

A close-up photograph of a red pencil lying diagonally across a ruler and a sheet of graph paper. The ruler is positioned horizontally, and the graph paper has a grid pattern. The background is slightly blurred, emphasizing the pencil and ruler.

THE EWING PUBLIC SCHOOLS PRELIMINARY 2021-22 BUDGET

March 15, 2021
8:00 PM

Presented by:
Michael A. Nitti, *Superintendent of Schools, Certified School Business Administrator*
Dennis J. Nettleton, *CPA, RSBA, SFO, Certified School Business Administrator*

Board of Education Members

Lisa A. McConnell, *President*

Anthony F. Messina , *Vice-President*

Dr. Channing C. Conway

Deborah A. Delutis

Deborah Jones

Jennifer Miller

Michael Miller

Tyrone Miller

Stephanie F. Staub

AGENDA

1. Introduction
2. Board of Education President Lisa A. McConnell
3. Budget Presentation: Superintendent Michael A. Nitti, & Business Administrator Dennis J. Nettleton, CPA
4. Board of Education Reflections/Feedback
5. Adjournment

The Ewing Public Schools

Staying Strong: Moving Forward

Health & Safety

Keeping the Ewing School community Safe & Healthy. Providing additional support for positive mental & emotional health for our staff and students.

Community

Being prudent and respectful to the taxpaying community during these challenging times.

Embracing Technology

Embracing effective and beneficial instructional and operational technology.

Priority 1
Health & Safety

Priority 2
Changing Landscape

Priority 6
Community

**Student
Achievement!**

Priority 3
The Whole Student

Priority 5
Embracing Technology

Priority 4
Fiscal Prudence

Changing Landscape

Preparing our schools and students for the post-COVID educational Landscape

The Whole Student

Providing our students the opportunity to achieve in academics, the arts, activities, and athletics.

Fiscal Prudence

Continue to manage our budget wisely and with the proper balance the needs of the district.

2021-22 Annual Budget Timeline

Date	Description
February 23	Governor's Budget Address
February 25	Release of State Aid
March 1	Annual Board of Education Budget Retreat
March 15	Preliminary Budget Presentation and Approval 8:00 PM at Fisher Middle School Auditorium
April 26	Public Hearing – Board Adopts the Final Budget 8:00 PM at Fisher Middle School Auditorium

Budget Process

1. Building Administrators and District Supervisors/Directors evaluate needs and submit requests to Central Office
2. Multiple reviews by Central Office Staff
3. Preliminary budget developed
4. Preliminary budget recommended to Board of Education
5. Revenues re-evaluated after receiving State Aid
6. Board of Education reviews and votes on preliminary budget
7. Public Hearing and Board votes on Final Budget

COVID Challenges

- In response to the COVID-19 Pandemic Crisis, Governor Murphy instituted a round of cuts over the summer of 2020. District was faced with two core fiscal challenges
 - ▣ Reduced revenues \$799,500
 - ▣ Increased costs (masks, sanitizers, dividers, enhanced cleaning expenses, higher grade HVAC filters, etc.)
- It is important to remember that the cuts below occurred after the 2020-21 Budget was finalized and approved.

Line Item	Amount	Notes
2020-21 ESY Transportation	\$244,709	Will need to be budgeted in 2021-22 budget.
Summer Custodians	40,000	Will need to be budgeted in 2021-22 budget.
Reduction to custodial OT	45,000	May need to allocate for additional cleaning & some positions have been cut.
Open positions not filled.	381,410	Will look to adjust 2021-22 budget to return certain targeted positions.
Benefits – unfilled positions	88,381	
TOTAL	\$799,500	

COVID-19/Budget Cut Response

Considering the budget cuts and the difficulty of navigating the COVID-19 crisis, note the following:

- Not one employee lost their job due to budget cuts.
- Tax increase in previous year was within cap
- Adequate PPE, hand sanitizer, etc. was provided to all staff and returning students.
- Many teacher accommodation were made to high risk teachers – matching virtual students with virtual teachers
- Every student that required technology or internet assistance received assistance
- Athletic and school events were held safely when permitted
- The district continues to provide high quality instruction across multiple platforms, while following COVID-19 protocols.

ESSER – New Federal Support

- New Federal funds headed to support COVID-19 relief efforts and the reopening of schools.
- Funds are restricted but will assist the district in moving forward. These funds cannot be utilized to support general fund expenditures or to reduce taxes.
- The funds are usable through September of 2023, so a good strategy for these dollars would be to focus them on specific COVID costs that would not necessarily be present once the pandemic subsides.

Description	Amount	Allowable Uses
ESSER II	\$1,694,471	Technology, supplies, filters, sanitizer, signage, etc. essentially COVID related preparedness.
Learning Acceleration	108,472	Enrichment activities, acceleration, tutoring, etc.
Mental Health & Support Services	45,000	Provision of school based mental health services for students and supports for staff.
Total	\$1,847,943	

This amount is not yet reflected in the budget documents as we are still waiting on Federal and State guidance.

Preliminary Budget Adjustments

Description	With Add'l State Aid	Without Add'l StateAid
<u>REVENUES</u>		
Increase in State Aid	\$2,291,420	\$0
2% Increase in Tax Levy	1,184,573	1,184,573
Decrease in Miscellaneous Revenue due to COVID	-355,000	-355,000
Anticipated decrease in reserve withdrawal	-808,577	-808,577
Total Change in Revenues	\$2,092,834	20,996
<u>APPROPRIATIONS</u>		
Net contractual staffing increases	\$970,640	\$970,640
Increase to Charter School Projections (mandated)	201,702	201,702
Increase in net health benefits & other insurance	1,084,720	1,084,720
Increase in CST/Operations/Technology Budgets	160,901	160,901
Decrease in Withdrawal from Capital Reserve	-500,000	-500,000
Total Change in Appropriations	\$1,917,963	\$1,917,963
Net New Budget Dollars/(Shortfall)	\$174,871	-\$1,896,967

Status of SFRA Funding Formula

- In his first year in office Governor Murphy announced his commitment to a phase in of fully funding the SFRA School Funding Formula.
- Since then the district has experienced a slow but steady influx of annual additional funding
- In 2018-19 the district received additional funds after the budget was struck of which half, \$402,500 was used to reduce 2018-19 school taxes, which resulted in a net decrease on the tax rate for that school year.
- While 2019-20 saw an initial increase of approximately \$1.2 million in additional state aid, Governor Murphy made cuts due to the COVID-19 Crisis. Ewing's share of those cuts was \$799,500 in August of 2020 well after the district's budget was finalized for the year.
- The current increase of \$2,291,420 across all major aid categories is the largest step to date and one that was significantly needed. That stated, the district remains underfunded as follows:

Description	Amount
Total State Aid Entitlement per SFRA Formula	\$19,572,537
Current State Aid	15,670,925
Estimated Aid – Underfunded	\$3,901,612

2021-22 Preliminary General Fund Revenues vs. Appropriations

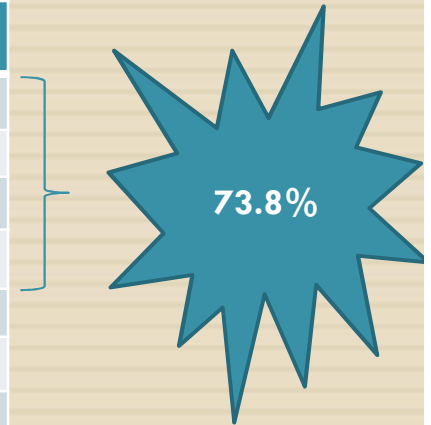
Description	No Tax Levy Increase	1.0% Tax Levy Increase	1.5% Tax Levy Increase	2.0% Tax Levy Increase
Revenues	\$78,813,668	\$79,405,934	\$79,702,067	\$79,998,241
Appropriations	\$79,998,241	\$79,998,241	\$79,998,241	\$79,998,241
Difference	(\$1,184,573)	(\$592,307)	(\$296,174)	\$0
Avg. Tax Increase	\$31.75*	\$49.58	\$58.50	\$67.42



RECOMMENDED

2021-22 General Fund Preliminary Appropriations

Description	2021-22 Appropriations	% of Total
Staffing (All Salaries)	\$43,138,742	53.92%
Employee Benefits (Medical, Prescription, Dental)	13,244,009	16.56%
PERS & FICA Obligation	2,166,950	2.71%
Insurance (Including Workers' Comp)	456,540	0.57%
Other District-Wide Costs	4,965,925	6.21%
Curriculum	194,963	0.24%
Special Education	6,784,531	8.48%
School Budgets	670,529	0.84%
Operations	2,570,386	3.21%
Transportation	5,423,666	6.78%
Technology	382,000	0.48%
Capital Reserve Withdrawal	-	
Total Preliminary Appropriations	79,998,241	100.00%



Average Total Tax Increase – Last 5 Budget Years

Description	2017-18	2018-19*	2019-20	2020-21	2021-22
General Fund Tax Levy	\$55,126,410	\$56,000,250	\$57,120,255	\$59,226,666	\$60,411,199
Debt Service Tax Levy	2,643,057	1,527,372	3,072,965	2,856,723	2,855,781
Total Tax Levy	\$57,769,467	\$57,527,622	\$60,193,220	\$62,083,389	\$63,266,980
\$ Change	-\$1,192,949	-\$241,845	\$2,665,598	\$1,890,169	\$1,183,591
% Change	-2.0%	-0.4%	4.6%	3.14%	1.91%

Avg. % Increase of 1.45%

*Note 2018-19 was reduced from original tax levy by \$402,500 due to add'l State Aid in July of 2018.

2021-22 Preliminary Tax Levy Summary

If Local Tax Levy is increased by 2%

- Preliminary Tax Rate would be **\$1.8965**
- Ratables increased to **\$3,310,426,251***
- Average Home Assessment **\$198,300***
- Due to the revaluation, annual change in school tax will vary greatly depending on your individual property assessment. **Chart below is for illustrative purposes only and may not reflect your actual tax bill.**

Assessed Home Value	Total Taxes	Estimated Annual Tax Increase
\$125,000	\$2,370.67	\$42.27
\$150,000	\$2,844.81	\$50.72
\$198,300	\$3,781.32	\$67.47
\$200,000	\$3,793.07	\$67.63
\$250,000	\$4,741.34	\$84.53
\$300,000	\$5,689.61	\$101.44
\$350,000	\$6,637.88	\$118.35
\$400,000	\$7,586.15	\$135.25

*These estimates were obtained from Jeff Burd in the Ewing Township Tax Assessors' Office.

Questions?

