



Presentation of 2021-22 Budget

George P. Alexis, Superintendent
Richard Pepe, Business Administrator

May 6, 2021



Board of Education

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Vision

The Watchung Borough School District is committed to inspiring learners to explore, inquire, and collaborate on their joyful journey toward discovery, independent thinking, and creative problem solving. Our culture of acceptance and inclusion provides the foundation for learning and social and emotional growth. Through reflection and ethical decision-making, we continue to learn and grow, embrace differences, and prepare for an increasingly complex, ever-changing world.



A Culture of Inquiry, Equity, and Collaboration

- Student engagement in an authentic learning process
- Critical and creative thinking
- Communication and collaboration
- Problem solving
- Standards-aligned curriculum and instruction
- Safe and supportive learning environment



Response to Pandemic

- Hybrid model
- Schools open for in-person instruction
- Budget and finances
- Student engagement in an authentic learning process
- Critical and creative thinking
- Communication and collaboration
- Problem solving
- Standards-aligned curriculum and instruction
- Safe and supportive learning environment



Budget Objectives

- Improve teaching and learning according to district vision
- Improve operational efficiency and reduce expenditures
- Stay within the 2% cap
- Balance budget without decreasing fund balance



Current Year's Budgetary Accomplishments

Improve teaching and learning and operational efficiency while reducing expenditures

- Create special services positions previously outsourced (behaviorist, speech therapist)
- Stabilize special services costs
- Redesign preschool
- Reduce number of systems (move to Genesis for multiple purposes: student database, lesson planning, curriculum, and teacher evaluation)
- Restructure technology support services



Key Decisions to Meet Objectives, 2021-22

Improve teaching and learning and operational efficiency while reducing expenditures

- Restructure music staffing (move to 3.0 FTEs from 3.6)
- Restructure ESL/WL staff at Bayberry (move to 1.0 FTE from 1.83)
- Maintain all other staffing levels
- Continue professional learning and collaboration



Budget Timeline

- Nov. 2020 - Jan. 2021 Tentative budget developed collaboratively by district staff
- Jan. - Mar. 2021 Tentative budget reviewed and revised by Operations Committee
- March 11, 2021 Board of Education vote on tentative budget
- March 22, 2021 Tentative budget due to county office
- May 6, 2021 Public Hearing on the Budget
- May 8, 2021 User Friendly Budget posted on the district website



Key Factors in Budget Development

Enrollment Projections

Resources

- Tax levy
- State aid
- Surplus

Salaries and Benefits

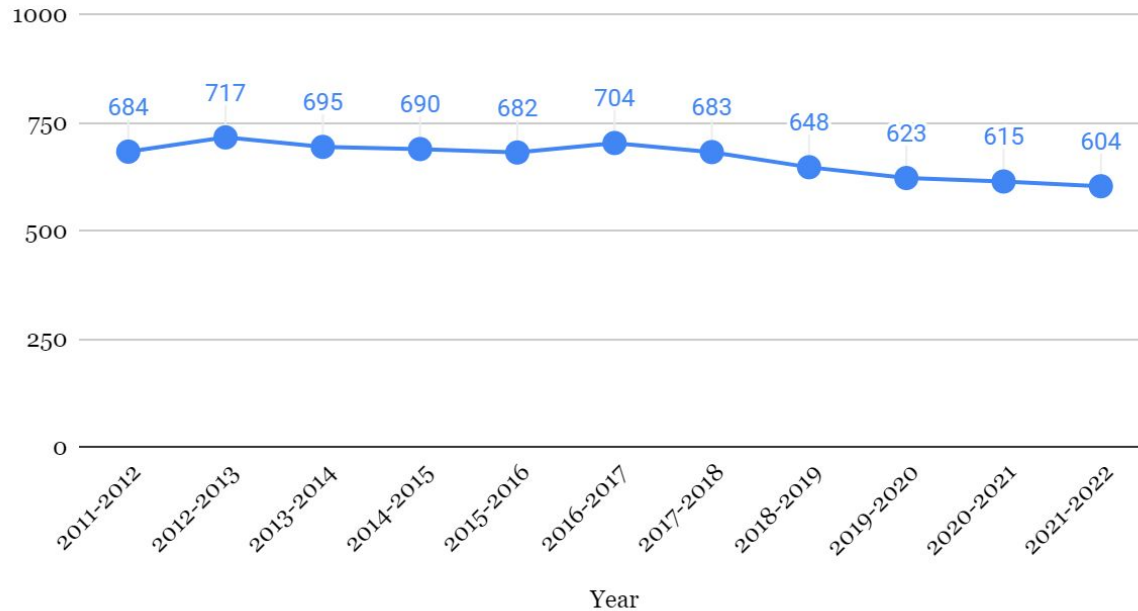
Special Education

Capital and Security Needs



Anticipated Enrollment - Historical Perspective

Historical Enrollment



Anticipated Enrollment - District

Valley View	Bayberry	Valley View	Out of District	Total
FY17	383	340	1	724
FY18	368	341	3	712
FY19	358	295	4	657
FY20	340	271	8	619
FY21	339	268	8	615
FY22 Projected	345	251	8	604



Anticipated Enrollment - Bayberry ES

Bayberry	Pre-K	MD / Autistic	K	1	2	3	4	Total
FY17	36	6	66	64	60	62	89	383
FY18	34	2	63	70	64	64	71	368
FY19	31	4	66	62	68	66	61	358
FY20	26	1	60	68	61	60	64	340
FY21	23	*	57	67	66	65	63	341
FY22 Projected	25	*	65	57	67	66	65	345



Anticipated Enrollment - Valley View MS

Valley View	5	6	7	8	Total
FY17	72	78	102	88	340
FY18	95	67	76	103	341
FY19	66	89	69	71	295
FY20	59	63	81	68	271
FY21	71	62	63	78	274
FY22 Projected	63	71	62	63	259



Anticipated Enrollment - Average Class Size

2020-2021	Pre-K	K	1	2	3	4	5	6	7	8
# Students	18	61	61	68	61	60	64	59	63	81
# Sections	1	4	4	4	3	3	3	3	4	4
Average Class Size	18	15.25	15.25	17	20.3	20	21.3	19.7	15.75	20.25

2021-2022	Pre-K	K	1	2	3	4	5	6	7	8
# Students	25	65	57	67	66	65	63	71	62	63
# Sections	2	4	4	4	3	3	3	3	4	4
Average Class Size	12.5	16.25	14.25	16.75	22	21.67	21	23.67	15.5	15.75



General Fund Revenue Projections - Overview

- ★ Budgeted revenues = **\$13,614,785**
 - \$12,290,287 Local tax levy
 - \$220,000 Other local revenues
 - \$200,525 Budgeted Fund Balance (from FY20)
 - \$883,104 State Aid (includes extraordinary aid)

- ★ Changes in general fund revenues from 2020-2021 = **(\$47,612)**
 - 2% tax levy increase: \$240,986
 - State Aid increase: \$68,522
 - Extraordinary Aid increase: \$65,000
 - Miscellaneous revenues increase: \$5,000
 - Budgeted excess surplus: (\$129,120)
 - Budgeted withdrawal from capital reserve: (\$298,000)



Revenue Projections - Local Sources

Source	FY21 Final Budget	FY22 Projected	Increase (Decrease)	%
Local Tax Levy	\$12,049,301	\$12,290,287	\$240,986	2%
Tuition from Individuals	\$160,000	\$160,000	\$0	0%
Miscellaneous Revenues	\$55,000	\$60,000	\$5,000	9.09%
Withdrawal from Capital Reserve	\$298,000	\$0	(\$298,000)	(100%)
Budgeted Fund Balance	\$329,645	\$200,525	(\$129,120)	(39.17%)
TOTAL - Local Sources	\$12,891,946	\$12,710,812	(\$181,134)	(0.01%)



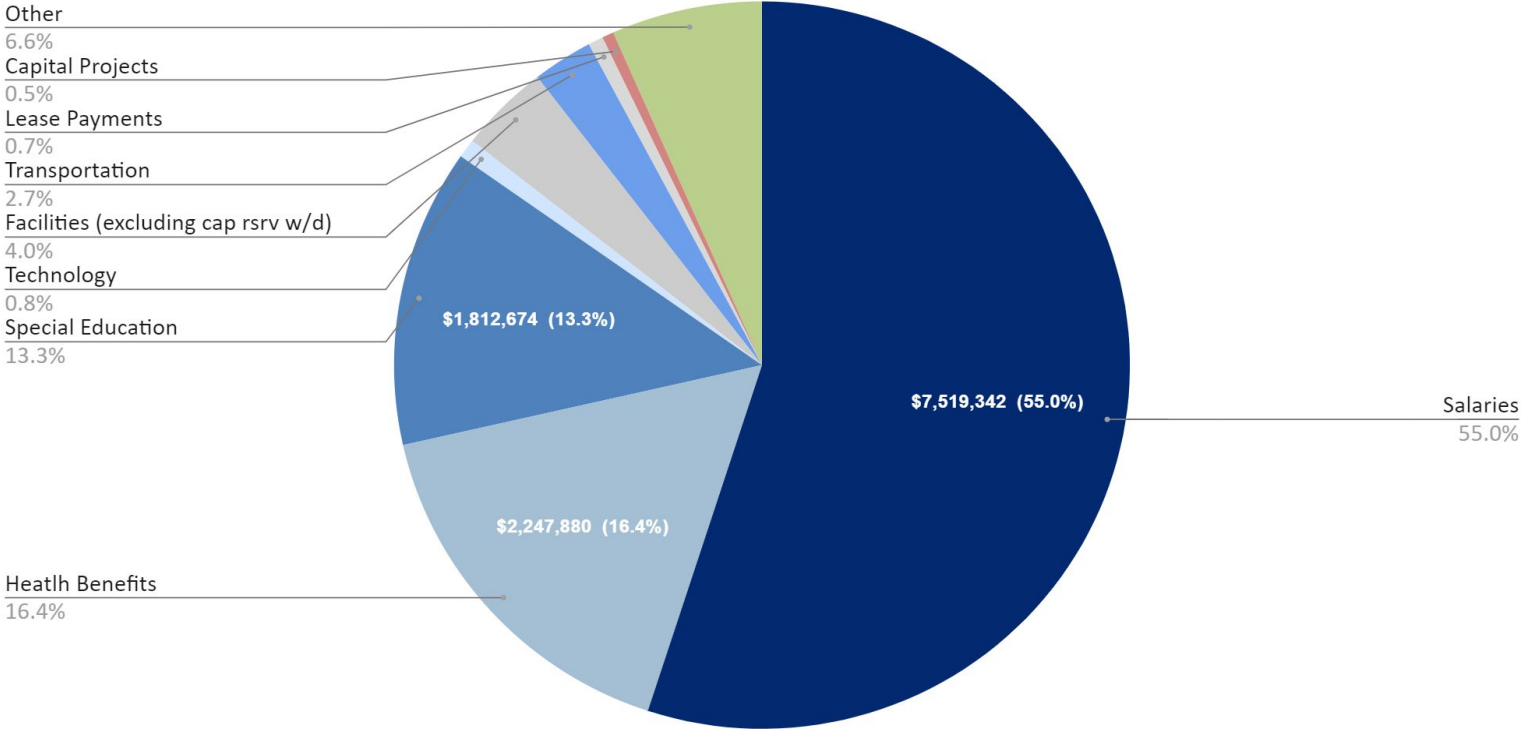
Revenue Projections - Other Sources & Total

Source	FY21 Final Budget	FY21 Projected	Increase (Decrease)	%
State Aid	\$749,582	\$883,104	\$133,522	17.81%
Federal Grants	\$301,315	\$340,650	\$39,335	13.05%
TOTAL - Other Sources	\$1,050,897	\$1,223,754	\$172,857	16.45%

Source	FY21 Final Budget	FY22 Projected	Increase (Decrease)	%
Local Sources	\$12,891,946	\$12,710,812	(\$181,134)	(0.01%)
Other Sources	\$1,050,897	\$1,223,754	\$172,857	16.45%
TOTAL - All Sources	\$13,942,933	\$13,934,566	(\$8,367)	(0.001%)

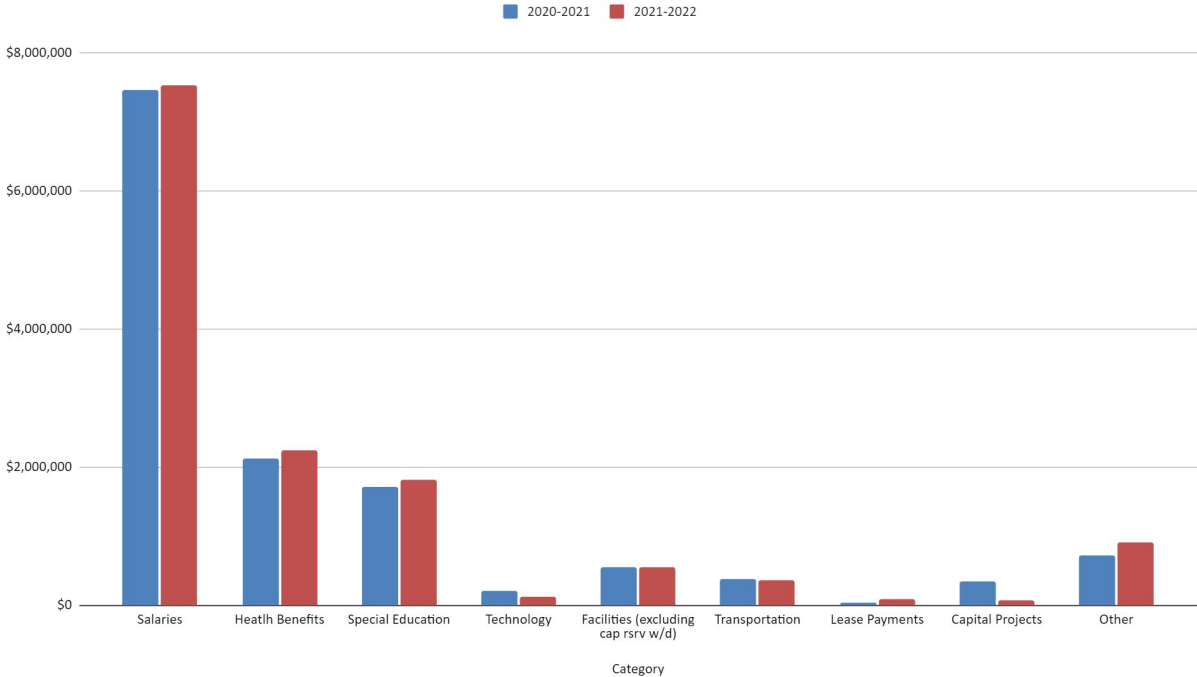


Budgeted Appropriations Summary by Category



Budgeted Appropriations Year-to-Year Comparison

2020-2021 and 2021-2022



Key Appropriation Increases

★ **Salaries & Health Benefits - Total Increase: \$250,336**

○ teacher contract: 3% increase	\$171,594	
○ non-aligned staff: 3% increase	\$51,632	
○ 1 new position (technology specialist)	\$75,000	
○ breakage/consolidation	(\$168,712)	
○ health benefits: 5.68% increase	\$120,822	
■ 3% medical benefits increase:		\$ 58,482
■ impact of EHP/GSP plans on FY21 budget:		\$ 54,241
■ other increases:		\$ 8,099
■ 0% dental benefits increase:		\$ 0
		<hr/>
		\$120,822

★ **Special Education - Total Increase: \$78,001**

○ out-of-district tuition & transportation increase	\$92,031
○ other changes	(\$14,030)



Shared Services

- ★ Custodial and Maintenance Services - municipality assists with snow removal and field maintenance at no cost
- ★ Insurance Coverages and Benefits - property and casualty insurance purchased through Diploma Joint Insurance Fund
- ★ Purchasing - participation in cooperative purchasing systems, state contract vendors, and educational services commissions
 - Utilities
 - Technology support
 - Supplies and materials
- ★ Transportation Services, including Fuel - fuel for district vehicles supplied at cost by municipality, regular education transportation purchased through joint purchasing agreement with Watchung Hills Regional High School



2020-2021 Budget Summary

REVENUES	2020-2021 Final Budget	2021-2022 Final Budget	Increase (Decrease)	Increase (Decrease) %
General Fund	\$13,467,168	\$13,393,391	(\$73,777)	(0.5%)
Special Revenues Fund	\$147,617	\$415,650	268,033	181.6%
Debt Service	\$0	\$0	\$0	0%
TOTAL	\$13,614,785	\$13,809,041	\$194,256	1.4%
APPROPRIATIONS	2020-2021 Final Budget	2021-2022 Final Budget	Increase (Decrease)	Increase (Decrease) %
General Fund	\$13,467,168	\$13,393,391	(\$73,777)	(0.5%)
Special Revenues Fund	\$147,617	\$415,650	268,033	181.6%
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TOTAL	\$13,614,785	\$13,809,041	\$194,256	1.4%



Tax Impact - Historical Perspective

School Year	Rateables	Tax Levy	Tax Rate	Avg Home Assessment	Estimated School Tax
2018-2019	\$1,796,713,590	\$11,151,041	0.00620	\$710,718	\$4,410.97
2019-2020	\$1,801,789,204	\$11,813,040	0.00655	\$714,870	\$4,686.89
2020-2021	\$1,815,666,300	\$12,049,301	0.00663	\$719,783	\$4,776.69
2021-2022	\$1,836,075,954	\$12,290,287	0.00669	\$730,568	\$4,890.26
Increase	+\$20,409,654	+\$240,986	+0.00006	+\$10,785	+\$113.57

Estimated School Tax incremental change per \$100k assessed value is \$15.55



Tax Impact - Table of Increases

Home Value	Estimated School Tax (2021)	Estimated School Tax (2022)	Estimated School Tax Increase	Incremental Increase per \$100k
\$ 730,568.00	\$4,776.69	\$4,890.26	\$113.57	
\$ 100,000.00	\$653.83	\$669.38	\$15.55	\$15.55
\$ 200,000.00	\$1,307.67	\$1,338.76	\$31.09	\$15.55
\$ 300,000.00	\$1,961.50	\$2,008.13	\$46.64	\$15.55
\$ 400,000.00	\$2,615.33	\$2,677.51	\$62.18	\$15.55
\$ 500,000.00	\$3,269.16	\$3,346.89	\$77.73	\$15.55
\$ 600,000.00	\$3,923.00	\$4,016.27	\$93.27	\$15.55
\$ 700,000.00	\$4,576.83	\$4,685.65	\$108.82	\$15.55
\$ 800,000.00	\$5,230.66	\$5,355.02	\$124.36	\$15.55
\$ 900,000.00	\$5,884.50	\$6,024.40	\$139.91	\$15.55
\$ 1,000,000.00	\$6,538.33	\$6,693.78	\$155.45	\$15.55
\$ 1,500,000.00	\$9,807.49	\$10,040.67	\$233.18	5 x \$15.55



Opportunity for Comments and Questions

