

Wayne Township Public Schools

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District Budget Update
2019-2020
February 7, 2019

Presentation Overview

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Process Status

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- The District continues to work on building budget with a focus on appropriations.
- The New Jersey Department of Education opened a portion of their software to allow data entry.
- School and Department budgets were entered into District's financial software and are under review.
- Salary information was rolled into the District budget software.
- Student enrollment analysis was completed and entered into the NJDOE software.
- Business office entered some revenue information into the NJDOE software.

Upcoming Important Dates

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- February 20th - New Jersey Department of Education - County Offices holding meeting to provide budget submission guidance and discuss review expectations.
- March 5th - State Budget Message delivered by the Governor of New Jersey. Two (2) days after speech, State Aid information will be released to districts and uploaded in State software.
- March 20th - Preliminary / Tentative 2019-2020 District Budget due to the New Jersey Department of Education for review.

Macro Level: Budget Factors

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- The district is in an overall positive financial condition.
- Has a healthy general surplus position - \$3,099,610 in Unassigned General Fund Surplus as of June 2018.
- A Capital Reserve, build by the Board of Education, stands at an adjusted \$1,819,983 to address future facility needs for renovations and upgrades.
- The District generated \$1,750,000 in available resources by the end of June 2018 which will be used in the 2019-2020 budget. These additional resources will reduce taxes. Please note that the subject revenue is a one time source and the Board is looking to reduce this dependency over the next few years.

Macro Level: Revenue Sources

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- ❑ The main source of new revenue will be the increase in the Tax Levy. An increase of 2.0% in the Tax Levy would represent \$2,984,163.
- ❑ No Tax Levy Adjustments are expected, Adjustments could be used to increase the Tax Levy beyond 2.0%.
- ❑ Other revenue sources, student tuition and rent, are estimated to be stable.
- ❑ State Aid is projected to be flat funded in 2019-2020. The State of New Jersey communicated a possible increase of 25% last year which would represent an estimated \$1,302,623 in new revenue.
- ❑ New Jersey Extraordinary Aid budgeted, as per past guidelines, at 75% of last year's amount. The estimated reduction from what was received in 2018-2019 is \$625,000.
- ❑ Budgeted Fund Balance is set at \$1,750,000 which is \$227,442 less than what was generated for the 2018-2019 budget.

Macro Level: Appropriations

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- Estimated Salary Growth - With over \$95,000,000 in salaries, 3.0% would be \$3,000,000.
- Estimated Employee Benefit Increase - With an estimated \$30,000,000 in employee benefits, 10% would be 3,000,000.
- Other Fixed Cost Growth at 2.0% would be an easy \$500,000.
- District is also looking to reduced future lease purchase payments.
- Will continue to utilize Capital Reserve to offset facility renovations and upgrades.
- PCTI Regular Education tuition increase to \$1,443,620 which reflects 113 students with a 10% contingency.

Macro Level: New Teachers

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- 1 Full Time English Language Learner Teacher - \$110,000 (Salary & Benefits)
- 1 Full Time World Language Teacher - \$110,000. Shared between Middle and High Schools
- 1 Full Time Music / Strings Teacher - \$110,000.
- Total New Teachers - \$330,000

Macro Level: New Programing

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- EnVision 2.0 K-6 Math - \$140,000.
- Elementary Robotics Program - \$40,000.
Wayne Education Foundation will fund.
- New Middle School Social Studies Program - \$250,000.
- New High School Geometry Textbooks - \$175,000.
- New High School Biology Textbooks - \$82,000
- Total New Programing - \$617,000.

Macro Level: Block Scheduling

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One Time Costs - \$305,567

Student Furniture \$72,442

Trades Kitchen \$233,125

Recurring Costs - \$312,500

Science / Additional Time \$6,500

Lunch Supervision \$150,000

Custodial Coverage \$156,000

Total First Year - \$618,067

Macro Level: District Goals

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- ❑ Fund current employment contractual obligations. District collective bargaining agreements expire as follows:
 - ✓ Wayne Education Association agreement expiring on June 30, 2021.
 - ✓ Wayne Township Administrators' Association agreement expiring on June 30, 2019.
 - ✓ Wayne Paraprofessionals Association agreement expired on June 30, 2020.
 - ✓ Wayne Custodial-Maintenance Association agreement expires on June 30, 2021.
 - ✓ International Brotherhood of Teamsters agreement expires in June 30, 2020.
 - ✓ School Cafeteria/Playground Aides' Association agreement expires on June 30, 2019.
- ❑ Review district personnel needs in regards to projected enrollment trends.
- ❑ Maintain the district's current programs and services.
- ❑ Confirm the 2018-2019 spending and project for fiscal year end June 30, 2019.

Macro Level: Technology

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- Wireless Access Point Project - Final Phase \$420,000.
- Fiber Upgrade Project - \$130,000. Completion will move the District from 1 Gig to 10 Gig internet speeds.
- Next Phase 1 to 1 Chromebook Initiative - \$180,000. Continue to rollout devices to 9th and middle school grades.
- Total Technology Projects - \$730,000

Macro Level: Facilities

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- Next Generation Science Labs - Phase 3
\$1,453,000 for Wayne Valley and Wayne Hills High Schools.
- George Washington MS HVAC Project -
\$460,000. Would provide new heating and air conditioning for ten classrooms.
- Other Identified Facility Projects - \$2,880,000.
- Total Projects - \$4,793,000

Enrollment Assumptions

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- ❑ A net decrease in total district population estimated to be 54 students, which represents a conservative (0.70)% growth rate over last year.
- ❑ Elementary Schools will expect a total net increase of 18 students. Kindergarten continues to grow with 10 new students with an estimated 8 pupils in grades 1 through 5.
- ❑ The middle school is expected to contract with 50 less students representing a decrease of (3.30)%.

Enrollment Assumptions (continued)

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- ❑ The High School will also experience a projected decrease of 22 students or (1.53)%.
- ❑ Overall, the number of special education students will increase by 32 students of which 10 new children are expected to be placed in out-of-district placements.

Enrollment Assumptions (continued)

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INCREASE IN RESIDENT ENROLLMENT	
GRADE	NO. of STUDENTS
Kindergarten	10
Grades 1-5	(8)
Grades 6-8	(50)
Grades 9-11	(22)
TOTAL	(54)
Out of District Placements (Special Education)	10 (32)

Micro Level: School Goals

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- ❑ Maintain core mission - educational foundation programs (Language Arts, Math, Science).
 - ❑ enVision Math 2.0
 - ❑ Wilson Reading & Foundations Multi Sensory Reading Programs
 - ❑ Next Generation Science Standards Curriculum Resources
 - ❑ Continued Textbook Replacement In High School (Math/Science)
- ❑ Review district personnel needs at the school level and adjust for projected enrollment trends.
- ❑ Maintain the district's other existing programs (Art, Music, World Language).

Micro Level: Special Education Goals

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- ❑ Budget for all out-of-district student tuitions and related transportation.
- ❑ Provide required student services:
 - ✓ Evaluations
 - ✓ Speech therapy
 - ✓ Occupational therapy
 - ✓ Physical therapy
 - ✓ Medical services
- ❑ Provide required student instructional supplies and materials as per Individual Education Plan (IEP).

Micro Level: Technology Goals

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- ❑ Maintain core mission providing instructional and administrative technology support.
- ❑ Secure additional resources, expanding department support and maintenance capabilities.
- ❑ Continue to implement the district's technology plan and support district's devices (Tablets, Switches, Devices and Printers).

Micro Level: Security Goals

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- Maintain existing security systems.
- Expand hardware capacity and capabilities.
- Acquire additional resources, expanding and upgrading existing security, monitoring and entry systems.

Micro Level: Facilities Goals

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- Repair, or coordinate vendor services, for all district facility systems
 - ✓ Heat Ventilation and Air Conditioning
 - ✓ Electric
 - ✓ Water
- Fire Alarm and other safety systems
- Purchase repair and maintenance supplies and material.
- Continue preventative maintenance programs. .
- Provide acceptable property insurance.

Micro Level: Food Service

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The Board of Education will continue to pursue a break even or profitable operations and will continue to plan for the following:

- ✓ Replace small wares on an annual basis.
- ✓ Replace old equipment as needed.
- ✓ Repair and maintain existing equipment.
- ✓ Consider investing in new equipment and machinery improving operations.
- ✓ Provide resources and monitor management contract.

Micro Level: Transportation

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- Maintain existing Bus Fleet through repairs and vehicle maintenance.
- Acquire new buses on an as needed basis. Replace buses that are beyond useful life.
- Provide resources for Aid in Lieu students.
- Provide resources for contracted student transportation on an as needed basis.
- Explore providing shared special education transportation with other districts.

Lease Purchase Agreements

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- ❑ Purpose: Developed relationship with the Passaic County Improvement Authority (PCIA) to annually lease purchase assets over consisting mainly of school buses and computer technology.
- ❑ Current obligations run to 2023-2024.
- ❑ Existing annual payments (P&I):
 - ✓ 2018-2019: \$1,479,317
 - ✓ 2019-2020: \$1,298,279
 - ✓ 2020-2021: \$ 961,103
 - ✓ 2021-2022: \$ 530,047

ESIP Financing

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- ❑ Purpose: The district purchase equipment and as part of the New Jersey Energy Savings Improvement Program (ESIP) and financed these projects through the Passaic County Improvement dating back to the 2010-2011 fiscal year.
- ❑ Current obligations run to June 30,2030.
- ❑ Debt Payments:
 - ✓ 2018-2019: \$782,934
 - ✓ 2019-2020: \$800,801
 - ✓ 2020-2021: \$819,078
 - ✓ 2021-2022: \$837,777

Debt Service

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- ❑ Purpose: The subject debt was incurred as result of financing the Anthony Wayne Middle School.
- ❑ Current obligations run to the 2023-2024 fiscal year.
- ❑ Debt Service Payments
 - ✓ 2020-2021: \$3,046,475
 - ✓ 2019-2020: \$3,145,975
 - ✓ 2018-2019: \$3,240,175
 - ✓ 2017-2018: \$3,359,475
 - ✓ 2016-2017; \$3,356,975

Fund Balance

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• Available as of 06/30/17	\$ 5,652,577
• <u>Used in the 2018-2019 Budget</u>	<u>1,977,442</u>
• Remaining at 06/30/17	\$ 3,675,135
• Increase at end of 06/30/18	\$ 1,174,475
• Available as of by 06/30/18	\$ 4,849,610
• <u>Used in the 2019-2020 Budget</u>	<u>1,750,000</u>
• Remaining at 06/30/18	\$ 3,099,610

Note: An increase in available fund balance may be used to continue to build Capital Reserves.

Capital Reserve

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• Available as of 06/30/17	\$ 2,974,587
• <u>Transferred in during 2017-2018</u>	<u>0</u>
• Remaining at 06/30/18	\$ 2,974,587
• Increase at end of 06/30/18	\$ 1,045,396
• Available as of 06/30/18	\$ 4,019,983
• Encumbered in 2018-2019 Budget	(1,600,000)
• <u>Transferred out during 2018-2019</u>	<u>(600,000)</u>
• Remaining at 06/30/19	\$ 1,819,983

Note: An increase in available fund balance may be used to continue to build Capital Reserves

ESSA/IDEA (Federal Programs)

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- ❑ Wayne Township Public Schools provides various programs to comply with the federal Every Student Succeeds Act (ESSA) legislation. The program plans are submitted to the NJDOE for approval. Resources identified for these activities are \$867,760.
- ❑ Individuals with Disabilities Education Act (IDEA) provides additional federal resources for the district's special education students. This budget plan, in the amount \$1,494,538 is mainly for student tuition and is also approved by the NJDOE.