

Ringwood School District

2024-2025 Preliminary Budget

Objectives

- General Comparative Spending Data
- Budget Calendar
- Budget Process
- Tax Cap / Banked Cap
- Anticipated Revenue
- Appropriations / Data Collection
- Revenue vs. Appropriations

General Comparative Spending Data

There are different ways to compare spending between school districts.

- It is important to consider the districts general configuration. Comparing a K-8 district to a 9-12 district will most likely produce skewed results as scheduling and curriculum requirements for grades 9-12 are very different from K-8.

There are different ways to compare spending between school districts.

- Using “Total Spending” may produce skewed results as costs associated with transportation, special revenues (federal funding), pension and benefits paid by the state, facilities (including debt service), equipment, total food services, judgments against the school district, and tuition/costs for students sent out of district vary greatly between districts (Some district may not require transportation, a district may have recently approved a large referendum, etc.)

There are different ways to compare spending between school districts.

- Using Budgetary Per Pupil Costs exclude certain expenditures, some of which are funded by entities other than the school district and/or taxpayers. The Budgetary Cost measures are considered to be more comparable across districts for local budgetary considerations because they generally measure annual recurring costs incurred for students educated within district schools, using local taxes and state aid.

	District Name	2021–22 Median Teacher Salary	2021–22 Median Teacher Salary	2022–23 Median Teacher Salary
Teachers Salary	State median - Operating Type K-8 / 751+	69,462	70,585	73,300
	Ringwood Boro	69,550	70,225	71,033

Data shows that Ringwood’s median teacher salaries are lower as compared to other school districts with a similar configuration.

	District Name	2020-21 Actual Per Pupil Amount	2021-22 Actual Per Pupil Amount	2022-23 Budgeted Per Pupil Amount
Budgetary Cost / Pupil	State median - Operating Type K-8 / 751+	17,388	18,071	19,900
	Ringwood Boro	19,981	20,487	21,419
Total Classroom Instruction	State median - Operating Type K-8 / 751+	10,668	11,126	11,799
	Ringwood Boro	12,298	12,737	13,124
Total Support Services	State median - Operating Type K-8 / 751+	2,891	3,044	3,493
	Ringwood Boro	3,837	3,891	4,228
Total Administration	State median - Operating Type K-8 / 751+	1,978	1,961	2,070
	Ringwood Boro	1,685	1,695	1,635

Data shows that Ringwood's administration expenditures are lower as compared to other school districts with a similar configuration.

Data shows that Ringwood's instructional and student support service expenditures are higher as compared to other school districts with a similar configuration.

Calendar

Budget Calendar

October: Start of Data Collection

February: **Audit**

February 29: **State Aid**



March 14: Board Approves Preliminary Budget

April 19: Last Day for County Budget Approval

May 1: Budget Hearing

Budget Process

Budget Process

- Determine / Estimate Revenue
 - Tax Levy
 - **State Aid**
 - **Fund Balance**
 - Federal Grants
 - Misc Revenue (Facility Usage, Interest, Tuition, etc.)
- Determine / Estimate Appropriations (Anticipated Expenditures)
 - Contractual Salaries, Debt Service, Contracts, etc.
 - Estimate tuition, transportation, utilities, etc.
- Balance the Budget
 - Compare Revenues to Expenditures

Board of Education
Authority To Set The School Tax Levy
Tax Levy / Tax Levy Adjustments / Banked Cap

Revenue - Tax Levy

- According to statute, the board can increase school tax levy by up to 2%, plus allowable adjustments as determined by enrollment and health care cost increases, plus used banked taxing authority.

Revenue - Tax Levy

22,143,067	Current Tax Levy
0	Adjustment for enrollment growth
22,143,067	Adjusted tax cap due to enrollment
22,585,928	2% increase from adjusted cap due to enrollment
157,160	Adjustment due to health care costs
22,743,088	Tax levy cap for the 23-24 school year
or	
600,021	Additional Revenue

Revenue - Banked Taxing Authority

- If the Board of Education does not use available taxing authority, the taxing authority can be “banked” and used up to three years later.
- During the last budget cycles the board did not use its full taxing authority.
- The banked tax authority is:
 - \$1 from the 2023-2024 school year.
- If the Board decides to use banked taxing authority, the current tax authority (\$600,021) must be used and then the additional taxing authority can be used from the oldest year to the most recent year.

Revenue - Tax Cap

22,143,067	Current tax levy
0	Enrollment
22,143,067	Sub-total
442,861	2% Increase
157,160	Health Care Adjustment
1	Banked Cap 2022-2023
22,743,089	Maximum Tax Levy Cap
or	
600,022	Maximum Additional Revenue

2024-2025 Revenue Projections

Anticipated Revenue (2024-2025)

There are two sections

- The operating budget (Approved each year)
 - Subject to Tax Cap Calculations
- Debt service (Bond Referendum)
 - Separate vote that was approved in a prior year. Falls outside of tax cap calculations)

Revenue	2023-2024 Adj Budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
Tax Levy	22,143,067	22,743,089	600,022	2.71%

- The Board of Education can increase local tax levy by 2% per year plus spending adjustments for enrollment and health benefits and unused tax levy from the prior three years.
- Proposed
 - \$442,861 2% increase
 - \$157,160 Health Care increase
 - \$ 0 Banked Cap 2021-2022
 - \$ 0 Banked Cap 2022-2023
 - \$ 1 Banked Cap 2023-2024
- \$600,022 School Tax Levy Increase
- $\$22,143,067 + \$600,022 = \$22,743,089$
- This represents a 2.71% increase in School Tax Revenue

Revenue	2023-2024 Adj Budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
Tax Levy	22,143,067	22,743,089	600,022	2.71%
Required Fund Balance	2,868,414	2,491,565	-376,849	-13.14%

Required fund balance:

Excess surplus from last school year (2022-2023) plus excess unassigned fund balance over the 2% reserve limit (prior year expenses plus several modifiers).

- **Excess surplus \$2,171,475 (Audit) plus \$320,090 (State calculated).**
- $\$2,171,475 + \$320,090 = \$2,491,565$
- Fund Balance was \$2,868,414 as of June 2022 and is \$2,491,565 as of June 2023, a reduction of \$376,849.

Revenue	2023-2024 Adj Budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
Tax Levy	22,143,067	22,743,089	600,022	2.71%
Required Fund Balance	2,868,414	2,491,565	-376,849	-13.14%
Misc. Revenue	1,158,039	1,394,676	236,637	20.43%

Misc revenue:

- Tuition from out of district students
- Transportation services
- Facility use fees
- Interest on investments

Revenue	2023-2024 Adj Budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
Tax Levy	22,143,067	22,743,089	600,022	2.71%
Required Fund Balance	2,868,414	2,491,565	-376,849	-13.14%
Misc. Revenue	1,158,039	1,394,676	236,637	20.43%
Equalization Aid	78,264	78,264	0	0.00%
Categorical Special Education Aid	983,693	1,077,662	93,969	9.55%
Categorical Transportation Aid	573,133	573,133	0	0.00%
Categorical Security Aid	98,526	98,526	0	0.00%

State Aid:

- District maintains \$78,264 in equalization aid
- District receives an additional \$93,696 in special education aid.

Revenue	2023-2024 Adj Budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
Tax Levy	22,143,067	22,743,089	600,022	2.71%
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Categorical Transportation Aid	573,133	573,133	0	0.00%
Categorical Security Aid	98,526	98,526	0	0.00%
Special Education Medicaid Initiative	23,321	21,947	-1,374	-5.89%

- District is reimbursed for medical related expenses for students receiving services that are medicaid eligible
- The state provides the projection
- Decrease of \$1,374

Revenue	2023-2024 Adj Budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
Tax Levy	22,143,067	22,743,089	600,022	2.71%
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Categorical Transportation Aid	573,133	573,133	0	0.00%
Categorical Security Aid	98,526	98,526	0	0.00%
Special Education Medicaid Initiative	23,321	21,947	-1,374	-5.89%
Withdraw from Cap Res	300,000	0	-300,000	-100.00%

There was a budgeted withdrawal of capital reserve for the 2023-2024 school year. There are no anticipated projects for the 2024-2025 requiring funding from capital reserve. This does not prevent the Board of Education from using capital reserve funds during the school year.

Revenue	2023-2023 Adj Budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
<p>Federal Programs (Title I, II, IV)</p> <ul style="list-style-type: none"> Actual funding will not be known until June of 2024. State guidance is to budget 15% less than the current year allocation. The amount shown for 2023-2024 is the sum of this year's allocation plus prior year unexpended funds. Anticipated revenue is only the current year allocation reduced by 15% 				
FEDERAL PROGRAMS	485,712	339,254	-146,458	-30.15%

Revenue	2023-2024 Adj Budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
<p>Extraordinary Aid</p> <ul style="list-style-type: none"> • The projection is based on anticipated extraordinary expenditures for students with IEP's for the 2024-2025 school year. • May of 2025 an application is completed identifying actual extraordinary expenses. • There are projected spending reductions for 2024-2025 school year resulting in lower revenue projections. 				
Extraordinary Aid	550,000	250,000	-300,000	-54.55%

Revenue	2023-2024 Adj Budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
<ul style="list-style-type: none"> Interest earned on capital and maintenance reserve accounts must be deposited into the reserve accounts. \$975,292 were for goods and services that were ordered during the 2022-2023. Funds for Goods and services that were not received and invoiced as of June 30, 2023 are carried forward into the 2023-2024 school year. Student activities must be accounted for in the budget but cannot be used for operating expenses. Funds are restricted for student activities only. 				
Interest on Reserves	700	400	-300	-42.86%
Prior Year Encumbrances	975,292	0	-975,292	-100.00%
Student Activity fund	40,000	40,000	0	0.00%

	2023-2024 adj budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
Debt Service Tax Levy	634,312	717,700	83,388	13.15%
Debt Service Budgeted Fund Balance	78,888	0	-78,888	-100.00%
Total Debt Service	713,200	717,700	4,500	0.63%

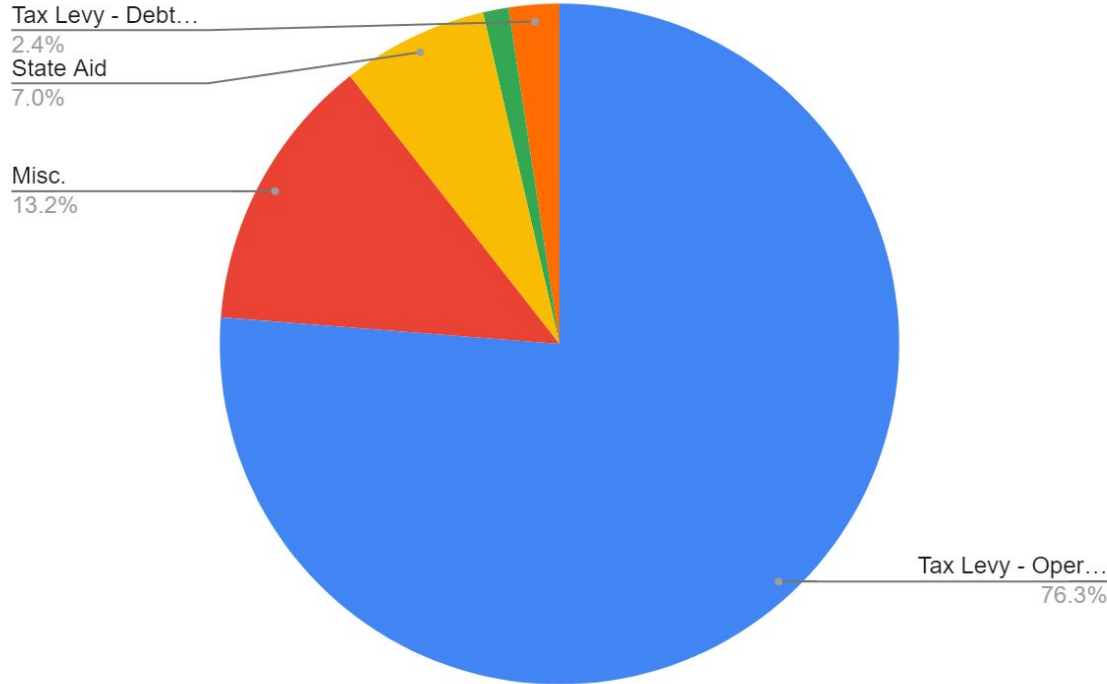
	2023-2024 adj budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
Total Operating	30,278,161	29,108,516	-1,169,645	-3.86%
Total Debt Service	713,200	717,700	4,500	0.63%
Total Budget	30,991,361	29,826,216	-1,165,145	-3.76%

Overall revenue is projected to decrease by \$1,165,145.

Adjusting for differences in debt service, student activities, interest on reserves and prior year encumbrances, there is a projected revenue decrease of \$194,053.

Revenue	2023-2024 Adj Budget	2024-2025 (Projected)	Change Org (\$)	Change Org (%)
Tax Levy	22,143,067	22,743,089	600,022	2.71%
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Categorical Security Aid	98,526	98,526	0	0.00%
Special Education Medicaid Initiative	23,321	21,947	-1,374	-5.89%
Withdraw from Cap Res	300,000	0	-300,000	-100.00%
FEDERAL PROGRAMS	485,712	339,254	-146,458	-30.15%
Extraordinary Aid	550,000	250,000	-300,000	-54.55%
Sub-Total	29,262,169	29,068,116	-194,053	-0.66%

2024-2025 Estimated Revenue



76% of the operating budget is funded through local tax levy.

A 2% increase in tax levy is equivalent to a 1.5% increase in revenue.

A 2.71% increase in in tax levy is equivalent to a 2.07% in revenue.

Year over year CPI was about 3.1% as of January 2024.

An overall 3.76% decrease in revenue.

Data Collection to Determine Appropriations

Data Collection

- Salary Projections
- Employee Benefits (Health Care, Tuition Reimbursement, Pension Contributions, Sick and Vacation Payout, etc.)
- Tuition (Out of district placements, receiving students i.e. pk tuition)
- Transportation (Out of district students for the school year and the extended school year (ESY))
- Enrollment Projections including charter school enrollment
- Debt Service
- Supervisor / Building budget requests

Appropriations

Appropriations / Anticipated Expenditures (2024-2025)

There are two sections

- The operating budget (Approved each year)
 - Subject to Tax Cap Calculations
- Debt service (Bond Referendum)
 - Separate vote that was approved in a prior year. Falls outside of tax cap calculations)

Appropriations	2023-2024 Adj budget	2024-2025	Difference	% Inc
Salaries	15,200,138.00	14,810,696.00	(389,442.00)	-2.56%

- 2024-2025 budget reflects:
 - Reduction of 30 FTE's
 - Funding to cover anticipated leave replacements
 - Funding for substitutes
 - Funding for summer ESY services
 - Funding for anticipated overtime
 - Funding for duty / coverages
 - Funding for contractual salary increases
 - Some salary increases are offset by Title 1 funding
 - Salaries for Administration, Facilities and Transportation are reflected in their respective categories.

Appropriations	2023-2024 Adj budget	2024-2025	Difference	% Inc
Salaries	15,200,138.00	14,810,696.00	(389,442.00)	-2.56%
Benefits	4,751,223.00	5,582,627.00	831,404.00	17.50%

- 2024-2025 budget reflects funding for:
 - FICA
 - Pension Contributions (PERS / DCRP)
 - Unemployment
 - Workers Compensation
 - Vacation / Sick Time Payout
 - Tuition Reimbursement
 - Health / Dental Insurance

Appropriations	2023-2024 Adj budget	2024-2025	Difference	% Inc
Salaries	15,200,138.00	14,810,696.00	(389,442.00)	-2.56%
Benefits	4,751,223.00	5,582,627.00	831,404.00	17.50%
Tuition	709,373.00	848,974.00	139,601.00	19.68%

- 2024-2025 budget reflects funding for:
 - Charter School tuition
 - Tuition for students with IEP's attending out of district schools
 - Tuition expenditures are offset by IDEA funding

Appropriations	2023-2024 Adj budget	2024-2025	Difference	% Inc
Salaries	15,200,138.00	14,810,696.00	(389,442.00)	-2.56%
Benefits	4,751,223.00	5,582,627.00	831,404.00	17.50%
Tuition	709,373.00	848,974.00	139,601.00	19.68%
Supplies	464,782.00	523,526.00	58,744.00	12.64%
Textbooks	13,500.00	3,500.00	(10,000.00)	-74.07%
Purchased Services	945,644.00	877,161.00	(68,483.00)	-7.24%

Funding for supplies, textbooks and purchased services represents a reduction of \$19,739.

Appropriations	2023-2024 Adj budget	2024-2025	Difference	% Inc
Salaries	15,200,138.00	14,810,696.00	(389,442.00)	-2.56%
Benefits	4,751,223.00	5,582,627.00	831,404.00	17.50%
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Supplies	464,782.00	523,526.00	58,744.00	12.64%
Textbooks	13,500.00	3,500.00	(10,000.00)	-74.07%
Purchased Services	945,644.00	877,161.00	(68,483.00)	-7.24%
Facilities	2,367,428.00	2,590,275.00	222,847.00	9.41%

Includes salaries for maintenance staff, custodial contract services, funding for routine maintenance, utilities, and cleaning supplies.

Appropriations	2023-2024 Adj budget	2024-2025	Difference	% Inc
Salaries	15,200,138.00	14,810,696.00	(389,442.00)	-2.56%
Benefits	4,751,223.00	5,582,627.00	831,404.00	17.50%
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Supplies	464,782.00	523,526.00	58,744.00	12.64%
Textbooks	13,500.00	3,500.00	(10,000.00)	-74.07%
Purchased Services	945,644.00	877,161.00	(68,483.00)	-7.24%
Facilities	2,367,428.00	2,590,275.00	222,847.00	9.41%
Transportation	1,574,075.00	1,804,502.00	230,427.00	14.64%

Includes salaries for transportation staff, contract services for students attending out of district schools, fuel, insurance, lease purchase payments on school buses.

Appropriations	2023-2024 Adj budget	2024-2025	Difference	% Inc
Salaries	15,200,138.00	14,810,696.00	(389,442.00)	-2.56%
Benefits	4,751,223.00	5,582,627.00	831,404.00	17.50%
Tuition	709,373.00	848,974.00	139,601.00	19.68%
Supplies	464,782.00	523,526.00	58,744.00	12.64%
Textbooks	13,500.00	3,500.00	(10,000.00)	-74.07%
Purchased Services	945,644.00	877,161.00	(68,483.00)	-7.24%
Facilities	2,367,428.00	2,590,275.00	222,847.00	9.41%
Transportation	1,574,075.00	1,804,502.00	230,427.00	14.64%
General Operations	1,764,324.00	1,647,601.00	(116,723.00)	-6.62%

Includes 1 FTE reduction, salaries for administration, legal and architectural services, administrative technology expenses, supplies and services related to administrative functions.

Appropriations	2023-2024 Adj budget	2024-2025	Difference	% Inc
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Includes funding for a lease purchase of a truck, a dumpster and interactive boards.

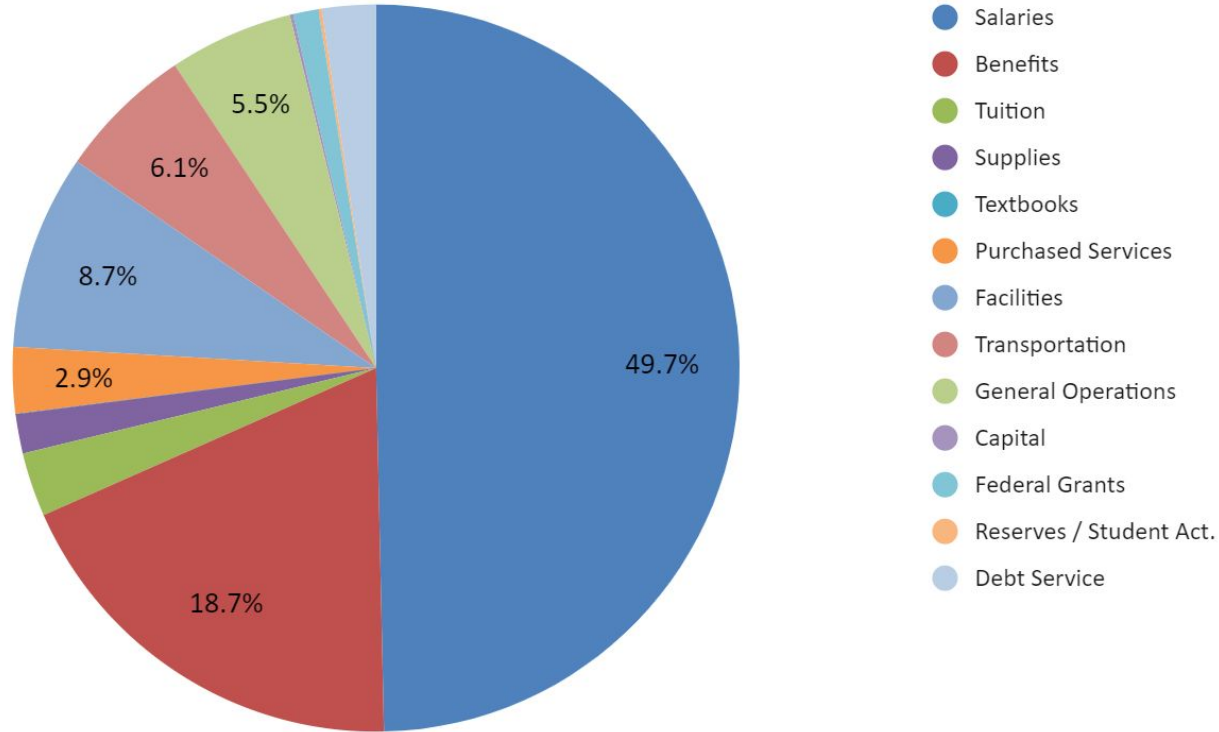
Federal grants are used to fund salaries, professional development and tuition for students attending out of district schools.

Capital	1,961,262.00	40,000.00	(1,921,262.00)	-97.96%
Federal Grants	485,712.00	339,254.00	(146,458.00)	-30.15%
Sub-Total	30,237,461.00	29,068,116.00	(1,169,345.00)	-3.87%

Appropriations	2023-2024 Adj budget	2024-2025	Difference	% Inc
Sub-Total	30,237,461.00	29,068,116.00	(1,169,345.00)	-3.87%
Student Activities	40,000.00	40,000.00	-	0.00%
Interest on Reserves	700.00	400.00	(300.00)	-42.86%
Debt Service	713,200.00	717,700.00	4,500.00	0.63%
Total Budget	30,991,361.00	29,826,216.00	(1,165,145.00)	-3.76%

Total budget including student activities, interest on reserves and debt service is \$29,826,216.

2024-2025 Anticipated Expenditures



Salaries and
benefits are
68.4% of the
districts budget

Revenue vs. Appropriations

Revenue vs. Appropriations	
Estimated Revenue	29,826,216
Anticipated Appropriations	29,826,216
Difference	0

Estimated Tax Impact

Tax Impact	
Tax Levy 2023-2024	11,486,129.00
Tax Levy 2024-2025	11,963,401.00
Debt Service 2023-2024	1,551,038.00
Debt Service 2024-2025	1,553,288.00
Tax Impact inc. Debt.	3.68%
Tax Impact exc. Debt.	4.16%

	2023-2024	2024-2025
(A) General Fund School Levy	22,143,067	22,743,089
(D) Total School Levy	22,777,379	23,460,789
(B) Estimated Net Taxable Valuation (as of 10/01/23)	1,454,544,100	1,454,544,100
(H) Estimated Equalized Valuation (as of 10/01/23)	2,196,532,921	2,196,532,921
(C) Estimated General Fund School Tax Rate, Without Repayment of Debt or Adjustments= $100 \times (A)/(B)$ 0.4308	1.5223	1.5636
(F) Estimated Total School Tax Rate, With Repayment of Debt and Adjustments= $100 \times (D)/(B)$ 0.4898	1.5659	1.6129
(I) Estimated Equalized General Fund School Tax Rate, Without Repayment of Debt or Adjustments= $100 \times (A)/(H)$ 0.4467	1.0081	1.0354
(L) Estimated Equalized Total School Tax Rate, With Repayment of Debt and Adjustments=$100 \times (D)/(H)$ 0.5079	1.0370	1.0681
2023 Passaic County, NJ Average Property Tax Assessments	476,781	476,781
Estimated School Tax per Household	4,944	5,092
Estimated School Tax Increase		148