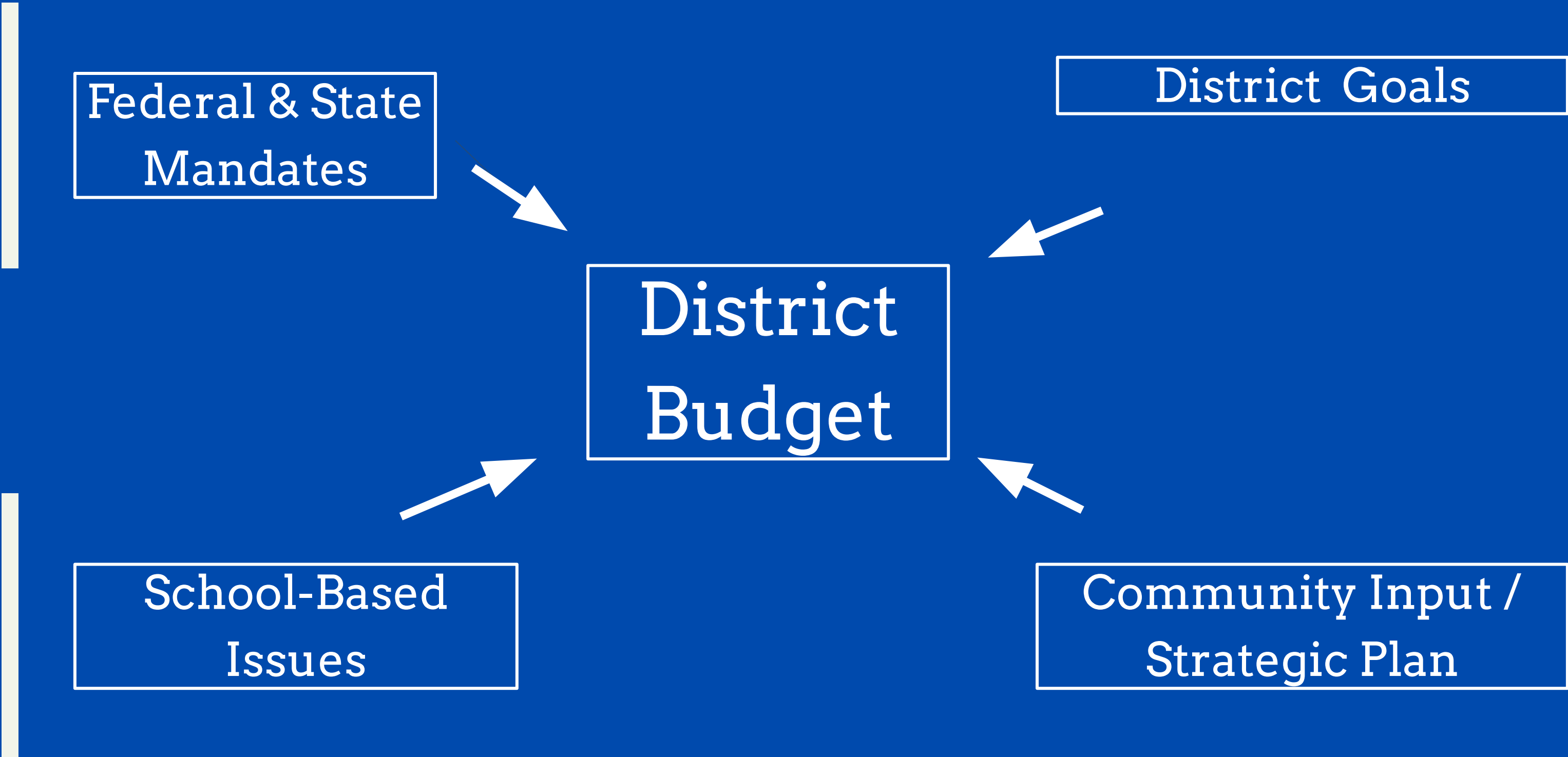
2012 - 2021

- State places 2% cap, with eligible waivers, on tax levy increases for districts opting out of community vote on district budget
- District able to submit budgets at cap with minimal reductions due to changes in state-mandated employee contributions for health insurance, as well as proactive changes made by the District

2022 - 2023

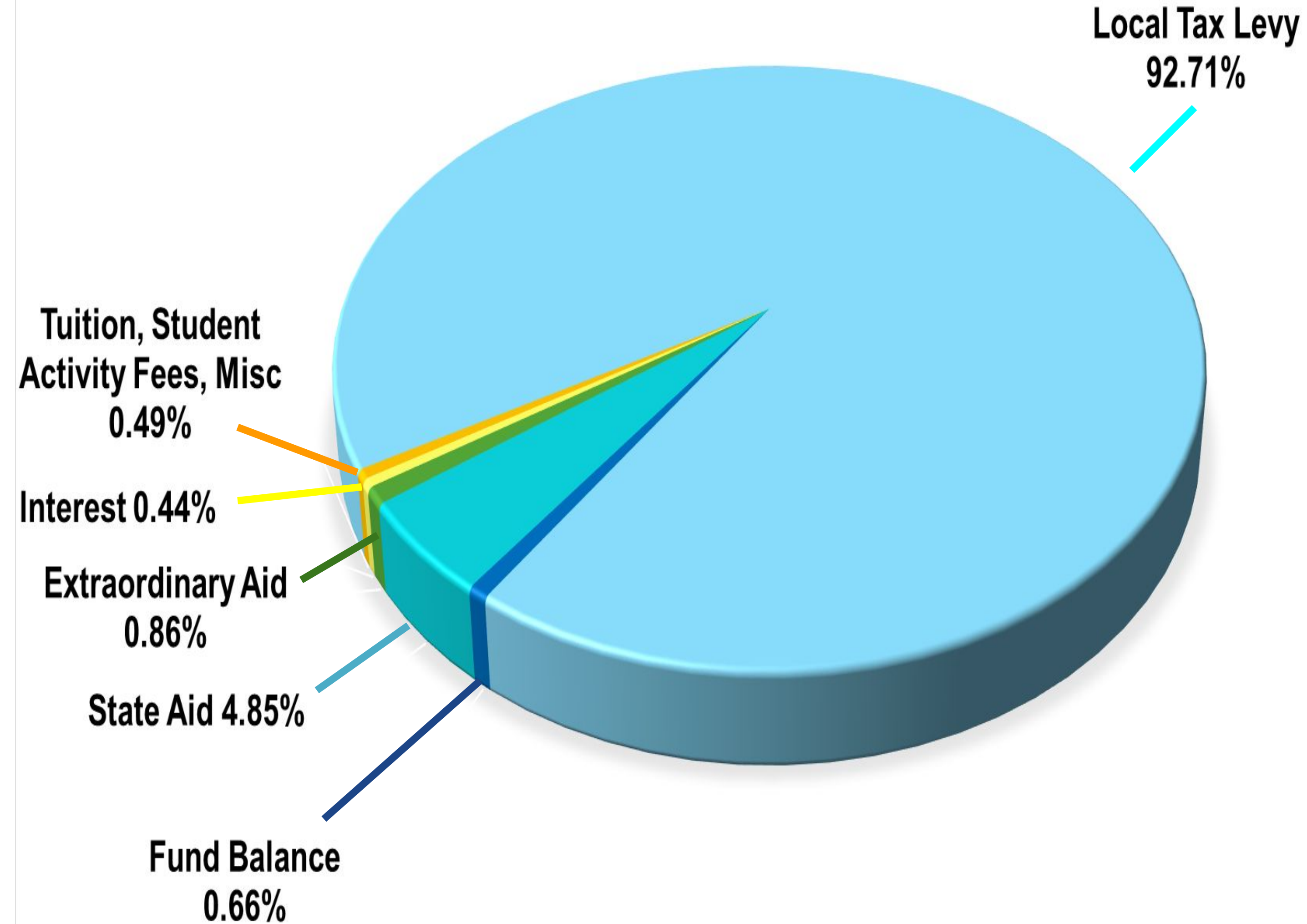
- District not eligible for waivers
- No additional efficiencies available
- Expenditures outpacing revenues

Budget Factors



Sources of Revenue

2021-2022 Operating Budget

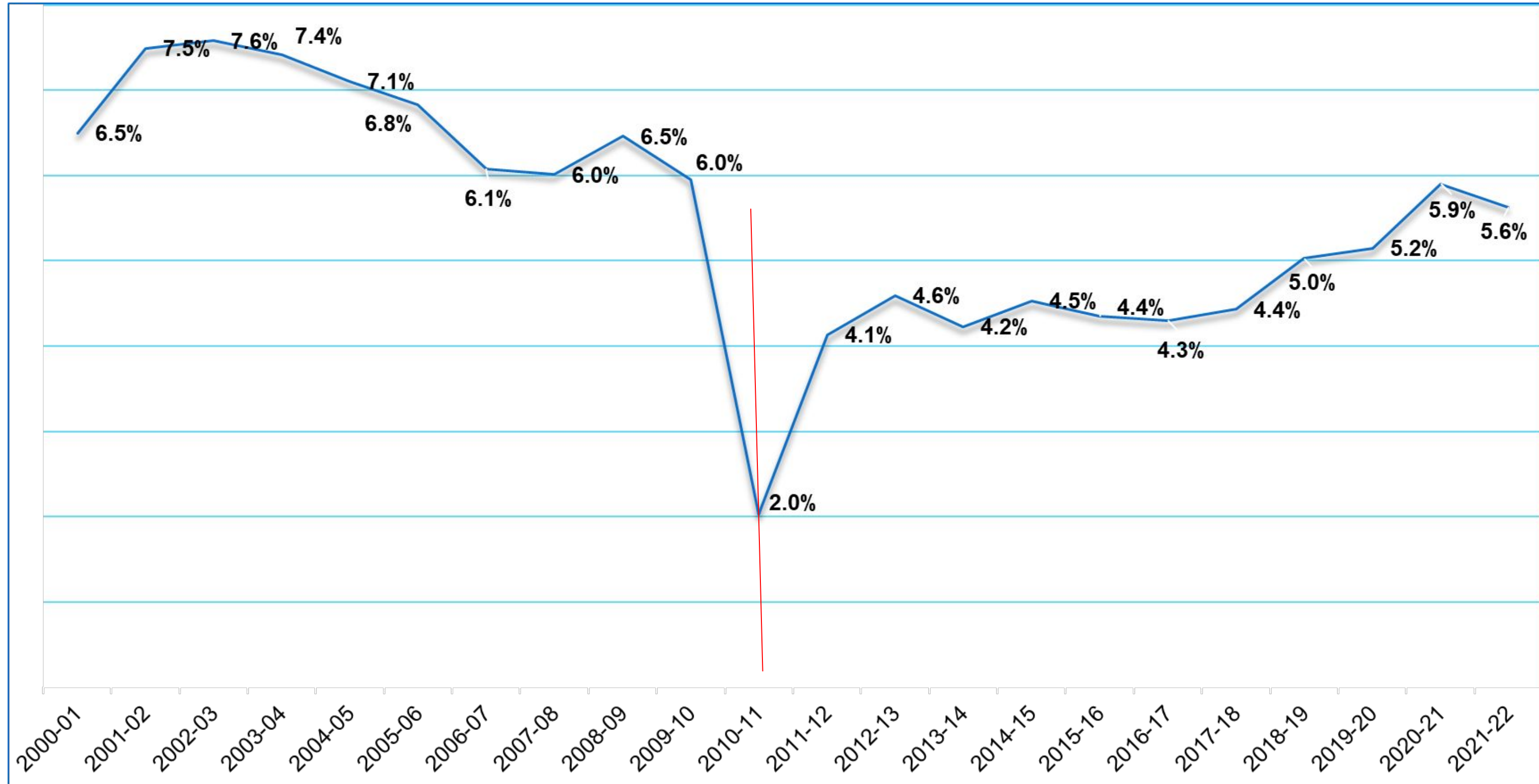


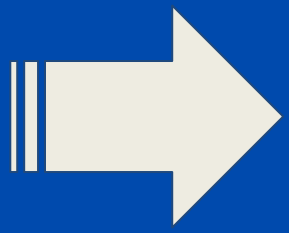
History of Tax Levy Increases



State Aid

As a Percent of Total Budget
2000-2001 to 2021-2022



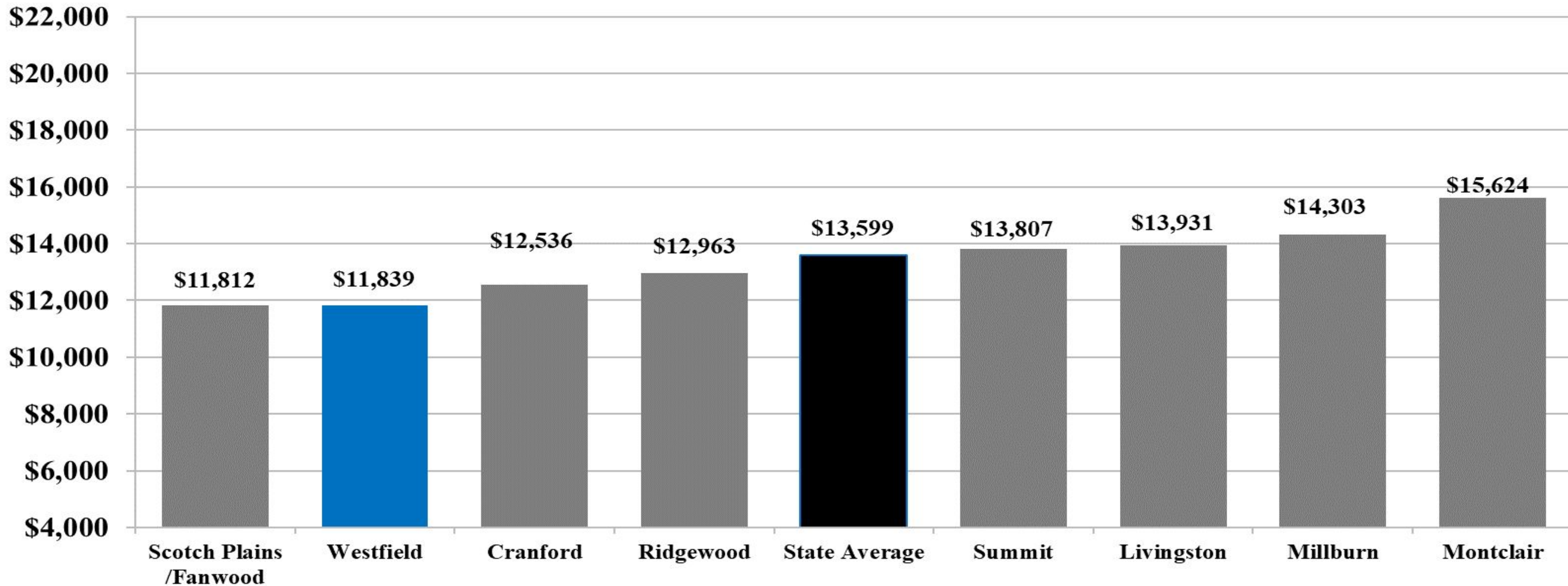


Westfield Public Schools

2010-2011 Cost Per Pupil

Westfield Compared to Similar School Districts

Source:
NJDOE
Taxpayers'
Guide to
Education
Spending
2010-2011
Audited Data



Facts About the Budget - Revenue



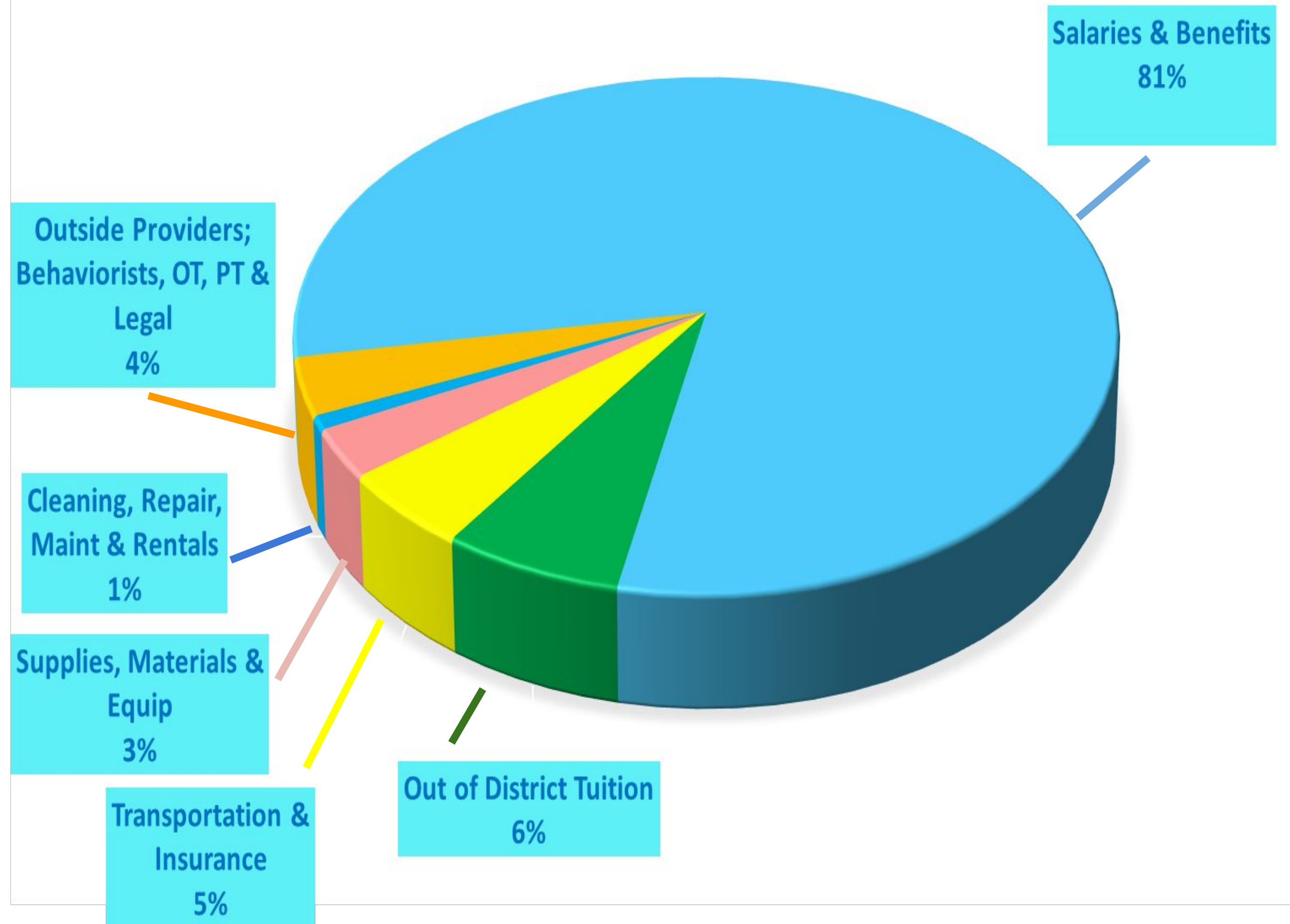
- 93% of General Fund revenues are from tax levy.
- Tax levy can only increase 2% plus eligible waivers unless the Board asks the community to approve a separate proposal.
- We do not expect a waiver to be allowed this year for health insurance increases.
- Westfield will probably not qualify for any other tax levy CAP waivers.
- State Aid information not expected until February 24th.

Facts About the Budget - Revenues

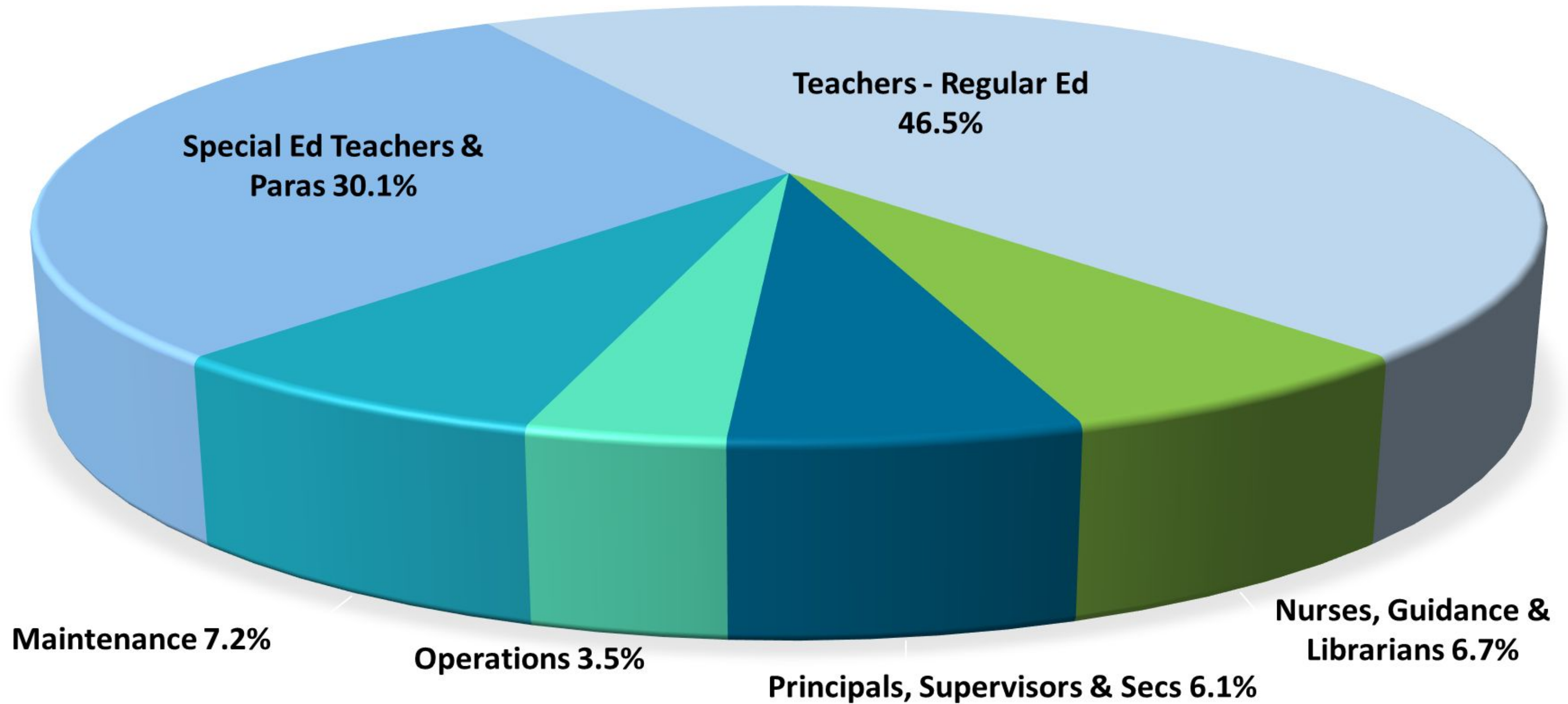


- District uses \$750,000 of fund balance annually as revenue.
 - District can consider increasing this amount but that could cause a revenue shortfall in future years.
- District can request voters to approve a separate proposal to increase the budget in November.
 - A separate proposal cannot include mandated expenses (i.e., health insurance, Special Education, etc.) and if the separate proposal is not approved, the District cannot reallocate funds from another program to fund it.

How the Operating Budget is Spent 2021-2022



Total Staffing 2021-2022





Facts About the Budget - Expenditures

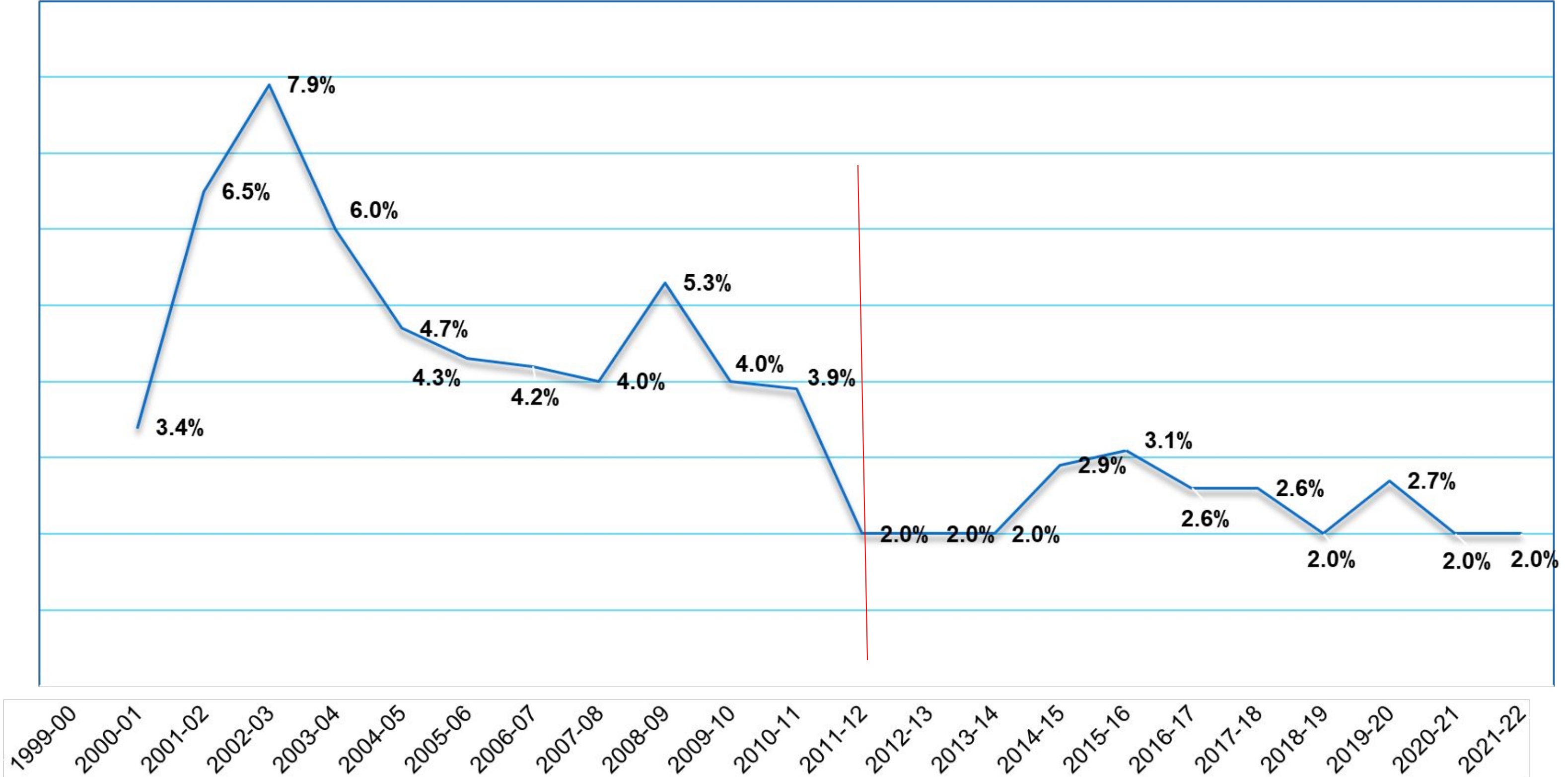
Non-discretionary budget increases that exceed 2%:

- Salaries
- Health Insurance
- Transportation
- Special Education costs mandated in IEPs
- Other contractual costs (i.e. utilities, other insurance, retirement, Social Security, etc.)

Let's Review

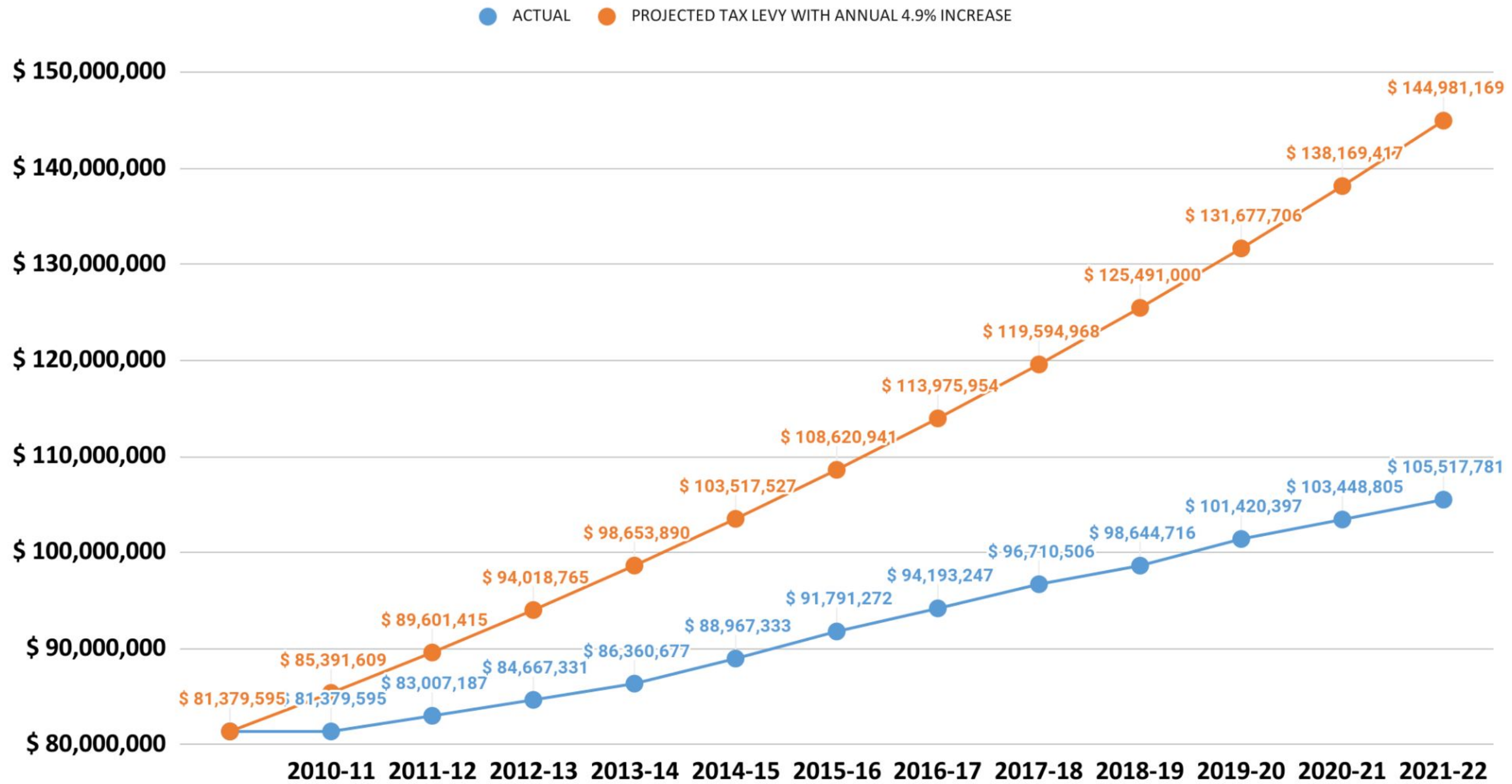


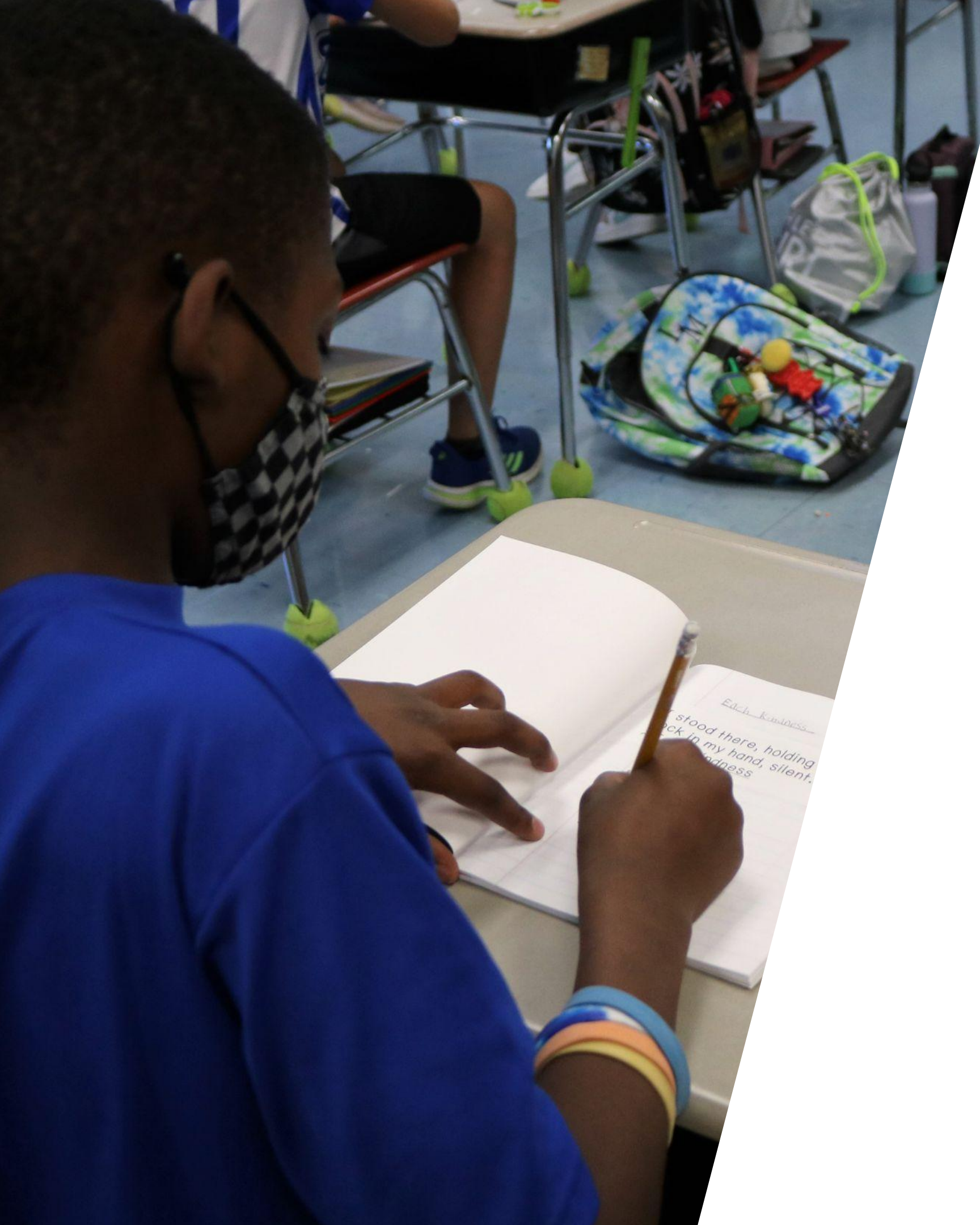
History of Tax Levy Increases



Projected Tax Levy if Annual Increases were 4.9%

ACTUAL and PROJECTED TAX LEVY WITH ANNUAL 4.9% INCREASE





Next Steps

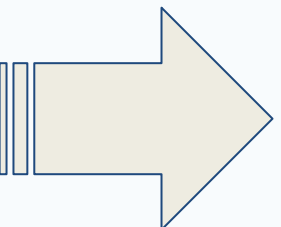
- **Feb. 22:** Budget presentation will include known expenditures and sources of revenue with some assumptions since the District will not have final state aid figures or final health benefits projections.
- **March 1:** Budget presentation will include preliminary budget, inclusive of state aid and health benefits projections and the areas that will be impacted in order to balance the budget.
- **March 15:** Final presentation of preliminary budget to be submitted to the County Office of the Department of Education.
- **April 26:** Board holds public hearing and approves final budget

2022-2023 Budget Preview

February 22, 2022

PART II

1. Revenue
2. Expenditures
3. Health Benefits Cost Analysis
4. Comparative Scenarios
5. Next Steps



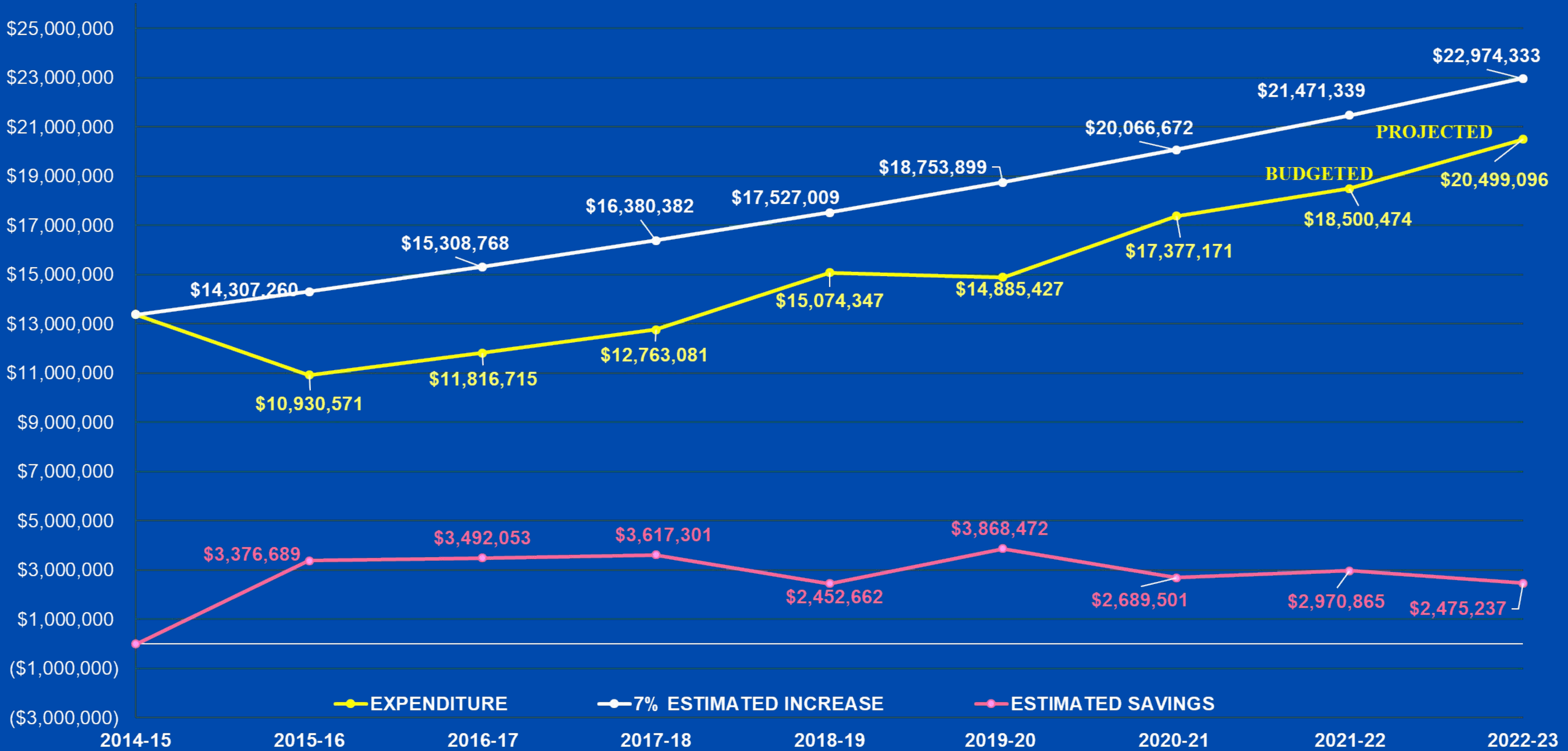
Projected Revenue 2022-2023

Sources of Revenue	With Flat State Aid	With Possible Increase in State Aid
Local Tax Levy	\$107,628,137	\$107,628,137
Fund Balance	\$750,000	\$750,000
State Aid	\$5,514,524	\$6,014,524
Extraordinary Aid	\$975,000	\$975,000
Interest	\$200,000	\$200,000
Other Income	<u>\$527,409</u>	<u>\$527,409</u>
TOTAL REVENUE	\$115,595,070	\$116,095,070

Projected Expenditures 2022-2023

Expense	With 10.8% Increase in Health Benefits	With Possible 7% Increase in Health Benefits
Salaries	\$71,674,453	\$71,674,453
Benefits (health, pension, Social Security, etc)	\$24,721,364	\$24,017,776
Out of District Tuition	\$7,908,297	\$7,908,297
Transportation and Insurance	\$7,030,530	\$7,030,530
Supplies, Materials, Equipment	\$3,482,491	\$3,482,491
Cleaning, Repairs, Maintenance	\$1,004,033	\$1,004,033
Outside Providers, OT/PT, etc.	<u>\$3,895,934</u>	<u>\$3,895,934</u>
TOTAL EXPENDITURES	\$119,717,102	\$119,013,514

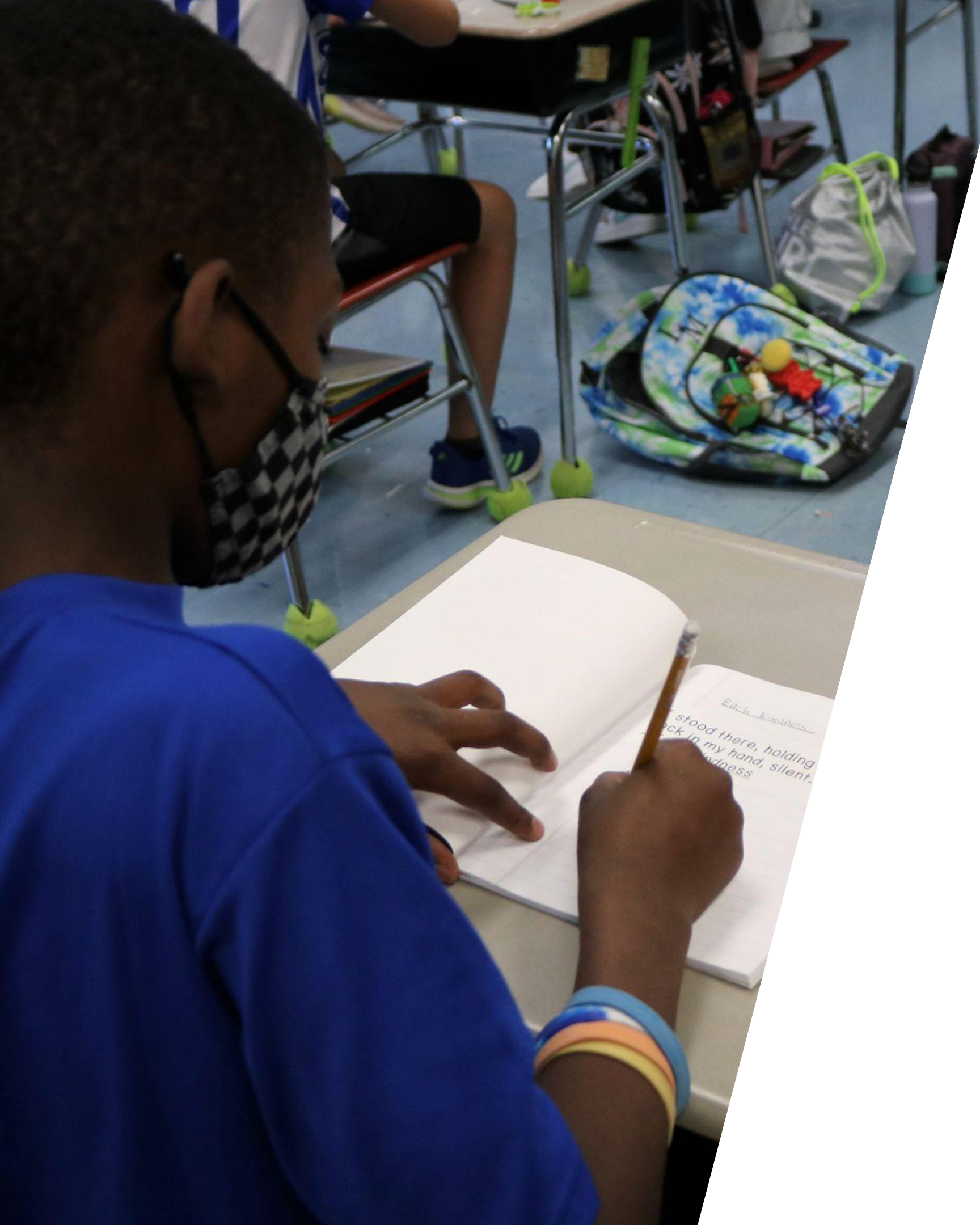
Health Benefits Cost Analysis



Projected
Amount
over 2%
Tax Levy
Cap

2022-2023

	Scenario with flat state aid and 10.8% increase in health insurance	Scenario with a \$500k increase in state aid and 7% increase in health insurance
Revenue	\$115,595,070	\$116,095,070
Expenditures	<u>\$119,717,102</u>	<u>\$119,013,514</u>
Over Cap Amount	\$4,122,032	\$2,918,444



Next Steps

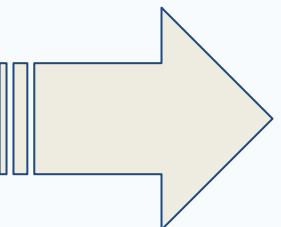
- **March 15:** Budget presentation will include preliminary budget, inclusive of state aid and health benefits projections and the areas that will be impacted in order to balance the budget.
- **March 22:** Final presentation of preliminary budget to be submitted to the County Office of the Department of Education.
- **April 26:** Board holds public hearing and approves final budget

2022-2023 Preliminary Budget Overview

March 15, 2022

PART III

1. Revenue Before Adjustments
2. Revenue / Expenditures Comparison
3. Priorities
4. Areas of Efficiencies
5. Adjusted Revenue
6. Adjusted Expenditures
7. Estimated School Tax Rate Impact
8. Next Steps



Revenue 2022-2023 Before Adjustments

Local Tax Levy	\$107,628,137
Fund Balance	\$750,000
State Aid	\$6,583,617
Extraordinary Aid	\$975,000
Interest	\$200,000
Other Income	<u>\$527,409</u>
TOTAL REVENUE	\$116,664,163

Amount over
2% Tax Levy Cap
Before Budget
Adjustments
2022-2023

Revenue (with actual state aid)	\$116,664,163
Expenditures (with revised health insurance projections)	<u>\$118,977,228</u>
Over Cap Amount	\$ 2,313,065

- Avoid impact on students
- Maintain existing programs and offerings
- Remain within class-size / course enrollment guidelines

Priorities



Budget Adjustments and Areas of Efficiencies

- Fund Balance
 - Increase amount used as revenue
- Lunch Supervision
 - Draw from cafeteria account
- Transportation
 - Consolidate and reduce routes
- Staffing - District/School Office*
- Staffing - Instructional*
- Staffing - Non-Instructional*

*No reduction in programs and course offerings

Adjusted Revenue 2022-2023

Local Tax Levy	\$107,628,137
Fund Balance	\$1,000,000
State Aid	\$6,583,617
Extraordinary Aid	\$975,000
Interest	\$200,000
Other Income	<u>\$527,409</u>
TOTAL REVENUE	\$116,914,163

Adjusted Expenditures 2022-2023

Salaries	\$70,210,235
Benefits (health, pension, Social Security, etc)	\$23,695,524
Out of District Tuition	\$7,903,750
Transportation and Insurance	\$6,922,196
Supplies, Materials, Equipment	\$3,418,991
Cleaning, Repairs, Maintenance	\$1,004,033
Outside Providers, OT/PT, etc.	<u>\$3,759,434</u>
TOTAL EXPENDITURES	\$116,914,163

- Budget is at state-mandated Tax Levy Cap.
- Tax rate increase is approximately 1%.
- Estimated school tax increase to average homeowner is \$103.

Estimated School Tax Rate Impact





Next Steps

- **March 22:** Final presentation and adoption of preliminary budget to be submitted to the County Office of the Department of Education
- **April 26:** Board holds public hearing and approves final budget
- **Prior to May 15:** Identify and notify staff impacted by reductions

2022-2023 Final Budget Overview

April 26, 2022

PART IV

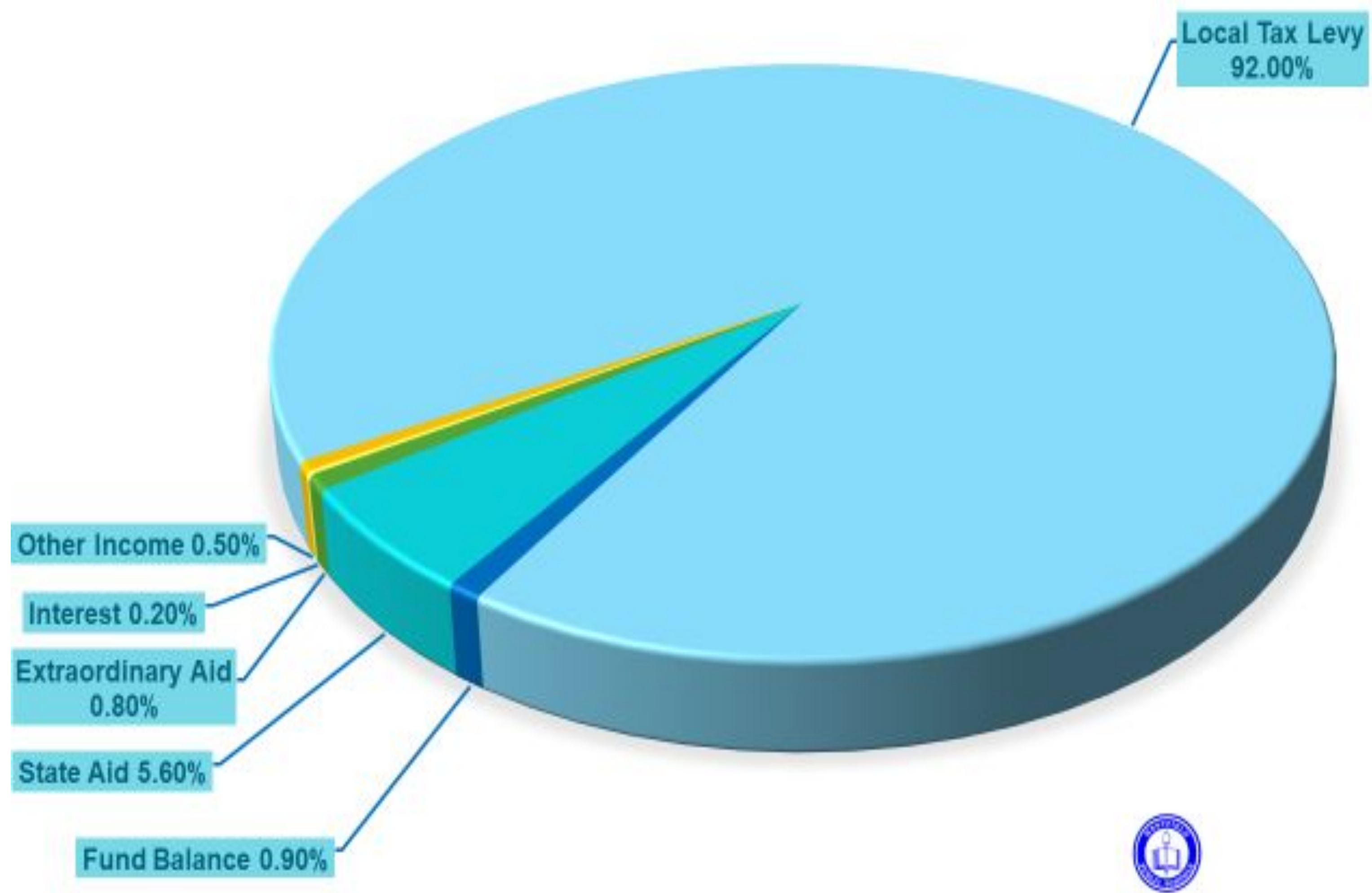
1. Revenue
2. Expenditures
3. Estimated School Tax Rate Impact
4. Reductions in Force
5. What this Budget Supports
6. Potential Scenarios for 2023-2024

Revenue 2022-2023

Local Tax Levy	\$107,628,137
Fund Balance	\$1,000,000
State Aid	\$6,583,617
Extraordinary Aid	\$975,000
Interest	\$200,000
Other Income	<u>\$527,409</u>
TOTAL REVENUE	\$116,914,163

Sources of Revenue

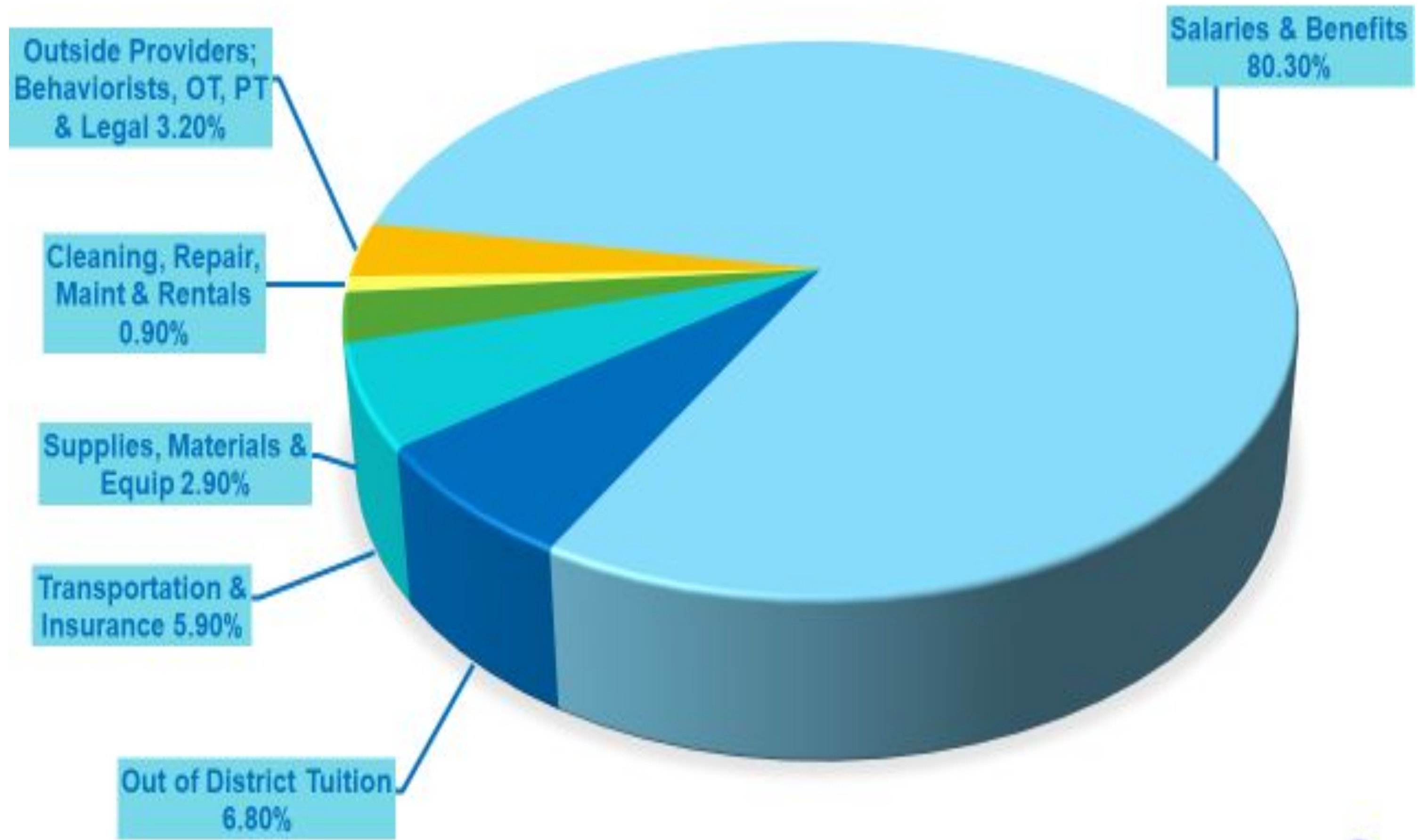
2022-2023 Operating Budget



Expenditures 2022-2023

Salaries	\$70,210,235
Benefits (health, pension, Social Security, etc)	\$23,695,524
Out of District Tuition	\$7,903,750
Transportation and Insurance	\$6,922,196
Supplies, Materials, Equipment	\$3,418,991
Cleaning, Repairs, Maintenance	\$1,004,033
Outside Providers, OT/PT, etc.	<u>\$3,759,434</u>
TOTAL EXPENDITURES	\$116,914,163

How the Operating Budget is Spent 2022-2023



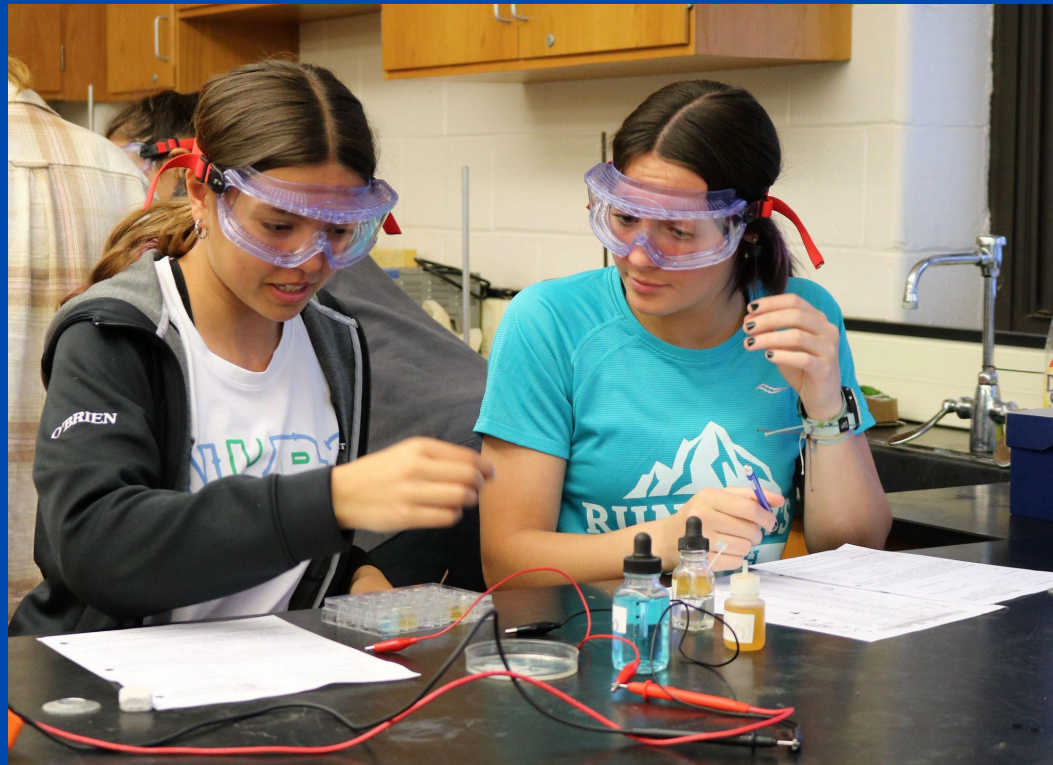
Reductions in Force - 2022-2023

NUMBER OF POSITIONS (FTE)*	POSITION
4.0	Secretary - Level 12-III
1.0	Secretary - Level 12-IV
1.0	Secretary - Level 10.5-IV
1.0	Secretary - Level 10.5-III
1.0	Secretary - Non-Aligned
1.0	Teacher - Elementary World Languages
6.0	Teacher - Elementary
1.0	Teacher - Intermediate Music
2.0**	Teacher - Intermediate Art
2.0	Teacher - Intermediate Math Interventionist
0.8	Teacher - Intermediate ELA Interventionist
1.0	Teacher - High School Science
1.0	Teacher - High School Music
1.0	Theater Production Manager

***FTE = Full Time Equivalent**

****2.0 Intermediate Civics Teachers added**

What this Budget Supports



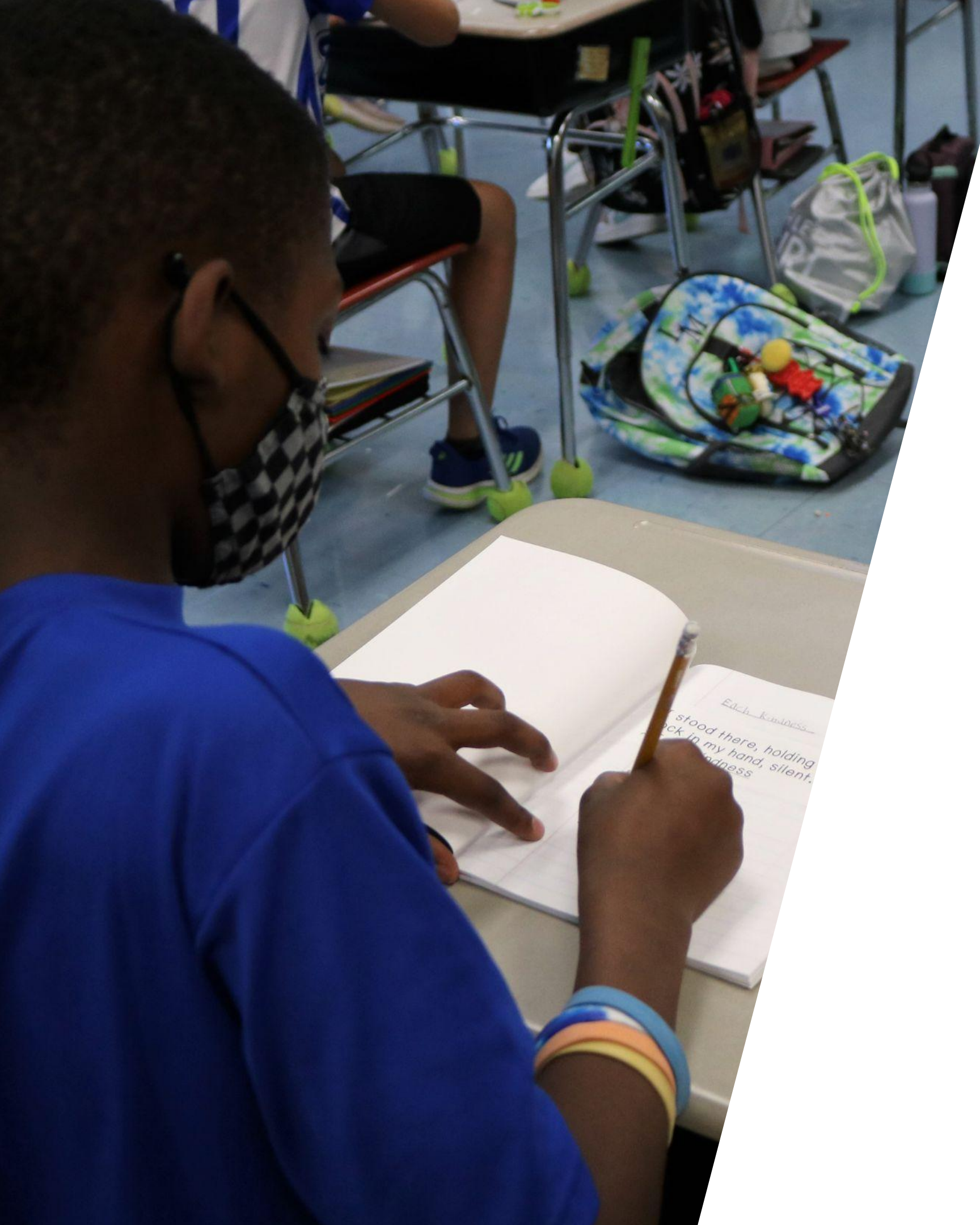
CORE ACADEMIC
PROGRAMS



VISUAL AND
PERFORMING ARTS



ATHLETICS AND
EXTRACURRICULARS



Next Steps

- Plan for the 2022-2023 School Year
- Plan for the sustainability of future school budgets

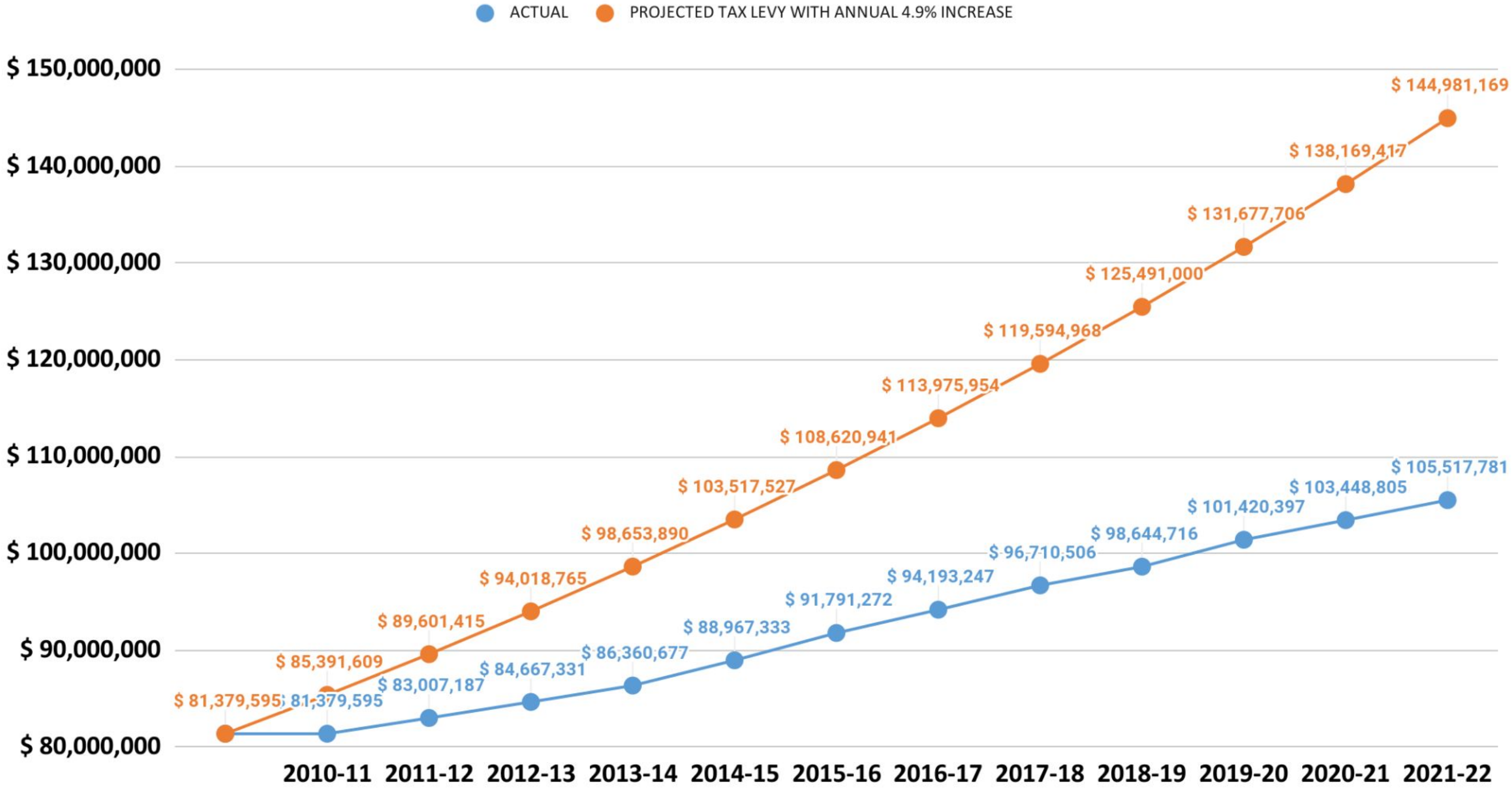
Potential Scenarios

2023-2024

	Scenario with flat State Aid and 7% increase in Health Insurance	Scenario with flat State Aid and 12% increase in Health Insurance
Estimated Revenue	\$119 million	\$119 million
Estimated Expenditures	<u>\$122.1 million</u>	<u>\$123.3 million</u>
Over Cap Amount	\$3.1 million	\$4.3 million
Tax Levy Increase from 4.9% to 6%		

Projected Tax Levy if Annual Increases were 4.9%

ACTUAL and PROJECTED TAX LEVY WITH ANNUAL 4.9% INCREASE





Westfield Public Schools

A TRADITION OF EXCELLENCE



www.westfieldnj12.org