



WOODLAND TOWNSHIP

BUDGET PRESENTATION 2023-2024

Presentation #1
December 14, 2022

The Budget Process

Fall: District begins discussion of priorities, evaluates existing programs, and sets parameters/goals to guide budget development.



Mid-Winter: The district adopts its budget calendar and reviews its guidelines for budget development, including anticipated costs of new district initiatives and anticipated savings from eliminating programs and/ or retirements. This discussion will include estimates of salary/benefit increases and adjustments. This is when the preliminary budget document is created.



Early Spring: Governor submits proposed state budget including projects for state and district funding. Health benefits renewals are available. District staff uses this information to evaluate and revise the preliminary budget.



Late Spring: Final review and public hearings precede the adoption of the district budget.



Mid-Summer: The State budget is adopted and signed into law and funds become available to districts for the upcoming year.

2021-2022 AUDIT

- Auditors were in district September
- Audit is due to the state January 2023
- Excess Surplus (additional revenue that was not budgeted & unexpended balances)
- Excess Surplus used for:
 - Designated for subsequent year's expenditures
 - Reserves (Capital, Maintenance, Emergency)
- 2021-2022 Excess Surplus:
 - \$194,275 – Designated for the 23-24 Budget
- Reserves:
 - Capital Reserve \$374,235
 - Unassigned Fund Balance (Savings Account) \$298,850

2023-2024 PRELIMINARY BUDGET

- Anticipate State Aide Reduction \$100,000
- NJEHP (new state health benefit plan) effective 1/1/2021 & Garden State Plan effective 1/1/2022
 - Additional cost to district
- Excess Surplus used and proposed for the 23-24 budget
 - 2023-2024 \$194,275 - proposed
 - 2022-2023 \$70,000
 - 2021-2022 \$20,000

2023-2024 BUDGET DEVELOPMENT DATES

Public Board of Education Budget Discussions

<u>Dates</u>	<u>Time</u>	<u>Location</u>
December 14, 2022	6:30pm	Multi-Purpose Room
January 23, 2023	6:30pm*	Multi-Purpose Room
February 27, 2023	6:30pm*	Multi-Purpose Room
Mach 27, 2023	6:30pm**	Multi-Purpose Room
April 24, 2023	6:30pm***	Multi-Purpose Room

*Tentative (approval of calendar at re-organization meeting)

**Tentative Budget Hearing subject to change based upon State Aid release date

***Tentative Budget Public Hearing

KEY FACTORS THAT AFFECT THE BUDGET

- Fixed Costs
 - Staffing 75% of the budget has increased over 2%
 - Benefits
- Required State and Pension Payments
- Special Education Tuition, Programs and Service Costs
- Maintenance, Operations
- Transportation
- Ratables and State Aid
- State Aid Cuts

STATE AID REDUCTION

Budget Year of Deduction	Reduction Amount
18/19	\$23,353
19/20	\$41,206
20/21	\$12,478
21/22	\$57,512
22/23	\$192,794
23/24	\$100,000*
24/25	\$14,448*
Total	\$441,791

*Estimated

BALANCING A BUDGET

REVENUES = EXPENSES

State Funding

Salaries

Federal Funding

Benefits

Property Taxes

Special Education

Miscellaneous Income

Curriculum

Facilities & Operations

Transportation

REVENUES AT A GLANCE

- **State Funds** - New Jersey provides funding for public schools in the form of aid for general operations and funding designated for particular expenses. In Woodland, this is less than 20%.
- **Federal Funds** - The Federal government provides some aid for schools in New Jersey. In Woodland, this is approximately 2% percent of our district's annual revenue.
- **Property Taxes** - The gap between State and Federal funds is filled with local property taxes. Districts are required to calculate a “maximum allowable tax levy” under the property tax cap law. In Woodland, 75% of our budget is funded by local property taxes.
- **Fund Balance** - Revenue collected for the school budget remains at the end of the fiscal year, that money becomes part of its fund balance. In Woodland, typically 3% of our budget is fund balance.
- **Miscellaneous Revenues** – ESREC sales, staff health benefit contributions, other district tuition payments, facility rentals, E-rate grant. In Woodland, this is less than 1% of our budget.

QUICK TERMS (GENERAL ACCOUNTING PRINCIPLES GAP)

- **General Fund** - The total amount of money required to pay for current-year programs, staffing and services at next year's prices — i.e., what the next year's budget would be if the current year's budget were simply "rolled over."
- **Tax Levy** - Total sum to be raised by the school district after subtracting out all other revenues including state aid. The tax levy is used to determine the tax rate for property owners in each of the cities, towns or villages that makes up a school district.
- **Debt Service** -The money that is required to cover the repayment of interest and principal on a debt for a particular project.
- **Fund balance/Surplus** - A fund balance is created when the school district has money left over at the end of its fiscal year from either under spending the budget or taking in additional revenue.
- **Banked Cap** - Unused spending authority that can be saved for 3 budget cycles and is generated by not spending all of the allowable 2% cap or using automatic cap waivers for health benefit increases, enrollment increases, or deferred pension contributions.
- **Capital Reserve** - A reserve account that is used for approved capital projects. Funds can be withdrawn by board resolution for projects eligible for state funding. Capital reserve can also be used to fund projects not eligible for state funding but funds can only be withdrawn at budget time.

QUICK TERMS (GENERAL ACCOUNTING PRINCIPLES GAP) CONT.

- **Emergency Reserve** - A reserve account that is comprised of investments held for use exclusively to finance unanticipated general fund current expense costs required for a thorough and efficient education.
- **Maintenance Reserve** - A reserve account that is comprised of investments held for use exclusively for required maintenance of school facilities.

THANK YOU. QUESTIONS??

Visit Woodland's website
www.woodlandboe.org

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