

Piscataway Board of Education



**2024-25 Tentative
Budget Presentation**

March 14, 2024



Budget Guidelines

- ❑ Assess and proactively educate in this new world
- ❑ Review all curricular and instructional programs for effectiveness and recommend initiatives
- ❑ Continue district technology initiative
- ❑ Review special education programs to provide opportunities and cost-efficiency
- ❑ Strengthen counseling and SEL services



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



What Drives Our Budget?

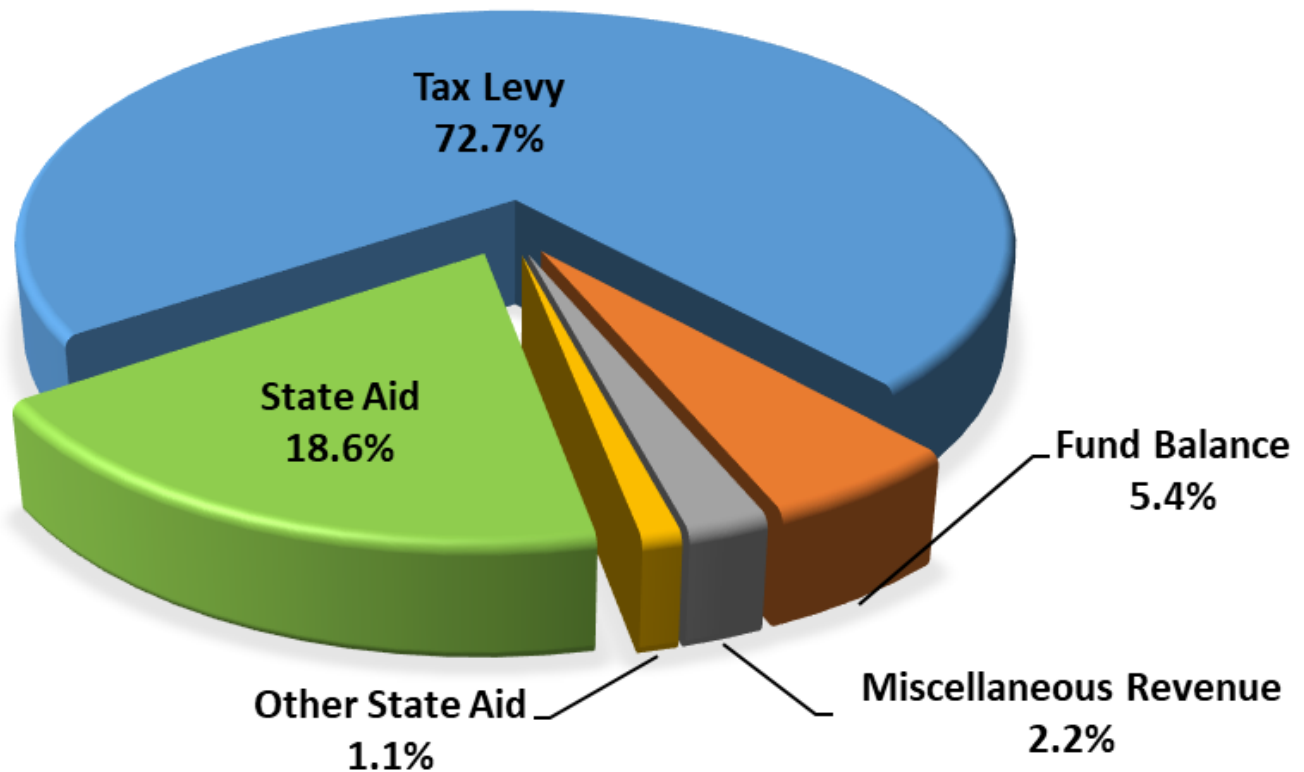
- ❑ State and Federal mandates
- ❑ Enrollment
- ❑ Staffing needs
- ❑ Salaries and benefits
- ❑ NJ Student Learning Standards
- ❑ Technology
- ❑ Security
- ❑ Special Education and ELL students

Prioritized Based on Available Revenue

2024-2025 Operating Budget Revenue



SOURCES OF REVENUE



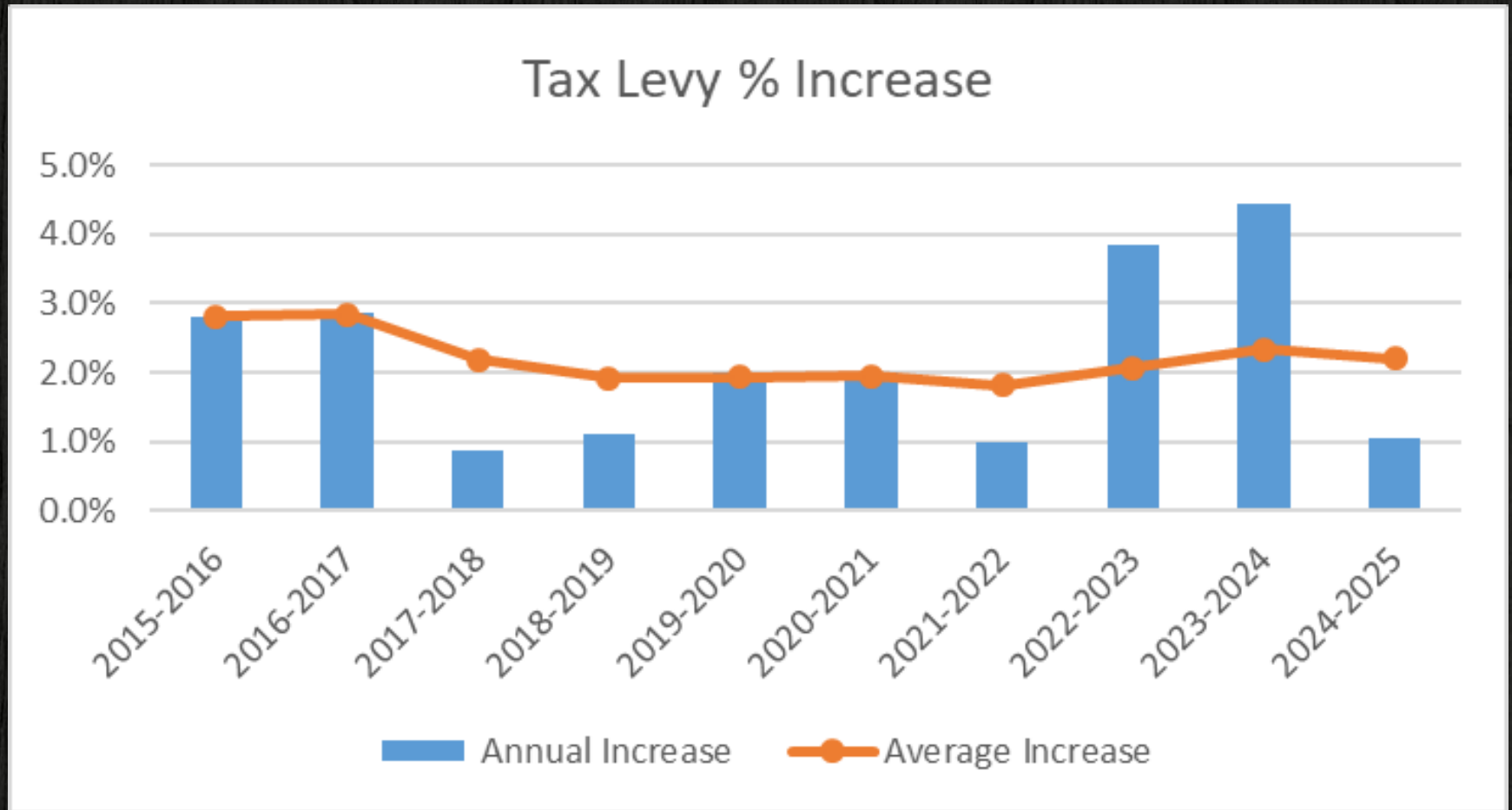
Revenue – Tax Levy



- ❑ Tax levy can only increase 2% with minimal exceptions (Ex. health care costs, large spikes in enrollment, use of banked cap).
- ❑ Health care cost waiver was available this year due to a 6.3% increase in SEHBP costs.

District Administration is recommending a 1% Tax Levy increase in 2024-25!

Tax Levy 10-yr. Historical Increases



10-year Average Tax Levy Increase – 2.2%

Revenue – Tax Levy



	<u>Amount</u>	<u>Increase</u>
2023-2024 Tax Levy	\$ 103,062,878	
1% Increase	1,030,629	
	<hr/>	
	\$ 104,093,507	1.00%
Budget Exceptions:		
Banked Cap		N/A
Health Care Cost Waiver		-
	<hr/>	
2024-2025 Tax Levy	\$ 104,093,507	1.00%

Banked cap will be generated from unused tax levy increase and health care cost waiver.

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.
- ❑ District has \$0 of Banked Cap available for 2024-2025
- ❑ Banked Cap generated in 2024-2025 for use in a future year:

	<u>Amount</u>
Beginning Balance	\$ -
Unused tax levy increase – 1%	1,030,629
Unused health care cost waiver	335,742
Ending Balance	<hr/> \$ 1,366,371

State Aid History



- ❑ 2024-2025 is the final year of implementation of Senate Bill S2 which legislated a seven-year phase-in of the School Funding Reform Act.
- ❑ Piscataway received state aid increases from 2015-2016 to 2022-2023.
- ❑ Enrollment decreases and increased Local Share “sped up” the implementation of S2 for Piscataway.
- ❑ 2023-2024 - Piscataway LOST state aid for the first time since the Great Recession budget cuts of 2010-2011.

Piscataway State Aid History



2020-21	\$21,134,229
2021-22	\$21,647,585
2022-23	\$22,366,461
2023-24	\$21,836,042
2024-25	\$26,654,634



**Loss of
\$530,419**

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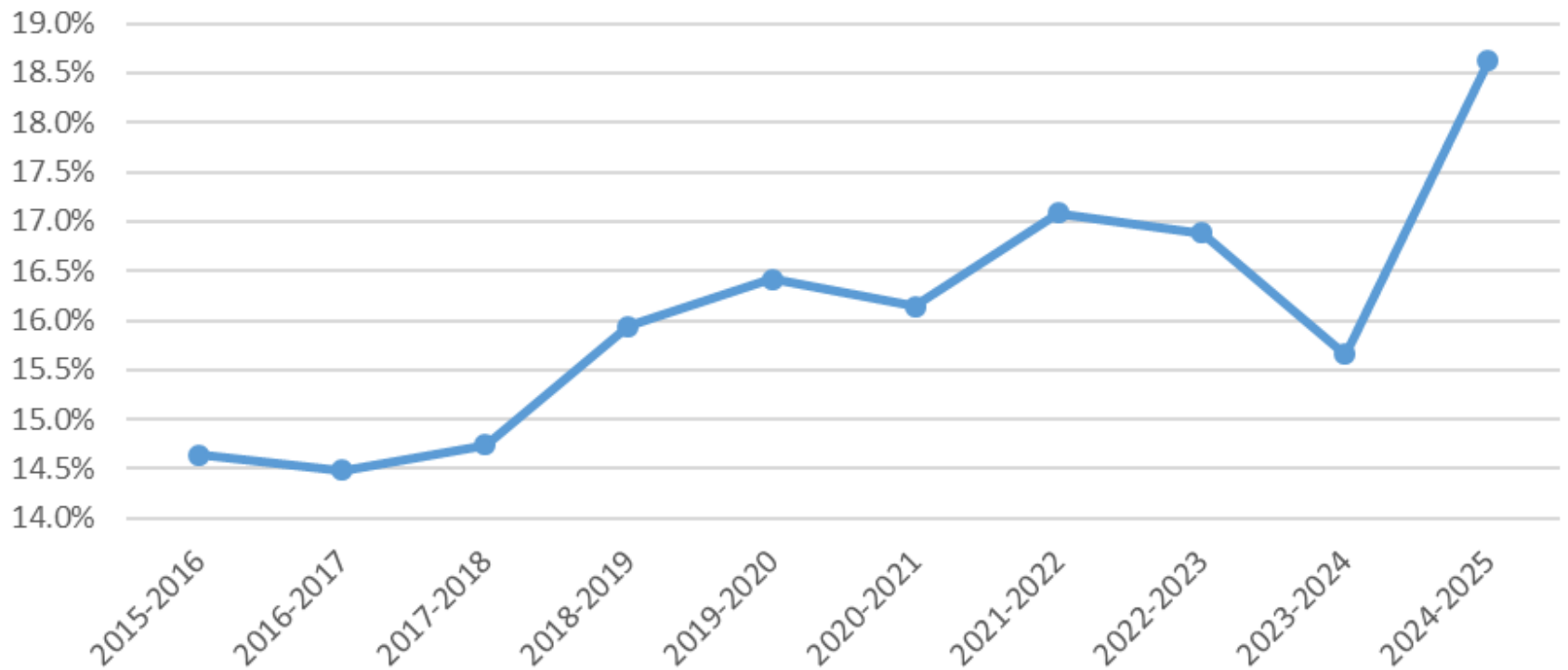
**Increase of
\$4,818,592**

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Piscataway State Aid History



State Aid % of General Fund Budget



State Aid Funding Level



	Uncapped SFRA Aid	Actual State Aid	Under/(Over) Funded State Aid
2020-2021	\$27,432,757	\$21,134,229	\$6,298,528
2021-2022	\$22,521,672	\$21,647,585	\$874,087
2022-2023	\$22,954,627	\$22,366,461	\$588,166
2023-2024	\$21,668,541	\$21,836,042	(\$167,501)
2024-2025	\$26,654,634	\$26,654,634	\$0



Fully-funded

State Aid Analysis



The largest category of state aid is Equalization Aid.

Key factors in the state aid calculation:

- ❑ Resident student enrollment
- ❑ Student enrollment characteristics (F&R, LEP)
- ❑ Property valuations
- ❑ District income

Categorical aid was brought up to “true value”.

State Aid Analysis



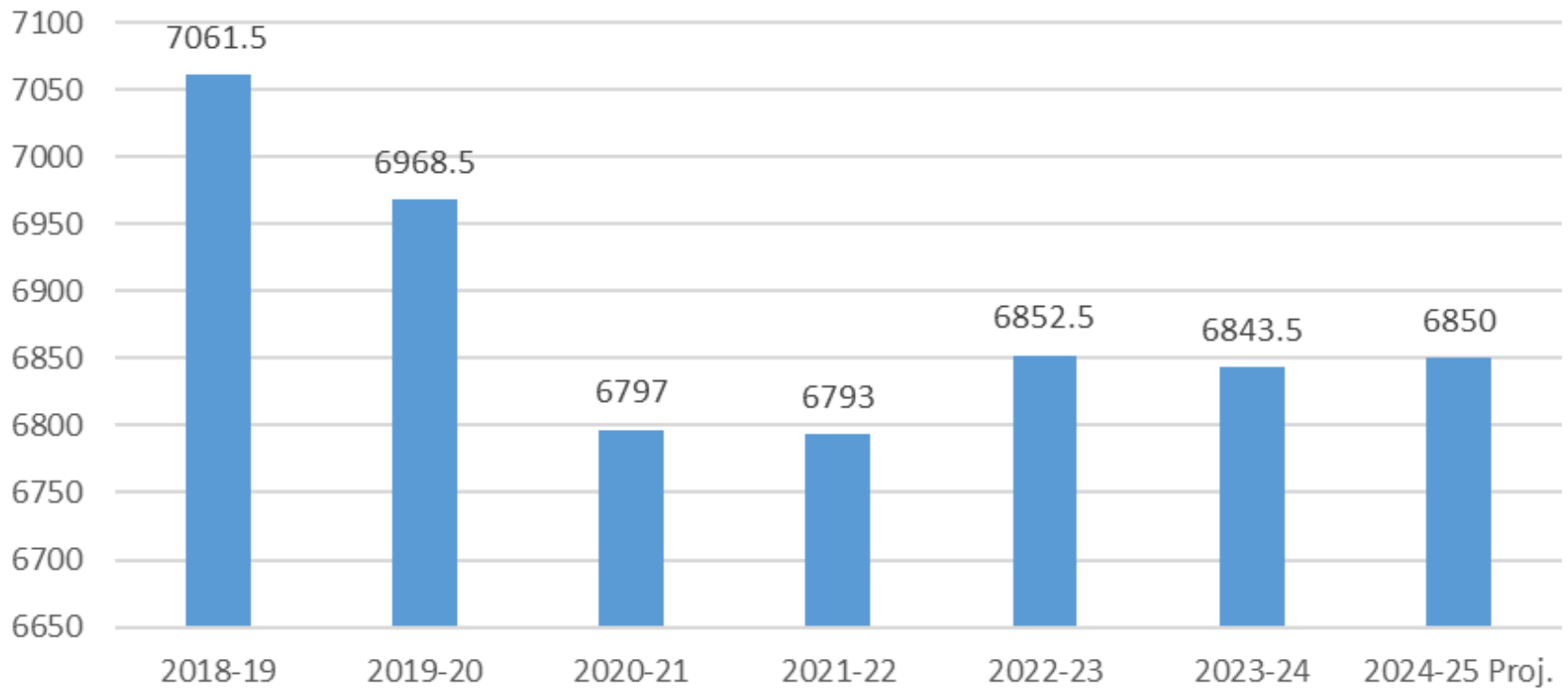
What drove our increase in State Aid?

- ❑ Per pupil rates used in the calculations increased 5.8% due to CPI rate catching up to inflation.
- ❑ Projected resident enrollment increased 29 students

K-12 Enrollment



Resident Enrollment



K-12 Enrollment

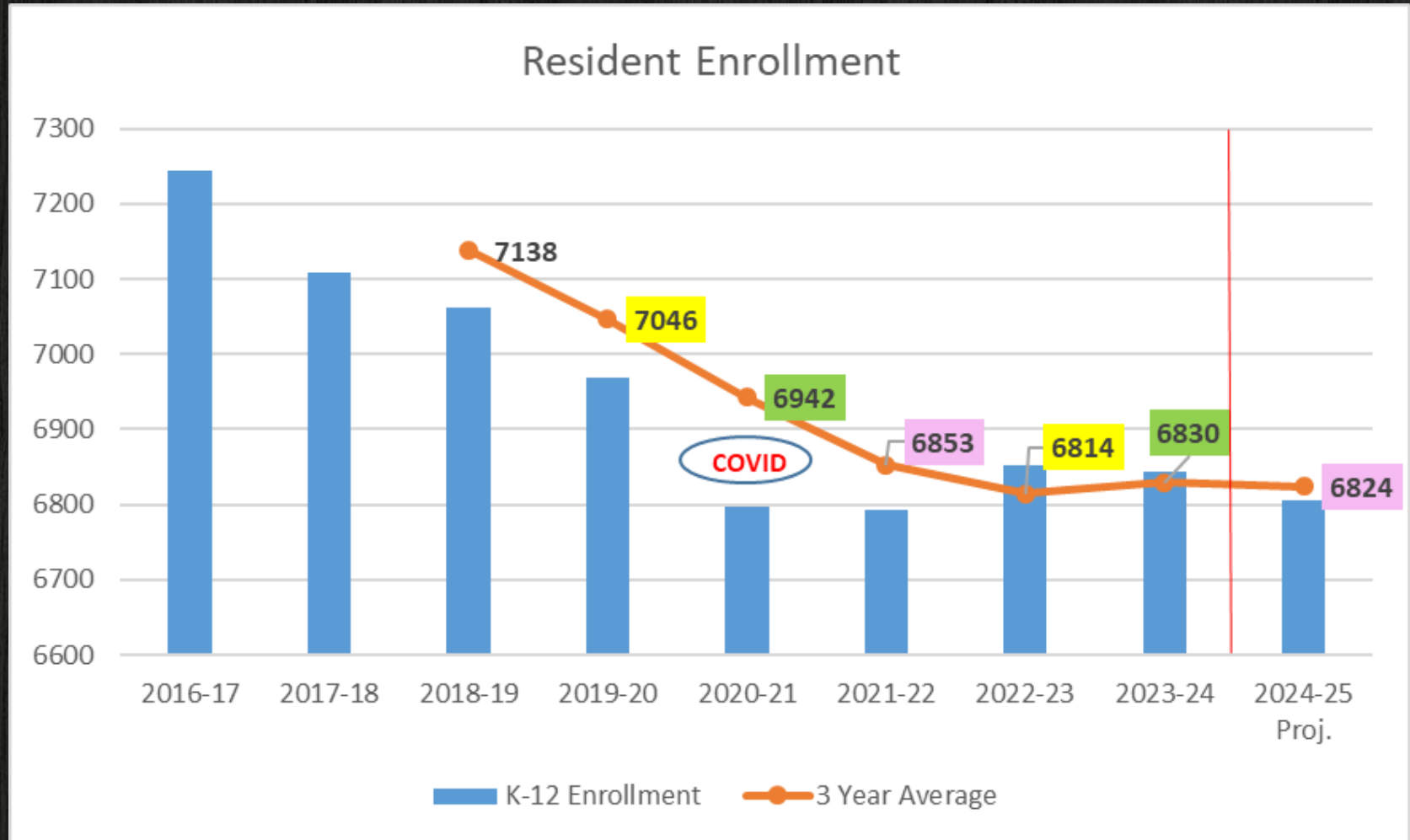


Limited English Proficiency students increased from 484 students in 2018-2019 to 584 students in 2023-2024.

K-12 free/reduced student enrollment increased from 35.1% in 2021-2022 to 36.1% in 2022-2023 to 36.9% in 2023-2024.

- THANK YOU to all families, district staff and the Board for your efforts in making sure Free/Reduced Meals applications were completed this year!
- Filling out the application helps ensure Piscataway receives its fair share of funding!

K-12 Enrollment



Equalization Aid Definitions



Adequacy Budget is the State's calculation of how much each district should be spending to "adequately" educate the children in the District.

Local Fair Share is the State's calculation of how much the local taxpayers should be contributing the District's budget.

Equalization aid is meant to bridge the gap between a District's adequacy budget and local fair share

Local Fair Share & Equalization Aid



	Adequacy Budget	Local Fair Share	Formula Equalization Aid	Actual Equalization Aid
2020-2021	\$119,943,911	\$104,096,443	\$15,847,468	\$12,242,761
2021-2022	\$115,743,332	\$104,251,170	\$11,492,162	\$12,242,761
2022-2023	\$120,471,488	\$109,332,671	\$11,138,817	\$12,242,761
2023-2024	\$129,635,504	\$120,616,375	\$9,019,129	\$11,712,342
2024-2025	\$138,074,269	\$125,186,106	\$12,888,163	\$12,888,163


*Increase driven
by enrollment
and per pupil
cost.*

Local Tax Levy is
\$21 million below
Local Fair Share.

Impact of State Aid Increase



In one year, Pway went from a \$530,419 reduction to a \$4,818,592 increase.

- ❑ All recurring expenses are funded by recurring revenue.
- ❑ New staff requests are funded with recurring revenue.
- ❑ Maintenance Reserve withdrawal is not necessary to fund the budget.
- ❑ Interest income is budgeted conservatively to hedge against interest rate reductions.

Impact of State Aid Increase



- ❑ Fund Balance can be allocated to one-time expenditures in the budget:
 - ❑ Instructional Technology
 - ❑ Maintenance equipment
 - ❑ Excess transportation costs
 - ❑ Inflation hedges in benefits and tuition

Impact of State Aid Increase



- ❑ South Jersey Superintendent – “We were in utter disbelief. We thought that perhaps it maybe was a mistake, and when we double-checked that it wasn’t a mistake, our disbelief turned into shock and devastation.”
- ❑ South Plainfield
 - ❑ General Fund Budget - \$75 million
 - ❑ 2023-2024 – increase of \$6.5 million
 - ❑ 2024-2025 – decrease of \$3.6 million

Despite the windfall for 2024-2025, we must remain cautious with the budget and tax levy.



Property Ratables

- ❑ Piscataway Township has a strong property base with a stable mix of Residential (60%), Industrial (27%), Apartments (9%), and Other (5%).
- ❑ Properties are revalued on a 5-year cycle.
- ❑ The 2024 ratable base increased \$844 million to \$10.3 billion.
- ❑ Residential Properties and Industrial Properties accounted for 80% of the increased valuations.
- ❑ The average assessed home increased from \$413,009 to \$448,876.



Revenue summary

- ❑ NJ School Aid funding formula is “fully-funded”.
- ❑ State Aid is unpredictable due to fluctuations in Equalization Aid calculations.
- ❑ Tax Levy increases are limited to 2% plus specific waivers.
- ❑ Banked cap is available for the next three years to assist with state aid and expense fluctuations.
- ❑ Increases in the tax levy above cap will require additional questions subject to a budget vote.

Educational Initiatives



- ❑ Additional tutorial services to assist with learning loss
- ❑ Transition programs. Ex. Freshman Seminar, Peer Mentoring, and Post-secondary Transition
- ❑ Social and Emotional Learning – staff PD
- ❑ Continuation of classroom libraries – including diverse titles
- ❑ Specialized educational classroom materials
 - ❑ Techbook annual license costs
 - ❑ Technology
- ❑ In-house curriculum design and alignment
- ❑ Focus on all-inclusive curriculum and foundations in all areas
- ❑ Efficient use of space(s)

Educational Initiatives - Technology



- ❑ 1:1 iPad initiative remains in place for all K-12 students but is continuously assessed for grade-level appropriateness
- ❑ iPad rotation plan is in place to ensure use of the iPads for their useful lives
- ❑ K-12 teachers have iPads and laptops
- ❑ Cybersecurity initiatives: Endpoint detection, Multi-factor authentication, firewalls, software upgrades
- ❑ Proper/safe use of Artificial Intelligence (AI)

Educational Initiatives - Preschool

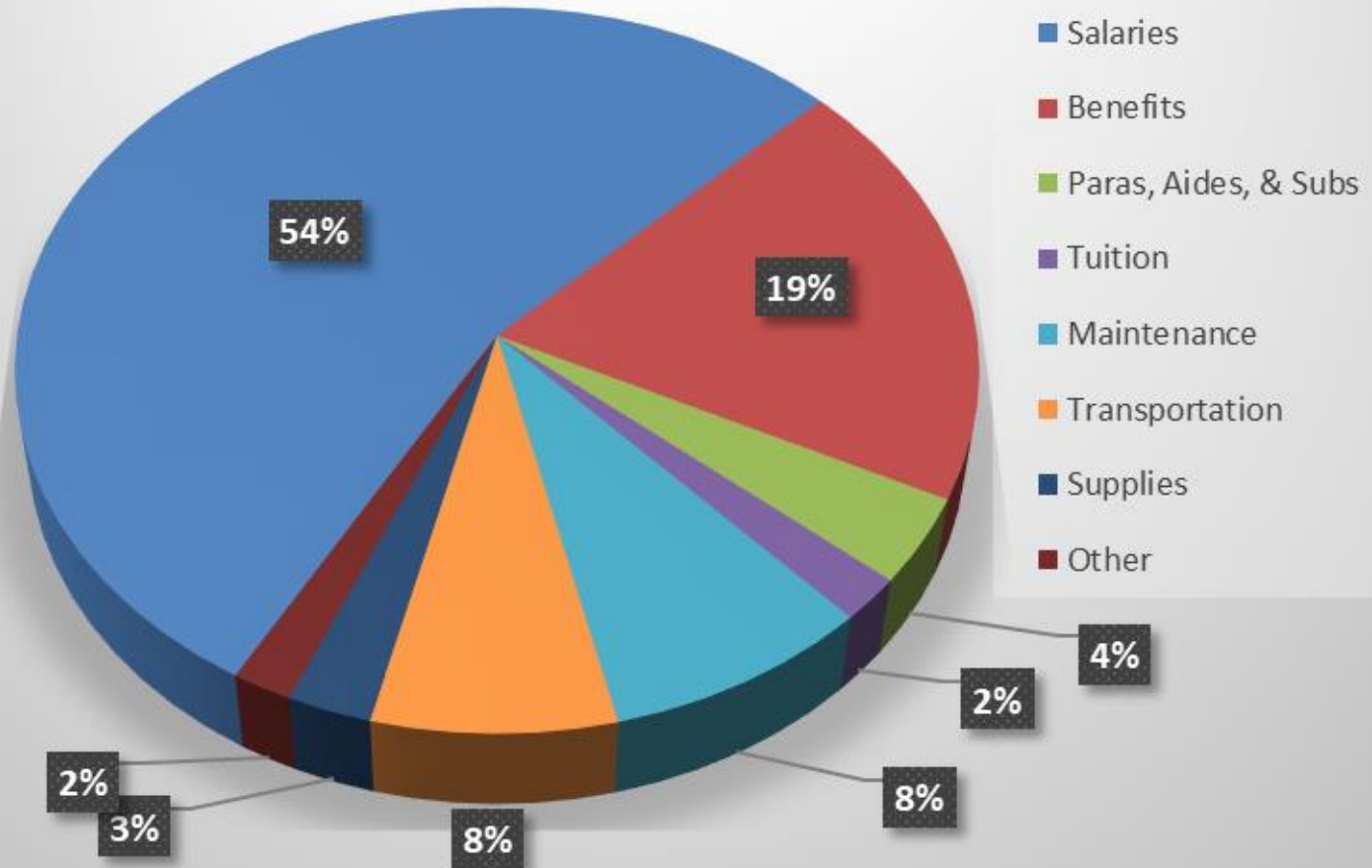


- ❑ 2024-2025 Preschool Expansion Aid (PEA) - \$8,381,310
- ❑ PEA has allowed the District to increase its free Preschool program for 3 and 4-year old students from 67 students in 2018-2019 to 535 students in 2024-2025.
- ❑ Preschool is offered in 3 locations: 275 ONBR, Children's Corner River and Children's Corner Pond.
- ❑ Transportation is expensive and funded through the Operating Budget.

2024-2025 Operating Budget Expenditures



2024-2025 Operating Budget





Staffing

- ❑ Staffing requests are reviewed annually to ensure educational needs are being met.

- ❑ Maintain class sizes in recommended Board policy
 - ❑ Grades K-3: 22-25 students per class
 - ❑ Grades 4-8: 22-28 students per class

- ❑ PHS class sizes are reviewed based on class specific factors.

- ❑ Recruiting and retaining staff remains a challenge.

Staffing



- ❑ Staffing costs, Salaries and Benefits, account for 73% of the District's budget.
- ❑ Administration remains focused on efficient operations while minimizing negative impacts on staff.
- ❑ Positions are collapsed or combined based on enrollment and department needs.
- ❑ Whenever possible, vacancies are eliminated rather than people.

Staffing



- ❑ Staff additions for programmatic needs (6.0 FTEs):
 - ❑ Math Honors Teacher – Intermediate Schools
 - ❑ Elementary School ESL Teacher
 - ❑ Middle School ESL Teacher
 - ❑ PHS ESL Teacher
 - ❑ BCBA Teacher - Preschool
 - ❑ Safety Officer – Middle School

- ❑ Position reductions – 4.0 FTEs

- ❑ Net Staff Additions – 2.0 FTEs

Federal Funds



- ❑ ARP ESSER is the final round of COVID related federal funding
- ❑ Expenditures must be completed by September 30, 2024
- ❑ District has been careful about using funds for one-time or non-recurring expenditures, for example, expanded tutoring

Facilities Projects



- ❑ Energy Savings Improvement Program (ESIP) projects are substantially complete. Programming and implementation of new Siemens BMS is last remaining major task.
- ❑ ARP ESSER federal funding is being used to replace HVAC equipment.
- ❑ Paving/concrete projects will be completed at Arbor, Grandview and PHS.
- ❑ Maintenance department will supervise the completion of localized projects such as carpet removal/tile installations and painting projects.

Capital Reserve & Maintenance Reserve



Capital Reserve:

- ❑ Restricted to building additions, renovations and upgrades.
- ❑ \$28 million

Maintenance Reserve

- ❑ Restricted to required maintenance of school facilities.
- ❑ \$6 million

District is debt-free. Absent a referendum, facility upgrades are reliant upon capital reserve funds.

Facilities Projects



- ❑ Projects Under Consideration
 - ❑ PHS Media Center upgrades with E-sports gaming area
 - ❑ Acoustical upgrades in the PHS SBA gym and Admin Building multi-purpose room
 - ❑ K-8 bathroom upgrades
 - ❑ Exterior and interior door replacements
 - ❑ Security film for exterior door windows
 - ❑ Fellowship farms remodel
 - ❑ Eisenhower addition



Ongoing Challenges

- ❑ Expenses, particularly salaries, are increasing more than 2%
- ❑ Shortage of qualified teachers in certain content areas
- ❑ Increasing health benefit costs and decreasing employee contributions due to NJ law – Chapter 44.
- ❑ Need for comprehensive support services for families
- ❑ Supports & interventions for underperforming students
- ❑ Technology is expensive and changes rapidly



Tax Levy Analysis

	2021-2022	2022-2023	2023-2024	2024-2025
General Fund Tax Levy	\$ 94,988,397	\$ 98,637,278	\$103,062,878	\$104,093,878
Debt Service Tax Levy	\$ 3,638,312	\$ 3,641,724	\$ -	\$ -
Total Tax levy	\$ 98,626,709	\$102,279,002	\$103,062,878	\$104,093,878
Avg Assessed Value	\$ 345,317	\$ 373,716	\$ 413,009	\$ 448,876
Tax on Average Household	\$ 4,266.11	\$ 4,451.56	\$ 4,486.52	\$ 4,522.42

Piscataway Township Schools is debt-free!!

Every \$100,000 of assessed value equates to \$1,007.50 of school tax.



Tax Levy Analysis

	2021-2022	2022-2023	2023-2024	2024-2025
General Fund Tax Increase	\$ 4,108.75	\$ 4,293.07	\$ 4,486.52	\$ 4,522.42
Debt Service Fund Tax Increase	\$ 157.36	\$ 158.49	\$ -	\$ -
Tax on Average Household	\$ 4,266.11	\$ 4,451.56	\$ 4,486.52	\$ 4,522.42
Tax Increase on Average Household	\$ 1.91	\$ 185.45	\$ 34.96	\$ 35.90

Over the past four years, the Average Household tax increase has averaged \$64.56.



Budget Calendar

March 14, 2024 – Budget Presentation and Adoption of Tentative Budget

March 20, 2024 – Budget Submitted to Executive County Superintendent for approval

April 25, 2024 – Public Hearing and Final Budget Adoption

April 26, 2024 – User-friendly Budget posted on the District website