

Piscataway Board of Education

2020-21 Preliminary Budget Presentation

March 12, 2020

Budget Guidelines

- Review all curricular and instructional programs for effectiveness and recommend initiatives
- Maintain class sizes in recommended Board policy
 - Grades K-3: 22-25 students per class
 - Grades 4-8: 22-28 students per class
- Continue district technology initiative
- Review special education programs to provide opportunities and cost-efficiency

Budget Guidelines

- Assure safety and security of students
- Recruit, retain, and compensate staff, consistent with negotiated bargaining agreements
- Monitor health benefit expenses and minimize cost increases
- Invest in capital improvements to maintain school buildings
- Maintain cost efficiency and use fund balance for capital reserve

State Aid History

2009-10	\$16,802,641
2010-11	\$11,974,697
2017-18	\$16,906,426
2018-19	\$19,574,029
2019-20	\$20,637,562
2020-21	\$22,200,458

Full uncapped SFRA funding entitles Piscataway to
\$27,432,757 in state aid.

Current State of Affairs

- 2020-2021 is the second year of implementation of Senate Bill S2 which legislated a gradual implementation of the School Funding Reform Act enabling all districts to be fully-funded.
- If the State continues to fund education and implement S2, Piscataway should receive increases in state aid for 4 additional budget years.

Current State of Affairs

- 20 out of 24 districts in Middlesex County are underfunded.
- State aid is based upon student enrollment characteristics, township ratables and total income of township residents.
- Piscataway receives \$3,118 per pupil which is below the county average of \$5,693 per pupil.
- Piscataway ranks 15th in the county in state aid per pupil.

Current State of Affairs

	Total Costs per Pupil
Franklin	\$ 24,255
Highland Park	\$ 23,909
East Brunswick	\$ 22,165
South Plainfield	\$ 20,529
Old Bridge	\$ 20,092
North Brunswick	\$ 20,002
Middlesex	\$ 19,493
Piscataway	\$ 18,561
South Brunswick	\$ 18,064
Dunellen	\$ 17,727
Edison	\$ 17,103
K-12 Average	\$ 21,748

Revenue Background

- Tax Levy
 - Tax levy can only increase 2% with minimal exceptions (Ex. health care costs, large spikes in enrollment).
 - Health care cost exception was not available this year due to a decrease in SEHBP costs
 - Local school tax levy represents 72% of our operating budget.
- District receives nearly \$2 million in miscellaneous revenue from SREC sales, tuition, shared transportation routes, and interest

Banked Cap

- Banked Cap
 - If a District raises taxes below the annual maximum it accumulates the difference as banked cap that can be used in a future budget year.
 - The District began the 2020-2021 budget cycle with \$4,261,630 in banked cap available. \$1,645,078 of banked cap will expire if it is unused in the 2020-2021 budget.
 - District Administration is not requesting the use of banked cap in the 2020-21 budget.

Property Ratables

- Property values have increased every year since the 2008-2009 downturn in the economy.
- Township has a regular 5-year revaluation schedule.
- The 2020 ratable base increased \$313 million from \$7.5 billion to \$7.8 billion.
- Residential properties accounted for 54% of the increase in ratables and apartments accounted for 28% of the increase in ratables.

What Drives Our Budget?

- State and Federal mandates
- Enrollment
- Staffing needs
- Salaries and benefits
- NJ Student Learning Standards
- Technology
- Security
- ELL students

Enrollment Projections

- Student enrollment has been trending downward slightly but has been offset by increases in our state-funded preschool program
 - 2010-11: 7,191 students
 - 2019-20: 7,122 students
 - 2020-21 (projected): 7,035 students
- District engaged a demographer to project enrollment trends. The report projects a continued gradual decrease in enrollment as new residential development slows.

Staffing

- Due to enrollment projections, we expect to reduce multiple K-5 class sections through attrition and staff redistribution.
- Staff additions include:
 - K-5 Behaviorist
 - PHS Engineering Teacher
 - PHS ESL Teacher
 - Grade 4-5 Special Ed Resource Teachers (2)
 - Full-Day Special Ed Preschool Teachers (2)
 - IT support staff
 - District Transition/Mentor Coordinator
- Assistant coaches for field hockey and B/G soccer

Educational Initiatives

- Implementation and continuation of transition programs. Ex. Freshman Seminar, Peer Mentoring, and Post-secondary Transition
- Technology upgrades at all levels
- Academy upgrades and additions
- Continuity of reading level program K through 5
- Materials to address cursive writing and vocabulary
- Advanced Placement textbooks and materials
- K-8 musical instruments – fully equip now – maintain annually

Educational Initiatives - Technology

- Technology – 1:1 iPad project expands to grades 9-11 at PHS
- Mac desktops for Business, Radio/TV classes
- Mac laptop carts for math and engineering classes
- New iPads for MS teachers
- Laptops to replace old desktops for K-5 teachers
- Additional projectors in all buildings
- Upgrade spam filter and firewall

Capital Projects

- PHS and MS Auditorium renovations
- Family Consumer Science and Life Skills room remodels
- Generator installations
- PHS Chorus room ceiling
- Arbor entry ramp
- Knollwood water line replacement
- Paving/concrete projects

Capital Reserve & Maintenance Reserve

- *Note: PHS Bleachers, light poles and storage project funded in 2019-2020 budget but ongoing.*
- Capital Reserve: District has funded significant building improvements through capital reserve including a projected \$6.5 million in 2020-2021.
- Maintenance Reserve: Budgeted withdrawal of \$200,000 is recommended for large painting projects and localized floor replacements and refinishing.

Ongoing Challenges

- Supports & interventions for underperforming students
- Technology is expensive and changes rapidly
- Shortage of qualified teachers in certain content areas
- Time & funding for professional development
- Need for comprehensive psychological support services for families
- Housing Projects under construction
- Facility upgrades & security

2019-2020 vs. 2020-2021 Budget Comparison

	2019 - 2020 Adjusted Budget	2020 - 2021 Proposed	\$ Change	% Change
Revenues:				
General Fund Tax Levy	\$ 92,203,841	\$ 94,047,918	\$ 1,844,077	2.00%
Debt Service Tax Levy	\$ 3,613,300	\$ 3,632,550	\$ 19,250	0.53%
State & Federal Aid	\$ 27,651,056	\$ 30,846,702	\$ 3,195,646	11.56%
Local Revenue	\$ 1,885,000	\$ 1,925,000	\$ 40,000	2.12%
Fund Balance	\$ 4,935,583	\$ 5,499,867	\$ 564,284	11.43%
Transfers from Reserve	\$ 5,250,000	\$ 6,700,000	\$ 1,450,000	27.62%
Total Revenues	\$ 135,538,780	\$ 142,652,037	\$ 7,113,257	5.25%
Appropriations:				
Operating Fund	\$ 118,131,439	\$ 121,514,664	\$ 3,383,225	2.86%
Capital Outlay	\$ 6,984,754	\$ 8,669,603	\$ 1,684,849	24.12%
Charter Schools	\$ 590,038	\$ 708,091	\$ 118,053	20.01%
Interest on Reserve Accounts	\$ 135,000	\$ 100,000	\$ (35,000)	-25.93%
General Fund Operations	\$ 125,841,232	\$ 130,992,358	\$ 5,151,126	4.09%
Special Revenue Fund	\$ 6,084,249	\$ 8,027,129	\$ 1,942,880	31.93%
Debt Service Fund	\$ 3,613,300	\$ 3,632,550	\$ 19,250	0.53%
Total Appropriations	\$ 135,538,780	\$ 142,652,037	\$ 7,113,257	5.25%

General Fund Operations Analysis

	2019 - 2020	2020 - 2021		
<i>Appropriations:</i>	Adjusted Budget	Proposed	\$ Change	% Change
Salaries	\$ 71,648,309	\$ 73,806,001	\$ 2,157,692	3.01%
Benefits	\$ 19,869,278	\$ 20,671,845	\$ 802,567	4.04%
Purch. Prof. Svcs.	\$ 6,139,906	\$ 6,416,083	\$ 276,177	4.50%
Purch. Property Svcs.	\$ 2,721,701	\$ 3,014,255	\$ 292,554	10.75%
Other Purch. Svcs.	\$ 7,367,144	\$ 7,480,107	\$ 112,963	1.53%
Tuition	\$ 2,100,000	\$ 1,743,053	\$ (356,947)	-17.00%
Supplies	\$ 4,896,163	\$ 5,051,263	\$ 155,100	3.17%
Utilities	\$ 2,520,000	\$ 2,228,000	\$ (292,000)	-11.59%
Other Goods & Svcs.	\$ 868,938	\$ 1,104,057	\$ 235,119	27.06%
Equipment	\$ 1,491,249	\$ 1,176,098	\$ (315,151)	-21.13%
Capital Outlay	\$ 5,493,505	\$ 7,493,505	\$ 2,000,000	36.41%
Charter Schools	\$ 590,038	\$ 708,091	\$ 118,053	20.01%
Interest on Reserve Accts	\$ 135,000	\$ 100,000	\$ (35,000)	-25.93%
<i>Total Appropriations</i>	\$ 125,841,231	\$ 130,992,358	\$ 5,151,127	4.09%

Tax Levy Analysis

	2017-2018	2018-2019	2019-2020	2020-2021
Tax levy	\$ 92,993,062	\$ 94,003,198	\$ 95,817,141	\$ 97,680,468
Avg Assessed Value	\$ 276,611	\$ 323,572	\$ 329,824	\$ 342,264
Tax on Average Household	\$ 4,102.25	\$ 4,157.12	\$4,198.23	\$ 4,264.19
Tax Increase on Average Household	\$ 42.67	\$ 54.87	\$ 41.10	\$ 65.96

Every \$100,000 of assessed value equates to \$1,245.88 of school tax.

Budget Calendar

- March 12, 2020 – Budget Presentation and Adoption of Tentative Budget
- March 20, 2020 – Budget Submitted to Executive County Superintendent for approval
- April 30, 2020 – Public Hearing and Final Budget Adoption
- May 1, 2020 – User-friendly Budget posted on the District website