



# 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

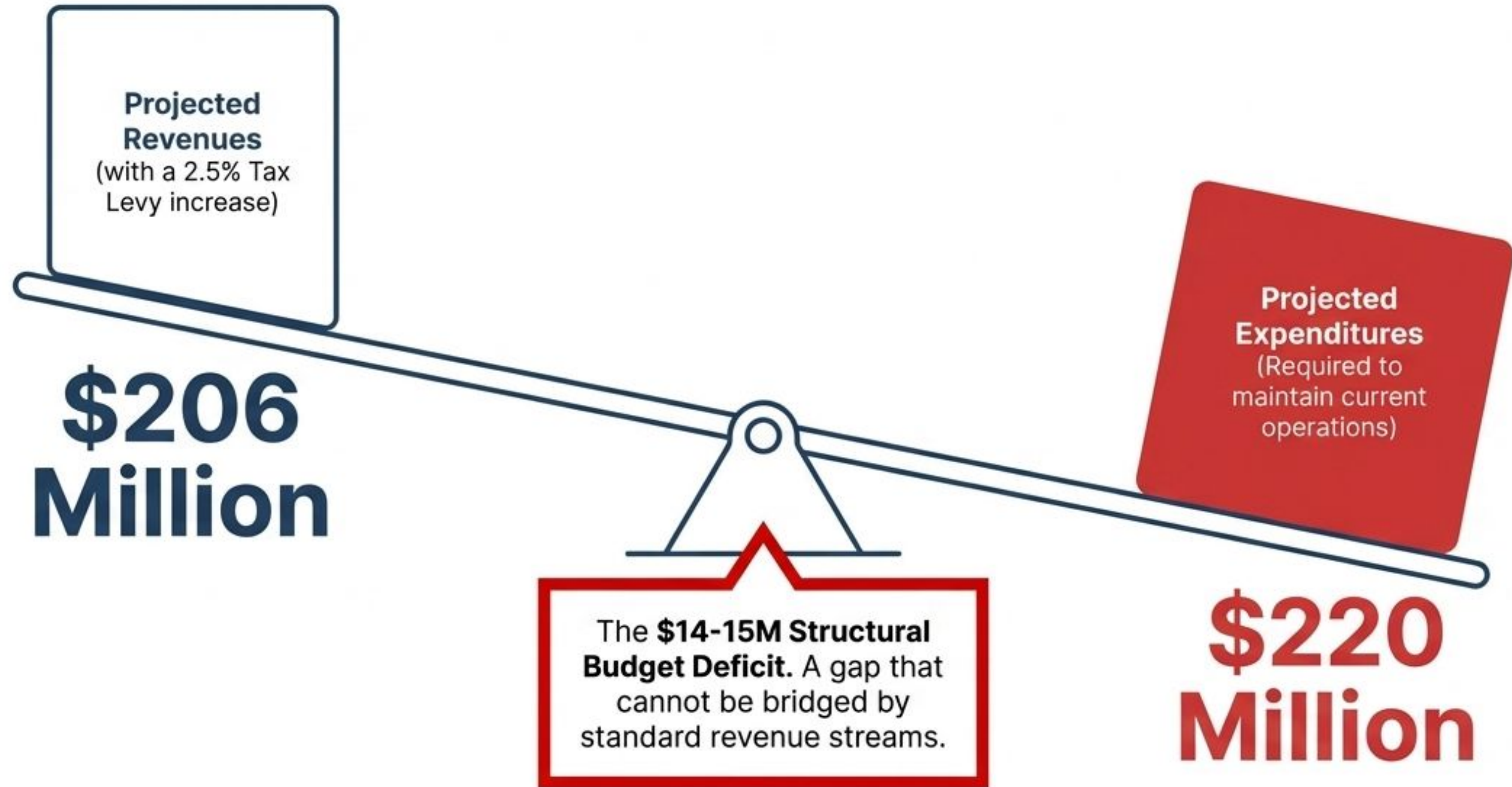
# 7,107

Total Students Across 13 Facilities



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

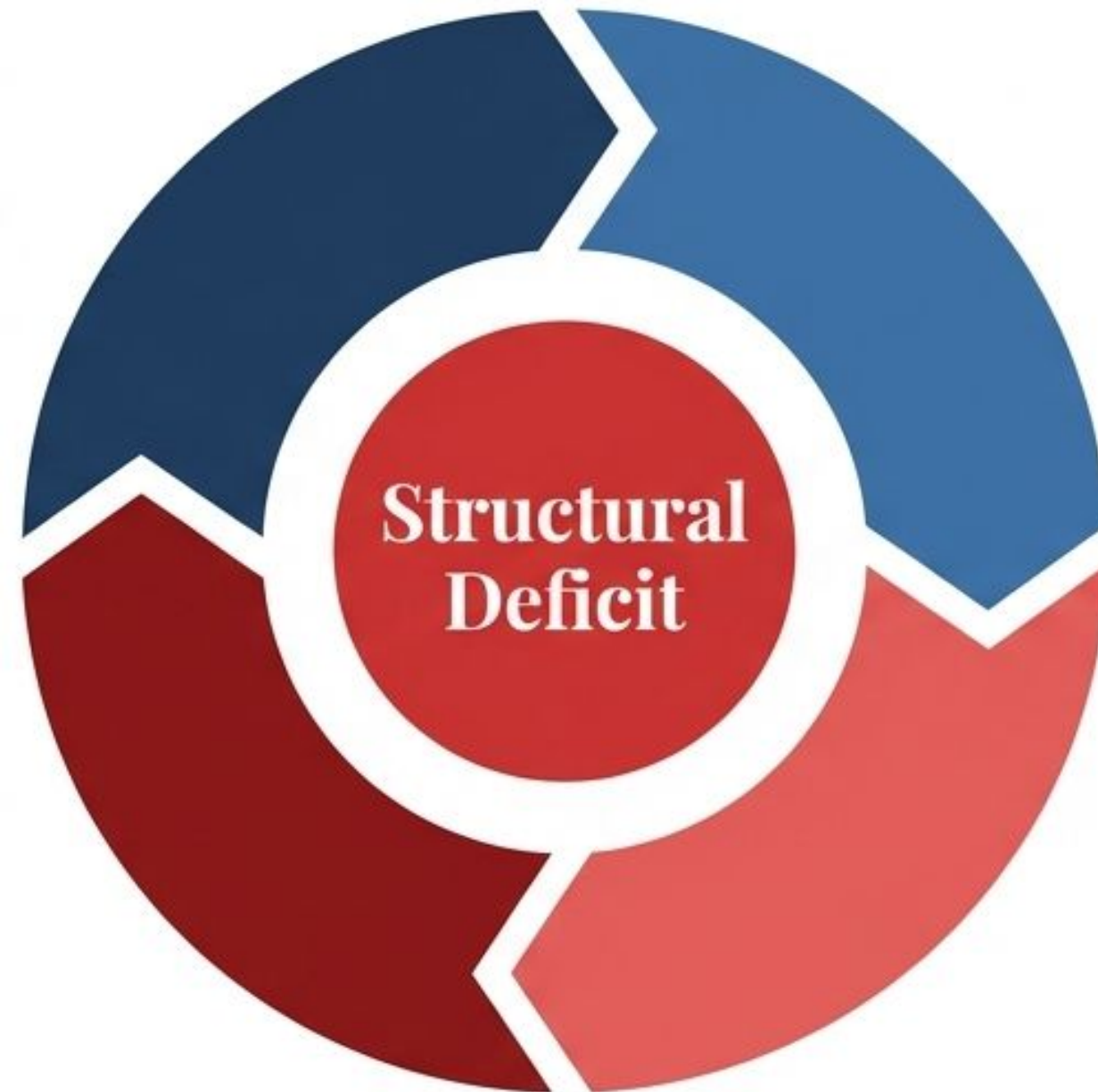
It isn't caused by a once-in-a-decade incident. It is caused when legally mandated expenses consistently exceed capped revenue.

## 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

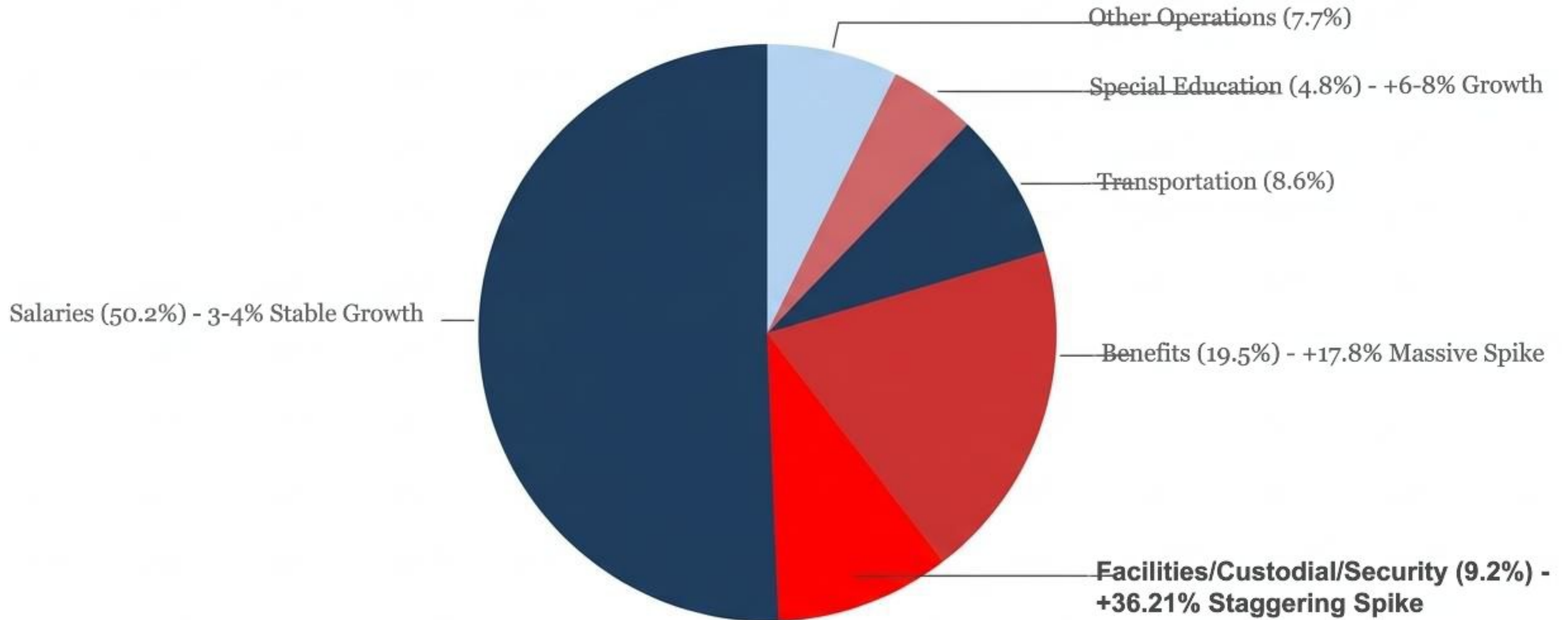
State law caps the primary revenue source (the Tax Levy) at roughly 2%, legally preventing income from matching expense inflation.

## 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)**

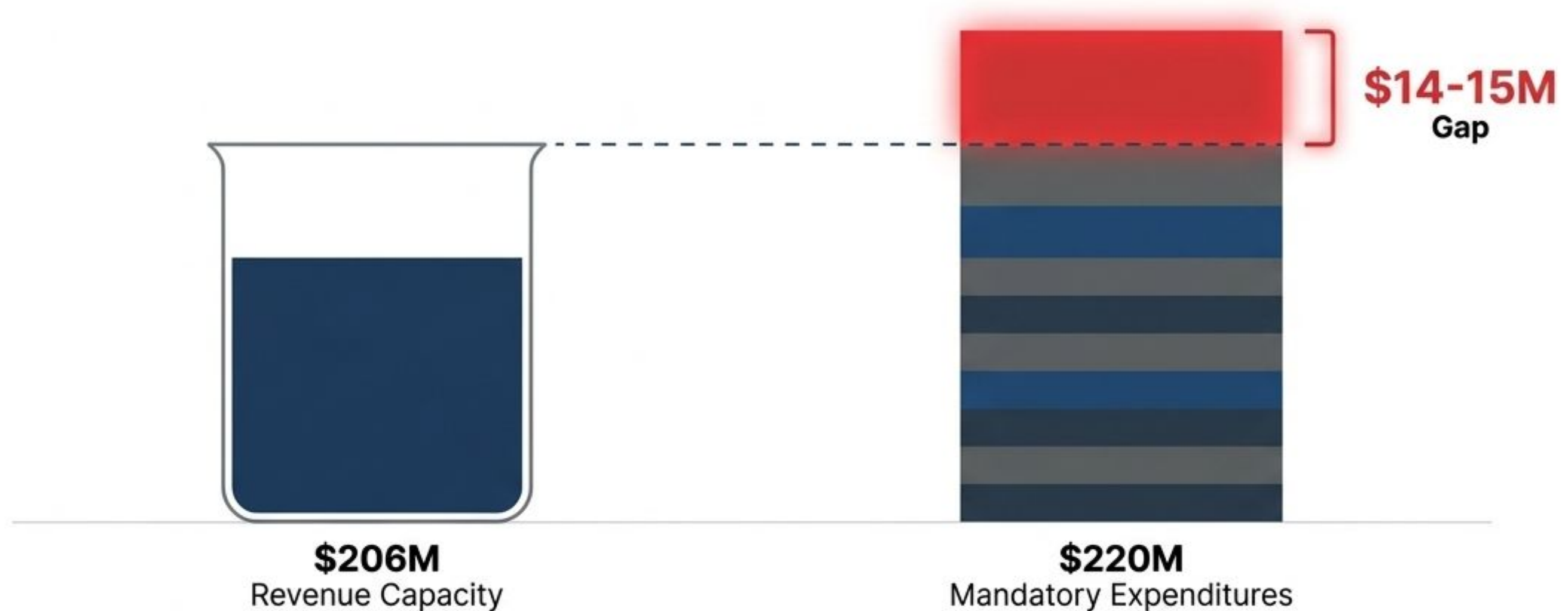
**+\$4.9 Million (Increase in Benefits alone)**

**+\$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 Adjusted budget as of January 31, 2026 (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%
<b>Total</b>	<b>\$ 203,871,082</b>	<b>\$ 206,821,351</b>	<b>\$ 2,950,269</b>	<b>1.45%</b>

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



# EXPENDITURE COMPARISON

Expenditure	2025-2026 Adjusted Budget as of January 31,		\$ Diff	% Diff
	2026	2026-2027		
Salaries	\$ 111,632,774	103,733,036	-7,899,738	-7.08%
Benefits	\$ 35,131,425	40,077,859	4,946,434	14.08%
Instructional Support	\$ 8,877,003	8,474,949	-402,054	-4.53%
Support Services	\$ 4,939,543	5,681,336	741,793	15.02%
Maintenance Contracts	\$ 2,246,096	4,792,411	2,546,315	113.37%
Custodial & Security	\$ 5,298,825	7,666,118	2,367,293	44.68%
Tuition	\$ 12,964,861	14,821,771	1,856,910	14.32%
Property Insurance	\$ 1,203,124	1,403,580	200,456	16.66%
Transportation	\$ 17,289,140	15,590,637	-1,698,503	-9.82%
Equipment	\$ 4,288,291	4,579,654	291,363	6.79%
<b>Total</b>	<b>\$ 203,871,082</b>	<b>\$ 206,821,351</b>	<b>\$ 2,950,269</b>	<b>1.45%</b>

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# Estimated Impact on West Orange Homeowners

Calculating the 2026-2027 2.5% Budget Tax Levy Increase

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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**

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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!

