

Monroe Township School District

DEVELOPMENT OF A BUDGET PHILOSOPHY For Fiscal Year 2021-2022

- ▶ Dr. Dori L. Alvich, Superintendent of Schools
- ▶ Dr. Adam Layman, Assistant Superintendent of Schools
- ▶ Mr. Michael C. Gorski, CPA, Business Administrator/Board Secretary

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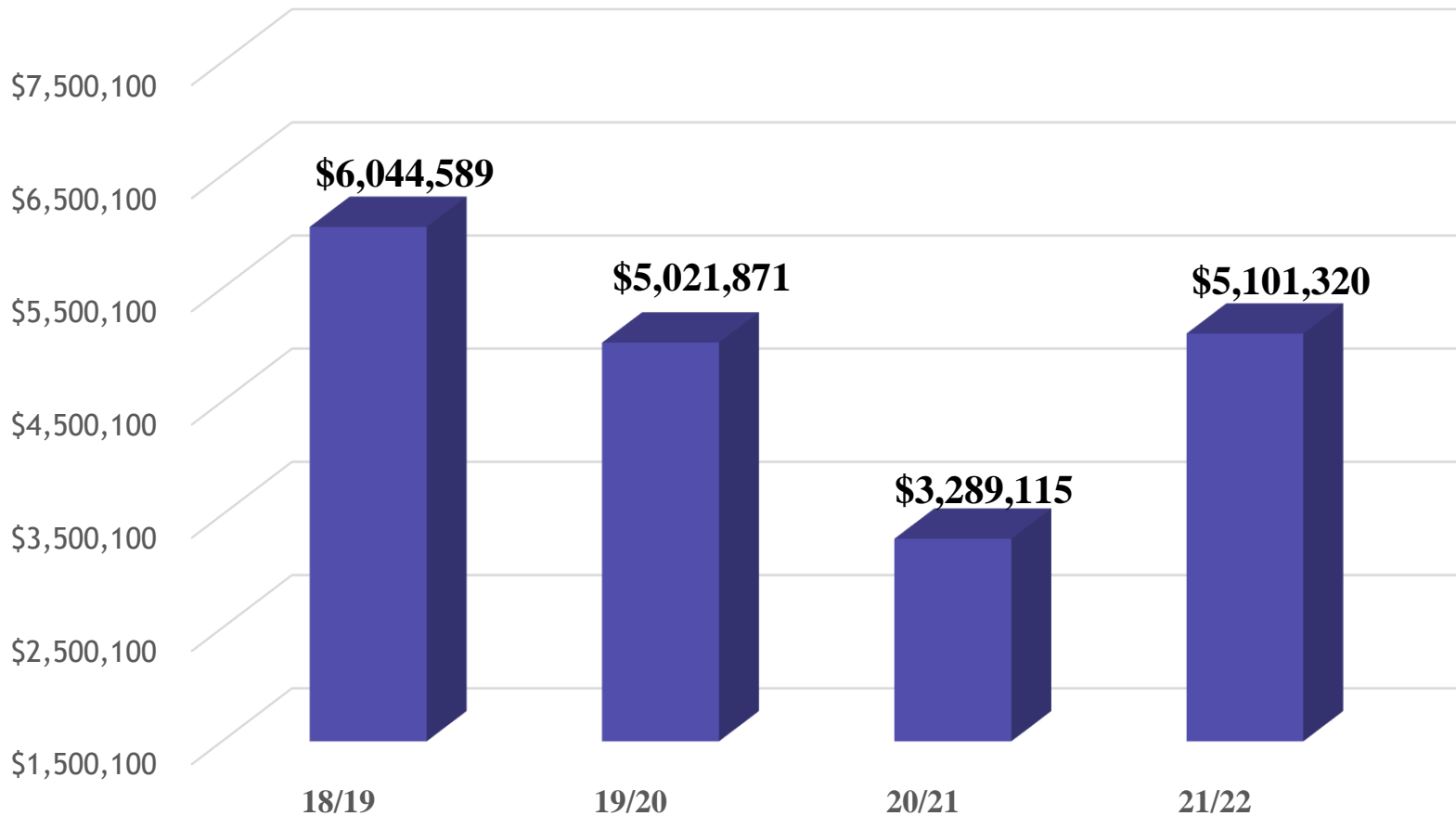
Mr. Paul Rutsky, Jamesburg Representative

WHAT IS A BUDGET PHILOSOPHY?

- ▶ **The philosophy of establishing the annual school budget should entail the creation of a framework for a budget that supports a democratic plan of appropriate funding for the implementation of educational programs so that students may develop and learn from quality experiences based on educationally sound and fiscally prudent planning.**
- ▶ **A solid financial base is paramount to ensuring that the school district will be able to meet the responsibility of preparing our students for an increasingly competitive environment.**
- ▶ **The budget philosophy stage should be macro-focused rather than micro-focused, as much more refinement will be required and implemented in the future through the rigorous budget process.**

Anticipated Excess Surplus Revenue in Excess of Prior Year

Excess Surplus is the aggregate difference between actual revenues and budgeted revenues plus the difference between actual expenditures and budgeted appropriations. It is required that the excess surplus from 06/30/20 be used as a revenue source in the 21/22 Budget N.J.S.A. 18A:7F-7.



Increase of revenue for the 2021-22 Budget + \$1,812,205

2020-21 School District Budget Statement – Cap Banking Eligibility

Name	2017-18	2018-19	2019-20	2020-21
Prebudget Year				
Adjusted Tax Levy, including Weighted Increase a for Enrollment, Inflated by 2%	\$98,472,001	\$101,353,868	\$103,380,945	\$106,604,176
Cap Adjustments:				
Increase in Health Care Costs	-0-	-0-	807,953	-0-
Increase in Normal and Accrued Pension Contribution (Deferred Pension)	-0-	-0-	-0-	-0-
Increase for Responsibility Assumed by District	-0-	-0-	-0-	-0-
Decrease for Responsibility Shifted to another District or Entity	-0-	-0-	-0-	-0-
Other Adjustments	-0-	-0-	-0-	-0-
Increase in SDA District Local Share	-0-	-0-	-0-	-0-
Tax Levy Cap	98,472,001	101,353,868	104,188,898	106,604,176
Tax Levy	98,013,903	100,353,868	104,513,898	108,062,274
CDL and CDBG	-0-	-0-	-0-	-0-
Banked Cap Available for use in Next Three Years	458,098	1,000,000	-0-	-0-
Requested Use of Banked Capped in Prior Years	-0-	-0-		
Requested Use of Banked Cap in Current Year	458,098	1,000,000	-0-	
Amount Expiring 2020-21	-0-			
Available Banked Cap Carried Forward to Following Year	-0-	-0-	-0-	-0-
Banked Cap Available for 2021-22				-0-

2020-21 School District Budget Statement - Tax Levy Cap Revenue

Name	Amount
Prebudget year adjusted tax levy, including weighted increases for enrollment, inflated by 2%	\$108,062,274
Adjustment for increase in health care costs	-0-
Adjustment for increase in certain normal and accrued liability pension contributions (pension deferral)	-0-
Adjustment for responsibility assumed by district	-0-
Adjustment for responsibility shifted to another district or entity	-0-
Other Adjustments	-0-
Increase in SDA District Local Share	-0-
Use of Banked Cap	-0-
Tax Levy Cap	<u>\$110,223,519</u>
	<u>+\$2,161,245</u>

Transfer from Other Funds Revenues

Falcon Care / ECE Net income as of 06/30/20 -0-

In the 2020-21 Budget \$600,000 was transferred as a revenue source from proprietary fund.

In the 2021-22 Budget -0- will be available.

In the 2020-21 Budget \$180,000 was transferred from Capital Reserve.

General Fund State Aid Revenues

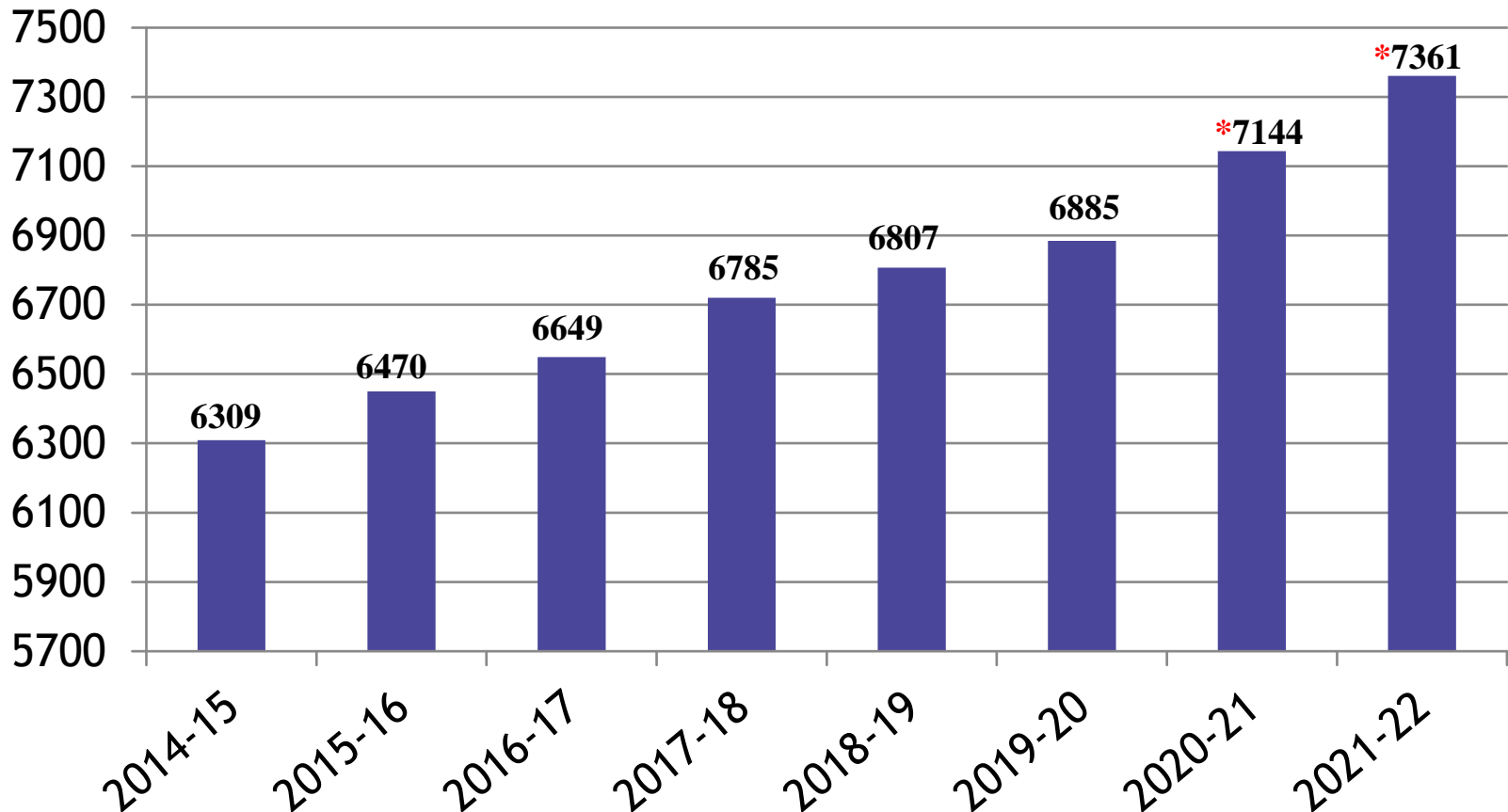
	<u>2020-21</u>	<u>2021-22</u>	<u>Increase</u>
Equalization Aid	<u>0</u>	<u>0</u>	<u>0</u>
Categorical Aid:			
Special Education Aid	\$3,381,921	\$3,381,921	0
Security Aid	103,764	103,764	0
Transportation Aid	2,753,019	2,753,019	0
	<u>\$6,238,704</u>	<u>\$6,238,704</u>	<u>0</u>
 Anticipated Increase in General Fund State Aid			-0-

21/22 BUDGET PROJECTED NEW RESOURCES

- ▶ Additional General Fund State Aid
-0-
- ▶ Additional General Fund Levy going to cap and using banked cap
\$2,161,245
- ▶ Excess Surplus Increase in Revenue
\$1,812,205
- ▶ Transfer from other funds
<\$780,000>
- ▶ Total Net Projected New Budget Resources
\$3.2 million

BUDGET APPROPRIATION CONSIDERATIONS

Budgets are driven by student enrollment



Enrollment extracted from ASSA

*Projected by Ross Haber Associates February 2020

BUDGET APPROPRIATION CONSIDERATIONS

Salaries and Benefits

Salaries and Benefits are approximately 75% of the General Fund Budget.

- ▶ **Aggregate District Salaries are approximately \$69,000,000.00.**
- ▶ **Health Benefits have been projected to increase 5%-9% including 2.5% NJ Tax on insurance with the caveat that claims will have to be monitored at least through January 2021 to receive an accurate estimate.**
- ▶ **2020-2021 Health Benefit premiums were \$26,176,905.00 and were offset by contractual contributions of approximately 3.8 million by District staff members.**
- ▶ **We are analyzing the NJ Educators Health Plan and projecting its fiscal consequences on premiums and contributors.**

BUDGET APPROPRIATION CONSIDERATIONS

- **Personnel**

Additional Teachers - to support increased enrollment and programs across the district

- ▶ MS Reading Specialist, Math (6th Grade), Accelerated Math.
- ▶ Business Teacher, Technology Teacher
- ▶ ELL Teachers – District (2)
- ▶ Wilson Interventionist
- ▶ Literacy Coach
- ▶ Elementary Teachers (1.5)

Special Education Staffing - to support our increased need for special education population and programs.

- ▶ Special Education Supervisor
- ▶ Special Education Teachers (9)
- ▶ Speech Therapist
- ▶ Physical Therapist
- ▶ Occupational Therapist
- ▶ Transition Coordinator
- ▶ BCBA
- ▶ Paraprofessionals (4)

BUDGET APPROPRIATION CONSIDERATIONS

- **Transportation**

Recommended fleet replacements for safety and enrollment growth:

▶ 6 - 54 Passenger buses with cameras	\$650,000.00
▶ 6 - Additional contracted Drivers with benefits	\$250,000.00
▶ 2 - Additional Transportation Aides	\$34,000.00

Six 54 passenger busses are recommended to be replaced due to age mileage restrictions.

BUDGET APPROPRIATION CONSIDERATIONS

- **Technology**

<u>Quantity</u>	<u>Item</u>	<u>Cost</u>
5	Servers	\$24,500
10	Extron Systems & Installation	\$32,500
50	Desktops	\$63,000
308	Chromebooks	\$48,520
239	Laptops for students & staff	\$354,600
41	Projectors and install	\$50,000
30	27" iMac computers	\$69,750
150	16" Macbook Pro	\$420,000

BUDGET APPROPRIATION CONSIDERATIONS

- **Facility**

<u>Site</u>	<u>Project</u>	<u>Need</u>	<u>Cost</u>
MTHS/MTMS	Replace synthetic turf field and synthetic running track. Additional bleachers	Beyond warranty and serviceable life safety	\$880,000.00
MTMS	Re-roof 1997 Wing and ancillary support roofs	Beyond warranty and serviceable life	\$960,000.00
MTMS	Replace PAC HVAC Equipment & Controls	Beyond warranty and serviceable life Safety	\$1,150,000.00
MTMS	Replace deteriorating asphalt paving	Preventative maintenance	\$3-5 million
MTMS	Engineering design for replacement of existing HVAC equipment & controls	Beyond warranty & serviceable life	\$120,000.00
MTMS	Replace chiller, boilers & HVAC equipment & controls	Beyond ASHRAE standards for serviceable life & improve air quality	\$5-7 million

BUDGET APPROPRIATION CONSIDERATIONS

- **Facility**

<u>Site</u>	<u>Project</u>	<u>Need</u>	<u>Cost</u>
MTMS	Replace exterior windows with energy efficient type operable windows	Preventative maintenance	+/- 1.2 million
Mill Lake	Remove existing rooftop HVAC equipment screens, patch roof and replace with non-penetrating screens	Preventative maintenance to address roof leaks	\$140,000.00
Applegarth	Roof, boilers, HVAC & electrical infrastructure, UST replacement	Systems beyond serviceable life	+/- \$12-15 million
High School	Modular classroom additions 13 classrooms + 3 SGI Rooms	Student enrollment	+/- \$15.115 million
Brookside	Replace worn carpeting	Preventative Maintenance	\$44,000.00
Woodland	Replace Chiller & HVAC controls	Beyond ASHRAE standards for serviceable life	\$1 million

BUDGET APPROPRIATION CONSIDERATIONS

- **Facility**

<u>Site</u>	<u>Project</u>	<u>Need</u>	<u>Cost</u>
Woodland	Replace worn carpeting & underlying VAT at 2 classrooms	Preventative Maintenance	\$38,000.00
Barclay Brook	Replace Chiller & HVAC controls	Beyond ASHRAE standards for serviceable life	\$1 million
Transportation	Storage Shed Butler Building for Salt Truck & Tractor	Operations	\$78,000.00
Transportation	Replace deteriorating asphalt paving	Preventative maintenance	\$600-800,000.00

BUDGET APPROPRIATION CONSIDERATIONS

- **Textbooks**

To align our resources to the curriculum documents and NJSLS.

Grade 4 Social Studies	\$56,250
Grade 6 Social Studies	\$72,500
Grade 7 Social Studies	\$72,500
AP Chemistry	\$7,500
Law	\$7,500
AP Economics	\$10,500
Web Design	\$3,000
Grade 5 Accelerated Math	\$12,000
Grade 6 Math	\$66,000
Grade 7 Math	\$75,000
Grade 8 Math	\$63,000
Honors Calculus, AP Calculus A/B & B/C	\$45,000

BUDGET APPROPRIATION CONSIDERATIONS

- **Programs**

Sound Shell	A sound-shell will allow students of music to enhance their performances and learn in an environment that is in alignment with best practices	\$30,000
Instruments	Numerous district instruments are in poor working condition, limiting opportunities for learning and impacting proper instruction/learning.	\$20,000
Industrial Arts Equipment/Maintenance	Wear and tear on Industrial/Practical Arts equipment creating a need for routine maintenance and equipment replacement	\$10,000
TV Production Broadcast Server	Current server is problematic. It is prudent to begin planning for replacement.	\$10,000

OUR ACCOMPLISHMENTS

- **Graduation Rate 2019-2020 – 96.4%**
- **June 2020 Graduates:**
 - **91.9% Attended college**
 - **2.5% Attended Career/Technical Schools**
 - **5.5% Entered the Military/Workforce/Undecided**
- **90% of students taking the AP tests scored a 3 or above (693 Exams taken)**
- **MTHS Average scores on SAT**
 - **Math 597 (State Average 540)**
 - **ERW 585 (State Average 541)**



#128



#99



#8 in Best Public High Schools in Middlesex County

TAX CONSIDERATIONS

Ratables:

Are the most significant variable in determining the tax rate. Preliminary reports are that ratable growth may be slightly higher than the preceding year which increased by 1.36%. This will favorably impact tax rates for 2021/2022.

ADMINISTRATION'S RECOMMENDATION

It is recommended that Administration prepare a budget that responsibly meets the demands of continuing, significant student growth and facility needs as well as program and service requirements without exceeding the Board's maximum spending authority, while prioritizing the following items, subject to the restrictions presented by Administration:

- ▶ Construction Projects, to be recommended by Administration on priority basis;
- ▶ Curriculum Recommendations, to be recommended by Administration;
- ▶ Salary and Benefit Increases, at a conservative range due to their contingent status;
- ▶ Transportation Recommendations, recommended by Administration;
- ▶ Programs as recommended by Administration; and
- ▶ Administration review of non-mandated programs and services with eliminations as a possibility.