

# Nutley Board of Education

2024-2025 Budget Presentation

May 7, 2024



# 2023-2024: Budget Deficit Update

NJDOE has approved our request for a State Aid advance/loan to cover the current year shortfall.

## Financing Terms:

- No interest advance/loan over 10 years
- Repayment will begin in budget year 2025-2026
- Total amount of advance/loan pending State review of cashflow

## Additional Developments:

- State accepted our initial Corrective Action Plan
- State Monitor has been assigned to the District
- Acting Business Administrator appointed
- Search to begin for a new Business Administrator
- Forensic Investigation commencing

**"All Outstanding Payment Obligations Will Be Met"**



# Budget Creation: What Are We Doing Differently?

- **Budgetary process led by the Superintendent**
  - In conjunction with 3rd party consultant (Nisivoccia LLP) and the New Jersey Department of Education (NJDOE)
- **Verified Reliable Revenues & Expenditures**
  - Established by central office and confirmed with our auditor, external consultants, Board of Trustees and NJDOE
- **“Needs-Based” Budget**
  - Projected expenses properly offset by reliable revenues
  - Adopt industry standard rigors and controls



# 2024-2025 Budget - Guiding Principles

***Board Goal: “Preserve existing educational and extracurricular programs and experiences for all of our students.”***

- Identify and eliminate inefficiencies across the district to deliver a sustainable budget
- Restructure administrative roles and responsibilities maximizing student/teacher interactions
- Remain within class size/course enrollment guidelines
- Meet special needs student and support program requirements
- Enhance Tier-1 Intervention for General Education
- Comply with all State budgetary guidelines and tax levy requirements
- Continue to advance the State funded Pre-K program
- Design framework to build more comprehensive Gifted and Talented Program inclusive of expanding curricula for STEM and Arts
- Maintain existing facilities and grounds



# 2024-2025 Budgetary Challenge

**Board Goal: “Develop a District wide sustainable budget that meets the requirements necessary to deliver an quality educational experience for all students.”**

Our reliable revenues for this period are **74.2 million dollars**. After accounting for the 2023-2024 budget shortfall, in both revenue and expense, and after adjusting for the coming years cost increases we faced a gap of 13 million dollars.

Current Program Calculating Expense & Increases	<b>\$ 87.2 M</b>
Reliable Revenues	<b>\$ 74.2 M*</b>
<b>Existing Shortfall</b>	<b>\$ 13.0 M**</b>
How we closed the gap:	
District Wide Budget Adjustments	<b>\$ 6.7 M</b>
State Aid Increase	<b>\$ 3.0 M</b>
Net General Fund School Tax Increase	<b>\$ 3.3 M (5.26%)***</b>
<b>2024-2025 Projected Deficit</b>	<b>\$ 0.0 M (Balanced Budget)</b>

\* Existing Tax Levy and State Aid

\*\* This shortfall is in excess of the existing budget deficit & cash-flow constraints generated over the last two budgetary cycles.

\*\*\* Impact to the average household property tax is \$50 per 1% - \$263/year



# 2024-2025 Nutley School District Budget Summary

Operating Costs	23-24 (Projected)	24-25 (Preliminary)	Change	Change %
Total General Fund operating costs, excluding debt service and restricted State/Federal funds (PEA, ESEA, IDEA)	\$ 82,311,656	\$ 81,111,496	\$ -1,200,160	-1.46%

Revenues	23-24 (Projected)	24-25 (Preliminary)	Change	Change %
General Fund State & Federal Aid	\$ 12,238,904	\$ 15,082,595	\$ 2,843,691	23.23%
General Fund Local Revenues	\$ 657,944	\$ 540,000	\$ -117,944	-17.93%
Deficit	\$ 7,198,637	\$ 0	\$ -7,198,637	-100%
General Fund Tax Levy Paid by Taxpayers	\$ 62,216,171	\$ 65,488,901	\$ 3,272,730	5.26%

- The 2024-2025 school district budget summary reflects lower net operating costs of \$1.2 Million (-1.46%), and balances the budget for the upcoming year, based on verified revenues.
- Impact to Local Tax Levy is partially offset by the increase in State and Federal Aid.
- The Budget is compliant with State budgetary guidelines and incorporates statutory waivers for health care, enrollment increases and prior year CAP bank.
- Operating Costs breakdown will not be finalized until reviewed by district monitor.

**All Staffing and Operating Costs decisions surrounding this budget are subject to review and approval by the NJDOE Monitor as of May 6, 2024.**



# 2024-2025 Budget Commentary

Subject to state monitor approval I have, along with the Board of Education, identified the following, using the funds of the preliminary budget:

- Trimmed excess capacity within the District and unnecessary expenditures enabling a more efficient utilization of our staff and resources
- Administrative roles have been reconfigured/collapsed with expanded teaching assignments added
- More efficient daily operations
- All resources necessary for the Security and Preschool remain UNCHANGED.
- All resources necessary to support services to our Special Education students remain UNCHANGED: Out of District Tuition, Therapists/Services, Paraprofessionals, Transportation.
- Efficiencies have been incorporated in Instructional Technology and Athletics without affecting student devices or our Athletic programs.



# 2024-2025 Budget and Beyond: Next Steps

1. Board of Education to Vote on Budget
2. State Monitor Review
  - Budget, Tax Levy, Thorough and Adequate Education
  - Review Cash Flow
  - Review Corrective Action Plan
3. Submission to the NJDOE for review and approval
4. Preparation for 2025-2026 Budget (Board)
  - RFP all services and providers
  - Update Corrective Action Plan





# Questions from the Community

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