

WEST MILFORD TOWNSHIP PUBLIC SCHOOLS

FISCAL RESTRUCTURING COMMITTEE

MEETING #1 – JUNE 13, 2022 – 5 P.M.

Meeting Minutes – June 13, 2022

Attendees: Dr. Alex Anemone, William Scholts, Sean Brennan, Donna Bush, Monica Church, Mike Fritz, Cynthia Gallagher, Anthony Giannantonio, Claire Lockwood, Dr. Greg Matlosz, Danielle Post, Melissa Vitale, Gregory Zackaroff

District Restructuring Committees have been formed to review and discuss the District's declining enrollment and loss of State Aid funding due to S2 School Funding Formula. The District has lost over \$7.8 million in State Aid since the 2016/17 school year. There are two budget cycles left that will be impacted by S2 until it is fully implemented. The Fiscal Subcommittee was formed to review and discuss all fiscal matters that impact the District, and review areas to identify potential cost savings.

The Subcommittee discussed the following at the first meeting:

- The purpose and timeline of the Restructuring Committees was discussed.
- The severity of the State Aid cuts was discussed. Mr. Scholts provided handouts to demonstrate the impact of the cuts and the percentage of State Aid and the Tax levy regarding the total operating budget. Committee members inquired about the State Aid Formula. Enrollment and Township Affluence are major factors, but the State Aid formula as a whole is determined by the State.
- Declining enrollment - The District is currently waiting for a demographic study to be completed that will provide data and projections for future possible enrollment variances.
- Committee members asked about the operating/upkeep costs for each current school, and also about the Highlander Academy lease agreement.
 - o Asked if a building would be sold, or repurposed for other District purposes (Relocated Board Office, Relocated District programs, preschools)
 - o If the number of schools is decreased, can the Highlander Academy program be brought back to a vacant District building to save on costs?
- Committee members inquired about the largest costs to the District.
 - o District Personnel and Health Benefit costs are by far the largest percentage of the District's budget each year.
 - Discussed if a school were closed, would the cost of condensing staff be enough to compensate for the decreasing State Aid. What would class sizes look like, and how would they compare to the District's current class sizes?
 - o Transportation costs and gas prices in the current economy are a major factor and must be considered if it is decided to restructure or redistrict students.

- Square footage and building age of elementary schools were reviewed to determine which locations may be the most appropriate to accommodate additional students, while keeping enrollment levels equitable among all locations.
- Discussed the pros/cons of repurposing a building. The idea of using a building for a Performing Arts School where other Districts could pay us tuition for music/art programs was discussed among committee members.
- Meeting #2 will be scheduled sometime in July or August 2022.

WEST MILFORD TOWNSHIP PUBLIC SCHOOLS
STATE AID & TAX LEVY COMPARISON - 2016/2017 Thru 2022/2023

<u>STATE AID</u>	<i>Prior 5 Years</i>					<i>Current</i>	<i>Next</i>
	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>	<i>Year</i> <i>2021/22</i>	<i>Year</i> <i>2022/23</i>
Equalization Aid	10,288,587.00	10,288,587.00	10,288,587.00	9,338,521.00	7,365,798.00	4,950,596.00	2,858,451.00
Transportation Aid	1,658,498.00	1,658,498.00	842,009.00	842,009.00	842,009.00	842,009.00	842,009.00
Special Education Aid	2,243,826.00	2,243,826.00	2,725,234.00	2,725,234.00	2,725,234.00	2,725,234.00	2,725,234.00
Security Aid	313,229.00	313,229.00	339,929.00	339,929.00	339,929.00	339,929.00	339,929.00
Adjustment Aid	20,389.00	0.00	0.00	0.00	0.00	0.00	0.00
PARCC Readiness Aid	36,250.00	36,250.00	0.00	0.00	0.00	0.00	0.00
Per Pupil Growth Aid	36,250.00	36,250.00	0.00	0.00	0.00	0.00	0.00
Prof. Learning Comm. Aid	34,480.00	34,480.00	0.00	0.00	0.00	0.00	0.00
Total	14,631,509.00	14,611,120.00	14,195,759.00	13,245,693.00	11,272,970.00	8,857,768.00	6,765,623.00
Variance (Increase/Decrease)		-0.1393%	-2.8428%	-6.6926%	-14.8933%	-21.4247%	-23.6193%
Total Operating Budget	73,306,435.00	72,680,062.00	73,591,641.00	73,885,689.00	73,605,761.00	72,868,959.00	72,670,751.00
State Aid % of Operating Budget	19.96%	20.10%	19.29%	17.93%	15.32%	12.16%	9.31%
<u>TAX LEVY</u>	<i>Prior 5 Years</i>					<i>Current</i>	<i>Next</i>
	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>	<i>Year</i> <i>2021/22</i>	<i>Year</i> <i>2022/23</i>
General Fund	53,542,837.00	53,542,837.00	55,015,708.00	56,113,022.00	57,515,848.00	58,666,165.00	59,710,949.00
Debt Service	524,720.00	514,393.00	360,313.00	270,260.00	299,710.00	294,349.00	304,084.00
Total Tax Levy	54,067,557.00	54,057,230.00	55,376,021.00	56,383,282.00	57,815,558.00	58,960,514.00	60,015,033.00
Variance (Increase/Decrease)		-0.0191%	2.4396%	1.8189%	2.5402%	1.9804%	1.7885%
Total Operating Budget	73,306,435.00	72,680,062.00	73,591,641.00	73,885,689.00	73,605,761.00	72,868,959.00	72,670,751.00
General Fund Tax Levy % of Op. Budget	73.04%	73.67%	74.76%	75.95%	78.14%	80.51%	82.17%

WEST MILFORD TOWNSHIP PUBLIC SCHOOLS
UNALLOCATED BENEFITS COMPARISON (Incl. Health Insurance, Social Security, Workers Comp Ins., Tuition Reimb., Retiree Sick Payouts)

	<i>Expenditures Per the Audit</i>					<i>Current Year (As of 6/13/22)</i>	<i>Next Year (Budgeted)</i>
	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
Total Benefits (Incl. Health Ins./Social Security/Pension/Etc., Net of EBC)	13,062,250.64	13,207,212.20	12,850,982.87	12,722,111.56	13,704,324.19	N/A	N/A
Current Year Total Benefits Expended/Encumbered (As of 6/13/22)	N/A	N/A	N/A	N/A	N/A	14,288,215.16	N/A
Budgeted Benefits Expenses - 2022/2023	N/A	N/A	N/A	N/A	N/A	N/A	14,592,188.44
Total	13,062,250.64	13,207,212.20	12,850,982.87	12,722,111.56	13,704,324.19	14,288,215.16	14,592,188.44
Total Operating Budget	73,306,435.00	72,680,062.00	73,591,641.00	73,885,689.00	73,605,761.00	72,868,959.00	72,670,751.00
Benefits Percentage of Operating Budget	17.82%	18.17%	17.46%	17.22%	18.62%	19.61%	20.08%