



The Fiscal Reality of West Orange Public Schools

2026-2027 Preliminary Budget Diagnostic



Hayden Moore, Superintendent of Schools | Tonya M. Flowers, Business Administrator



Board Members

Brian Rock, President

Maria Vera, Vice President

Dia Bryant

Robert Ivker

Eric Stevenson

Administration

Hayden Moore, Superintendent of Schools

Tonya M. Flowers, Business Administrator

Trenae Lambkin, Assistant Business Administrator

The Scope of Our District

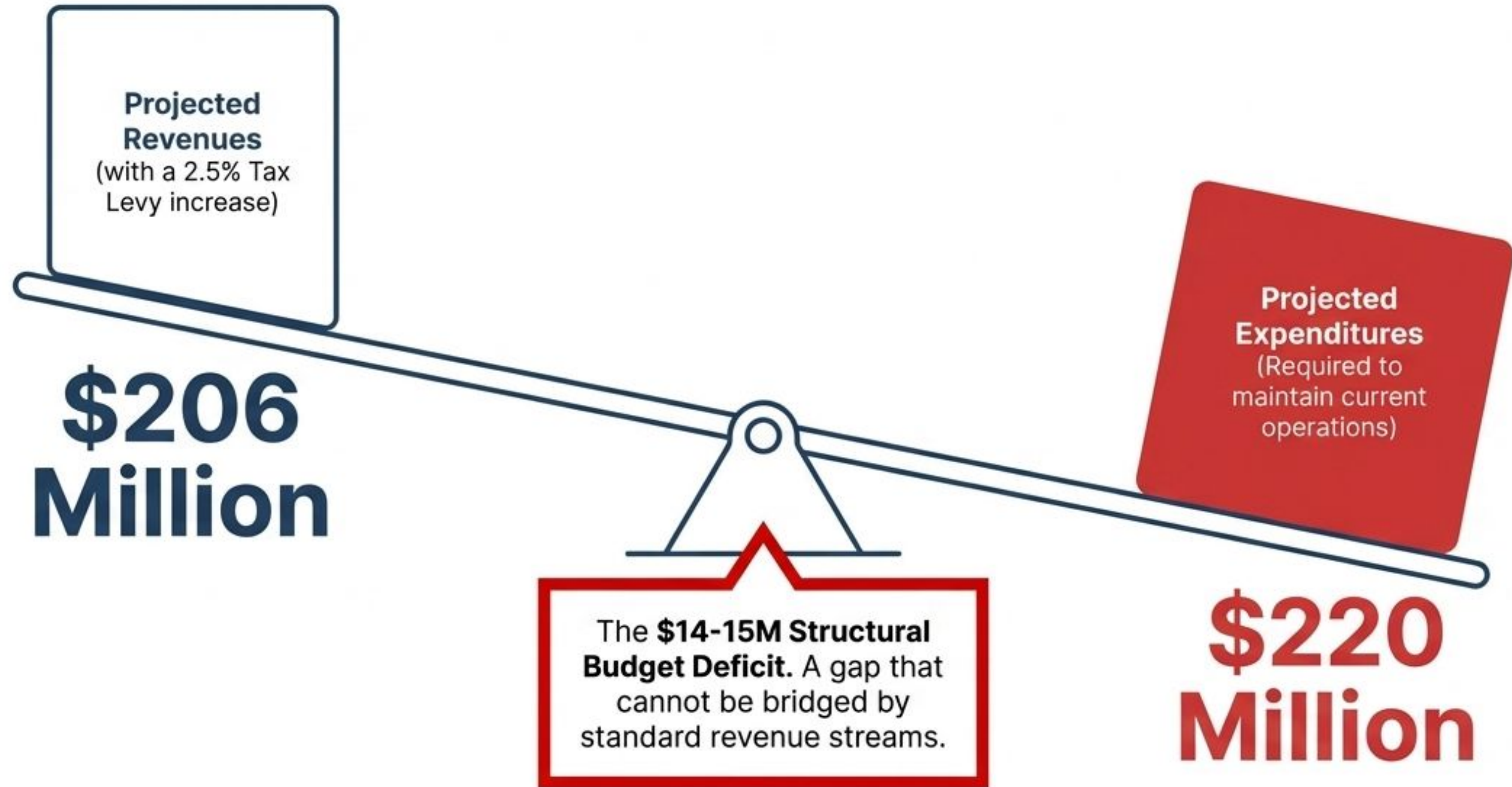
7,107

Total Students Across 13 Facilities



West Orange High School: 2053	Liberty Middle School: 549	Roosevelt Middle School: 551	Edison Middle School: 392
Gregory Elementary: 457	Hazel Avenue Elementary: 329	Mt. Pleasant Elementary: 367	Kelly Elementary: 460
Redwood Elementary: 444	St. Cloud Elementary: 462	Washington Elementary: 399	BMELC/ Washington: 90
WOECLC/Preschool Providers: 554			

The Tipping Point: Our Core Conflict



Please note these figures are preliminary and remain subject to change.

Deconstructing the Disconnect

The Revenue Ceiling

Tax Levy: \$162.6M
(Growth legally constrained to the 2% range)

State Aid: \$34.5M (+6.00% growth,
entirely dependent on state formulas, out
of district control)

Our income has a legal speed limit.

The Upward Pressure

Salaries: +3-4% (Contractually mandated)

Health Benefits: +17.8%

District Insurance: +8.0%

Custodial, Maintenance & Security: +36.21%

Special Education Tuition: +6.0%
(Out of district placements)

Transportation: +3.58% (CPI)

Our legally required operational costs
operate in a high-inflation reality.

How a Structural Deficit Forms

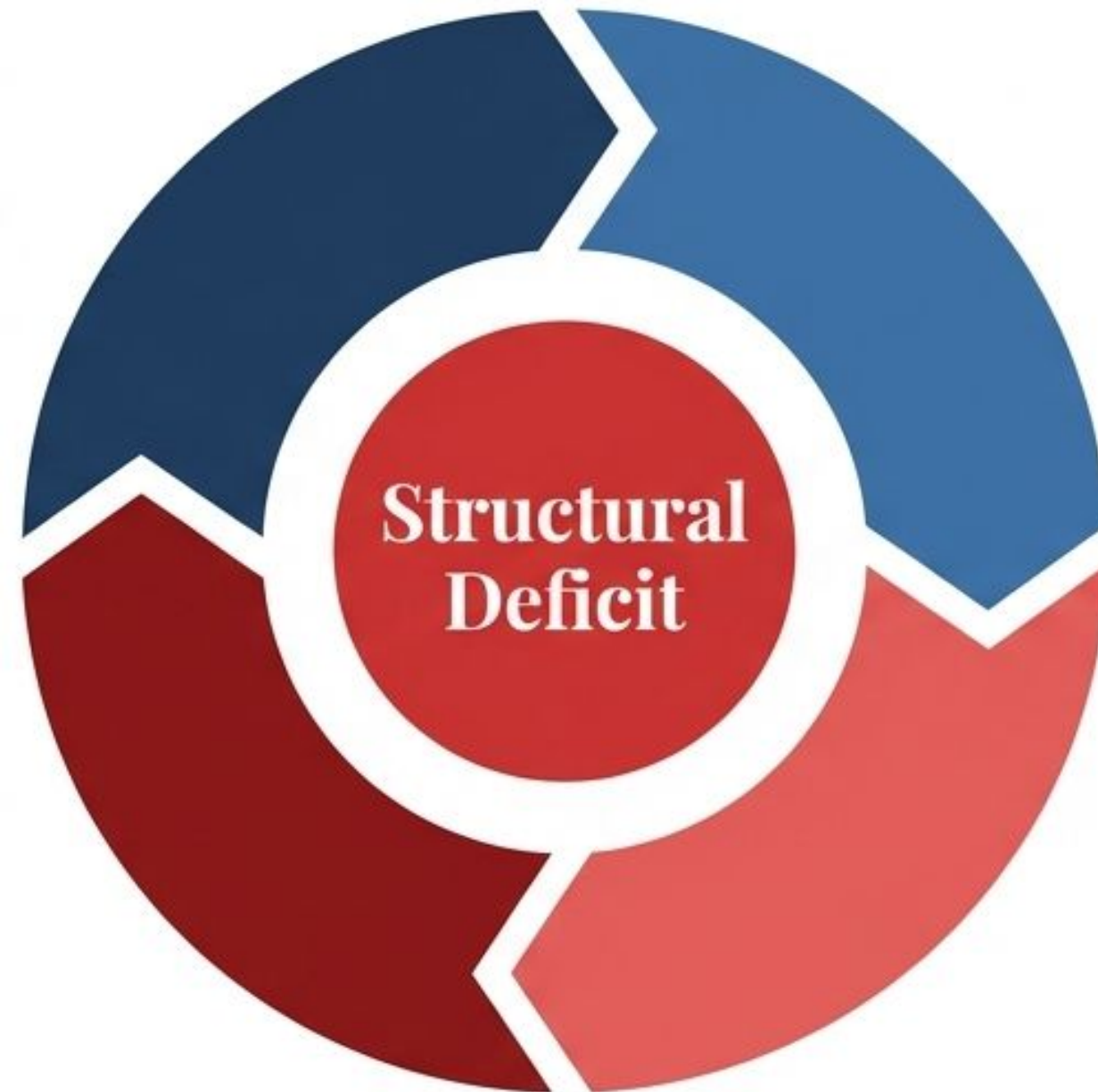
It isn't caused by a once-in-a-decade incident. It is caused when legally mandated expenses consistently exceed capped revenue.

Mandated Outflows Rise

Fixed costs like special education, healthcare, and insurance increase at market rates (often 8% to 18%+ annually).

Reserves Deplete

Available surplus funds are exhausted to plug the gap in prior years, leaving zero safety net for the current year.



Inflows Hit the Ceiling

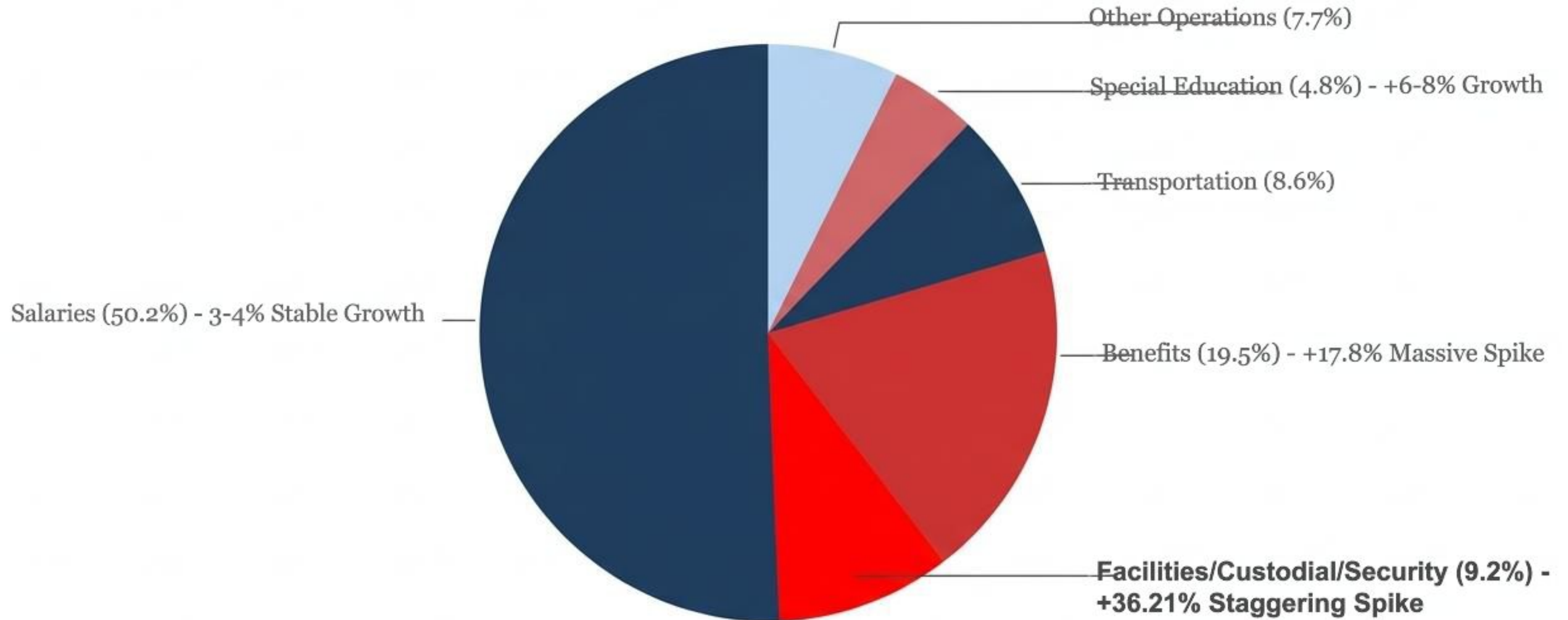
State law caps the primary revenue source (the Tax Levy) at roughly 2%, legally preventing income from matching expense inflation.

The Gap Widens

The compounding mathematical difference between a ~15% cost increase and a 2% revenue limit creates a multi-million dollar shortfall.

Visualizing the Pressure Points

Size indicates total cost. Color intensity indicates year-over-year cost spikes.



While salaries make up half the budget, the deficit is being violently driven by the exploding costs of health benefits, and facilities/custodial/security.

The Math of the Disconnect: 2026-2027 Deltas

Where does the 'new' money go?

+\$6.3 Million (Total New Revenue Expected)

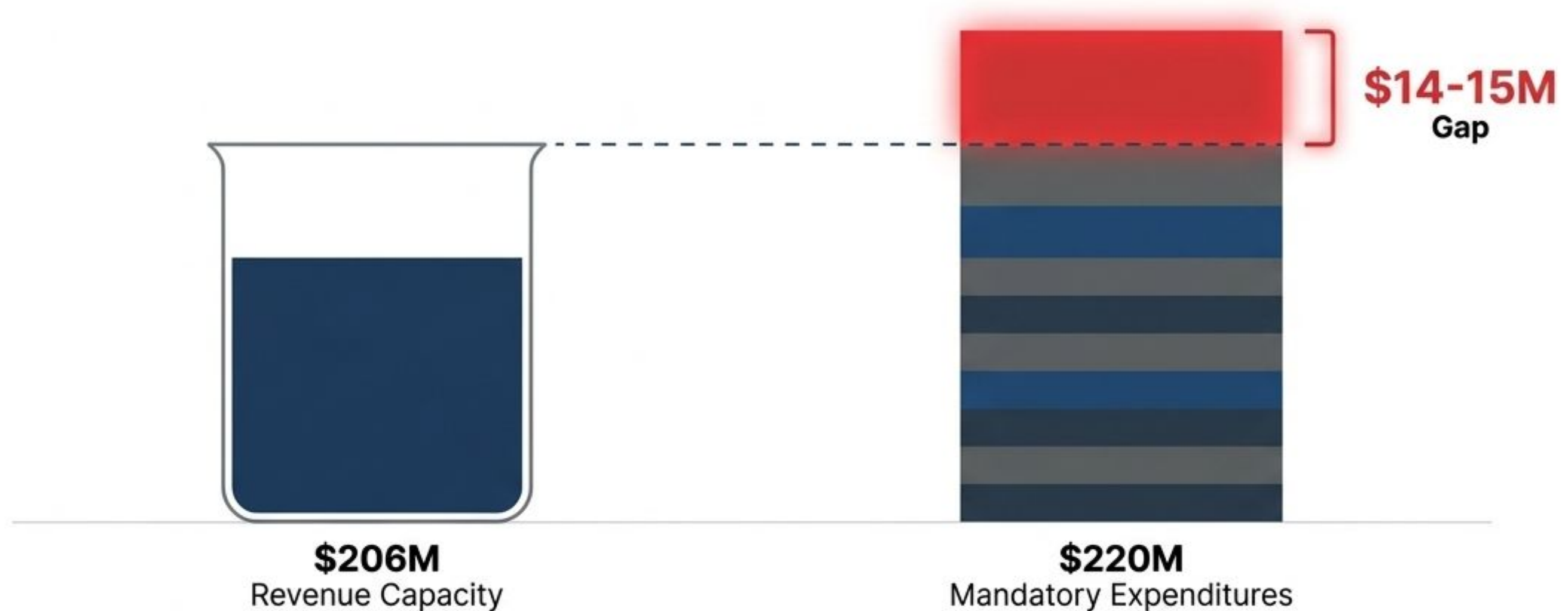
+\$4.9 Million (Increase in Benefits alone)

+\$5.0 Million (Increase in Custodial, Maintenance & Security alone)

+\$1.8 Million (Increase in Special Ed Tuition alone)

The \$6.3M in new revenue is entirely consumed before we even account for mandatory salary increases, transportation, or educational programming. We are mathematically in the red before the school year begins.

The \$15 Million Reality



We cannot out-earn this deficit. We cannot ignore it. We can only cut to match it.

To balance the scale and meet our legal obligation to pass a balanced budget, districtwide reductions are no longer a scenario—they are a mathematical requirement.

The Unavoidable Treatment: Required Districtwide Cuts

Increase in overall class sizes across the district.

Consolidation of courses.

Restructuring of the Middle School Schedule.

Minimum 70 Full-Time Employees

Reduction of 2 Central Office Administrators (1 Director, 1 Supervisor).

Transportation and busing operational adjustments.

Exploration of outsourcing essential services.

These are tough decisions that fundamentally change our operations, required solely to close the \$14-15M gap.

Balancing the Scale for West Orange



The numbers dictate our current reality, but our commitment remains to the 7,100+ students relying on us. We are taking these severe, necessary steps today to ensure the financial survival and future stability of West Orange Public Schools.





REVENUE COMPARISON

Revenue Source	2025-2026 Proposed (at 2.3%)	2026-2027 Proposed (at 2.5%)	Change	Percent Change
Tax Levy	\$ 159,415,304	\$ 162,603,611	\$ 3,188,307	2.00%
Banked Cap/ Adjustments	\$ 465,254	\$ 797,076	\$ 331,822	71.32%
State aid	\$ 32,578,262	\$ 34,532,959	\$ 1,954,697	6.00%
Extraordinary & N/P - Transportation	\$ 3,697,015	\$ 4,230,995	\$ 533,980	14.44%
Tuition Revenue	\$ 140,000	\$ 80,000	\$ (60,000)	-42.86%
SEMI Revenue	\$ 38,000	\$ 231,710	\$ 193,710	509.76%
Misc. & Int. Revenue	\$ 262,557	\$ 345,000	\$ 82,443	31.40%
Budgeted Fund Balance	\$ 3,787,690	\$ 4,000,000	\$ 212,310	5.61%
W/D Capital Reserve	\$ -	\$ -	\$ -	0.00%
W/D Maintenance Reserve	\$ 500,000	\$ -	\$ (500,000)	-100.00%
Encumbrances- Rollover	\$ 2,987,000	\$ -	\$ (2,987,000)	0.00%
Total	\$ 203,871,082	\$ 206,821,351	\$ 2,950,269	1.45%

Please note these figures are preliminary and are subject to change.



EXPENDITURE COMPARISON

	2025-2026	2026-2027	\$ Diff	% Diff
Tuition	\$ 12,964,861	\$ 14,821,771	\$ 1,856,910	14.32%
Support	\$ 8,768,347	\$ 7,226,208	\$ (1,542,139)	-17.59%
Special Ed Services	\$ 8,427,838	\$ 9,103,199	\$ 675,361	8.01%
Administration	\$ 12,610,364	\$ 11,680,102	\$ (930,262)	-7.38%
Custodial & Maint. & Security	\$ 13,967,050	\$ 19,025,187	\$ 5,058,137	36.21%
Transportation	\$ 17,289,140	\$ 17,704,315	\$ 415,175	2.40%
Benefits	\$ 35,131,425	\$ 40,339,708	\$ 5,208,283	14.83%
General Ed Instructional	\$ 55,992,834	\$ 52,813,840	\$ (3,178,994)	-5.68%
Special Ed Instructional	\$ 20,733,082	\$ 19,683,348	\$ (1,049,734)	-5.06%
Basic/ Bilingual/ Multi Instruct	\$ 5,861,615	\$ 5,825,551	\$ (36,064)	-0.62%
Co Curr/ Athletic/ Summer	\$ 2,819,384	\$ 2,006,616	\$ (812,768)	-28.83%
Equipment/Capital Outlay	\$ 4,288,291	\$ 4,579,654	\$ 291,363	6.79%
Charter	\$ 726,847	\$ 670,945	\$ (55,902)	-7.69%
Preschool	\$ 908,378	\$ 940,907	\$ 32,529	3.58%
Food Service Contribution	\$ -	\$ 400,000	\$ 400,000	0.00%
	\$ 200,489,456	\$ 206,821,351	\$ 6,331,895	13.31%

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Estimated Impact on West Orange Homeowners

Calculating the 2026-2027 2.5% Budget Tax Levy Increase

Town Total Value	\$9,946,533,541
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Budget Tax Levy	\$168,740,972
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Rate	1.696
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Average Assessed Home Value	\$614,976
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School Taxes on Avg. Home	\$10,432.95
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Bottom Line

Annual Increase:

\$294.11

Monthly Increase
for the average
assessed home:

\$24.50
per month

The Path Forward: Budget Approval Timeline

March 26

Tentative Budget Presentation to the Community & Submission to the County for review

By April 20

Final day for County Superintendent Approval to Advertise the budget. (Required before public advertisement)

May 4

Public Hearing for the Adoption of the Final Budget

THANK YOU!

