

BUDGET DISCUSSION 2021 - 2022

WW-P Board of Education

Budget Hearing

April 27, 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.**



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
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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**
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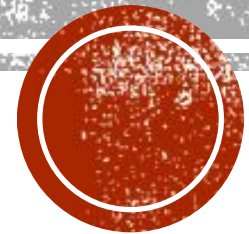


Revenues

- **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)**
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BUDGET CONSIDERATIO NS



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.



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

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

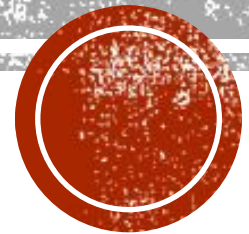


REFERENDUM PROJECTS

- CMS
- HSS
- GMS
- Fire Alarms
- HVAC
- Media Centers
- HSN
- Wicoff



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)



TOWNSHIP ENROLLMENT

TOWNSHIP ENROLLMENT CHANGES

Year	Plainsboro (%)	West Windsor (%)
2021	41.70	58.30
2020	41.85	58.15
2019	41.62	58.38
2018	42.01	57.99
2017	42.20	57.80
2016	41.87	58.13
2015	41.97	58.03
2014	42.06	57.94
2013	41.35	58.65
2012	41.93	58.07



TAXPAYERS GUIDE TO EDUCATION SPENDING

Districts Greater than 3,500 Pupils

	2018-19 Actual Per Pupil (\$)	Student: Teacher Ratio (2019-20)	Student: Admin Ratio (2019-20)	Median Teacher Pay (\$) (2019-20)	2018-19 Facility \$ Per Pupil
Princeton	20,042	11.6	131.8	86,156	1,970
Hopewell Valley	20,175	9.8	131.5	85,743	2,046
WW-P	14,327	12.1	182.7	75,600	1,688
Montgomery	15,870	11.2	137.9	77,180	1,691



REVIEW OF BUDGETS

	Tax Relief (\$ Millions)	Budget-to Budget Increase Percentage	State Aid (\$)	Total Tax Levy Increase %
2010-2011	5.8	-1.94	3,579,539	6.5
2011-2012	3.2	2.21	5,476,597	2.1
2012-2013	6.2	4.30	7,771,956	-1.02
2013-2014	7.5	7.18	7,773,104	0.00
2014-2015	5.2	5.22	7,961,085	2.35
2015-2016	5.0	-0.49	7,957,087	2.30



REVIEW OF BUDGETS

	Tax Relief (\$ Millions)	Budget-to Budget Increase Percentage	State Aid (\$ debt serv. Incl.	Total Tax Levy Increase %
2016-2017	5.2	3.52	8,014,710	2.33
2017-2018	4.9	-1.19	8,054,882	2.09
2018-2019	7.4	13.65	9,005,895	2.00
2019-2020	7.6	-6.12	9,942,221	2.45
2020-2021	9.5	8.24	11,739,816	2.25
2021-2022	9.5	3.24	13,018,127	2.37



ALLOCATION OF REVENUES

	2020-2021 Budget	2021-2022 Budget	Difference	% Change
Tax Levy	169,594,656	173,607,792	4,013,136	2.37
Misc. Income	1,090,349	1,090,349	0	0
Total Local Funds	170,685,005	174,698,141	4,013,136	2.37
State Aid	10,422,497	11,298,346	875,849	8.40
SEMI	65,712	79,676	13,964	21.25
Gen. Fund Balance	12,750,433	15,960,008	3,209,575	25.17
Cap Res W/draw Local Share	8,055,000	8,761,000	706,000	8.76
Cap Res W/draw Debt Service	<u>10,835,325</u>	<u>9,102,525</u>	<u>-1,732,800</u>	-15.99
Total Operating Budget	212,813,972	219,899,696	7,085,724	3.33
Grants & Entitlements	2,272,526	2,849,064	576,538	25.37
Debt Service	12,152,645	11,853,976	-298,669	-2.46
Total Budget	<u>227,239,143</u>	<u>234,602,736</u>	<u>7,363,593</u>	3.24



TAX IMPLICATIONS

Plainsboro

- The proposed budget would increase the tax rate to \$1.582 per \$100 of assessed property value, for an increase of 3.6 cents. For a home assessed at the township average, this would be an increase of \$177. For the owner of a home at the township average of \$451,100, school taxes are estimated to be \$7,136.



TAX IMPLICATIONS

West Windsor

- The proposed budget would increase the tax rate to \$1.668 per \$100 of assessed property value, for an increase of 4.7 cents. For a home assessed at the township average, this would be an increase of \$266. For the owner of a home at the township average of \$523,132, school taxes are estimated to be \$8,726.



2021 - 2022 BUDGET SUBMISSION

- It is our recommendation that the budget-to-budget increase on the general fund budget be approved this evening at 2.37%



**WEST
WINDSOR-PLAINSBORO
REGIONAL SCHOOL
DISTRICT
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