

Caldwell-West Caldwell
School District
2021-2022
School Budget



PUBLIC HEARING
MAY 3, 2021

Agenda for Public Hearing



- The Objectives and Context of the 2021-2022 Budget
- What is contained in the 2021-2022 Budget
- Highlights of the 2021-2022 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, staff and members of the public of developments concerning the 2021-2022 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 fixed cost increases
- Anticipate out-of-district special education placements
- 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 deferred pension-related increases)

- **School District Funding 2021-2022**

- 2020-2021 operating budget tax levy = \$46,576,879
 - 2% of 2020-2021 tax levy = \$931,538
 - Banked cap/enrollment adjustment = \$400,000
 - 2021-2022 operating budget tax levy increase = \$1,331,538 or 2.86%
-
- A yellow plus sign is positioned above the \$400,000 value. Two yellow curved arrows originate from the plus sign and the \$400,000 value, pointing towards the final result of \$1,331,538 in the last bullet point, indicating that these two values are added together to reach the final figure.

What is contained in the 2021-2022 budget?



2021-2022 budget

- All current subject areas including special areas such as music, library/media, industrial/fine arts and consumer sciences
- Extracurricular, athletic and arts programs
- Current level of Special Education services, including in-district programs and out-of-district placements
- Continued effort to bring special education programs in-district when feasible
- More professional development done in-district at reduced cost
- Bringing more transportation in-district at a lower cost
- Continued shared services with municipalities, other districts consortiums and agencies

Noteworthy in 2021-2022



2021-2022 budget

- 1 new Social Studies Teacher: James Caldwell High School
- 2 Reading Intervention positions added (4 total)
- 1 new ABA Self-Contained Teacher/2 ABA Paraprofessionals
- Replacement 900 Chromebooks, 20 Laptops, Security cameras
- New Music textbooks
- No reductions in instructional staffing
- No reductions in student support services
- Continued maintenance of facilities
- Renovation of High School courtyard
- Harrison School Parking Lot renovation for safety purposes

Federal Grant/ESSER II Funds Use



- Technology: 1:1 Chromebook Initiative for all schools
- Tent Rentals: Provide additional space
- High School Courtyard: Irrigation and permanent canopy for area to obtain extra space
- Personal Protective Equipment
- Elementary Learning Acceleration
- Possible Staffing: Aides
- Professional Development for learning acceleration
- Guidance: Additional service needs

Sources of Funding



Revenue

<u>Description</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>\$ Change</u>	<u>% Change</u>
Local Tax Levy	\$ 46,576,879	\$ 47,908,417	\$ 1,331,538	\$ 2.86%
Budgeted Fund Balance	300,000	594,176	294,176	98.06%
State Aid	1,929,030	2,428,519	499,489	25.89%
Miscellaneous Local Revenue ¹	175,300	175,300	0	0.00%
Total Withdrawals Cap/Maint Reserve	0	450,000	450,000	1.00%
Medicaid Reimbursement	0	25,826	25,826	1.00%
Extraordinary Aid	401,419	401,419	0	0.00%
Total Operating Budget²	49,382,628	51,983,657	2,601,029	5.26%
Grants and Entitlements	1,188,714	1,647,181	458,467	38.57%
Debt Service Tax Levy	2,012,970	2,045,584	32,614	1.62%
State Debt Service Aid	720,479	734,066	13,587	1.89%
Debt Service Fund Balance	4,751	0	-4,751	-100.00%
Total Repayment of Debt	2,738,200	2,779,650	41,450	1.51%
TOTAL REVENUE/SOURCES	\$ 53,309,542	\$ 56,410,488	\$ 3,100,946	5.81%

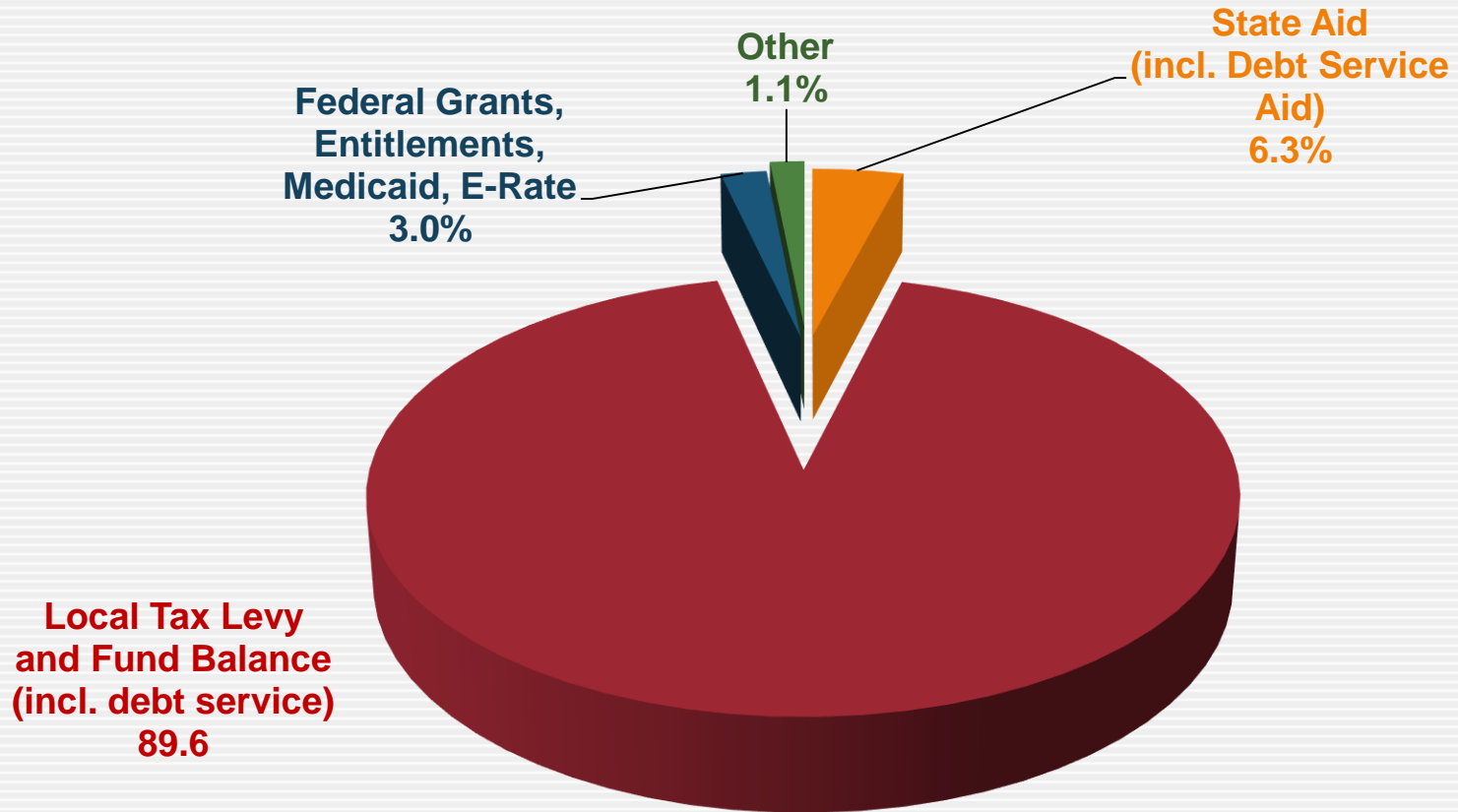
1 - Miscellaneous Local Revenue includes tuition revenue; facilities rental; e-rate; athletics and extracurricular receipts; bank interest, reserve interest, etc.

2 - Excludes Carryover Encumbrances from 2019-20

Sources of Funding



Sources of Revenue



Other: includes revenue from tuition, use of facilities, transportation, bank interest, miscellaneous

Expenditures by Category

The 2021-2022 Operating Budget is comprised of the following categories:



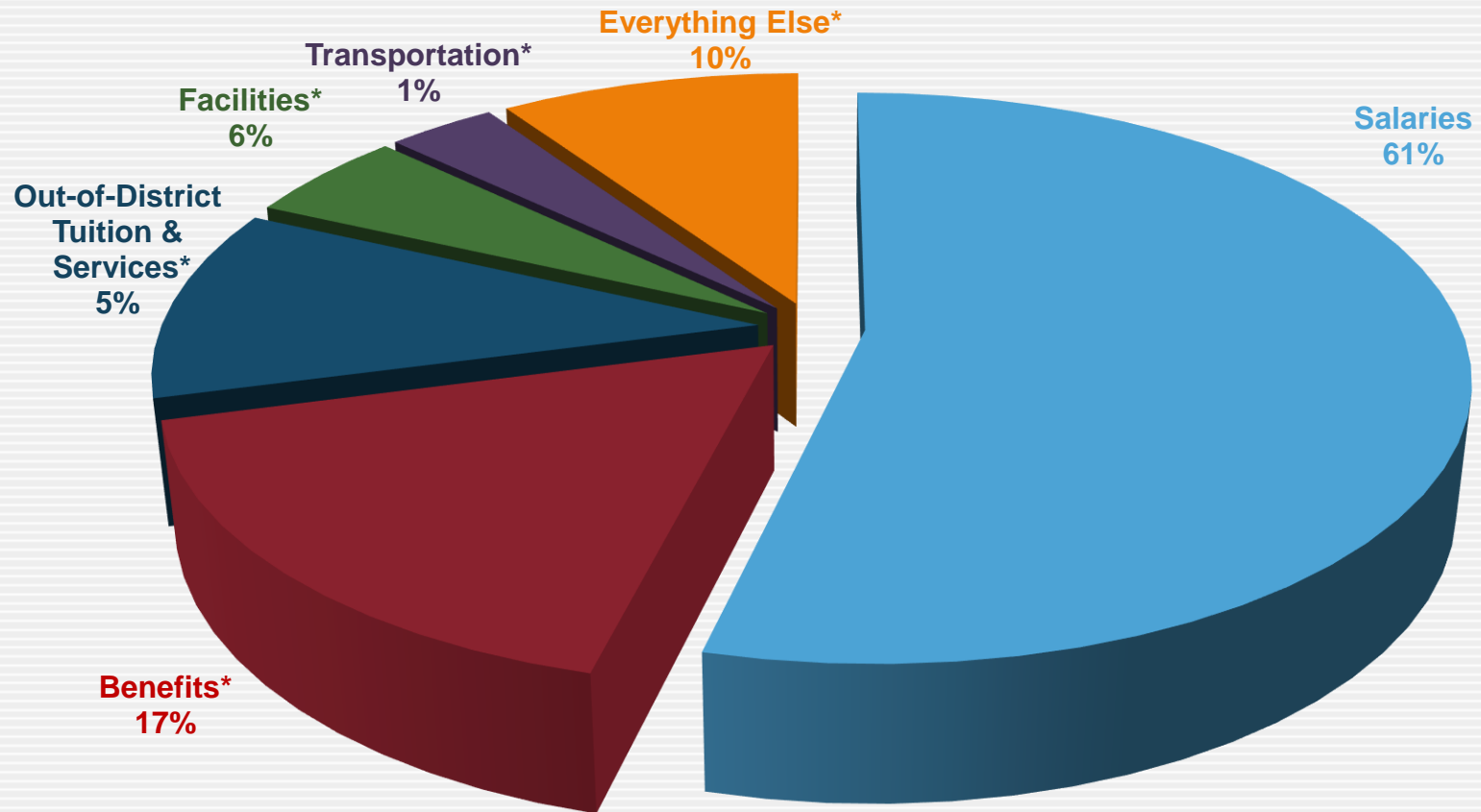
General Fund Budget by Program

<u>Category</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>\$ change</u>	<u>% change</u>
Instruction – Regular	\$15,264,782	\$15,561,050	296,268	1.94%
Special, Basic Skills, LLD, ELL, Speech, CST, Extra Svcs	\$ 8,116,919	\$ 9,108,109	991,190	12.21%
Extracurricular, Athletics	\$ 1,590,654	\$ 1,563,355	(27,299)	-1.72%
Out-of-District Tuition	\$ 2,544,864	\$ 2,809,457	264,593	10.40%
Community Programs	\$ 243,075	\$ 162,955	(80,120)	-32.96%
Curriculum/Instruction, PD/Staff Development	\$ 544,695	\$ 632,633	87,938	16.14%
Support Services (Library/Media, Tech, Nurses, Guidance, Attendance)	\$ 2,512,794	\$ 2,575,280	62,486	2.49%
Administration	\$ 3,994,152	\$ 4,034,491	40,339	1.01%
Maintenance, Custodial, Grounds	\$ 5,345,818	\$ 5,290,423	(55,395)	-1.04%
Transportation	\$ 992,721	\$ 1,192,945	200,224	20.17%
Employee Benefits	\$ 8,267,934	\$ 8,522,182	254,248	3.08%
Interest on Capital and Maintenance Reserve	\$ 300	\$ 300	0	0.0%

Expenditures by Type



Operating Budget by Function



* Each category on the top left excludes salaries, which are grouped together for this chart

Impact on the Local Taxpayer



- Operating budget school tax levy often varies between the two towns, due to changes in net valuations for county tax apportionment
- 2021-2022 tax changes based on the average priced home (based on 2021 estimated ratables*):
 - ✦ **Caldwell:**
 - **\$226** annual decrease on the operating budget tax levy based on average assessed house of \$422,800
 - ✦ **West Caldwell:**
 - **\$158** annual increase on the operating budget tax levy based on average assessed house of \$443,100

* To be adjusted once Essex County Tax Board releases the 2021 Equalization Tables

Some Interesting Facts: Conscious of Local Property Taxes



July 2018:

- DOE offered an increase in state aid of about \$370,000
- Board of Education:
 - increased 18-19 school budget by about \$250,000
 - gave back about **\$120,000 to local taxpayers**

May 2019:

- Health waiver permits tax increase by an additional \$232,632 above the 2% cap
- Using \$86,285, **saving taxpayers almost \$150,000**

May 2020:

- Enrollment adjustment permits 5.95% tax increase
- Board limited it to 2.97%
- Difference ~ 1.5 million in banked cap can be utilized in 21-22 and 22-23 budgets

May 2021:

- Enrollment adjustment from prior year permits 5.18% tax increase
- Board limited it to 2.86% and use of \$400,000 in banked cap
- Leaves a balance of \$1.1 million to be utilized in 22-23

Some Interesting Facts: Tax Levy Percentage Change



Operating Budget Tax Levy			
Year	\$ Amount	\$Change	%Change
2010-2011	36,921,252		
2011-2012	36,939,862	18,610	0.05%
2012-2013	36,712,440	-227,422	-0.62%
2013-2014	37,446,765	734,325	2.00%
2014-2015	38,851,019	1,404,254	3.75%
2015-2016	40,210,804	1,359,785	3.50%
2016-2017	41,618,188	1,407,384	3.50%
2017-2018	42,805,131	1,186,943	2.85%
2018-2019	44,261,234	1,456,103	3.40%
2019-2020	45,232,743	971,509	2.19%
2020-2021	46,576,879	1,344,136	2.97%
2021-2022	47,908,417	1,331,538	2.86%

- The average percentage change of the tax levy has been a modest 2.41% from 2010-2011 to 2021-2022

Cost Containment Measures



Decrease debt service payments

- 2016 Bond refunding saved \$497,000 in total or ~ \$55,000 annually through 2025
- Interest revenue, Debt Service Aid and a AA credit rating from Standard & Poor's help contain tax levy increase

Transportation

Annual budget decreased over the past 5 years from about \$1.6 to \$1.2 million

- Consolidation in the school bus industry, shortage of drivers and gas tax have caused vendor prices to soar
- Without Wilson, GCMS, athletics and several out-of-district routes coming in-house, the annual costs would be \$500,000 to \$600,000 higher
- New wheelchair bus and minivan in 20-21 : ~ \$50,000 annual savings going forward
- District drivers and vehicles increase safety, reliability and satisfaction
- Buses are used for in-district field trips, shared with Caldwell-West Caldwell Recreation for summer trips, lowering the cost to parents and/or the rec department
- Revenue from sharing our buses with North Caldwell and West Essex offset expenses

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
- Shared transportation with North Caldwell and West Essex school districts

- **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
- Continuously reviewing the health care plans of the School Employees Health Benefits Plan (SEHBP) versus a private plan has saved the district and employees money

Cost Containment Measures



Energy Savings Improvement Plan (ESIP)

- State-supported program to upgrade buildings and equipment by capitalizing the value of future energy savings
- Bonds issued in May 2018 funded energy efficient capital projects
- Utilities and maintenance savings are used to pay off the bonds
- Total project: **\$2.9 million** ***at no cost to taxpayers***
- Incentives from State of New Jersey: ~ **\$300,000**
- Annual savings to cover bond payments: **\$250,000 – 300,000**
- “Greener” buildings with cleaner, lower cost energy
- Newer equipment that the district otherwise would not afford:

Project	Buildings	Status
LED lighting	All	Completed Summer 2019
New boilers	GCMS	Completed Fall 2019
HVAC controls	All	Completed 18-19 and 19-20 school years
Solar	All but Washington	Completed Summer 2020

Revenue Generation Initiatives



Field Advertising

- Sponsorship banners continue to be sold on Bonnel Field by the Ed Foundation

Bank Interest

- Changing banks increased interest from zero to **0.30%** on most accounts, and **0.50%** on bond referendum funds
- Total interest increased from about \$0 in 2014-2015 to over **\$700,000** in the past six years

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	Partner with Irvington BOE for tech PD & 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
US Lacrosse Foundation	TryLax clinic, equipment, US Lax memberships	\$7,500 - \$15,000
ESSER/Cares/Digital Divide Grants	Federal funding for the re-opening of schools	\$700,000 +
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	Hundreds 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
1	Irvington	\$ 1,272	Belleville	\$ 13,629
2	Montclair	\$ 1,517	Verona	\$ 14,672
3	Verona	\$ 1,661	Nutley	\$ 15,050
4	Caldwell-West Caldwell	\$ 1,668	Bloomfield	\$ 15,207
5	South Orange-Maplewood	\$ 1,668	South Orange	\$ 15,803
6	Livingston	\$ 1,695	Glen Ridge	\$ 15,940
7	Millburn	\$ 1,734	Caldwell-West Caldwell	\$ 16,497
8	Essex Fells	\$ 1,750	Livingston	\$ 16,926
9	Bloomfield	\$ 1,801	Roseland	\$ 16,966
10	Nutley	\$ 1,817	Cedar Grove	\$ 16,973
11	Newark	\$ 1,821	Montclair	\$ 17,086
12	Roseland	\$ 1,907	Orange	\$ 17,318
13	East Orange	\$ 1,912	Fairfield	\$ 17,493
14	Belleville	\$ 1,938	Irvington	\$ 17,612
15	Fairfield	\$ 1,991	Millburn	\$ 17,995
16	West Orange	\$ 2,060	East Orange	\$ 18,574
17	Orange	\$ 2,099	Newark	\$ 19,156
18	Glen Ridge	\$ 2,238	North Caldwell	\$ 19,238
19	North Caldwell	\$ 2,299	West Essex	\$ 19,497
20	West Essex	\$ 2,301	Essex Fells	\$ 19,900
21	Cedar Grove	\$ 2,302	West Orange	\$ 20,508

source: 2020 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 2021-2022



- 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 and our administrative team have 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:

Daniel Cipoletti, President
Julianne Grosso, Vice-President
Chris D'Ambola
Chris Elko
Marie Lanfrank

Dr. James Heinegg, Superintendent of Schools

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