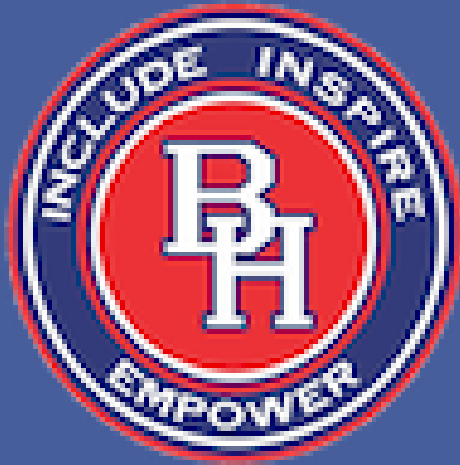


BERKELEY HEIGHTS BOARD OF EDUCATION



2023-2024 PRELIMINARY BUDGET REVIEW

DR. MELISSA VARLEY, SUPERINTENDENT
JULIE A. KOT, BUSINESS ADMINISTRATOR

DR. DAVID GREER, ASSISTANT SUPERINTENDENT
MARYBETH KOPACZ, ASSISTANT SUPERINTENDENT

PRESENTED MARCH 13, 2023

BHPS

BOARD OF EDUCATION

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- ❖ **Mrs. Angela Penna – President**
- ❖ **Mrs. Joy Young – Vice-President**
 - ❖ **Ms. Gale Bradford**
 - ❖ **Mr. Robert Cianciulli**
 - ❖ **Dr. Thomas Foregger**
 - ❖ **Mr. Jordan Hyman**
 - ❖ **Mrs. Dipti Khanna**
 - ❖ **Mrs. Pamela Stanley**

THE BUDGET PROCESS

3

- **Administration, Principals & Department Heads** (*October - January*)
- **Finance Committee** (*February - March*)
 - Mrs. Young (*Chair*), Mrs. Penna, Mr. Cianciulli, Mrs. Khanna
- **Board** - Preliminary Budget Vote - **March 13th**
- **County** - Preliminary Budget Due - **March 20th**
- **Public & Board** - Final Budget Presented to the Public and Board Votes - **April 27th**



BHPS – ENROLLMENT

2022-2023 (10/31/2022)

PROJECTED 2023-2024

Grade	Number of Students
Pre School (3yr/4yr)	53
Kindergarten	123
First Grade	160
Second Grade	143
Third Grade	163
Fourth Grade	173
Fifth Grade	163
Sixth Grade	189
Seventh Grade	182
Eighth Grade	189
Ninth Grade	205 (66)
Tenth Grade	221 (64)
Eleventh Grade	269 (71)
Twelfth Grade	230 (67)
OOD	18
DHH	10
Total	2491 Students

Grade	Number of Students
Pre School (3yr/4yr)	53
Kindergarten	130
First Grade	143
Second Grade	161
Third Grade	149
Fourth Grade	165
Fifth Grade	174
Sixth Grade	164
Seventh Grade	191
Eighth Grade	183
Ninth Grade	235 (50)
Tenth Grade	207 (66)
Eleventh Grade	227 (64)
Twelfth Grade	273 (70)
OOD	18
DHH	9
Estimated Total	2482 Students

THE FISCAL CLIFF



5

- ❑ Caused by two different growth rates
 - ❑ Revenue growth *smaller than* growth of Expenses over time
- ❑ Local Taxes make up ~75% of District Revenues
 - ❑ The 2% Tax Levy increase over 2022-2023 is \$897,929
- ❑ Over the past ten years, most goods and services have risen at a rate greater than 2% per year
 - ❑ BHEA Contract settled for 3.2% - 3.2% increase on salaries of ~\$37MM is ~+\$1.2MM
 - ❑ A 13.5% increase on Health Benefits is ~+\$900K

THE FISCAL CLIFF



6

- ❑ Special Education needs rising in the post-COVID environment
 - ❑ Out-of-District Tuition Costs are not capped
 - ❑ 9 → 11 → 18 Tuition costs 75% greater than 22-23 original budgeted amounts + ~\$625K
 - ❑ Vo-Tech Acceptances are up +\$176k Tuition
- ❑ More recently **inflationary pressures** have pushed the costs of transportation and public utilities sharply upwards
 - ❑ Total Transportation Line + ~\$460k over 22-23 budgeted amount

THE FISCAL CLIFF



7

Increase in Revenues over Prior Year	Material Increases in Expenses
+\$ 890K 2% Tax Increase	+\$1.2MM Salary
+\$ 415K State Aid Increase	+\$ 900K Benefits
+\$ 951K Addt'l Fund Balance	+\$ 625K OOD tuition
+\$ 200K Health Adj + Banked Cap	+\$ 176K Vo-Tech Tuition
+\$ 57K Tuition from DHH	+\$ 460K Transportation
	+\$ 120K B&G Costs
	+\$ 562K Equipment
	+\$ 75K 2 SLEO IIIs
+~\$2.5MM	+~\$4.1MM

❑ As the primary source of **Revenues**, the **2% Tax Levy Cap** is not sustainable in the long-term.

CHANGES TO STAFFING

8

Reductions	Estimated Savings
Restructure Administrative Team	~\$350,000
Reduce Athletics Budget	~\$150,000
Reduce Secretarial Staff <i>(3.30 FTE)</i>	~\$133,000
Reduce Elementary HELP Staff <i>(from 12 to 8)</i>	~\$98,000
Reduce Non-Tenured Teaching Staff <i>(5.0 FTE Elementary, 5.0 FTE Middle School & High School)</i>	~\$656,000
Related Benefits Savings	~\$125,000
<i>Total Reduction</i>	<i>~\$1.51MM</i>

PRE-K-5 PROGRAMS THAT WILL CONTINUE TO THRIVE

9

- ❑ **iReady - Adaptive digital learning platform in ELA and Math**
- ❑ **Additional digital learning platforms - e.g. RAZ Kids and Brain Pop**
- ❑ **Professional development to support staff in best practice instruction across content areas**
- ❑ **WIN - “What I Need” strategic and intensive instruction for students**
- ❑ **Continued instructional support from Reading Specialists and Math Interventionists**
- ❑ **Pre-school and FDK programs**
- ❑ **Updated curriculum development and learning resources**



SECONDARY PROGRAMS THAT WILL CONTINUE TO THRIVE

10

- **Updated curriculum development and learning resources at CMS and GLHS**
 - ✓ New Cyber Security course at GLHS
 - ✓ Curriculum updates in line with 5-year curriculum cycle across content areas
- **Interdisciplinary Learning Activities**
 - ✓ NJSLS Standard 8: Computer Science and Design Thinking
 - ✓ NJSLS Standard 9: Career Readiness, Life Literacies, and Key Skills
- **Textbooks for Grades 9-12**
 - ✓ Social Studies, World Languages, AP Chemistry and Environmental Science, AP English Language, AP English Literature
- **Wi-Fi Upgrades to GL and Network Switches at CMS**
 - ✓ The switches handle all of the traffic among devices in the school and traffic between the schools and the internet
- **Chromebooks Grades 9-12**
 - ✓ Continual updating of devices to replace older devices
 - ✓ All new devices include Google device licenses that allow us to push security updates, customizations, and ensure they can be used for State assessments



2023-2024

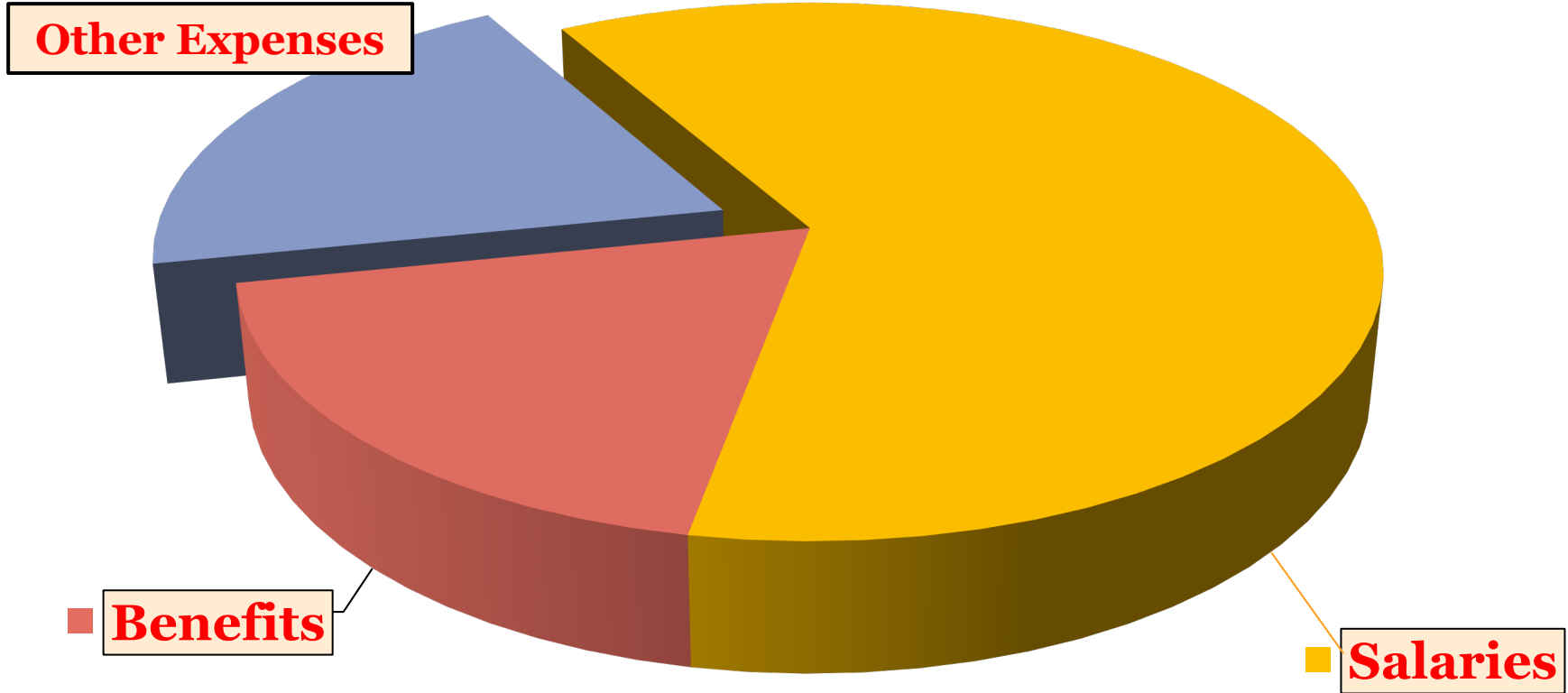
OPERATING EXPENSES

Expense Categories	Amount	Expense Categories	Amount
Regular Prgms – Instruction	18,183,456	Instructional Staff Training	203,796
Special Ed – Instruction	5,746,480	General Administration	1,493,609
Basic Skills	347,152	School Administration	1,952,490
Bilingual	199,356	Business and Other Services	594,422
Co/Extra Curricular Activities	336,492	Admin Technology	607,162
School-Sponsored Athletics	1,102,502	Req'd Maintenance-Facilities	1,037,749
Out-of-District Tuition (<i>off-set by anticipated IDEA Funds</i>)	2,176,186	Custodial Services	2,872,518
Attendance Services	62,779	Grounds & Security	463,202
Health Services	639,971	Transportation Services	2,342,398
Speech, OT/PT, Related Svcs	890,436	Employee Benefits	11,356,705
Other Support Services Special Education	914,975	Capital Equipment & Construction	2,329,986
Guidance Services	1,319,838	Interest on Capital & Maintenance Reserves	4,650
Child Study Team	1,474,310	State & Federal Funds	953,393
Curriculum Development	971,738	Debt Repayment	1,714,250
Ed Media/Library Services	524,052	Special Schools (Summer)	85,000
		Total Operating Expenses	\$62,901,053

2023-2024 EXPENDITURES: SALARIES & BENEFITS

12

Salaries & Benefits > 80.0 % of Current Expenses



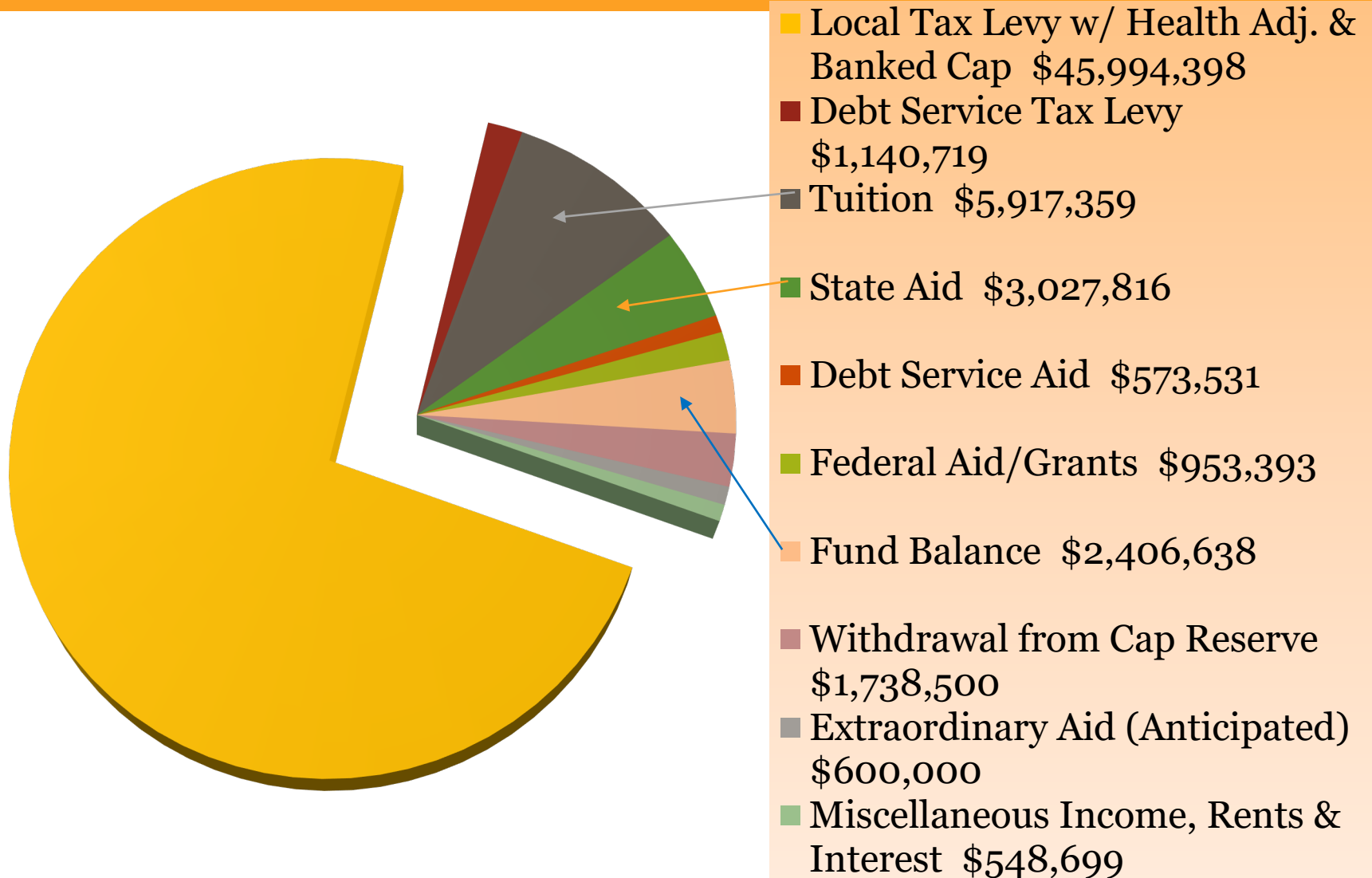
SOURCES OF REVENUE

13

Revenue Categories	Amount
Local Tax Levy <i>incl. Healthcare Adjustment of \$189,747; plus \$10,253 worth of Banked Cap</i>	45,994,398
Debt Service Tax Levy	1,140,719
Tuition	5,917,359
State Aid	3,027,816
Debt Service Aid	573,531
Federal Aid/Grants	953,393
Fund Balance	2,406,638
Withdrawal from Capital Reserve for Capital Projects	1,738,500
Extraordinary Aid (Anticipated)	600,000
Miscellaneous Income	406,000
Rents	138,049
Interest Earned on Capital & Maintenance Reserves	4,650
<i>Total Anticipated Revenue</i>	<i>\$62,901,053</i>

SOURCES OF REVENUE

14



CAPITAL EXPENDITURES (A DIFFERENT \$ ACCOUNT)

15

Proposed Capital Project	Cost
Woodruff - Partial Roof Replacement - West Wing & Gymnasium Sections	<i>\$1,130,500</i>
Columbia - Partial Roof Replacement - Band/ Music Room Section	<i>\$190,000</i>
GL - Replace 25 Electrical Panelboards	<i>\$156,250</i>
Hughes - Replace 10 Electrical Panelboards	<i>\$93,750</i>
MKM - Remove & Replace Retaining Wall	<i>\$168,000</i>
<i>Use of Capital Reserves</i>	<i>\$1,738,500</i>

\$ NEED TO KNOW \$

16

- Enrollment Adjustment = \$0
- 2% Tax Levy = ~\$898k
- Health Adjustment Waiver = ~\$190k
- Banked Capital = ~\$10k

2% Tax Levy	+897,929	2.00%
Health Benefits Adj.	+189,747	0.42%
Banked Capital	+10,253	0.03%
Net Total	+1,097,929	2.45%

TAX IMPACT BASED ON ASSESSED VALUE

17

Berkeley Heights



Tax Levy Increase: \$1,097,929

Increase For Year*: ~\$233.09

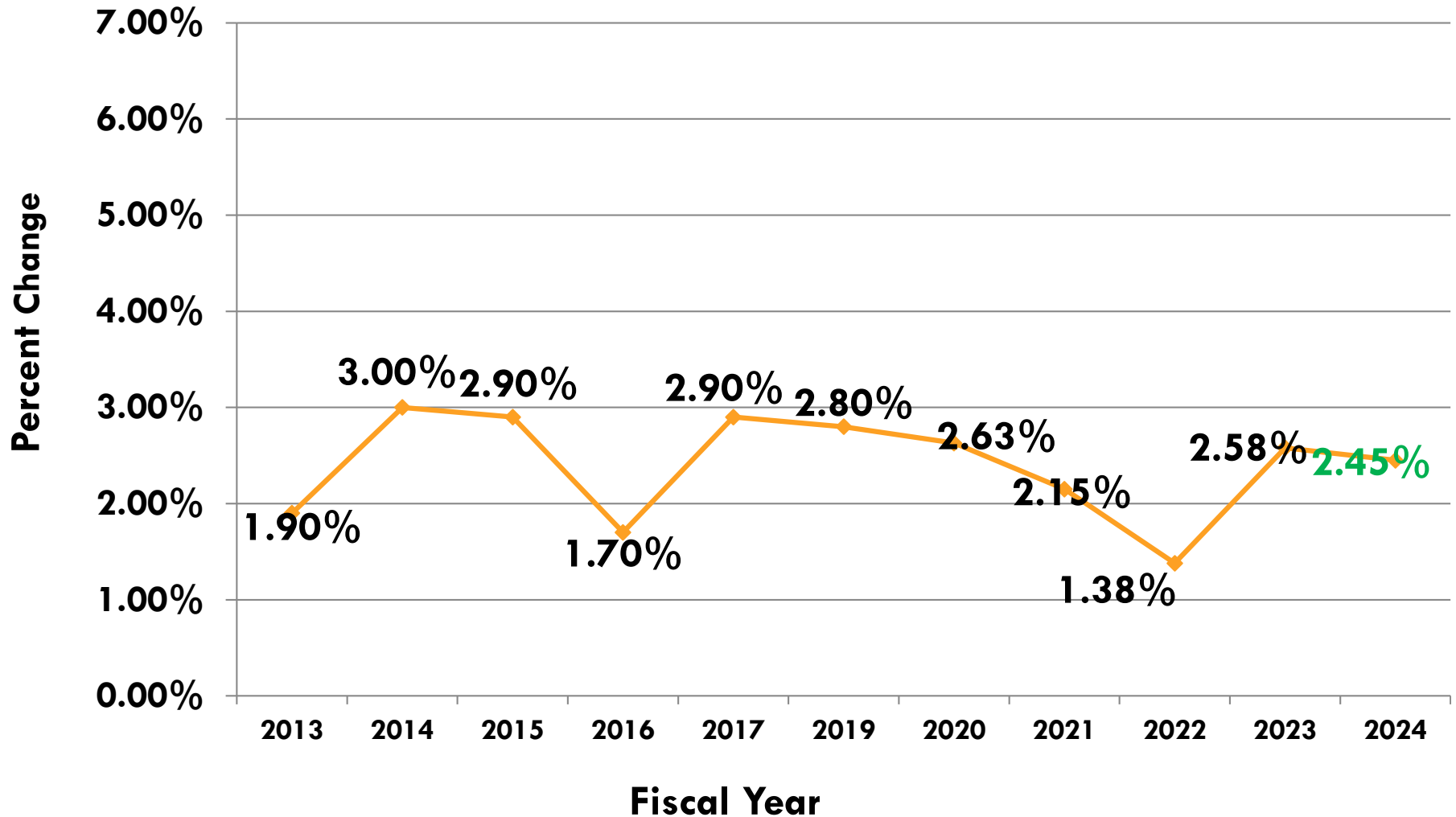
Increase Per Month*: ~\$19.42

***“Average” assessed home value = \$316,742**

For each \$100,000 of assessed value, the tax increase is ~\$6.13/month

HISTORICAL TAX LEVY

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**Thank you for
your continued
support in the
education of our
children!**