

Caldwell-West Caldwell
School District
2018-2019
School Budget



PUBLIC HEARING
MAY 7, 2018

Agenda for Public Hearing



- The Objectives and Context of the 2018-2019 Budget
- What is contained in the 2018-2019 Budget
- Highlights of the 2018-2019 Budget
- Sources of Funding
- Expenditures by Type
- Impact on the Local Taxpayer
- Some Interesting Facts
- Cost Containment & Revenue Generation
- Impact on the Students

Objectives



- To apprise parents and members of the public of developments concerning the 2018-2019 School Year Budget
- To provide an opportunity for parents and community members to ask questions and give feedback about the proposed budget

Context: Budgetary Goals



- Maintain quality programs and appropriate staffing levels
- Meet state and federal requirements, while exercising due diligence in the expenditure of public funds
- Continue facilities maintenance and improvements
- Provide students and staff with educationally appropriate technology

Context: Budget Considerations



- Maintain existing programs at current level of service
- Continue updating curricula to comply with the New Jersey School Learning Standards
- Anticipate out-of-district special education placements
- Anticipate fixed cost increases
- Maintain basic facility upkeep and repairs, including health/safety maintenance, security, alarms, etc.
- Continue shared services and other revenue generation and cost containment initiatives


Context: Funding the Budget



- **Current NJ School Funding Law**

- Tax levy increase limited to 2%
- Limited adjustment waivers to spending cap (banked cap, enrollment growth, health insurance and small pension-related increases)

- **School District Funding 2018-2019**

- 2017-2018 operating budget tax levy = \$43,661,234
 - 2% of 2017-18 tax levy = \$856,103
 - Health cost waiver = \$0
 - Banked cap = \$0
 - 2018-2019 operating budget tax levy increase = \$856,103 or 2%
- 
- Two yellow arrows originate from the right side of the '2% of 2017-18 tax levy = \$856,103' line. One arrow points down and to the right towards the '2018-2019 operating budget tax levy increase = \$856,103 or 2%' line. The second arrow points down and to the right towards the '2018-2019 operating budget tax levy increase = \$856,103 or 2%' line, positioned slightly below the first arrow.

What is contained in the Budget?



- Maintain all current subject areas including special areas such as art, music, library science, and instrumental music
- Continued investment in STEM programs
- Maintain extracurricular club, athletic and arts programs
- Current level of Special Education services will be offered including in-district programs and out-of-district placements
- Continued emphasis on student academic growth, requiring staff development through training and workshops
- Removal of capital improvement projects from the operating budget, since they are funded through a referendum and ESIP projects
- **Additional intervention services**
- **In-district autism program**
- **Increase for leave replacement and substitute teachers**

Sources of Funding



Revenue

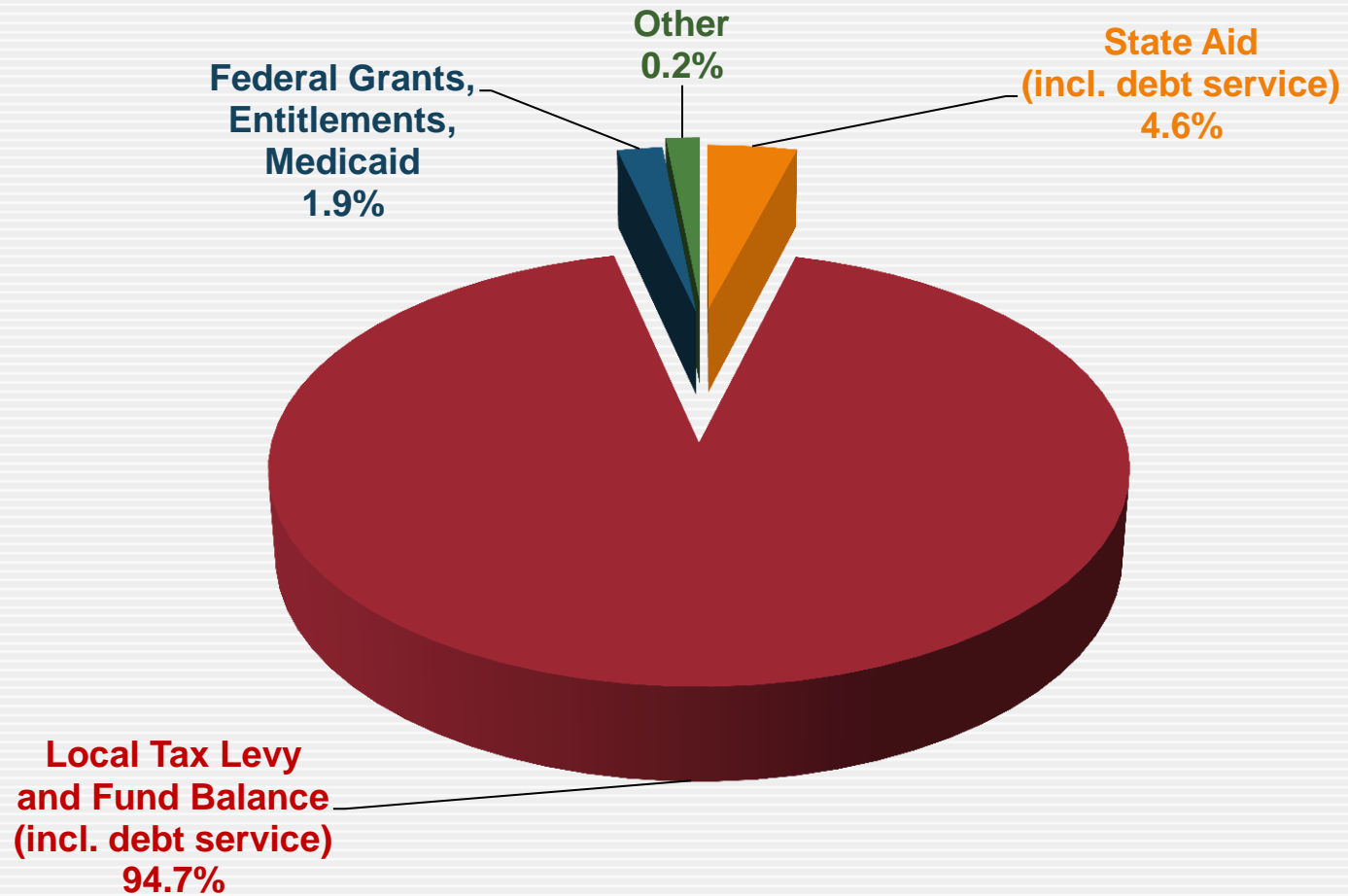
<u>Description</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>\$ Change</u>	<u>% Change</u>
Local Tax Levy	42,805,131	43,661,234	856,103	2.0%
Budgeted Fund Balance	300,632	300,000	(632)	-0.2%
State Aid (excl. Extraordinary Aid)	1,044,523	1,275,568	231,045	22.1%
Extraordinary Aid	224,018	401,419	177,401	79.2%
Miscellaneous Local Revenue	166,385	160,250	(6,135)	-26.7%
Total Withdrawals From Cap Reserve	0	0	0	
Medicaid Reimbursement	0	36,231	36,231	
Carryover Encumbrances	380,619		(380,619)	-100.0%
Total Operating Budget	44,921,308	45,834,702	1,294,013	2.03%
Grants and Entitlements	1,268,906	921,119	(347,787)	-27.4%
Debt Service Tax Levy	1,864,180	1,978,677	114,497	6.1%
State Debt Service Aid	663,053	720,695	57,642	8.7%
Debt Service Fund Balance, Interest	72,099	41,450	(30,649)	-42.5%
Total Repayment of Debt	2,599,332	2,740,822	141,490	5.4%
TOTAL REVENUE/SOURCES	48,408,927	49,496,643	1,087,716	2.25%

Miscellaneous Local Revenue includes tuition revenue; facilities rental; E-rate; athletics and extracurricular receipts; bank interest, misc.

Sources of Funding



Sources of Revenue



Expenditures by Category

The 2018-2019 Operating Budget is comprised of the following categories:



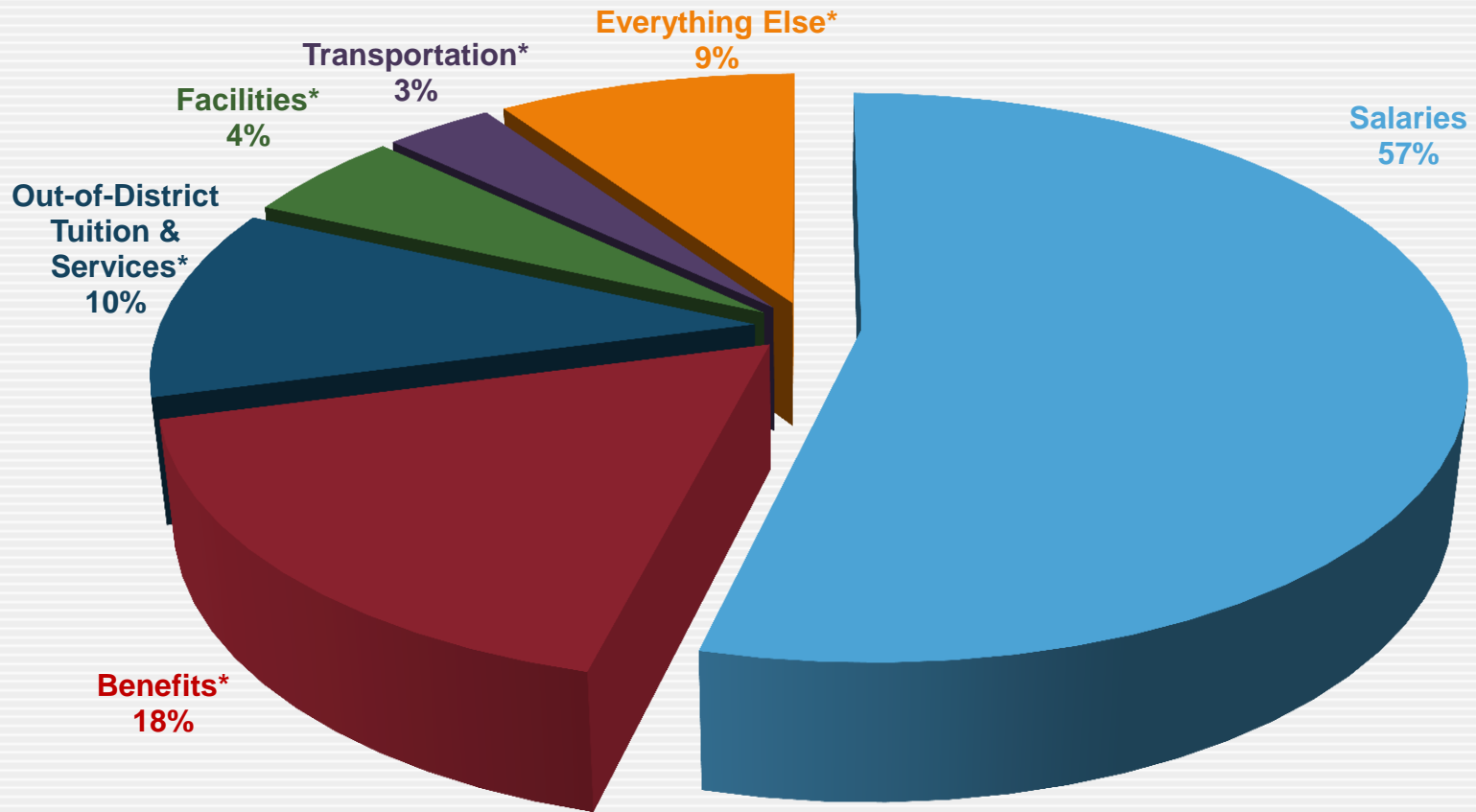
Operating Budget

<u>Category</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>\$ change</u>	<u>% change</u>	<u>Explanation</u>
General Education	13,286,264	13,883,230	596,966	4.5%	Spike in Leave Replacement/Sub teacher costs
Special, Basic , LLD, ELL, Speech, CST, Extra Services	7,056,044	7,987,444	931,400	13.2%	Additional intervention services; new in-district Autism program
Employee Benefits	7,878,442	7,183,044	(695,398)	-8.8%	Leaving the state health plan has saves both the district and employees over \$1 million over 17 months
Plant Services	4,450,709	4,405,994	(44,715)	-1.0%	Some security enhancements are included despite a net decrease to custodial/maintenance
School, Central Office Admin	3,161,671	3,194,094	32,423	1.0%	2.4% increase to salaries as per contracts; net decrease to all lines other lines
Tuition	2,759,487	2,881,048	121,561	4.4%	Out of district Special Ed and Vo-tech tuition
Support Services: Media, Tech, Nurses, Guidance, Attendance	2,712,449	2,834,931	122,482	4.5%	\$75,000 increase to counseling to offset Bridge ESSC grant expiration
Transportation	1,594,790	1,502,433	(92,357)	-5.8%	In-district busing has produced savings, with better service
Extracurricular/Athletics	1,319,629	1,357,785	38,156	2.9%	Athletics and extracurricular programs remain intact
Curriculum/PD/Staff Development	435,623	438,981	3,358	0.8%	The district continues to provide current and innovative professional development opportunities
Community Programs	76,814	78,396	1,582	2.0%	Custodial overtime offset by fee revenue from Use of Facilities and Community Programs
Capital Outlay	192,126	54,737	(137,389)	-71.5%	Reduced capital due to bond and ESIP projects
Total Operating Budget	44,921,308	45,834,702	878,069	2.03%	

Expenditures by Type



Operating Budget



* Each category excludes salaries, which are grouped together for this chart

Impact on the Local Taxpayer



Often varies between the two towns, due to changes in valuations:

- West Caldwell's school tax levy increased more than Caldwell's in 2017-2018 (in fact, Caldwell had a **decrease**)
- The reverse will occur in 2018-2019
- 2018-2019 general fund school tax levy impact on the average priced home:
 - ✦ Caldwell:
 - a **\$220** increase for the operating budget tax levy
 - including debt service, a total increase of **\$239**
 - ✦ West Caldwell:
 - a **\$47** increase on the operating budget tax levy
 - including debt service, a total increase of **\$60**

Estimate of average home price: \$ 420,307 in Caldwell and \$ 437,900 in West Caldwell

Some Interesting Facts: Tax Levy Growth Rate



Operating Budget Tax Levy

Year	\$ Amount	\$ Change
2010-2011	36,921,252	
2011-2012	36,939,862	18,610
2012-2013	36,712,440	(227,422)
2013-2014	37,446,765	734,325
2014-2015	38,851,019	1,404,254
2015-2016	40,210,804	1,359,785
2016-2017	41,618,188	1,407,384
2017-2018	42,805,131	1,186,943
2018-2019	43,661,234	856,103
Cumulative Change:		\$ 6,739,982

- The compounded annual growth rate of the tax levy has been a modest 2.12%* from 2010-2011 to 2018-2019
- No banked cap or waivers used in 2018-2019

* Calculation:

$$\begin{aligned} & \$ 36,921,252 \text{ in } 2010-2011 \times (1.0212)^8 \\ & \approx \$43,661,234 \end{aligned}$$

Some Interesting Facts: Employee Contributions to Health Benefits



Employee Contributions to Health Benefits (estimated)*	
School Year	\$ Contribution
2009-2010	0
2010-2011	50,000*
2011-2012	137,500
2012-2013	340,378
2013-2014	581,393
2014-2015	935,687
2015-2016	1,281,426
2016-2017	1,396,670
2017-2018	1,495,915*
2018-2019	1,300,000*
Cumulative Contribution:	\$ 7,468,969

- Compounded annual growth rate of the operating budget has been a modest 2.33%** since 2011-2012
- Budgets have been carried by increases in employee contributions to health care from \$0 to over \$1.5 million annually over the past 10 years
- With health contributions leveling off at between 20 to 25% of costs, districts are finding trouble finding “new” revenue

**Formula: $\$38,996,691$ in 2011-2012 x $(1.0233)^7 \approx \$45,834,702$ in 2018-2019

* Indicates estimates for these particular years

Cost Containment Measures



Refunding of Debt Service

- Debt service decreased by **\$300,946** in 2017-2018 due to bond refunding, interest revenue and a AA credit rating from Standard & Poor's
- Debt service will increase by **\$141,490** in 2018-2019

Transportation

The district's transportation budget has remained flat at about **\$1.5 million** the past three years

- Consolidation in the school bus industry has caused vendor prices to soar, as has the gas tax
- Had we not brought the Wilson, GCMS, athletics and several out-of-district routes in-house, our transportation costs would be at least \$250,000 - 300,000 higher
- District drivers and vehicles have also increased safety, reliability and satisfaction
- Buses can also be shared with the Caldwell-West Caldwell Recreation Department for summer field trips, lowering the cost to the parents and/or the rec department

Cost Containment Measures



- **Cooperative Purchasing:**

- Instructional/non-instructional materials and supplies and services purchased through State contracts and the Ed-Data, ESCNJ and Hunterdon County cooperatives
- Special Education partnership with the Essex Regional Educational Services Commission
- Member of Sussex County Regional Cooperative for shared transportation
- Natural Gas and Electrical provided through the NJ School Boards / ACES cooperative
- Fuel purchased through the Township of West Caldwell

- **Shared Services:**

- Agreement with municipalities for use of heavy machinery, recycling, use of facilities and police coverage for recreational purposes
- Joint lawn cutting bid and contract with the Township of West Caldwell
- Availability of gyms, fields and school buses with rec department

- **Professional Development:**

- Agreement with neighboring school districts for staff development

- **Insurance Coverage and Benefits:**

- Member of School Alliance Insurance Fund (SAIF) for liability, workers comp, property coverage
- Leaving the School Employees Health Benefits Plan (SEHBP) for a private plan with Horizon is saving the district and employees over \$1 million over a 17 month period

Cost Containment Measures



Energy Savings Improvement Plan (ESIP)

- ESIP is a state-supported program whereby building and equipment upgrades are made possible by capitalizing the value of future energy savings
 - The district issued bonds in May 2018 to fund capital projects that will increase the district's energy efficiency:
 - **LED lighting in all buildings**
 - **Solar in all buildings**
 - **Boilers at GCMS**
 - **Controls and other upgrades in all buildings**
 - Savings from lower utilities and maintenance costs will fund the bond payments
- AT NO COST TO TAXPAYERS:**
- Total project cost: **\$2.9 million**
 - Incentives from State of New Jersey: about **\$300,000**
 - Annual savings to cover bond payments: **\$250,000 – 300,000 annually**
- “Greener” buildings with cleaner energy
 - Newer equipment that the district otherwise would not afford

Revenue Generation Initiatives



Website Advertising

- Have received advertising revenue on the district's website for several years

Field Advertising

- Sponsorship banners continue to be sold on Bonnel Field, in conjunction with the Ed Foundation
- **\$22,000** donation from Lakeland Bank for sponsorship of scoreboard at Bonnel Field

Bank Interest

- Changing banks increased interest from zero to **0.30%** on most accounts, and **0.50%** on bond referendum funds
- Total interest exceeded:
 - **\$50,000** in 2015-16, **\$40,000** in 2016-2017 and **\$60,000** in 2017-18

Demand Response

- About **\$12,000** annual in revenue from EnerNOC, a demand response firm, for sharing our electrical utilities capacity in cases of emergency, and for several hours on one day during August for testing
- We also agree to share our grid capacity during an emergency

E-rate

- About **\$45,000** annually in federal **E-Rate** funding for technology infrastructure and services.

Revenue Generation Initiatives: Past and Current Grants



State/Federal Grants	Description	\$ Amount
Elementary & Secondary School Counselors	On-site counselors in conjunction with The Bridge	\$540,000+
Improvement in Instructional Services	Professional development	\$114,306
Future Ready New Jersey	Partnership with Irvington BOE for technology professional development & devices	\$93,000
Achievement Coaches	Professional development	\$40,500
Sustainable Jersey	Various grants	Tens of Thousands
Various corporate/foundation grants (BASF, Novartis, Special Olympics, others)	Mainly middle school and high school science & technology	Tens of thousands

Local Grants	Description	\$ Amount
CWC Education Foundation	Various supplies, equipment and programs, particularly chromebooks for GCMS	Hundreds of thousands
CWC Home School Associations	Various supplies, equipment and programs	Tens of thousands
Kiwanis / Rotary	Steelcase desks / GCMS STEM	Tens of thousands
Booster Clubs	Support of athletics and music programs	Tens of Thousands
Various Individual Donors	Science, theater, music, extracurricular, etc.	Thousands

Some Interesting Facts: Comparative Spending Snapshot



Per Pupil Costs continue to reflect the district's efficiency

County Rank	District	Admin Cost Per Pupil	District	Total Cost Per Pupil	District	Student to Admin Ratio
1	Irvington	\$1,404	Belleville	\$11,528	Montclair	213.9
2	Montclair	\$1,491	Verona	\$12,843	Bloomfield	198.6
3	Millburn	\$1,544	Bloomfield	\$13,277	Nutley	189.4
4	Verona	\$1,550	Nutley	\$13,869	Caldwell-West Caldwell	186.8
5	South Orange-Maplewood	\$1,559	Glen Ridge	\$14,607	Irvington	183.5
6	Caldwell-West Caldwell	\$1,657	South Orange-Maplewood	\$14,667	South Orange-Maplewood	182.8
7	Livingston	\$1,658	Caldwell-West Caldwell	\$14,840	North Caldwell	172.5
8	East Orange	\$1,680	Cedar Grove	\$15,116	Livingston	168.9
9	Bloomfield	\$1,690	Livingston	\$15,711	Belleville	165.2
10	Belleville	\$1,700	Orange	\$15,990	Fairfield	163.8
11	Roseland	\$1,744	Fairfield	\$16,113	Millburn	162.8
12	Nutley	\$1,783	Millburn	\$16,136	Glen Ridge	162.3
13	Fairfield	\$1,809	Montclair	\$16,272	Cedar Grove	159.9
14	West Orange	\$1,926	Irvington	\$16,921	West Orange	157.5
15	Newark City	\$1,986	Roseland	\$17,035	East Orange	137.5
16	Cedar Grove	\$1,993	North Caldwell	\$17,145	Verona	136.6
17	Glen Ridge	\$2,002	Newark	\$17,184	Roseland	115.0
18	Orange	\$2,097	West Essex Regional	\$18,057	West Essex Regional	112.6
19	North Caldwell	\$2,111	West Orange	\$18,277	Essex Fells	111.5
20	West Essex Regional	\$2,111	Essex Co Voc-Tech	\$18,811	Essex Co Voc-Tech	105.7
21	Essex Fells	\$2,118	East Orange	\$19,353	Newark	104.5
22	Essex Co Voc-Tech	\$3,435	Essex Fells	\$20,913	Orange	95.7

source: 2017 Taxpayers Guide to Educational Spending

Impact on the Students



The Caldwell-West Caldwell school budget is the financial plan to accomplish educational objectives:

- Students continue to enjoy learning in a safe, clean, and high performing District
- Students benefit from a wide range of extracurricular opportunities in the arts, athletics, and academics
- Restructuring of technology department has allowed the District to upgrade and maintain the infrastructure and educational hardware, delivering reliable support
- The elementary school music program will continue to foster an appreciation of the fine arts in our district at a young age. After school clubs will continue to be encouraged
- We will continue to provide small group instruction for the enrichment program, basic skills program and the special education programs

Looking Beyond 2018-2019



- Continue to evaluate the allocation of spacing in our buildings
- Continue to negotiate stable contracts with bargaining units
- Provide ongoing professional development and curriculum development
- Continue to seek efficient management of our buildings
- Ongoing investment in technology infrastructure, devices, training and support
- Continue to monitor out-of-district placements, explore more programs to keep children in-district for as long as possible
- Continue to implement shared services with the towns and other school districts
- Analyze health care claims experience regularly to capture savings, if possible

Thank You!



- It is no secret that CWC students receive outstanding and balanced opportunities to do well in our schools-even during a time when school budgets are in the news
- The Board of Education has built a budget that speaks to the continuing needs of our students. Thank you for your dedication and service to the children of the community:

Marie Lanfrank, President
Thomas Adams, Vice-President
Daniel Cipoletti
John King
Chris D'Ambola

- Thank you to the district administrators and staff who worked cooperatively to develop this budget plan in alignment with the district's educational programs.