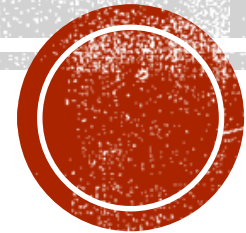


BUDGET DISCUSSION 2021 - 2022

**WW-P Board of Education
Preliminary Budget Presentation
March 9, 2021**

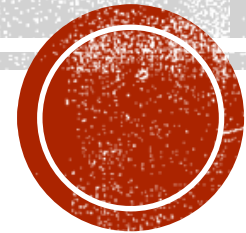


WW-P MISSION STATEMENT

**Building upon our tradition of excellence,
the mission of the West Windsor-Plainsboro
Regional School District is to empower all learners
to thoughtfully contribute to a diverse and
changing world with confidence, strength of
character, and love of learning.**



DISTRICT FINANCIAL OVERVIEW



PROPOSED BUDGET: 2021 – 2022

■ **WHAT IS A SCHOOL BUDGET?**

- Budget is a planning tool
- Budget considers contingencies
- Budget manages risk
- Budget must be fiscally responsible
- Budget is a reflection of our values
- Budget must consider safeguards and buffers



BUDGET PROCESS & TIMELINES

- Summer/Fall: Finance Committee preliminary discussions; A&F Committee discussion of capital projects; Curriculum Committee discussion of the Program of Studies.
- December: BOE budget meetings.
- Mid-Year Budget Review with county office.
- November-February: Meetings with budget managers.
- January-March: BOE public budget discussions.
- February 23: Governor's address and release of state aid numbers (anticipated 48 hours after the budget address, Feb 25).
- March 9: Adoption and filing of the preliminary budget with the county superintendent.
- April 27: Public hearing and adoption of the budget.



DISTRICT ACCOLADES

- Certificate of Excellence for CAFR (Association of School Business Officials International) - twelve (12) consecutive years
- Meritorious Budget Award for Excellence in the Preparation and Issuance of Budget (Association of School Business Officials International) - six (6) consecutive years



Budget Discussion

2021-2022 Budget Stressors:

Special Services – Tuition Increases

Facilities - Custodial Contract Renewal

Health Care Cost – Increase mid-year, self-funded, new state educator health care plan

Staffing Needs – Special education, program growth

Transportation – Additional Routes (special education), non-renewal of long-standing regular education routes

Salary Increases – As per negotiated agreement

ESIP – First year costs before full operational savings



PROPOSED BUDGET: 2021 - 2022

▶ **BIG PICTURE BUDGET TOPICS**

- ▶ Special Services
- ▶ Health Care Costs
- ▶ Capital Projects
- ▶ Technology
- ▶ Staffing Needs
- ▶ Transportation
- ▶ Salary Increases
- ▶ PPE/Health and Safety Measures



Increasing Expenditures

- ▶ **Health Care Costs – Increase of \$500K**
- ▶ **Salary Increases – Increase of \$2.27M**
- ▶ **Transportation – Increase of \$1M**
- ▶ **Technology – Increase of \$255K (Devices, Licensing, and Wireless Infrastructure)**
- ▶ **Building and Grounds – Increase of \$900K (Community Education) ***
- ▶ **Capital Projects – \$8.7M**



Budget Contributors

- ▶ State Aid – 4th Thursday, February 25th – Net increase of \$1.655 million (re-establishment of 20-21 reduction of 779K and an additional 875K new money for 21-22)
- ▶ NJEHP – Impact estimated at \$390K

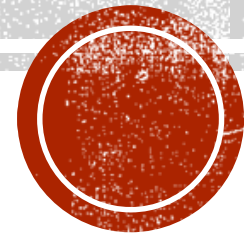


Revenues

- ▶ **2% General Fund Tax Increase and Allowances**
- ▶ **Allowances**
 - ▶ Health Care Adjustment - None
 - ▶ Banked Cap - Expiring
- ▶ **Cap Reserve Allocation**
- ▶ **State Aid Increase – Net increase of \$1.655 million (re-establishment of 20-21 reduction of 779K and an additional 875K new money for 21-22)**



BUDGET CONSIDERATIONS



BUSINESS OFFICE

- Health Care - January 1, 2021 health care will be self-funded. This reduces corporate “profit” and “ACA” taxes. Budgeting will have to anticipate future increases until claims experience is known with confidence. NJEHP projected \$390,000 loss of employee co-premium.
- Building and Grounds – year 2 of bringing back skilled facility mechanics along with building Operations Foreman. Early analysis shows program is successful. Transition to ABM for cleaning services has had initial success and we will be entering into year 2 of their contract.
- Transportation – a cost of living adjustment (COLA) which is allowed and determined by the State of NJ is expected which is approximately 2% annually. Notified that 50 routes will not be renewed. Rebid required.
- Minimum Wage – Increases from \$11 to \$12 hour.



TECHNOLOGY

- Additional grade level replacement costs of \$350,000 for the purchase of one grade level of devices



FINANCIAL AND OPERATIONS

- **ESIP Increase**
- **Insurance**
- **Retirement Contributions**
- **Health Care Costs**



SPECIAL EDUCATION

- Out of District Tuition – Projected increase of \$661K
- Additional Transportation Routes for Out of District placements
- COVID-19 impacts to programmatic implementation

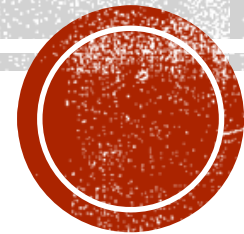


STAFF POSITIONS

- Included within the 2021 – 2022 position are several staff positions that were held vacant due to budgetary uncertainties heading into the 2020 – 2021 school year.
- Re-establish several Reduction in Force (RIF) positions as growth positions for the 2021 – 2022 budget:
 - 3 Elementary positions
 - 4 Support positions (Reading Intervention and Basic Skills)
- Special Education
 - School Psychologist
 - BCBA
 - .5 OT and 1 FTE Speech Language Therapist



CAPITAL PROJECTS



CAPITAL PROJECTS

- ESIP
 - ESIP Payment 2021 – 2022
- Wicoff Expansion
- Various HVAC Projects
- Dutch Neck Outside Door Replacements
- Additional Library Funds



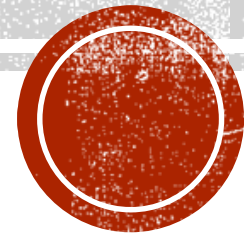
			TOTAL	2020-2021 Capital Outlay	2021-2022 Capital Outlay	2020-2021 CAPITAL RESERVE	2021-2022 CAPITAL RESERVE
SCHOOL	DESCRIPTION		COST	BUDGET	BUDGET	RESERVE	RESERVE
2020-2021							
HSS	Gym Locker AC		92,000				92,000
Village	ERV, Cooling Tower		435,000				435,000
TC	Chiller		344,000				344,000
HSS	Maintenance Repair work		80,000				80,000
DN	Exterior door replacement		100,000				100,000
CMS	Roof leaks		40,000				40,000
CMS	Parking Lot					\$3,000,000	
ESIP	HSS HVAC		2,900,000				2,900,000
Wic	Expansion		3,500,000				3,500,000
Dist	Library, MRES, Hawk, Village		1,000,000				1,000,000
SUBTOTAL			\$8,491,000			\$3,000,000	\$8,491,000

2021-2022 CAPITAL PROJECTS

SCHOOL	DESCRIPTION	TOTAL COST	2020-2021 Capital Outlay BUDGET	2021-2022 Capital Outlay BUDGET	2020-2021 CAPITAL RESERVE	2021-2022 CAPITAL RESERVE
2020-2021	SUBTOTAL (From Prior Slide)	\$8,491,000				\$8,491,000
	<u>Annual Projects:</u>	1,087,500		1,087,500		0
DIST	Locks/keying upgrades	120,000		0		120,000
DIST	Paving, curbing & sidewalks	0		0		0
DIST	VCT & carpet tile replacement	0		0		
DIST	Playground upgrdes	0		0		
DIST	Ceiling replacement	0		0		
DIST	Locker replacemnt	0		0		
DIST	Interior door replacement	0		0		
DIST	Asbestos - HVAC work	150,000		0		150,000
DIST	Tech security upgrades	0		0		
DIST	Tech device/hardware purchase	0		0		
		0		0		
	2021-2022 SUBTOTAL	\$9,848,500	\$0	\$1,087,500	\$0	\$8,761,000
	TOTAL	\$12,848,500	\$0	\$1,087,500	\$3,000,000	\$8,761,000



BUDGET PARAMETERS



UNKNOWN BUDGET CONTRIBUTORS

- Prescription Increases in December 2021
- Health Care Benefits Increase in December 2021



REVENUES

- 2% General Fund Tax Increase and Allowances
- Allowances (Banked Cap that can be generated for future years)
 - Health Care Adjustment - None
 - Enrollment Adjustment – None
- Allowances (Banked Cap)
 - Banked Cap - \$1,013,508 with \$621,243 set to expire in 2021/2022 and \$392,265 set to expire in 2022/2023.
 - Banked Cap does not exist for 2023/2024.
- Cap Reserve Allocation – \$8,761,000
- State Aid Increase - Thursday, February 25th – Net increase of \$1.655 million (re-establishment of 20-21 reduction of 779K and an additional 875K new money for 21-22)



BUDGETARY INCREASES

- Transportation – Increase of \$1,007,687
- Special Services – Increase of \$644,990
- Technology – Increase of \$258,600
- Salaries – Increase of \$2,269,922
- Finance and Operations – Increase of \$766,779

- Total Increase of these 5 budget categories equals approximately \$5 million

- 2.37% (\$4,013,136) plus additional \$875K state aid nearly covers increases of just five budget categories



2021 – 2022 BUDGET

- **The budget is built on the utilization of a 2.37% general fund tax increase.**
- **This includes the utilization of \$621,243 banked cap (prior unused spending authority) expiring in 2021 – 2022 and an additional \$392,265 expiring in 2022 – 2023.**



CARES II FUNDS: RELEASED ON 2/19

- **\$907,415 – Health Care/HVAC/PPE**
- **\$58,233 – Learning Acceleration**
- **\$50,454 – Mental Health Support**
- **Must be spent by conclusion of 2023**

