Princeton Public Schools
Live to Learn, Learn to Live

2022-2023 Budget
Tentative Budget Adoption

March 15, 2022

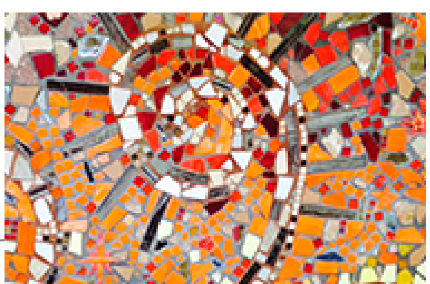
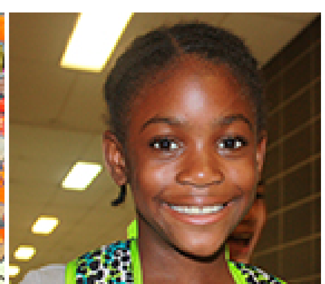
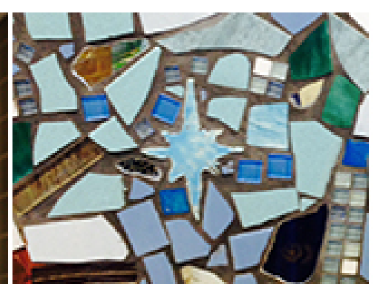
Outline of Discussion

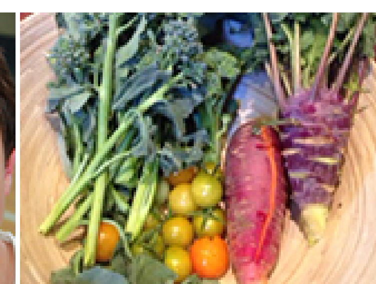
Princeton Public Schools
Live to Learn, Learn to Live

- Statement of Values
- Zero Based Budget Overview
- Budget Calendar
- School Tax Overview/Tax Impact
- Debt Service Analysis
- Tentatively Adopted Budget Analysis
- Questions?

Statement of Values
Starting Point for All Initiatives

As a district, we want every child, regardless of race, religion, country of origin, economic status, sexual identity, gender, gender identity, or learning differences, to fully reach their potential. We want to be a school district where systemic bias or racism quite simply cannot be found. We know this is immense in scope, and know we have a lot of work ahead of us, but we are committed to this work.



Strategic Planning Goals 2016 – 2021

Throughlines
Differentiated Instruction
Culturally Responsive Teaching

Overarching Goal
Equity – Ensuring every child achieves their highest potential by removing barriers and providing supports

New Strategic Plan for 22-27 WILL BE Underway soon….

ZERO BASED BUDGETING OVERVIEW

Princeton Public Schools
Live to Learn, Learn to Live

- Zero-based budgeting (ZBB) is a continuous process that we have implemented to rigorously review every dollar in the annual budget and build a culture of cost management among all stakeholders. The ZBB process is based on developing deep visibility into cost drivers and using this knowledge to help maintain an environment of accountability and sustainable growth in taxes. The full intent is to start from zero and build up from there.

What makes Princeton Public Schools Unique

Princeton Public Schools
Live to Learn, Learn to Live

- World class university in our community
- Small Schools with generally comparatively small class sizes
- A large number of student programs and opportunities
- A large number of student support services including a full time Family Liaison for Elementary, Middle and High School
- A very experienced teaching staff
- Programs that are well above State minimum
- Higher percentage of population navigating poverty than any of the high performing affluent districts in the state, as well as having a 424 student charter school in town
- Commitment to Equity

Budget Calendar

Princeton Public Schools
Live to Learn, Learn to Live

2022-2023 Budget

November - District Budget planning (Central Office)

November-new process and new zero based budget manual shared with Budget Managers who were required to enter their ZBB details into System3000 directly (departure from past practice) by December 21st

January-February - Central Office Analysis

February 8th - Budget Workshop-Top level overview

March 8th - Governor Murphy's Budget Address and PPS Board Meeting

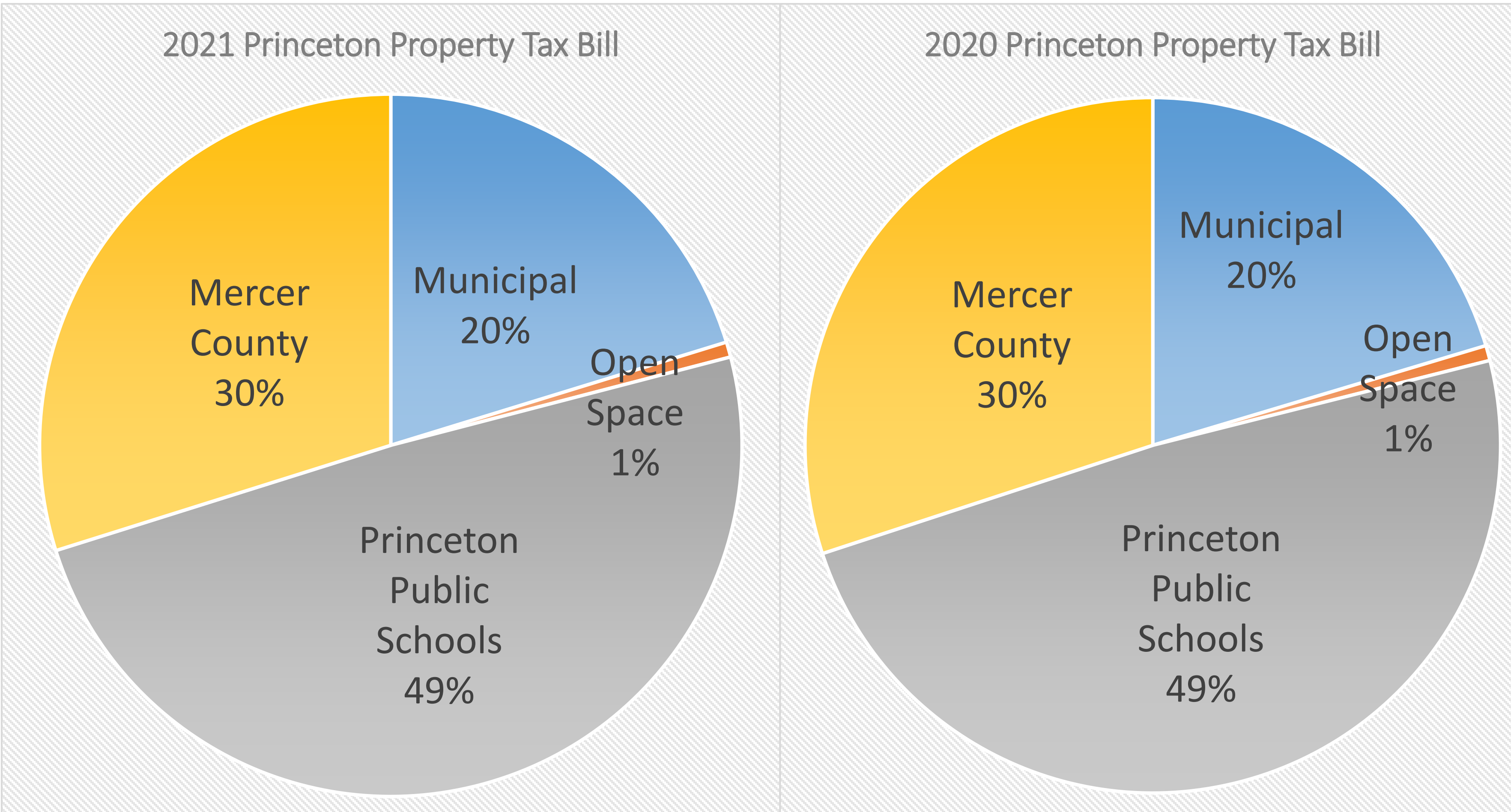
March 10th - State Aid Numbers released (48 hours after Budget Address)

March 15th - (TONIGHT) Tentative Budget Adoption

March 18th - Budgets submitted to County (State review)

April 26th - Public Budget Hearing and Final Budget Adoption

Calendar Tax year Princeton Property Tax Comparison



Source: 2020 and 2021 Princeton Budget Newsletter

2022-23 School Tax: Two Separate Levies = $86.636MM

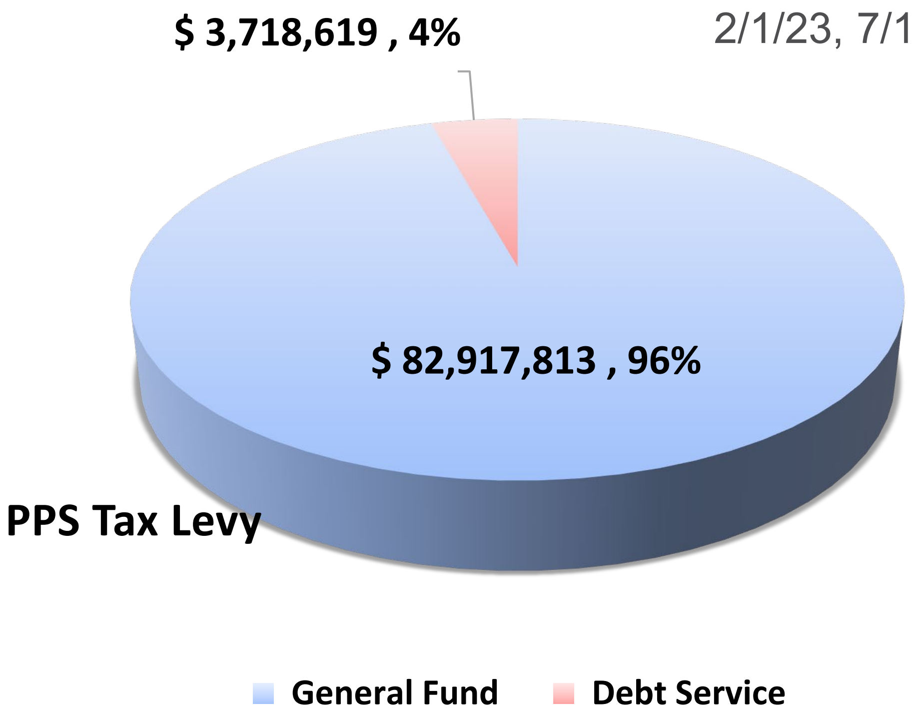
Princeton Public Schools
Live to Learn, Learn to Live

General Fund Levy = $82.918 MM

- Funds annual **operating** budget
- Subject to 2% cap with waivers for enrollment and possible healthcare cost increases

Debt Service Levy = $3.718 MM

- Funds **long-term capital** projects
- Approved by taxpayers via referendum
- As of 3-10-2022, $32.750 MM debt outstanding, with maturities of 2/1/22, 2/1/23, 7/15/38 and 1/15/42



Debt Service Levy → Pays for Long-Term Debt

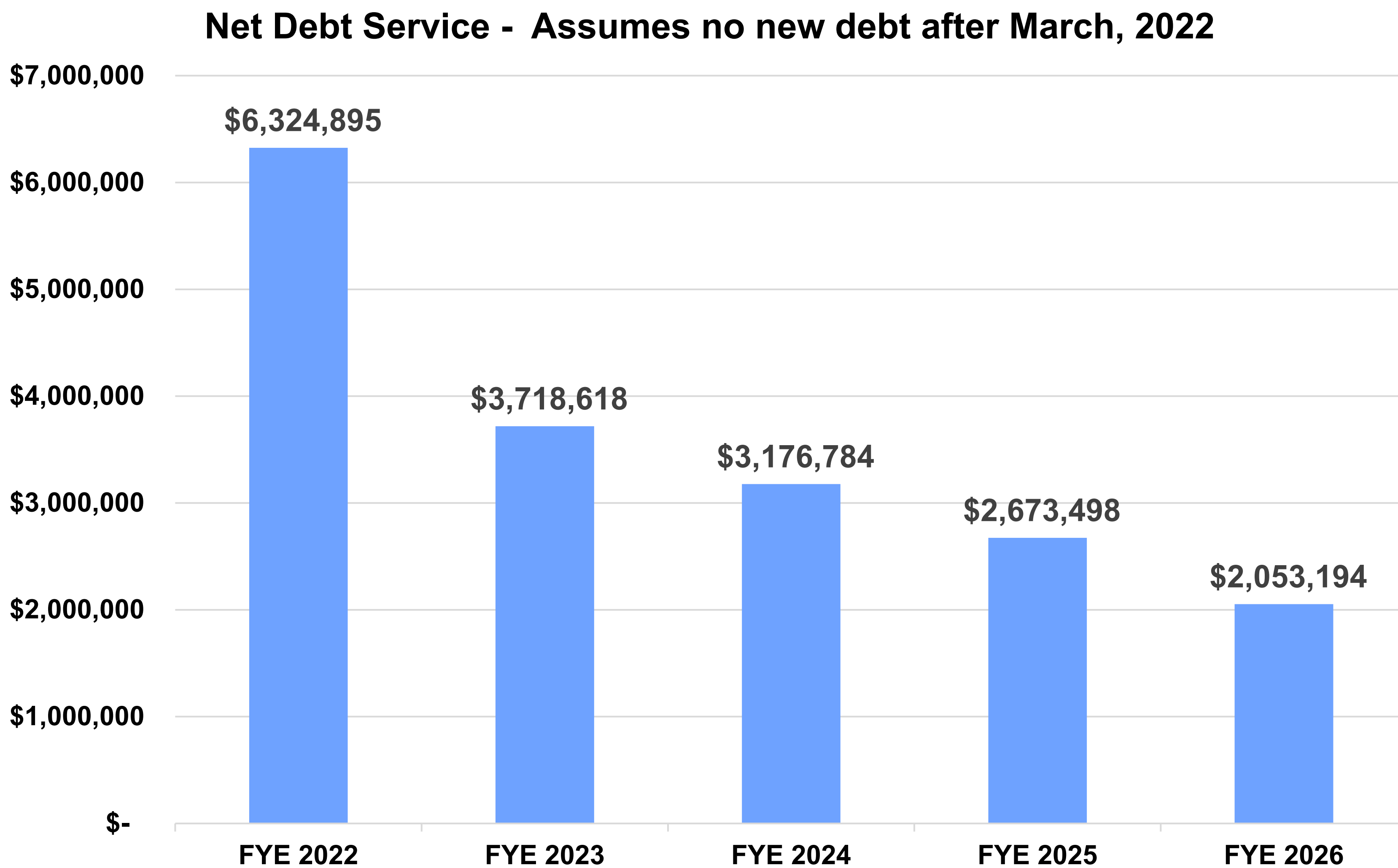
Princeton Public Schools
Live to Learn, Learn to Live

- Three Bond issues outstanding, with fourth ***sold*** on March 10th, 2022. One of the benefits of the referendum process is that the State gives us debt service aid on eligible portions of projects as approved by the State of NJ. It can be as much as 34%.
- Our most current Debt was issued at 2.63% over 20 years with a Aaa ("triple A" Moody's) rating which is the highest credit rating available. See Outstanding Debt Below:

	Orig. Issue Date	Maturity Date	Int. Rates	Int. Rates	Principal Bal. 3/10/2022
10.980 MM School Bonds	**1/15/2013**	**2/1/2023**	**0.50%**	**2.00%**	**1,225,000**
12.155 MM Refunding Bonds	**7/30/2009**	**2/1/2022**	**3.00%**	**5.00%**	**-**
26.928 MM School Bonds	**1/23/2019**	**7/15/2038**	**2.50%**	**3.00%**	**25,325,000**
17.451 MM School Bonds	**3/30/2022**	**1/15/2042**	**2.60%**	**2.75%**	**17,451,000**
					44,001,000

Change in Debt Service with March 10th bond issuance ($17.451 for 2022 Referendum. Issued for 20 years at 2.63%, Aaa Moody's

Princeton Public Schools
Live to Learn, Learn to Live



2020, 2021 and 2022 School Tax Levy Comparison

Princeton Public Schools
Live to Learn, Learn to Live

2019-20 TOTAL School Tax Levy :
$78.244 MM General Fund Levy
+$5.755 MM Debt Service Levy
= $83.999 MM

2020-21 School Tax Levy :
$79.614 MM General Fund Levy
+$6.635 MM Debt Service Levy
= $86.249 MM

2021-22 School Tax Levy:
$80.410 MM Gen Fund Levy(1%)
+$6.325 MM Debt Service Levy
= $86.735 MM

2020-21 School Tax Levy:
$79.614 MM General Fund Levy
+$6.635 MM Debt Service Levy
= $86.249 MM

2021-22 School Tax Levy:
$80.410 MM Gen Fund Levy(1%)
+$6.325 MM Debt Service Levy
= $86.735 MM

2022-23 Tent. Adopt. Tax Levy:
$82.918 MM Gen Fund Levy(3.12%)
+$3.718 MM Debt Service Levy
= $86.636 MM

Calendar 2020 Tax Levy:
$78.929 MM General Fund Levy
+$6.195 MM Debt Service Levy
= $85.124 MM*

Calendar 2021 Tax Levy:
$80.012 MM General Fund Levy
+$6.480 MM Debt Service Levy
= $86.492 MM*

Tent. Adopt. Calendar 2022 Tax Levy:
$81.664 MM General Fund Levy
+$5.022 MM Debt Service Levy
= $86.686 MM*

Actual calendar tax levy reflects split fiscal year: 50% of current budget year (Jan 1 – Jun 30) and 50% of new budget year (Jul 1 – Dec 31) School Tax Levy

Taxpayer Impact

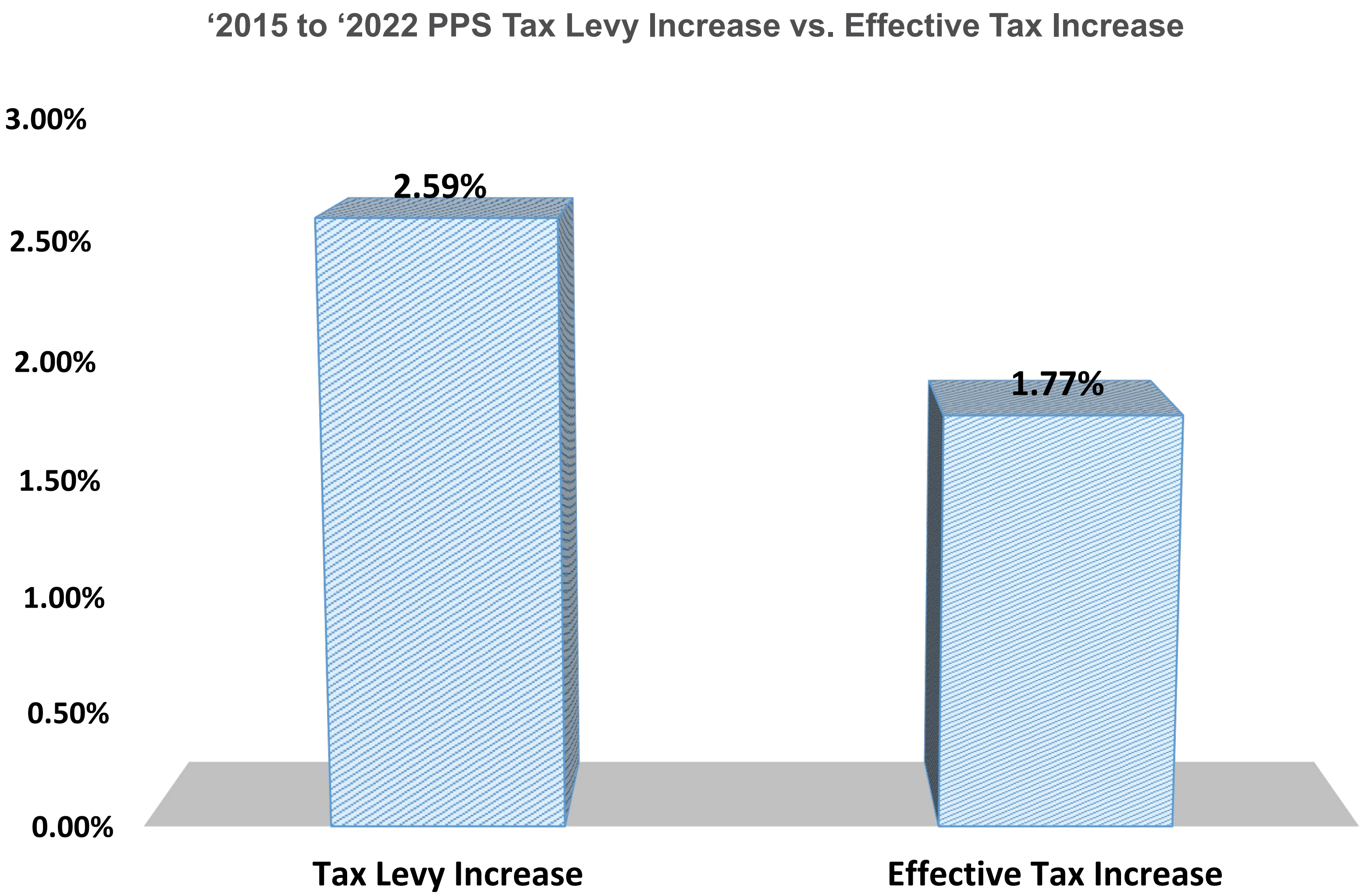
- **Tentative Adopted Calendar 2022 total school levy of $86.686 MM**

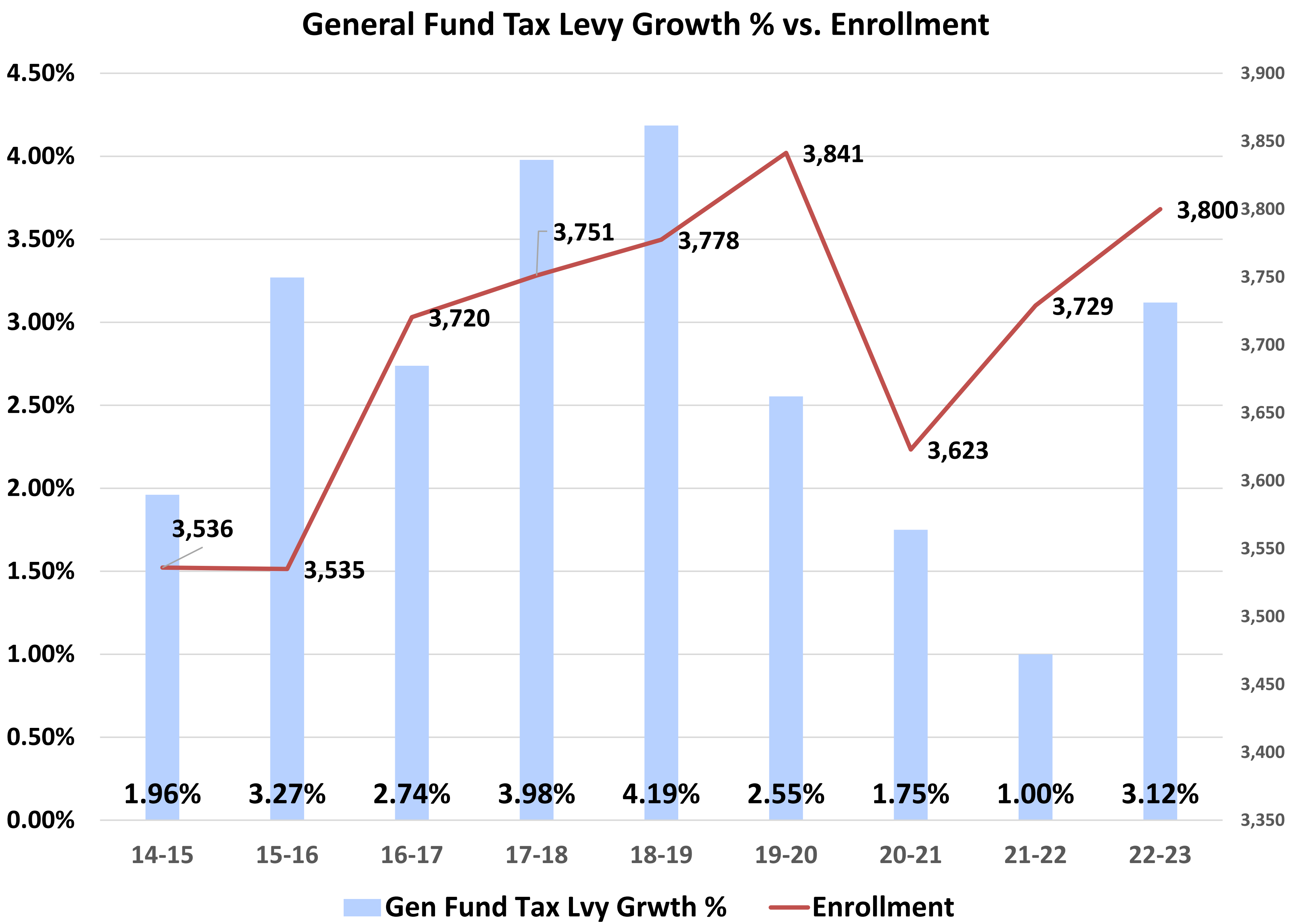
- **Tax rate increases from 1.200 to 1.202 per $100** assessed property value
  - Princeton 2022 actual tax base, net assessed valuation (ratables) of $7.210 Billion*
  - Tax base increased .00% from 2021 – 2022, which means tax levy shared across the same value. I have not gotten an updated ratable value, as of today…

- **…which means that a .022% calendar year school tax levy increase results in a .022% "effective" school tax increase.**

**2021 ratables taken from Mercer County Tax Tables*

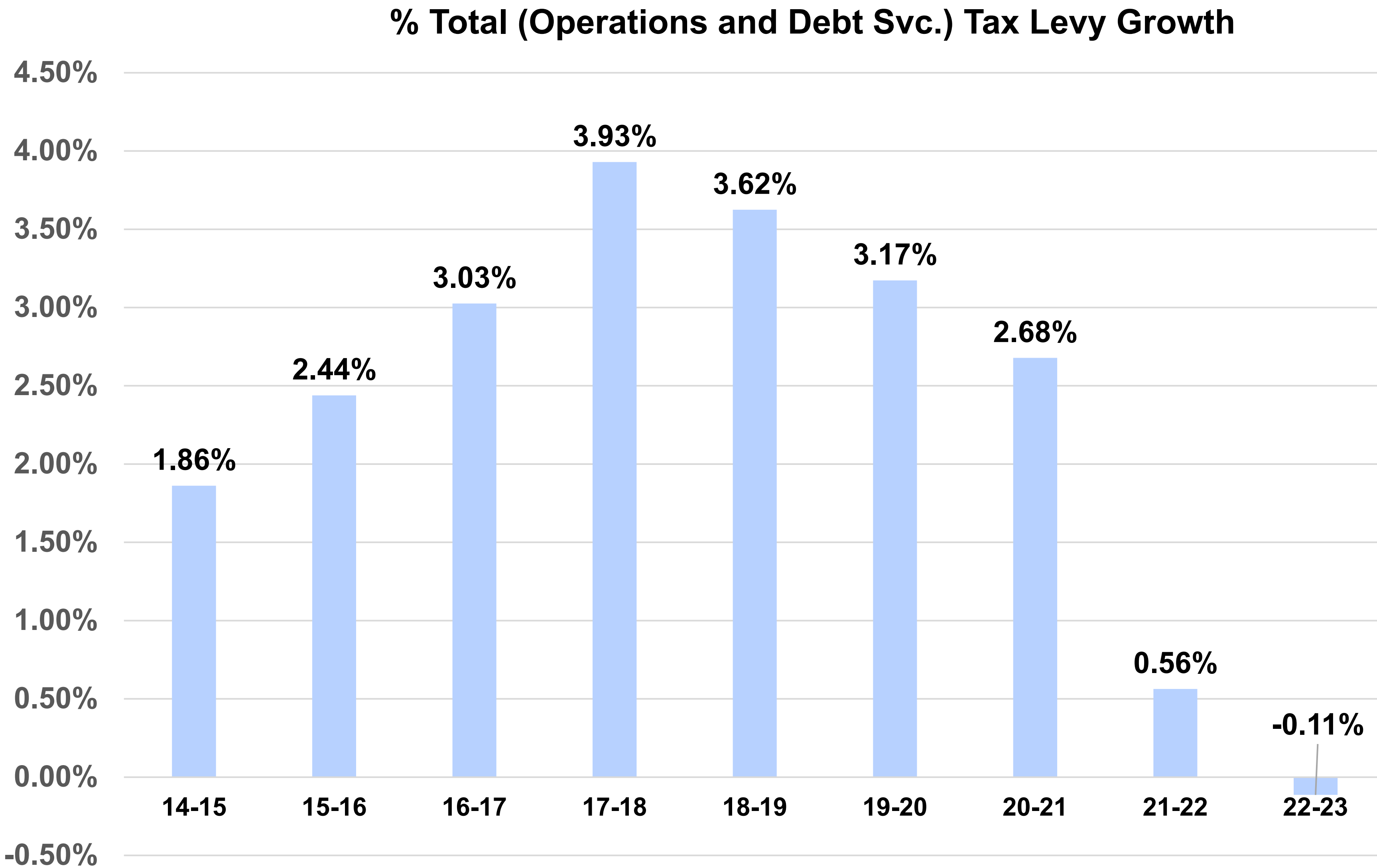
7 year tax levy and school tax growth – Effect of Rising Tax Ratables





General Fund Tax Levy Growth % vs. Enrollment
4.50%
4.00%
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
3,900
3,850
3,800
3,750
3,700
3,650
3,600
3,550
3,500
3,450
3,400
3,350
3,536
3,535
3,720
3,751
3,778
3,841
3,623
3,729
3,800
1.96%
3.27%
2.74%
3.98%
4.19%
2.55%
1.75%
1.00%
3.12%
14-15
15-16
16-17
17-18
18-19
19-20
20-21
21-22
22-23
Gen Fund Tax Lvy Grwth %
Enrollment

Total Tax Levy Growth Analysis – Past 8 Fiscal Years (June 30)



Banked Tax Cap Analysis

Description	20-21	21-22	22-23	23-24	24-25
Generated	253,626	796,138	-	-	-
Expiring	-	-	-	253,626	796,138
Available	-	253,626	-	-	-
Used	-	-	1,049,764	-	-
Foregone Tax Levy	-	5,073	15,923	-	-

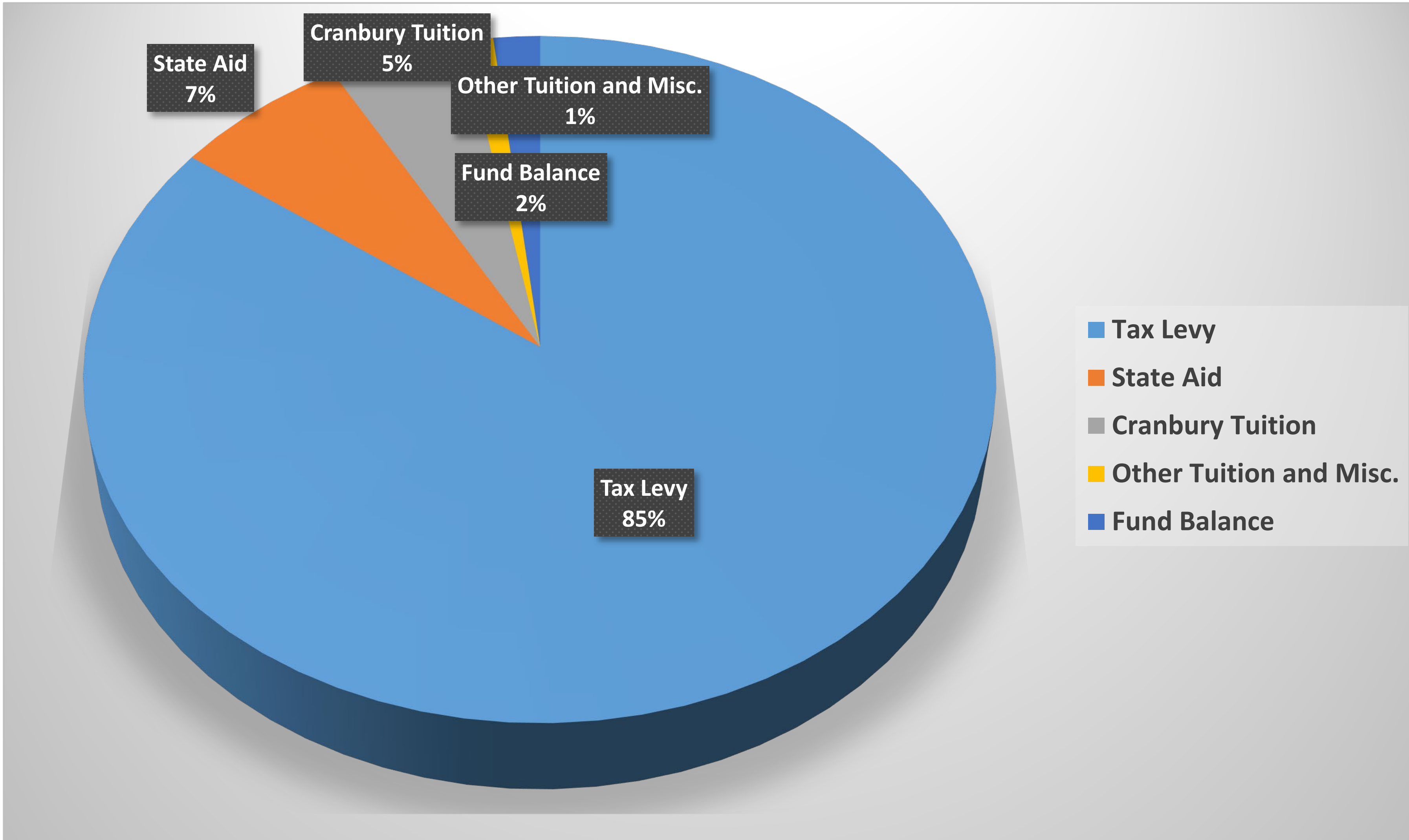
Banked Cap:
Unused taxation or spending authority, that can be saved for 3 future budget cycles and is generated by not spending to the allowable 2% cap or using automatic cap waivers for health insurance, enrollment or deferred pension increases

District is utilizing banked cap in this 22-23 budget cycle

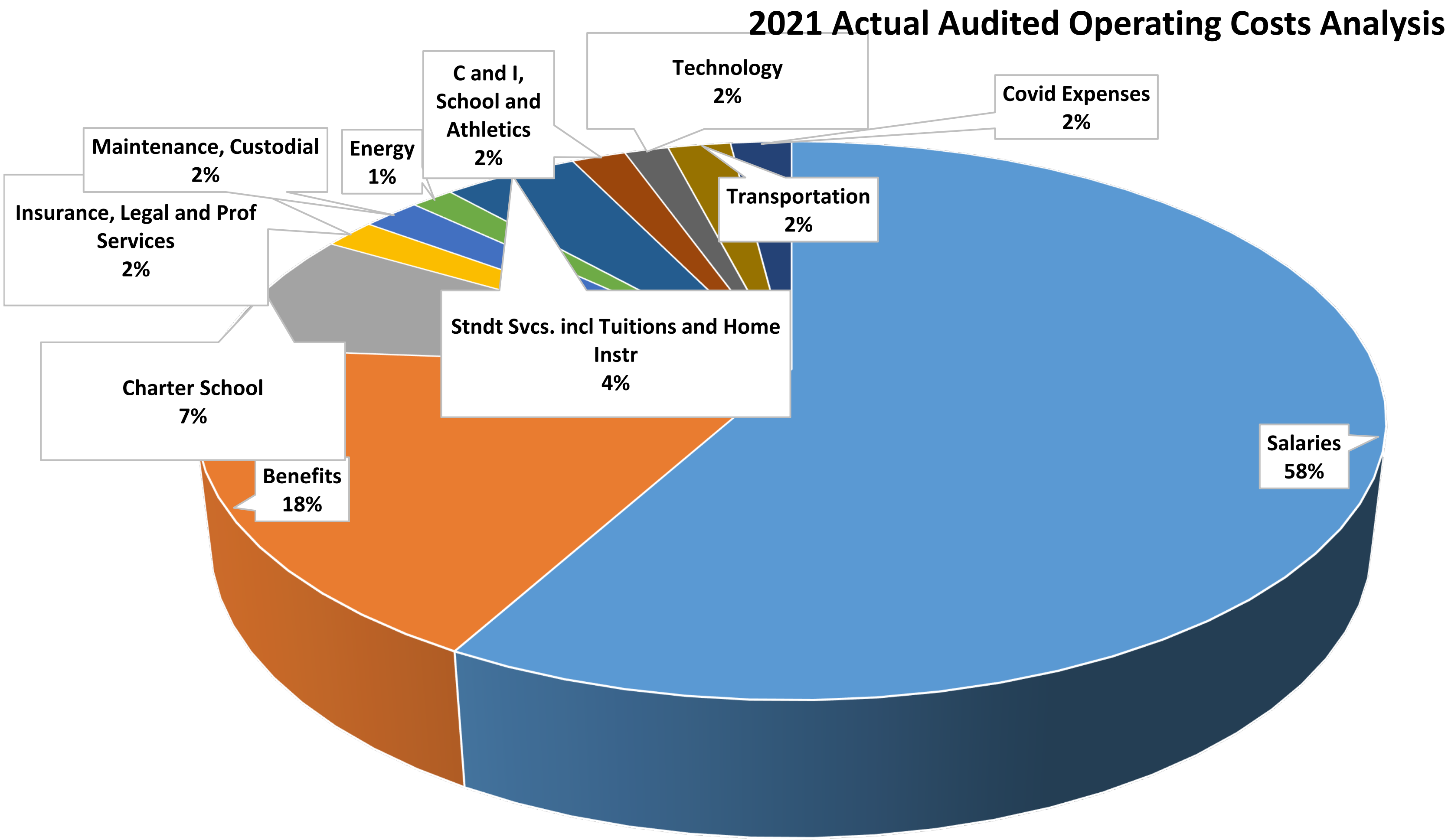
Fund Balance Analysis

3/14/2022	Actual FYE 2018	Actual FYE 2019	Actual FYE 2020	Actual FYE 2021	Est. Act. FYE 2022	Prelim Bud FYE 2023
Non-Cap Rsrve ("free") Fund Bal.	5,369,799	6,310,095	8,707,636	10,541,873	10,712,940	10,712,940
Cap Reserve Fund Balance	2,242,450	2,303,847	3,015,413	2,885,813	795,549	1,100,000
	7,612,249	8,613,942	11,723,049	13,427,686	11,508,489	11,812,940

2022-23 Tentative Adopted Revenues



2021 Operating Budget Actual Results : How was it spent?



22-23 ADOPTED TENTATIVE GENERAL FUND
Big Picture Movements

Princeton Public Schools
Live to Learn, Learn to Live

3/14/2022	Actual FYE 2021	Budget FYE 2022	Est. Act. FYE 2022	Tent. Bud FYE 2023	Y/Y Change
Revenues:					
Tuitions	5,720,335	5,110,908	5,110,908	5,414,807	303,899
Extraordinary Aid	3,067,905	1,750,000	2,850,000	2,850,000	1,100,000
Actual Revenue	8,788,240	6,860,908	7,960,908	8,264,807	1,403,899
Expenses:					
Salaries	52,943,356	55,553,597	55,000,000	57,924,081	(2,370,484)
Benefits	16,644,463	16,416,734	16,499,088	17,057,406	(640,672)
	69,587,819	71,970,331	71,499,088	74,981,487	(3,011,156)
Non Sal and Ben. Exp.					
Charter Schools	6,683,954	7,155,590	7,042,382	7,331,036	(175,446)
Ins., Legal and Prof Svcs	1,546,595	1,423,986	1,815,860	1,917,510	(493,524)
Transp/Technology	3,154,196	3,338,721	2,992,173	3,587,355	(248,634)
Pre-K Charge				70,215	(70,215)
	11,384,745	11,918,297	11,850,415	12,906,116	(987,819)
Total Expenses	80,972,564	83,888,628	83,349,503	87,887,603	(3,998,975)
Change Y/Y					(2,595,076)
State Aid increase Y/Y					346,248
Net					(2,248,828)
3.12% Tax Levy Increase					2,507,806
Year over Year Increase					258,978

22-23 ADOPTED TENTATIVE GENERAL FUND BUDGET REVENUES

Princeton Public Schools
Live to Learn, Learn to Live

	Actual 19-20	Actual 20-21	Est. Actual 21-22	Adopted 21-22 Budget	Tent. Adopt 22-23 Budget	Y/Y % Inc.	Y/Y $ Chnge
Revenue:							
Tax Levy	76,246,634	78,244,588	79,613,868	79,613,868	80,410,007		796,139
Chp. 44 Tax Levy Decrease	-	-	-	-	(147,214)		(147,214)
Tax Levy Increase	1,997,954	1,369,280	796,139	796,139	1,605,256		
Banked Cap Utilized		-	-	-	1,049,764		1,049,764
Total Tax Levy	78,244,588	79,613,868	80,410,007	80,410,007	82,917,813	3.12%	2,507,806
Tuitions	5,405,652	5,720,335	5,110,908	5,110,908	5,414,807	5.95%	303,899
Misc. and Interest	735,913	533,121	625,000	700,250	750,000	7.10%	49,750
Categorical State Aid*	4,186,173	4,290,589	4,520,472	4,520,472	4,866,720	7.66%	346,248
Extraordinary Aid	1,931,302	3,067,905	2,850,000	750,000	1,767,775	135.70%	1,017,775
Fed SEMI	41,458	61,757	55,000	64,818	69,332	6.96%	4,514
Cap Reserve Withdrawal				1,519,413	-	-100.00%	(1,519,413)
Fund Balance		-	-	3,303,052	1,765,949	-46.54%	(1,537,103)
Budgeted Revenue	90,545,086	93,287,575	93,571,387	96,378,920	97,552,396	1.22%	1,173,476

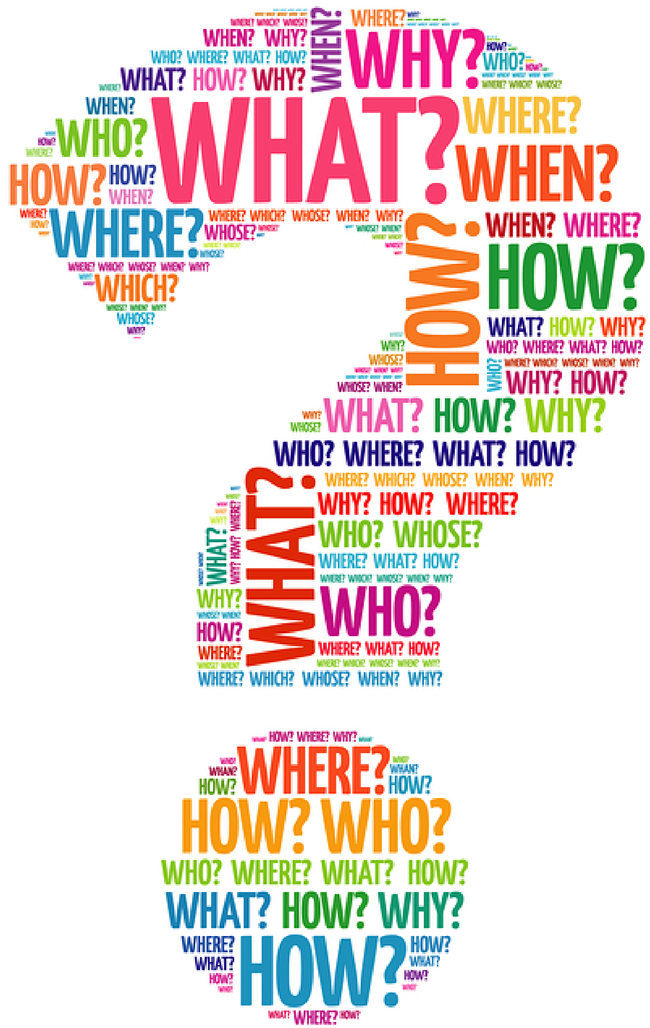
22-23 ADOPTED TENTATIVE GENERAL FUND BUDGET EXPENDITURES (APPROPRIATIONS)

Princeton Public Schools
Live to Learn, Learn to Live

	Actual 19-20	Actual 20-21	Est. Actual 21-22	Adopted 21-22 Budget	Tent. Adopt 22-23 Budget	Y/Y % Inc.	Y/Y $ Chnge.
Expenses:							
Salaries	52,207,317	52,943,356	55,000,000	55,553,597	57,924,081	4.27%	2,370,484
Benefits	16,240,594	16,644,463	16,499,088	16,416,734	17,057,456	3.90%	640,722
	68,447,911	69,587,819	71,499,088	71,970,331	74,981,537	4.18%	3,011,206
Charter School	6,544,147	6,603,954	7,122,382	7,155,590	7,331,036	2.45%	175,446
Insurance and Prof. Svcs.	1,381,160	1,546,595	1,815,860	1,423,986	1,917,510	34.66%	493,524
Maintenance, Custodial	1,335,686	1,712,554	2,550,138	1,543,497	1,508,964	-2.24%	(34,533)
Energy	1,390,558	1,262,505	1,350,000	1,544,189	1,517,511	-1.73%	(26,678)
Stndt Svcs.-Tuitions -Home Instr	4,032,317	3,998,128	3,937,944	4,250,000	4,250,215	0.01%	215
Curriculum and Instruction	326,684	354,567	491,258	633,401	650,000	2.62%	16,599
Technology	888,802	1,300,599	975,032	1,120,686	1,262,207	12.63%	141,521
Schoool Budgets	986,226	875,882	1,105,415	1,271,051	1,275,000	0.31%	3,949
Transportation	1,714,658	1,853,597	2,017,141	2,218,035	2,325,148	4.83%	107,113
Athletics	408,693	373,771	536,062	525,689	533,268	1.44%	7,579
Covid Expenses	-	1,804,920					
Bud. Fnd Bal. and Cap Reserve				2,722,465			
Supplies and Services	19,008,932	21,687,073	21,901,232	24,408,589	22,570,859	-7.53%	884,735
Total Expenditures	87,456,843	91,274,892	93,400,320	96,378,920	97,552,396	1.22%	1,100,499
Surplus/(Deficit) of Revenues	3,088,243	2,012,683	171,067	0	0		

Budget Related Question and Answer Session

Princeton
Public Schools
Live to Learn, Learn to Live



Princeton Public Schools Mission

Princeton Public Schools
Live to Learn, Learn to Live

Our Mission

Preparing all students to lead lives of joy and purpose as knowledgeable, creative, and compassionate citizens of a global society.