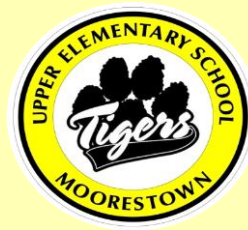
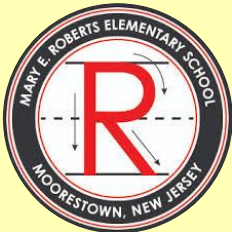




# Moorestown Township Public Schools

2022 - 2023 Budget Workshop

March 8, 2022



# 2022 - 2023 Budget Development

- Development process
- Revenues - Tax Levy, State Aid, Fund Balance, Other
- Appropriations - Salaries, Benefits, Capital Outlay, Other
- Current Budget Status
- Tax Impact
- Next steps for Board Discussion

# Budget Development Process

- Priorities of Board committees and administration
- Central administration evaluated the needs of the District related to Technology, Curriculum, Personnel, and Facilities
- School administration developed building level budgets based on the needs of the faculty and content Supervisors
- Revenue and Appropriations are updated over time based on finalized numbers
  - Out of District Tuition updates
  - Tuition we receive is updated as placements are finalized
  - Benefit updates
  - District personnel reviewed, revised, and reduced as needed
  - State Aid release

# Budget Development Process - Budget Calendar

- November - February - Administration works to compile building and department budgets based on 2022-2023 Budget Manual
- Jan 14th - Budget update provided to F&O Committee
- February 15th - Budget update provided to full BOE
- **March 8th - Board Budget Workshop to discuss 22/23 Draft Budget**
- **March 8th - Governor Murphys Budget Address**
- March 10th - Estimated date for release of State Aid figures
- March 14th - F&O Committee meeting to discuss updates to the budget
- March 22nd - Budget Introduction and Approval to submit to the County
- March 28th - Budget submitted to the County for State review
- April 26th - 2022 - 2023 Budget Adoption and Public Hearing

# Budget Development Process - Initial Budget

		Prior Year	Current Year	Future Year	
					<u>Increase /</u> <u>Decrease</u>
<b>Revenues:</b>		<b><u>2020-2021</u></b>	<b><u>2021-2022</u></b>	<b><u>2022-2023</u></b>	
	Tax Levy	65,728,644.00	67,233,217.00	68,577,881.00	1,344,664.00
	State Aid	4,123,776.00	4,368,146.00	4,368,146.00	-
	Extraordinary Aid	600,000.00	700,000.00	700,000.00	-
	Other:				
	Tuition	2,080,000.00	1,830,000.00	1,830,000.00	-
	Interest	-	23,800.00	23,800.00	-
	Pay to Participate and Parking Fees	150,000.00	150,000.00	150,000.00	-
	Rentals	300,000.00	230,000.00	230,000.00	-
	Miscellaneous	70,000.00	308,060.00	36,000.00	(272,060.00)
	Revenue Generation	454,375.00	389,375.00	389,375.00	-
	Special Education Medicaid Initiative	42,014.00	41,391.00	41,391.00	-
	Budgeted Fund Balance	2,107,886.00	2,898,751.00	2,348,803.00	(549,948.00)
	<b>Total Revenues</b>	<b>75,656,695.00</b>	<b>78,172,740.00</b>	<b>78,695,396.00</b>	

# Budget Development Process - Initial Budget

<b>Appropriations:</b>	<b><u>2020-2021</u></b>	<b><u>2021-2022</u></b>	<b><u>2022-2023</u></b>	<b><u>Increase / Decrease</u></b>
Salaries	45,936,421.46	47,582,160.70	51,420,916.49	3,838,755.79
Benefits:				
FICA	830,000.00	830,000.00	846,600.00	16,600.00
Pension	1,045,354.00	1,008,044.00	1,274,328.00	266,284.00
Health Benefits	12,614,450.00	13,292,589.24	13,801,400.00	508,810.76
Tuition	113,300.00	113,300.00	118,300.00	5,000.00
Retirement Payout	-	278,146.00	117,941.00	(160,205.00)
Workers Compensation	425,645.46	433,313.34	469,158.90	35,845.56
Unemployment	50,000.00	50,000.00	50,000.00	-
Total Benefits	<b>15,078,749.46</b>	<b>16,005,392.58</b>	<b>16,677,727.90</b>	
Other:				
Professional Fees	1,904,287.33	1,714,696.97	2,221,168.12	506,471.15
Purchased Services	6,465,261.54	6,400,892.10	7,093,606.05	692,713.95
Student Tuition	2,899,500.81	3,105,120.00	3,092,260.00	(12,860.00)
Professional Development and Travel	133,409.00	162,870.00	176,575.00	13,705.00
Supplies	2,793,510.26	2,870,202.31	3,230,064.44	359,862.13
Other	155,402.14	152,252.34	141,835.00	(10,417.34)
Capital Outlay	290,153.00	179,153.00	2,252,203.00	2,073,050.00
Total Other	<b>14,641,524.08</b>	<b>14,585,186.72</b>	<b>18,207,711.61</b>	
<b>Total Appropriations</b>	<b>75,656,695.00</b>	<b>78,172,740.00</b>	<b>86,306,356.00</b>	
<b>Surplus / (Deficit)</b>	<b>-</b>	<b>-</b>	<b>(7,610,960.00)</b>	

# Revenues

- **Local Tax Levy** - 2% increase is \$1,344,664
- **State Aid** - Budgeted flat. Governor Murphy's Budget Address is March 8th and we will receive our State Aid figures shortly after.
- **Budgeted Fund Balance** - Budgeted fund balance is composed of the prior year (2020 - 2021) *audited* excess surplus plus allowable adjustments for any free general fund excess balances *projected* as of June 30, 2022.
- **Other Revenue Sources:** Tuition (individuals, preschool, extended Kindergarten, other districts), facility rentals, extraordinary aid, pay to participate, parking, shared services, banking interest, etc...

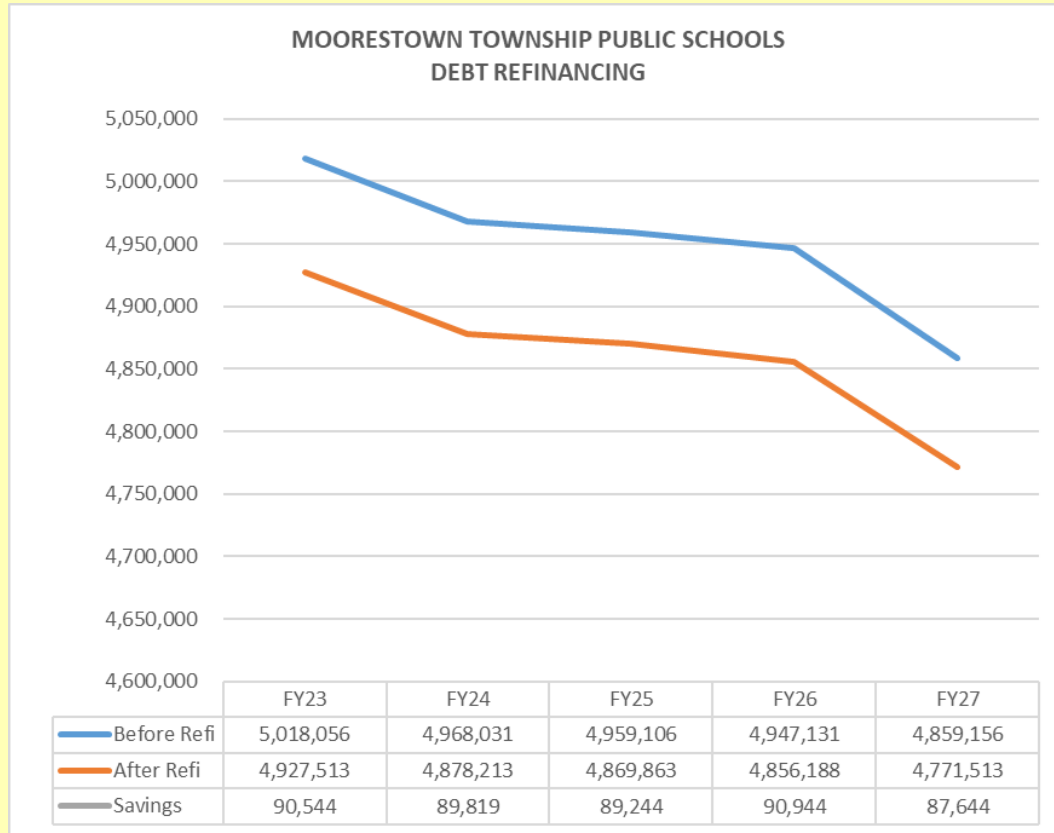
# Revenues (Tax Levy)

- Budget contains two separate levies:
  - General Fund Levy accounts for the Districts annual operating budget (salaries, benefits, supplies, purchased services, maintenance, transportation, etc.) - \$68,577,881 budgeted in preliminary budget
  - Debt Service Levy accounts for the Districts long-term capital projects that were previously approved by the taxpayers in a referendum - \$4,512,504 budgeted in preliminary budget

TAX LEVY HISTORY					
	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
<i>General Fund</i>	61,701,989	62,936,029	64,194,749	65,728,644	67,233,217
<i>General Fund Tax Change %</i>	2.00%	2.00%	2.00%	2.39%	2.29%
<i>Debt Service Fund</i>	4,763,233	4,795,078	4,751,391	4,693,087	4,586,308
<i>Debt Service Fund Change %</i>	0.75%	0.67%	-0.91%	-1.23%	-2.28%
<i>Total Tax Levy</i>	66,465,222	67,731,107	68,946,140	70,421,731	71,819,525
<i>Overall Levy Change %</i>	1.90%	1.90%	1.79%	2.14%	1.98%
<i>Rateables</i>	4,016,243,417	4,028,675,687	4,049,750,899	4,070,631,879	4,091,976,402
<i>Effective Tax Rate Increase</i>	1.65%	1.68%	1.70%	1.73%	1.76%

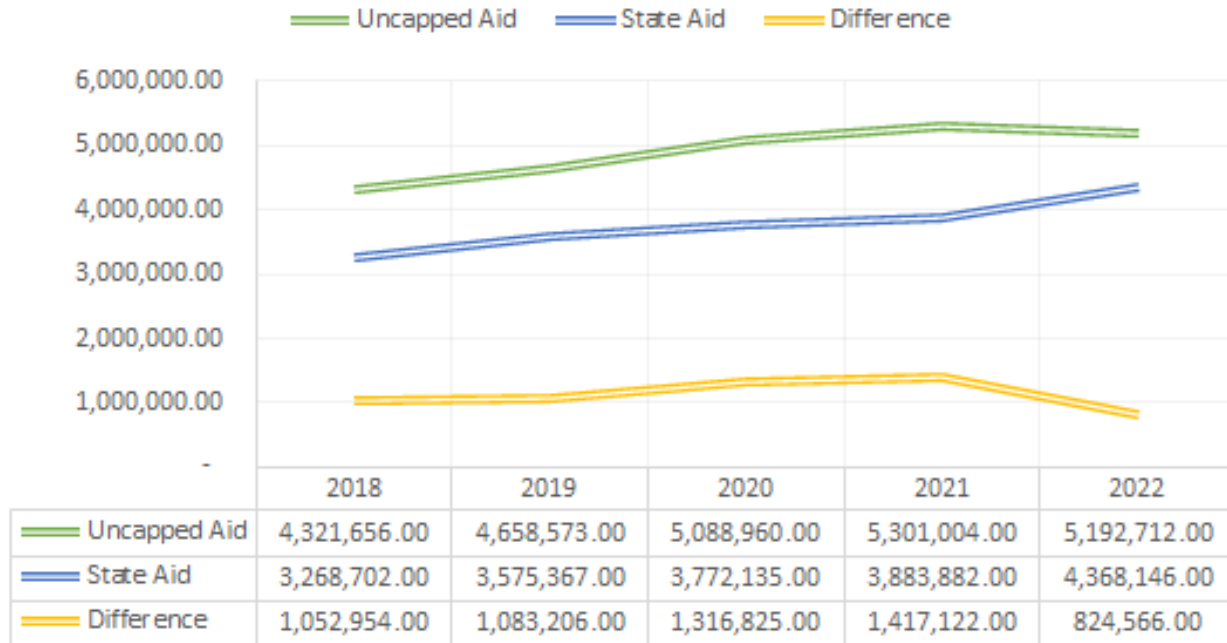


# Debt Service Levy Further Explained



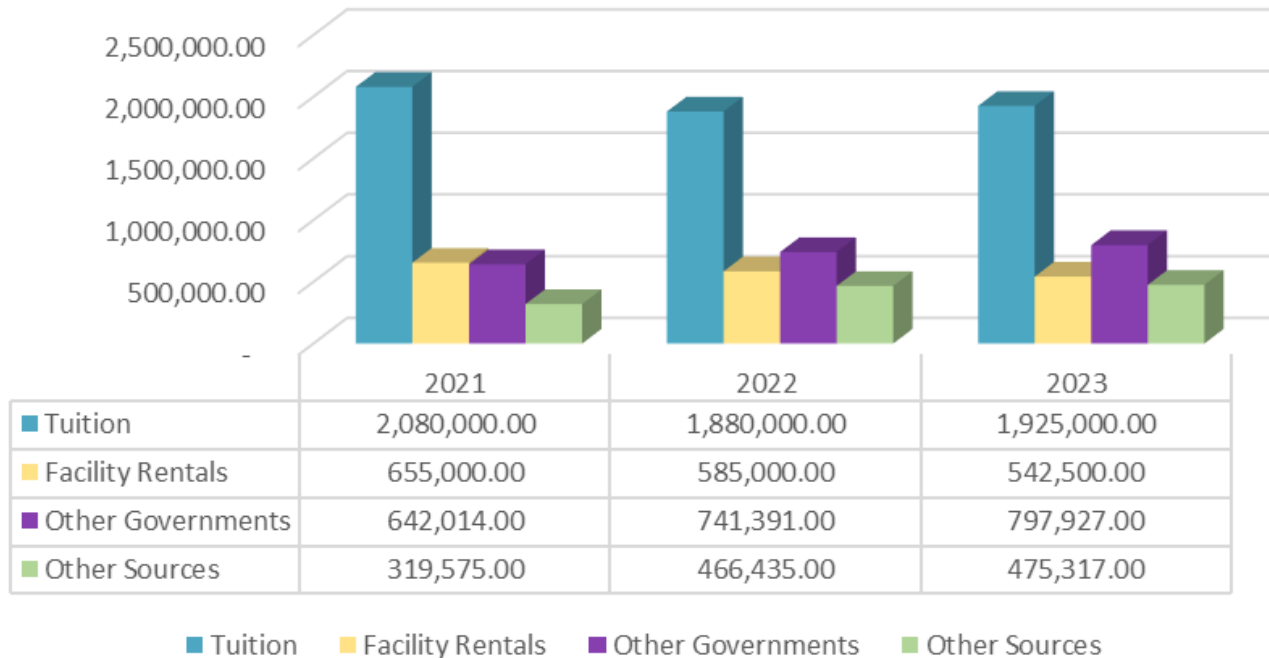
# Revenues (State Aid)

## STATE AID - UNCAPPED AID VS. ACTUAL AID



# Revenues (Other Sources)

Other Revenue Sources - Three Year Comparison

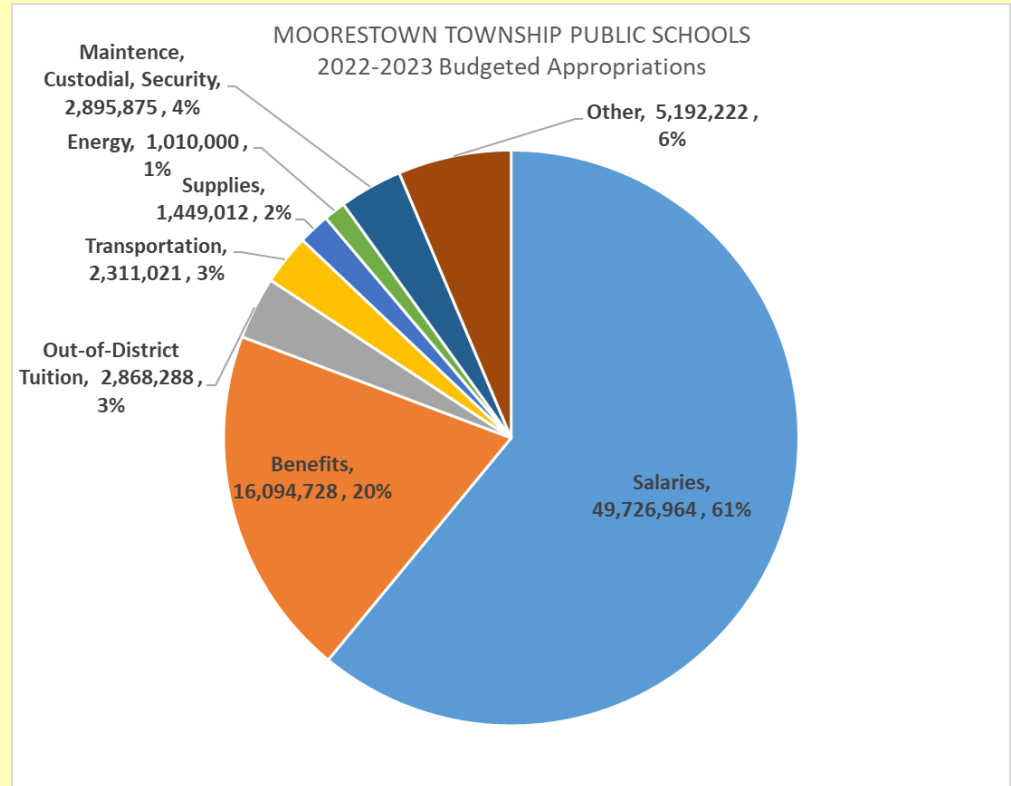


# Appropriations

- Salaries - MEA Contract expires 6/30/2022. Year 3 of 3 with MAA contract.
- Insurance - Originally projected a 5% increase.
  - Health insurance - 2.62% confirmed increase
  - General insurance - 8.50% confirmed increase
  - Student accident - 1.0% confirmed increase
- Instructional Supplies and Materials - School budgets at 0%
- Departmental Budgets
  - Curriculum
  - Technology
  - Administration
  - Facilities
  - Transportation
- Capital Outlay

# Appropriations - 20/21 Audited

- How was it actually spent?
- \* = Other includes Capital Outlay, SDA charge, Professional Services, Purchased Technical Services, Travel, Memberships, and transfers to other funds.



# Appropriations - Key Items

- Curriculum - Adoption of new ELA curriculum for Grades K-5, professional development, and curriculum writing
- Special Education - 1:1 nursing needs and related services
- Technology - Two grade level replacements of 1:1 devices, servers and infrastructure upgrades, CAD computer replacements
- Operations - Increase anticipated for fuel and contracted transportation services
- Capital Outlay - WAMS Media Center carpet, UES window replacements, Baker Media Center carpet, Roberts Media Center carpet, Kindergarten furniture, and Administration Building roof replacement
- Minimum Wage Impact
- Substitute Rate Increases made in 2021
- Bus Driver Salary adjustments made in 2021

# Appropriations - Key Items

ECONOMY

## Inflation surges 7.5% on an annual basis, even more than expected and highest since 1982

PUBLISHED THU, FEB 10 2022•8:30 AM EST | UPDATED THU, FEB 10 2022•9:52 AM EST



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# Appropriation Reductions Made to Date

- **Tuition costs** - \$570,205
- **Department / Building budgets** - \$412,282
- **Capital outlay** - \$1,632,050
- **Lease purchase** - \$650,000 reduction in requests which resulted in a \$127,417 reduction in annual payment
- **Staffing**
  - New position requests adjusted / removed from budget, substitute pay adjustments, existing staff adjustments (retirements and LOA) and minimum wage adjustments - \$1,901,412
- **Benefit Adjustments** - \$586,057



# Current Status - Revenue

		Prior Year	Current Year	Futur Year	
<b>Revenues:</b>		<b><u>2020-2021</u></b>	<b><u>2021-2023</u></b>	<b><u>2022-2023</u></b>	<b><u>Increase / (Decrease)</u></b>
	Tax Levy	65,728,644.00	67,233,217.00	68,577,881.00	1,344,664.00
	State Aid	4,123,776.00	4,368,146.00	4,368,146.00	-
	Extraordinary Aid	600,000.00	700,000.00	750,000.00	50,000.00
	Other:				
	Tuition	2,080,000.00	1,830,000.00	1,925,000.00	95,000.00
	Interest	-	23,800.00	23,800.00	-
	Pay to Participate and Parking Fees	150,000.00	150,000.00	150,000.00	-
	Rentals	300,000.00	230,000.00	242,500.00	12,500.00
	Miscellaneous	70,000.00	308,060.00	267,142.00	(40,918.00)
	Revenue Generation	454,375.00	389,375.00	334,375.00	(55,000.00)
	Special Education Medicaid Initiative	42,014.00	41,391.00	47,927.00	6,536.00
	Budgeted Fund Balance	2,107,886.00	2,898,751.00	3,264,566.00	365,815.00
	<b>Total Revenues</b>	<b>75,656,695.00</b>	<b>78,172,740.00</b>	<b>79,951,337.00</b>	<b>1,778,597.00</b>

# Current Status - Appropriations

		Prior Year	Current Year	Futur Year	
		<u>2020-2021</u>	<u>2021-2023</u>	<u>2022-2023</u>	<u>Increase / (Decrease)</u>
<b>Appropriations:</b>					
Salries		45,936,421.46	47,582,160.70	49,057,208.38	1,475,047.68
Benefits:					
FICA		830,000.00	830,000.00	846,600.00	16,600.00
Pension		1,045,354.00	1,008,044.00	1,154,544.00	146,500.00
Health Benefits		12,614,450.00	13,292,589.24	13,677,545.60	384,956.36
Tuition		113,300.00	113,300.00	113,300.00	-
Retirement Payout		-	278,146.00	117,941.00	(160,205.00)
Worker's Compensation		425,645.46	433,313.34	484,797.53	51,484.19
Unemployment		50,000.00	50,000.00	50,000.00	-
Total Benefits		<u>15,078,749.46</u>	<u>16,005,392.58</u>	<u>16,444,728.13</u>	<u>439,335.55</u>
Other:					
Professional Fees		1,904,287.33	1,714,696.97	2,188,168.12	473,471.15
Purchased Services		6,465,261.54	6,400,892.10	6,532,386.12	131,494.02
Student Tuition		2,899,500.81	3,105,120.00	3,043,287.58	(61,832.42)
Professional Development and Travel		133,409.00	162,870.00	169,475.00	6,605.00
Supplies		2,793,510.26	2,870,202.31	3,050,887.04	180,684.73
Other		155,402.14	152,252.34	441,816.00	289,563.66
Capital Outlay		290,153.00	179,153.00	620,153.00	441,000.00
Total Other		<u>14,641,524.08</u>	<u>14,585,186.72</u>	<u>16,046,172.86</u>	<u>1,460,986.14</u>
<b>Total Appropriations</b>		<u><b>75,656,695.00</b></u>	<u><b>78,172,740.00</b></u>	<u><b>81,548,109.37</b></u>	<u><b>3,375,369.37</b></u>
<b>Surplus / (Deficit)</b>		<u><b>-</b></u>	<u><b>-</b></u>	<u><b>(1,596,772.37)</b></u>	

# Tax Impact - 2% Levy Increase

<b>2021-2022</b>	<u>Tax Levy</u>	<u>Tax Rate</u>	<u>Ratables</u>
General Fund	\$ 67,233,217	1.643%	\$ 4,091,976,402
Debt Service	\$ 4,586,308	0.112%	
Total tax rate	\$ 71,819,525	1.755%	\$ 4,091,976,402

<b>2022-2023 Proposed</b>	<u>Tax Levy</u>	<u>Tax Rate</u>	<u>Ratables</u>
General Fund	\$ 68,577,881	1.667%	4,112,989,278
Debt Service	\$ 4,512,504	0.110%	
Total tax rate	\$ 73,090,385	1.777%	4,112,989,278

<b>Difference</b>	<u>Tax Levy</u>	<u>Levy Change</u>	<u>Tax Rate Change</u>
General Fund	\$ 1,344,664	2.000%	0.024%
Debt Service	\$ (73,804)	-1.609%	-0.002%
Total Differences	\$ 1,270,860	1.770%	0.022%

<b>Tax Impact</b>		2020 - 2021	2021 - 2022	
	Assessed Value	School Levy	School Levy	Tax Year Increase
\$	307,793.00	\$ 5,402.17	\$ 5,469.67	\$ 67.50
\$	357,793.00	\$ 6,279.73	\$ 6,358.20	\$ 78.47
\$	407,793.00	\$ 7,157.30	\$ 7,246.74	\$ 89.44
<b>\$</b>	<b>457,793.00</b>	<b>\$ 8,034.86</b>	<b>\$ 8,135.27</b>	<b>\$ 100.40</b>
\$	507,793.00	\$ 8,912.43	\$ 9,023.80	\$ 111.37
\$	557,793.00	\$ 9,789.99	\$ 9,912.33	\$ 122.33
\$	607,793.00	\$ 10,667.56	\$ 10,800.86	\$ 133.30

**Note - 22-23 Ratables are estimated, pending May finalized appeals**

# Next Steps for Discussion

- **State Aid?**
- **Personnel** - \$292,500 in new personnel requests remaining in the budget
  - 2.50 FTE Special Education Teachers
  - 0.50 FTE 1:1 Nurse
  - 0.50 FTE ELL Teacher
  - 1.00 FTE Transportation Dispatcher
- **Staffing** - Reductions to current staffing levels to cover deficit?
- **Transportation**
  - Adjust courtesy busing policy to align to state law and consolidate routes
    - Current Policy:            K-6 - 1.0 mile            Grades 7-12 - 1.5 miles
    - State Law:                    K-8 - 2.0 miles            Grades 9-12 - 2.5 miles

# Next Steps for Discussion

- **Co-curricular & Athletic Activities**
  - UES - \$40,000
  - WAMS - \$200,000 (Would impact Pay to Participate)
- **Department / Building Budgets** - Further reductions in supplies, materials, and equipment.
- **Banked Cap Consideration** - \$194,796 available

Prebudget Year Adjusted Tax Levy, including Weighted Increases for Enrollment, Inflated by 2% - 19/20	\$	64,259,805.00
Plus: Increase in Health Care Costs		487,768.00
Tax Levy Cap		<hr/> 64,747,573.00
 Tax Levy Cap		 64,747,573.00
Less: Actual Tax Levy		(64,194,749.00)
Banked Cap Available for Use in Next Three Years		<hr/> 552,824.00
 Banked Cap Available for Use in Next Three Years		 552,824.00
Less Requested Use of Banked Cap in 2020 - 2021		(168,028.00)
Less Requested Use of Banked Cap in 2021 - 2022		(190,000.00)
Less Requested Use of Banked Cap in 2022 - 2023		
Banked Cap Available for Use in 2022 - 2023	\$	<hr/> 194,796.00

# Tax Impact - With Banked Cap

<b>2021-2022</b>	<u>Tax Levy</u>	<u>Tax Rate</u>	<u>Ratables</u>
General Fund	\$ 67,233,217	1.643%	\$ 4,091,976,402
Debt Service	\$ 4,586,308	0.112%	
Total tax rate	\$ 71,819,525	1.755%	\$ 4,091,976,402

<b>2022-2023 Proposed</b>	<u>Tax Levy</u>	<u>Tax Rate</u>	<u>Ratables</u>
General Fund	\$ 68,772,677	1.672%	\$ 4,112,989,278
Debt Service	\$ 4,512,504	0.110%	
Total tax rate	\$ 73,285,181	1.782%	\$ 4,112,989,278

<b>Difference</b>	<u>Tax Levy</u>	<u>Levy Change</u>	<u>Tax Rate Change</u>
General Fund	\$ 1,539,460	2.290%	0.029%
Debt Service	\$ (73,804)	-1.609%	-0.002%
Total Differences	\$ 1,465,656	2.041%	0.027%

<b>Tax Impact</b>		2020 - 2021	2021 - 2022	
	Assessed Value	School Levy	School Levy	Tax Year Increase
\$	307,793.00	\$ 5,402.17	\$ 5,484.25	\$ 82.08
\$	357,793.00	\$ 6,279.73	\$ 6,375.15	\$ 95.42
\$	407,793.00	\$ 7,157.30	\$ 7,266.05	\$ 108.75
<b>\$</b>	<b>457,793.00</b>	<b>\$ 8,034.86</b>	<b>\$ 8,156.95</b>	<b>\$ 122.08</b>
\$	507,793.00	\$ 8,912.43	\$ 9,047.85	\$ 135.42
\$	557,793.00	\$ 9,789.99	\$ 9,938.75	\$ 148.75
\$	607,793.00	\$ 10,667.56	\$ 10,829.65	\$ 162.09

**Note - 22-23 Ratables are estimated, pending May finalized appeals**



# Questions / Input

