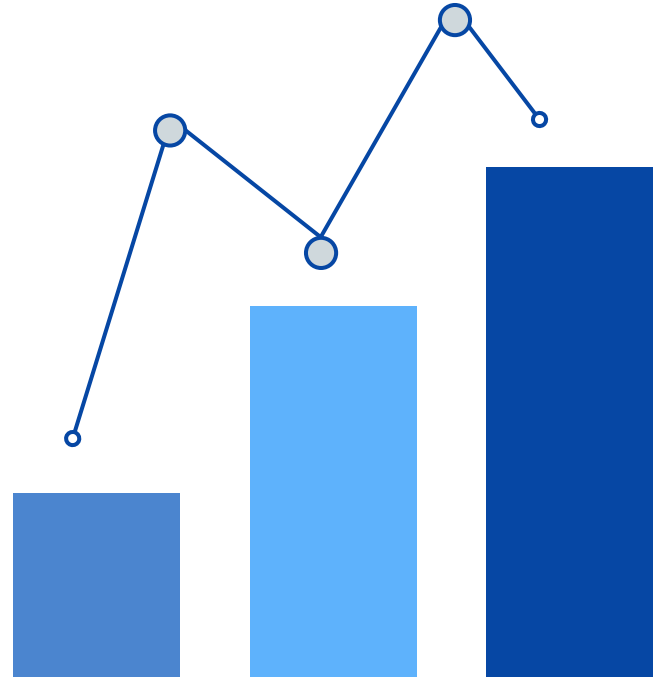




FY24 Tentative Budget

Green Brook Township Public Schools
March 15, 2023



TIMELINE

—Prior—

- ◆ **March 01, 2023 BOE Meeting**
Presentation of district goals

—Today—

- ◆ **March 15, 2023 BOE Meeting**
Presentation of tentative budget

—Future—

No later than March 20, 2023
Submission to County for approval

No later than April 20, 2023
County approval of preliminary budget

No later than April 22, 2023
Advertising of public hearing and preliminary budget

◆ **April 26, 2023 BOE Meeting**
Public hearing and adoption of the budget

No later than April 28, 2023
Posting of User Friendly Budget for public inspection

BUDGET BASICS

BALANCED

Revenues =
Appropriations



CAPPED LEVY

The tax levy is capped at
a 2% YoY increase,
with certain exceptions



ANNUAL

Prior budgets do
not *directly* impact
future budgets ...

COMMITMENTS

... but prior commitments
do, and certain funds
may be earmarked for
future use.

Appropriations

- Appropriations describe how the district will use the revenues to effect its mission
 - Driven by **district goals, enrollment, and emergent needs**
 - While each fiscal year stands alone, there are commitments that carry over year to year
 - Long-term goals
 - **Tuition**
 - **Salaries and benefits**
 - **Transportation**
 - Multi-year contracts
 - Utilities
 - Discretionary costs are those that the district can reasonably control year to year
 - Supplies, programs, new equipment, capital projects, professional development

DISTRICT GOALS = BUDGET OBJECTIVES

Goal One: Set high expectations for students and staff to ensure everyone achieves personal **excellence**.

Goal Two: Create and maintain safe, positive, healthy climates for learning and working to nurture students and staff **well-being**.

Goal Three: Create opportunities and programs that foster **engagement** of students, faculty, staff, and school community.

Goal Four: Prioritize and plan operations to maximize the **value** of district resources to emergent needs.

GOALS PROVIDE THE FOCUS

- Curriculum Updates
 - Math
 - Illustrative Math
 - Science
 - School Wide Enrichment
- Focused Professional Development
 - Assessment Knowledge
 - Collaborative Planning Process (PLC) around Data
 - Science
 - Math
 - MTSS
- Social Emotional Wellness
 - School Day
 - Responsive Classroom
- University Behavioral Health Care
 - Targeted consultation and support services
- Focused Professional Development
- School Wide Enrichment
 - Programming
 - PD
- Parent Education
 - Early Childhood
 - Parent Academy
- Teacher Academy
- Maintenance Projects
- Capital Projects Planning

ENROLLMENT & STAFFING

- Anticipated decline in enrollment after slight bump in 2022-23
- Pandemic/economic factors sorting out; new construction may impact

	PRESCHOOL		IEF				K-4	GBMS				5-8	K-8	PK-8	WHRHS				9-12	K-12	
GRADE	PK	K	1	2	3	4	TOTAL	5	6	7	8	TOTAL	TOTAL	TOTAL	9	10	11	12	TOTAL	TOTAL	
2019-2020 (ref)														767							
2020-2021 (ref)														723							
2021-22 (ref)														745							
2022-23	41	73	87	54	69	73	356	77	88	89	99	353	709	750	101	99	97	97	394	1103	
Anticipated 2023-24	42	72	73	87	54	69	355	73	77	88	89	327	682	724	99	101	99	97	396	1078	
NET CHANGE	1	-1	-14	33	-15	-4	-1	-4	-11	-1	-10	-26	-27	-26	-2	2	2	0	2	-25	

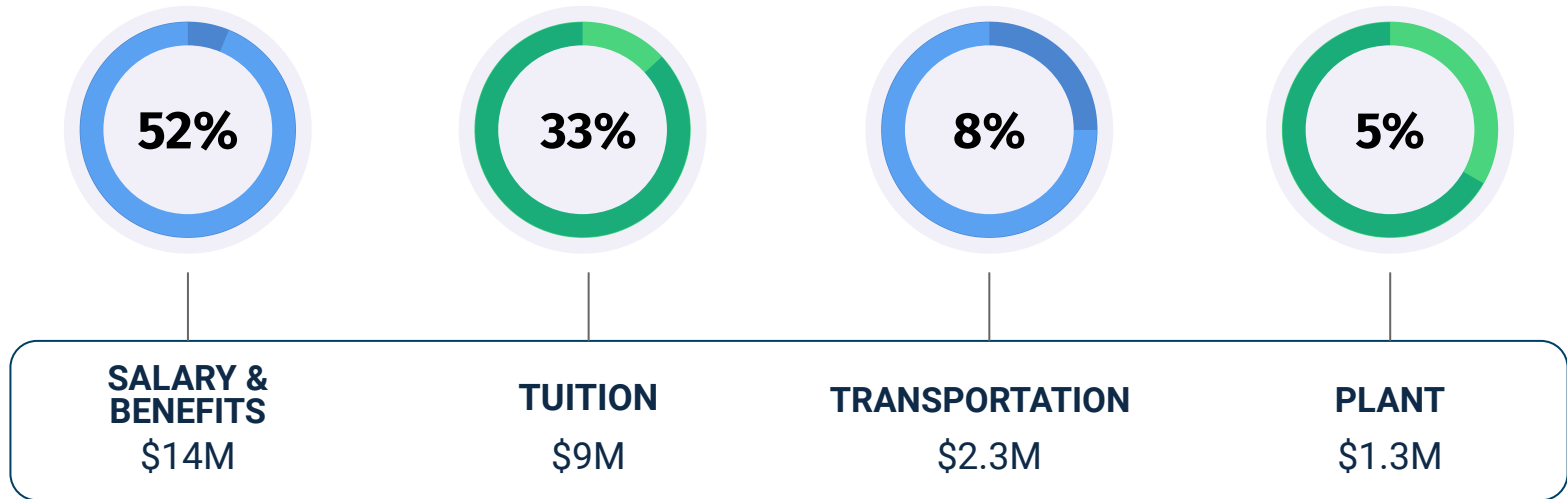
RIF of 1 staff member due to decreasing enrollment.

EMERGENT NEEDS

- Inflation, especially with annual renewals to contracts and subscriptions
- Unanticipated enrollment changes
- **Special education needs**
 - Three OOD in last 45 days—included in this budget
- “Oh no” scenarios (pandemic, flood/storm damage, legal matters)

NON-DISCRETIONARY APPROPRIATIONS

For a \$27M budget*, roughly \$26.6M (> 98%) is tied up in the following areas:



*General fund, exclusive of grants.

BUDGET MOVERS

Salary & Benefits

Currently in negotiations; 15% increase to health benefits



Increase of ~\$360k

Tuition

WHRHS & OOD
One-time tuition refund;
but increased OOD



**Decrease (!) of
~\$220k**

Transportation

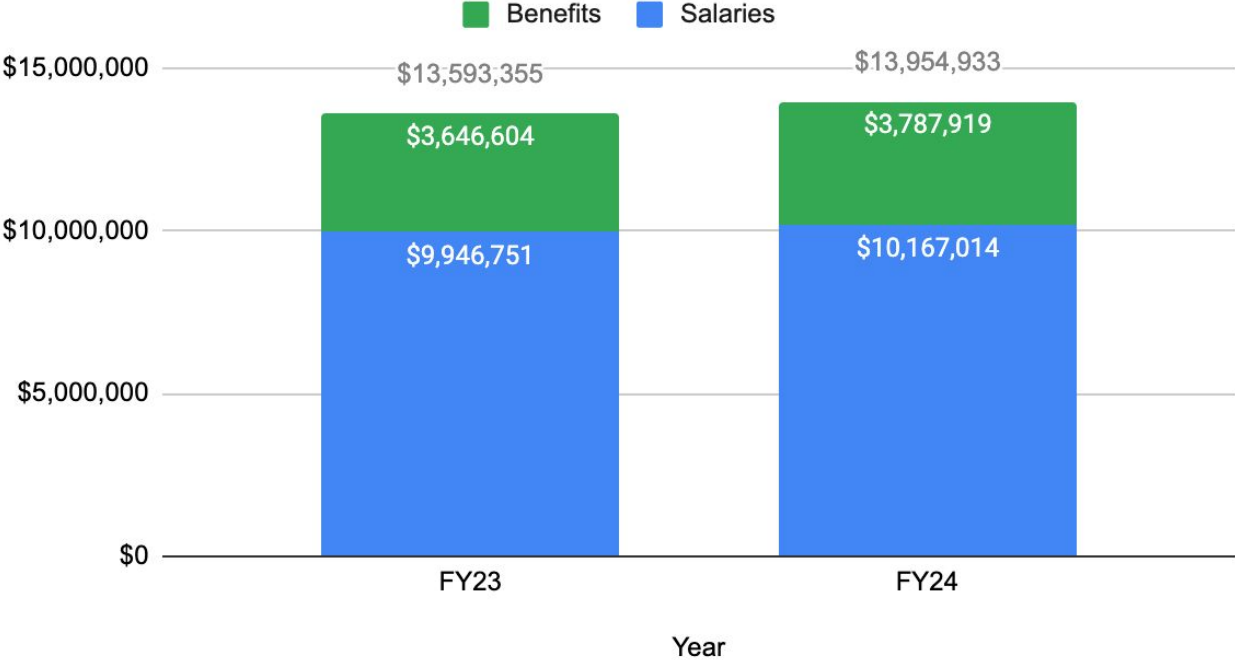
All transportation,
in district and OOD



**Increase of \$275k,
but ... also up \$254
from FY23 orig
budg= \$529k**

SALARY AND BENEFITS

Salaries and Benefits



What is the \$361,000 increase?

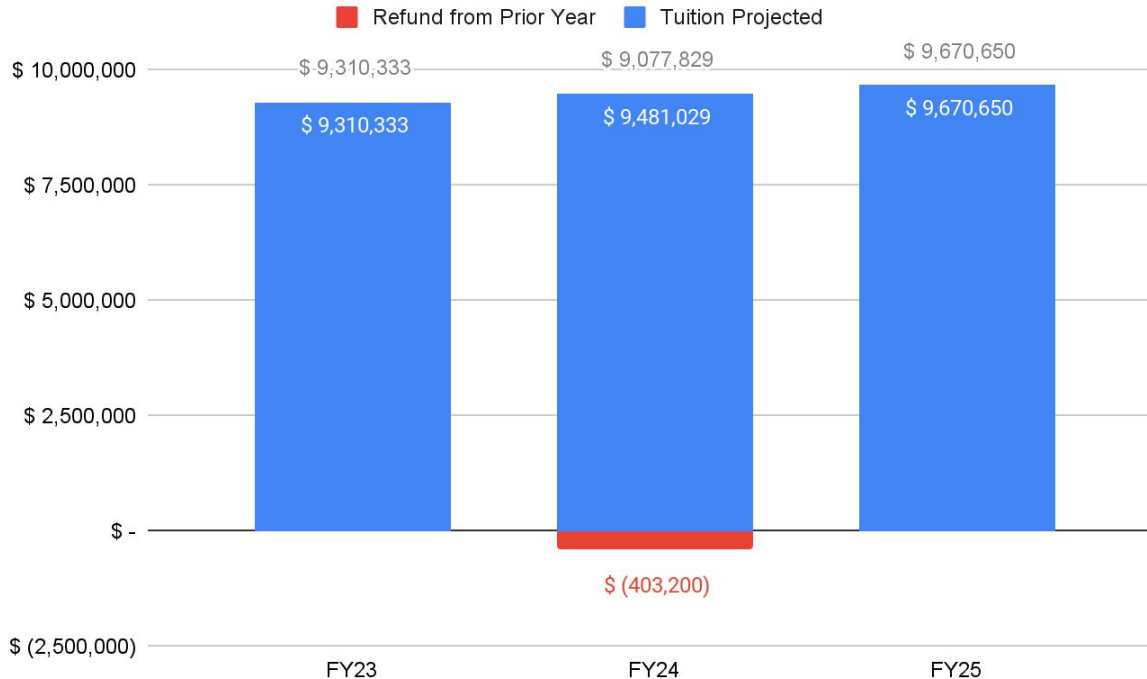
Negotiations are in progress, but still need to budget, so changes are anticipate

Health insurance up 15% (on top of a 15% increase for CY2023)

Breakage in FY23 from FY22 retirements and extended leaves in FY23; not anticipated in FY24

RIF of 1 teaching position

TUITION



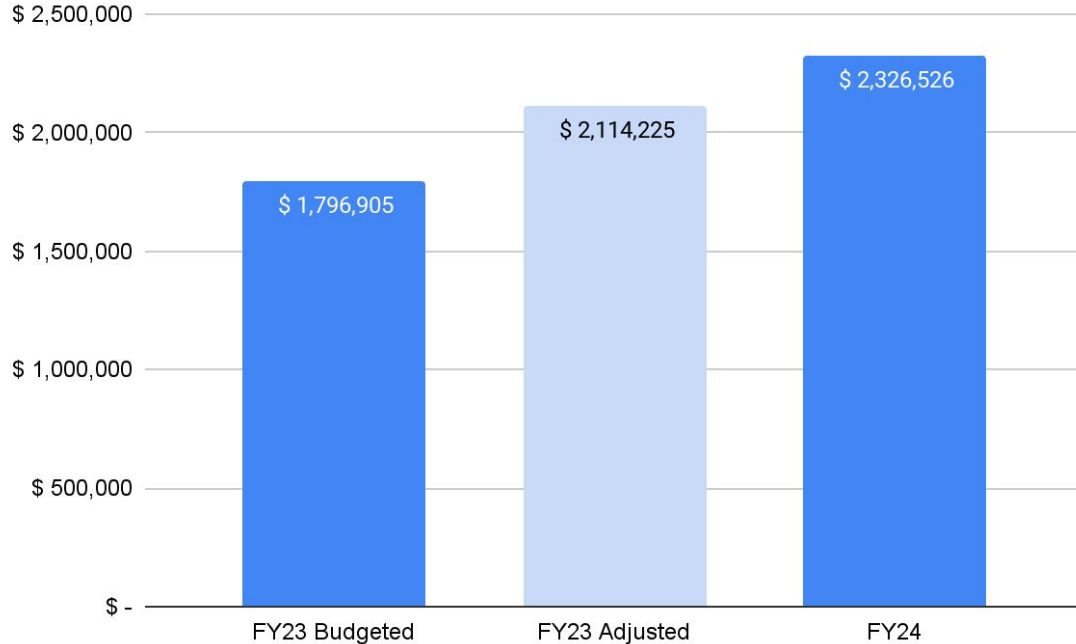
Why the decrease?

Tuition is a driving factor in our budget. This year, we are projecting an overall **decrease** to the tuition line. This is due to an overpayment 2 years ago.

Note that while the refund is a good thing for the district, we need to manage the “hole” in the budget, else we will wind up having to make up \$400k + anticipated increases in FY25 (\$600k or more, total).

We will offset that with reduced budgeted ExAid revenue and a tuition reserve increase in FY23.

TRANSPORTATION



Budgeted vs. Actual

The FY23 budgeted amount (~\$1.8M). This was before we had final bids on the new bus contracts.

We added funds from ExAid to the line during the 2022-23 SY, increasing it to \$2.11M.

The YoY increase for FY24 is calculated on that 2.11M, which comes out to 2.33M.

So the net appropriation difference between FY23 and FY24 budgeted amounts is ~\$0.53M.

COST CONTAINMENT

- Smart staff utilization
- In-house maintenance work
- Use of federal grants for one-off items
- Legal fees (negotiations)
- Allocation to cafeteria
- Parent transportation contracts (~\$200k in savings)
- Bond refinancing
- Reduced business office staff 1.5 FTEs
- Continue shared service with Township
- Shared busing with WHRHS
- Regular review of ongoing programs

REVENUES

- Revenues describe expected income and set the bounds for the budget
- Revenues come from multiple sources
 - Local tax levy - by far, the largest portion of GBTPS revenues
 - 2% cap on increase
 - State aid
 - Withdrawal from reserves (to offset certain expenses)
 - Excess surplus from prior years
 - Received tuition
 - Miscellaneous income (facilities use)
- Additionally, special revenues (grants) can fund projects without impacting the local tax levy

GROWTH OF REVENUE VS. EXPENSES

Year	2% Revenue	3% Expenses	Net	YoY Net Diff
2010	\$ 20,000,000.00	\$ 20,000,000.00	\$ -	\$ -
2011	\$ 20,400,000.00	\$ 20,600,000.00	\$ (200,000.00)	\$ (200,000.00)
2012	\$ 20,808,000.00	\$ 21,218,000.00	\$ (410,000.00)	\$ (210,000.00)
2013	\$ 21,224,160.00	\$ 21,854,540.00	\$ (630,380.00)	\$ (220,380.00)
2014	\$ 21,648,643.20	\$ 22,510,176.20	\$ (861,533.00)	\$ (231,153.00)
2015	\$ 22,081,616.06	\$ 23,185,481.49	\$ (1,103,865.42)	\$ (242,332.42)
2016	\$ 22,523,248.39	\$ 23,881,045.93	\$ (1,357,797.55)	\$ (253,932.12)
2017	\$ 22,973,713.35	\$ 24,597,477.31	\$ (1,623,763.96)	\$ (265,966.41)
2018	\$ 23,433,187.62	\$ 25,335,401.63	\$ (1,902,214.01)	\$ (278,450.05)
2019	\$ 23,901,851.37	\$ 26,095,463.68	\$ (2,193,612.30)	\$ (291,398.30)
2020	\$ 24,379,888.40	\$ 26,878,327.59	\$ (2,498,439.19)	\$ (304,826.88)
2021	\$ 24,867,486.17	\$ 27,684,677.41	\$ (2,817,191.25)	\$ (318,752.06)
2022	\$ 25,364,835.89	\$ 28,515,217.74	\$ (3,150,381.85)	\$ (333,190.60)
2023	\$ 25,872,132.61	\$ 29,370,674.27	\$ (3,498,541.66)	\$ (348,159.81)
2024	\$ 26,389,575.26	\$ 30,251,794.50	\$ (3,862,219.24)	\$ (363,677.58)

For reference, given a starting budget of \$20m in 2010, a 2% annual increase in revenues vs. a 3% annual increase in expenses yields a \$3.86m shortfall in 2024!

Moreover, the annual difference grows as budgets grow.

This is the core financial challenge in building school budgets.

FUNDING

Along w/state aid, grants, and 2% increase in local tax levy:

Budgeted fund balance - \$300,000

Withdrawal from tuition reserve - \$200,000

Withdrawal from Maintenance Reserve ~ \$130,000 (to be immediately replaced)

SURPLUS & RESERVES

- Surplus is the difference between revenues and appropriations
- A better term would be “breakage” – surplus comes about from cost containment during the year
 - Staff on leave
 - Retirements
 - Savings on anticipated expenses
- By June 30th, surplus can be diverted to reserves—capital, maintenance, tuition
- FY23 will have significant surplus, used to build reserves
- Some surplus may be designated for future years’ budgets (leap year)
 - GBTPS used to have over \$700k in designated surplus, it has been reduced to \$300,000

TAX LEVY & IMPACT

Remaining shortfall of ~ \$46,000

- To raise the necessary funds, the district will utilize “banked cap”—the difference between 2% and actual tax levy in the prior 3 years.
- In FY22 (2021-22) the district utilized 1.9%. The difference is \$22,991 (0.9% of the FY23 cap)
- Additionally, due to the skyrocketing cost of health insurance under the state plan (15% increase 2023, 15% increase 2024) the district qualifies for a 0.1% adjustment, or \$23,056
- Banked cap \$22,991 + Health care adjustment \$23,056 = **\$46,047** or 0.19% (2.19% total)
- This is offset by a decrease in the debt service assessment of **\$51,735** due to bond refinancing

Appropriations

APPROPRIATIONS	ORIGINAL FY22	ORIGINAL FY23	PROPOSED FY24	\$ CHANGE	% CHANGE
OPERATING BUDGET					
Salaries (obj 1##)	\$ 9,521,510	\$ 9,871,101	\$ 10,134,515	\$ 263,414	2.67%
Employee Benefits (obj 2##)	\$ 3,489,045	\$ 3,685,263	\$ 3,790,919	\$ 105,656	2.87%
Professional Services (obj 3##)	\$ 601,300	\$ 802,450	\$ 905,950	\$ 103,500	12.90%
Maintenance (obj 4##)	\$ 818,022	\$ 523,374	\$ 175,265	\$ (348,109)	-66.51%
Tuitions and Transportation (obj 5##)	\$ 11,448,759	\$ 11,104,088	\$ 11,462,561	\$ 358,473	3.23%
Supplies (obj 6##)	\$ 881,052	\$ 947,782	\$ 954,897	\$ 7,115	0.75%
Capital Outlay (obj 7##)	\$ 208,000	\$ -	\$ -	\$ -	n/a
Other Misc Items (obj 8##)	\$ 110,364	\$ 119,219	\$ 118,874	\$ (345)	-0.29%
Interest Expense	\$ 500	\$ 600	\$ 600	\$ -	0.00%
TOTAL OPERATING BUDGET	\$ 27,078,552	\$ 27,053,877	\$ 27,543,581	\$ 489,704	1.81%
DEBT SERVICE P&I	\$ 1,518,475	\$ 1,518,275	\$ 1,466,540	\$ (51,735)	-3.41%
GRANTS	\$ 207,127	\$ 531,590	\$ 500,156	\$ (31,434)	-5.91%
STUDENT ACTIVITIES			\$ 12,000	-	n/a
TOTAL APPROPRIATIONS	\$ 28,804,154	\$ 29,103,742	\$ 29,522,277	\$ 418,535	1.44%

Revenues

REVENUES	ORIGINAL FY22	ORIGINAL FY23	PROPOSED FY24	\$ CHANGE	% CHANGE
Local Tax Levy	\$ 23,428,155	\$ 23,896,718	\$ 24,420,699	\$ 523,981	2.19%
Tuition Revenue	\$ 367,500	\$ 347,025	\$ 365,000	\$ 17,975	5.18%
Misc Income	\$ 122,160	\$ 72,260	\$ 68,809	\$ (3,451)	-4.78%
State Aid	\$ 1,702,737	\$ 1,889,874	\$ 2,060,073	\$ 170,199	9.01%
Budgeted Fund Balance	\$ 350,000	\$ 300,000	\$ 300,000	\$ -	0.00%
Tuition Reserve Withdrawal	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	0.00%
Capital Reserve Withdrawal	\$ 908,000	\$ 348,000	\$ -	\$ (348,000)	-100.00%
Maintenance Reserve Withdrawal	\$ -	\$ -	\$ 129,000	\$ 129,000	n/a
Local, State, Federal Grants	\$ 207,127	\$ 531,590	\$ 500,156	\$ (31,434)	-5.91%
Debt Service Levy	\$ 1,518,475	\$ 1,518,275	\$ 1,466,540	\$ (51,735)	-3.41%
Student Activities			\$ 12,000	-	n/a
TOTAL REVENUES	\$ 28,804,154	\$ 29,103,742	\$ 29,522,277	\$ 418,535	1.44%

TAX LEVY IMPACT

Note: Taxes are based on calendar year; levy includes second half of 2022-23 and first half of 2023-24 school year.

Year	Calendar Year '22	Calendar Year '23	Net Change \$	Net Change %	Notes
Local Tax Levy - Operating	\$ 23,662,436	\$ 24,158,709	\$ 496,273	2.10%	Based on calendar year
Local Tax Levy - Bond	\$ 1,518,376	\$ 1,492,407	\$ (25,969)	-1.71%	
Local Tax Levy (School Portion)	\$ 25,180,812	\$ 25,651,116	\$ 470,304	1.87%	Total amount of local funding
NVT	\$ 1,615,735,000	\$ 1,729,503,000	\$ 113,768,000		Net taxable valuation of Township
Tax Rate	0.01558	0.01483	-0.00075		Levy/NVT
AHV	\$ 558,045	\$ 599,856	\$ 41,811		Average assessed home value
Average Home Tax Bill	\$ 8,697	\$ 8,897	\$ 200		Tax Rate * AHV

Summary

- Focus on improvement of core functions:
 - Instruction
 - Programming
 - SEL/Wellness
- Maintenance of investments
 - Staff and professional development
 - Buildings
 - Grounds
- Healthy budget, despite increased costs
- Acknowledges and prepares for future challenges without drastic measures

Q&A
