



A Great Place to Learn!

**West Orange
Board of Education
Budget Public Hearing
Presentation
2025-2026
May 5, 2025**

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



Board Members

Brian Rock, President

Robert Ivker, Vice President

Dia Bryant

Eric Stevenson

Maria Vera

Administration

Hayden Moore, Superintendent of Schools

Eveny de Mendez, Assistant Superintendent, Curriculum & Instruction

Tonya M. Flowers, Business Administrator

Trenae Lambkin, Assistant Business Administrator



OUR DISTRICT IS COMPRISED OF 13 SCHOOLS TOTAL ENROLLMENT - 7148

West Orange High School	● 2093	Gregory Elementary	● 477
Edison Middle School	● 483	Hazel Avenue Elementary	● 339
Liberty Middle School	● 560	Mt. Pleasant Elementary	● 352
Roosevelt Middle School	● 463	Kelly Elementary	● 444
BMELC/Washington	● 118	Redwood Elementary	● 443
WOELC/Preschool Providers	● 575	St. Cloud Elementary	● 436
		Washington Elementary	● 366

*Last year's total enrollment was 6,876 (Increase of 272 students)



BUDGET PROCESS

- Ongoing process of evaluating, processing, developing, and implementing the goals and objectives of the school district.
- Administrators, Principals, and Supervisors all worked with their respective departments/buildings to identify needs and initiatives.
- Formal process began the week of October 15, 2024.
- School and Department Budget meetings conducted by, Business Administrator and/or Assistant Superintendent of C&I, November 14 through December 17, 2024.
- School and department budgets due January 13, 2025.
- Between November 14, 2024 through January 17, 2025, review and analyzed school and department budgets, updated salary guides, and data collection.



BUDGET CALENDAR

ACTION	DATE	PROCESS	RESPONSIBLE PARTY
NJDOE Budget Calendar and Procedures	Released January 2, 2025	NJDOE releases the budget guideline	Business Administrator
NJDOE Budget Software	To be release mid-January	Data entry of the budget from district system to state system	Business Administrator
Budget Discussions with Board Members	February 11-12, 2025	Reviews the budget with Superintendent	Business Administrator
Governor's Budget Address	February 25, 2025 at 3:00p	State Aid Released 48hrs after budget address. Update State Aid Revenue in Budget	Business Administrator
State Aid Released	February 27, 2025	Update State Aid Revenue in Budget	Business Administrator



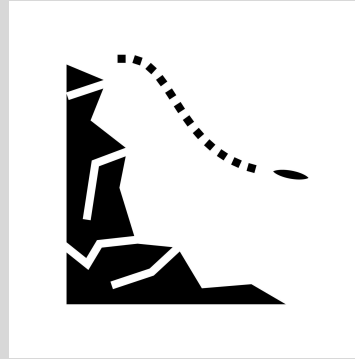
BUDGET CALENDAR

ACTION	DATE	PROCESS	RESPONSIBLE PARTY
Budget Discussion	March 6, 2025 March 13, 2025	Reviews the budget with Board Members in Mini-Work Sessions	Business Administrator
Budget Discussion	March 11, 2025	Budget Discussion with Administrative Leadership Team	Superintendent
Continuous Budget Meetings to identify necessary reductions in FY26 Budget	March 17, 2025 through May 2, 2025	Reviews the budget with Administrators and Board Members	Superintendent and Business Administrator
Preliminary Budget Presentation	March 17, 2025 Board Meeting	Revised presentation based on State Aid and other adjustments (if needed)	Superintendent and Business Administrator
Solicit Input from the Community relative to 2025-2026 Budget Preparation	March 18, 2025	Survey the community to provide input via Google Doc	Superintendent



BUDGET CALENDAR

ACTION	DATE	PROCESS	RESPONSIBLE PARTY
Adoption and Filing of Tentative Budget	March 17, 2025 Board Meeting	Adoption and filing of tentative budget to Executive County Superintendent <i>N.J.S.A 18A:7F-5 and 18A:7F-6</i>	Business Administrator
Budget Approval by Executive County Superintendent	April 19, 2025	Last day for Executive County Superintendent to approve the budget, prior to advertisement. <i>N.J.S.A. 18A:22-7 and 18A:22-8</i>	Business Administrator
Public Budget Hearing	May 5, 2025 Public Hearing / Board Meeting	Presentation of final budget <i>N.J.S.A. 18A:22-32</i>	Superintendent & Business Administrator
User-Friendly Budget Posting to Website	May 7, 2025	Within 48 hours after the public hearing on the budget <i>N.J.A.C. 6A:23A-8.1(c)</i>	Business Administrator
Deadline to Adopt Budget	May 14, 2025	Last day to adopt budget	Business Administrator



How Did We Get To This Financial Cliff?

Revenue Analysis



REVENUE

	AUDITED				CURRENT	PROPOSED	5 Year Increase/(Decrease)	
	2021	2022	2023	2024	2025	2026		
Tax Levy	\$141,491,179	\$143,613,547	\$147,706,335	\$151,632,468	\$155,833,373	\$159,415,304	2.1%	\$17,924,125
		1.50%	2.85%	2.66%	2.77%	2.30%	13%	
State Aid	\$19,754,596	\$25,626,558	\$34,050,172	\$38,588,620	\$38,132,852	\$36,275,277		\$16,520,681
		29.72%	32.87%	13.33%	-1.18%	-4.87%	84%	
Budgeted Fund Balance	\$0	\$1,500,000	\$3,893,493	\$4,354,686	\$5,012,637	\$3,787,690		\$3,787,690
			159.57%	11.85%	15.11%	-24.44%	160%	
					\$1,224,947			
								\$38,232,496

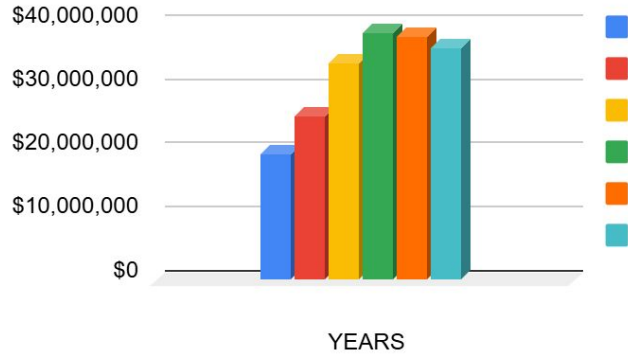
Over the past four fiscal years, current fiscal year, and proposed fiscal year:

Tax Levy has increased by an average of 2.1% annually, including the proposed increase in the 2026 budget

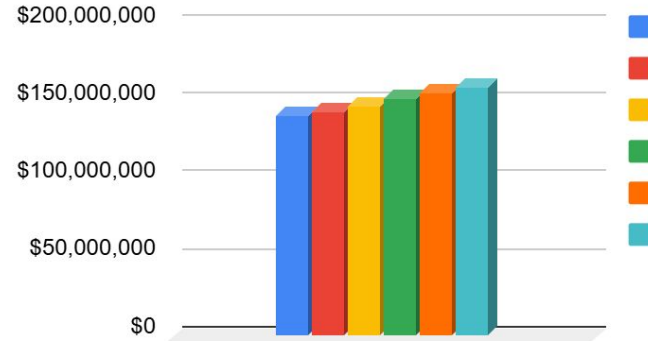
State Aid increased by \$18 million between 2021 and 2024, providing critical support during a period of rising expenditures. However, for 2025 and the proposed 2026 budget, State Aid has decreased by approximately 6%, or \$2.3 million, further straining the District's revenue outlook.

Budgeted Fund Balance is not a sustainable revenue source. As revenues decline and mandated or contractual costs remain fixed, flexibility is limited.

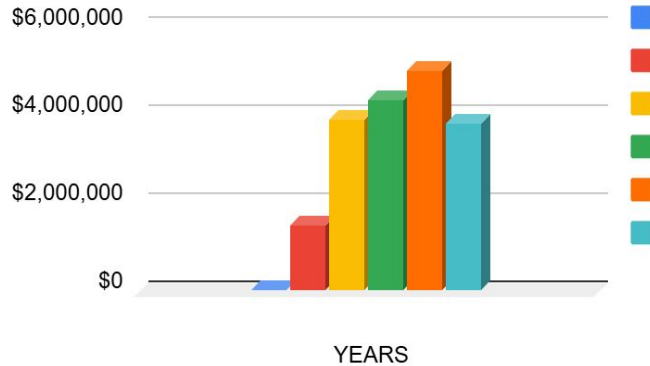
STATE AID

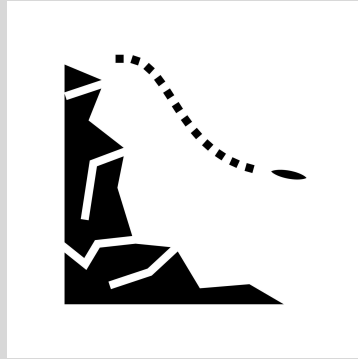


WEST ORANGE - TAX LEVY



BUDGETED FUND BALANCE





How Did We Get To This Financial Cliff?

Expenditure Analysis

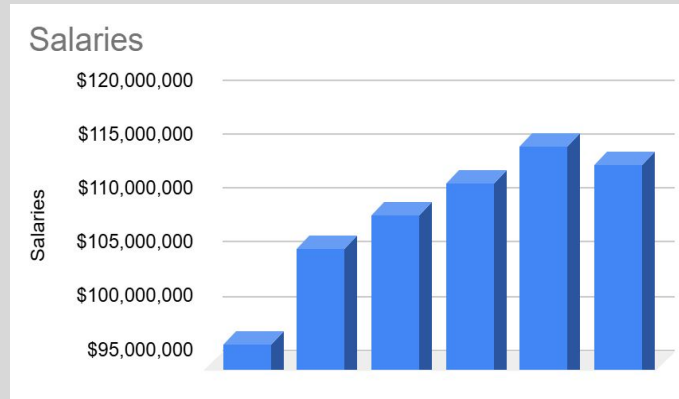


Non-Discretionary District Expenditures

- Salaries
- Benefits
- Special Education and Related Services
- Transportation

SALARIES ANALYSIS

AUDITED				CURRENT	PROPOSED	
2021	2022	2023	2024	2025	2026	5 Year Increase/(Decrease)
\$91,832,704	\$101,271,007	\$107,156,098	\$111,132,217	\$115,424,940	\$111,322,211	\$19,489,507
	10%	6%	4%	4%	-3.5	21%

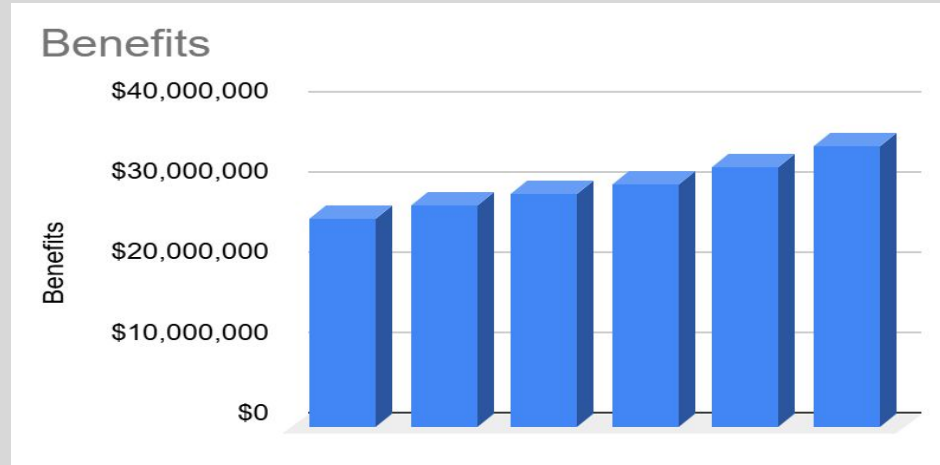


These increases include additional staff and union contract salary increases over 5 years.



BENEFITS ANALYSIS

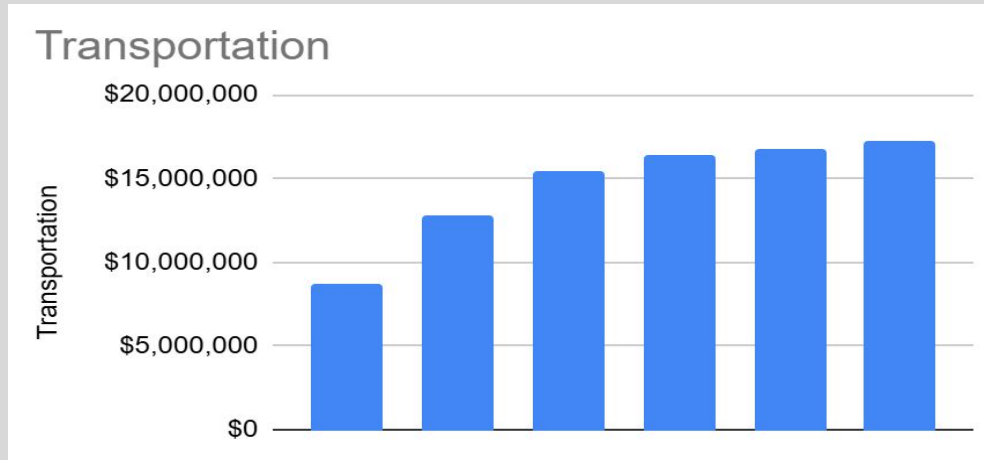
AUDITED				CURRENT	PROPOSED	
2021	2022	2023	2024	2025	2026	5 Year Inc/(Dec)
\$25,770,268	\$27,480,097	\$28,976,635	\$30,147,999	\$32,161,980	\$34,781,425	\$9,011,157
	6.63%	5.45%	4.04%	6.68%	8.14%	35%





TRANSPORTATION ANALYSIS

AUDITED				CURRENT	PROPOSED	
2021	2022	2023	2024	2025	2026	5 Year Inc/(Dec)
\$8,678,631	\$12,793,591	\$15,478,414	\$16,367,998	\$16,801,473	\$17,289,139	\$8,610,508
	47.41%	20.99%	5.75%	2.65%	2.90%	99%

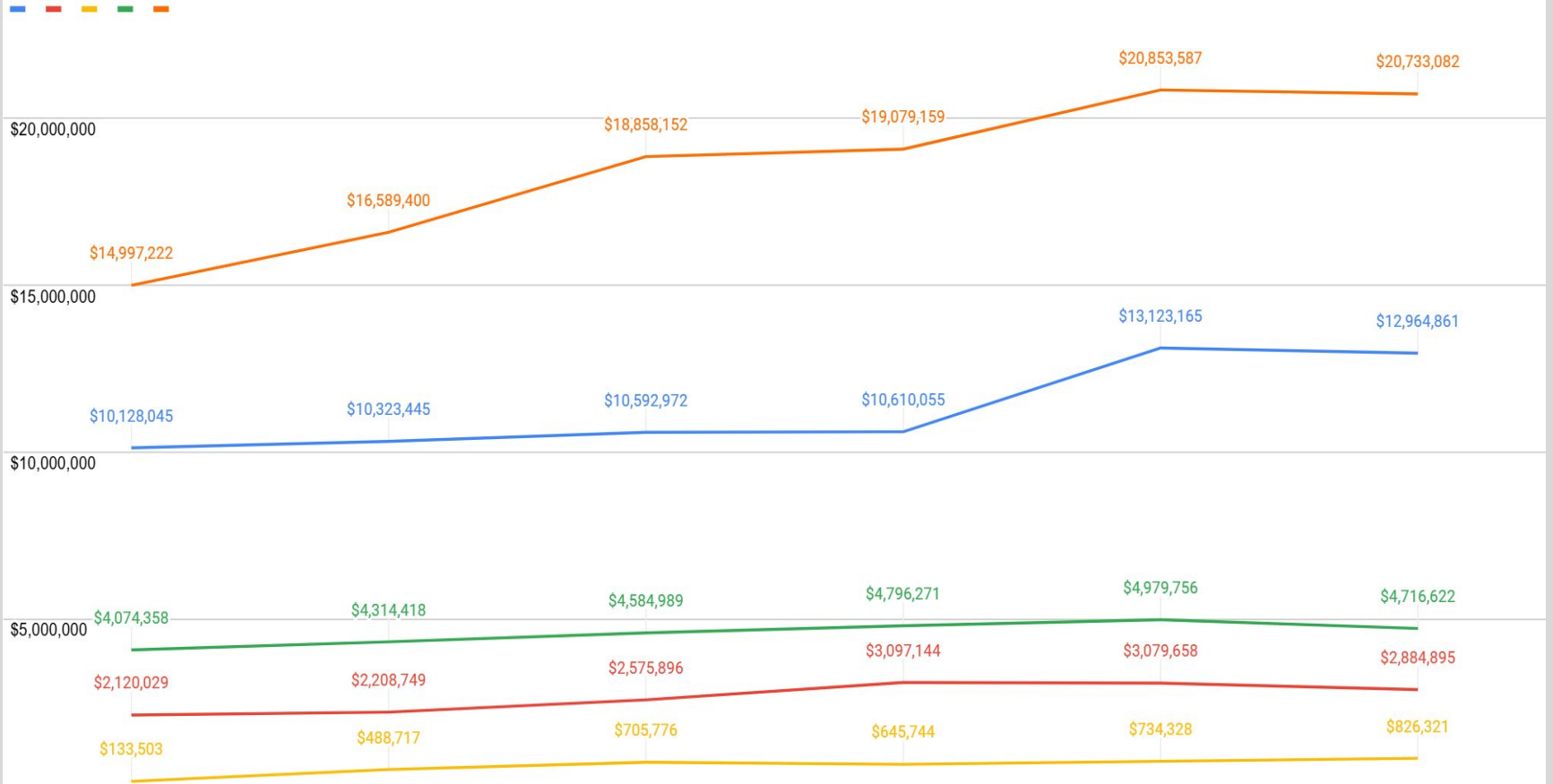


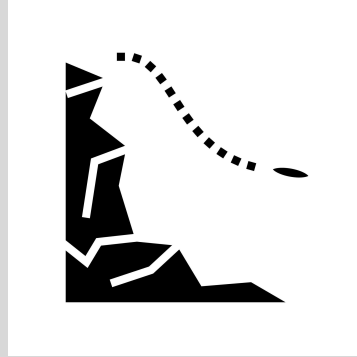


SPECIAL EDUCATION COSTS ANALYSIS

AUDITED				CURRENT	PROPOSED	5 Year Inc/(Dec)
2021	2022	2023	2024	2025	2026	
SPECIAL ED SAL						
\$14,997,222	\$16,589,400	\$18,858,152	\$19,079,159	\$20,853,587	\$20,733,082	\$5,735,860
	10.62%	13.68%	1.17%	9.30%	-0.58%	38%
OOD TUITION						
\$10,128,045	\$10,323,445	\$10,592,972	\$10,610,055	\$13,123,165	\$12,964,861	\$2,836,816
	1.93%	2.61%	0.16%	23.69%	-1.21%	28%
RELATED SERVICES						
\$2,120,029	\$2,208,749	\$2,575,896	\$3,097,144	\$3,079,658	\$2,884,895	\$764,866
	4.18%	16.62%	20.24%	-0.56%	-6.32%	36%
EXTRAORDINARY						
\$133,503	\$488,717	\$705,776	\$645,744	\$734,328	\$826,321	\$692,818
	266.07%	44.41%	-8.51%	13.72%	12.53%	519%
CHILD STUDY TEAM						
\$4,074,358	\$4,314,418	\$4,584,989	\$4,796,271	\$4,979,756	\$4,716,622	\$642,264
	5.89%	6.27%	4.61%	3.83%	-5.28%	16%

Out of District Tuition, Related Services, Extraordinary Services, Child Study Team & SPED Salaries





Structural Budget Deficit



Structural Budget Deficit

Over the past four years, including the current and proposed school years, District expenditures have increased by approximately \$45 million. During the same period, revenues have only increased by \$38 million.

$$\text{\$38M} - \text{\$45M} = \text{-\$9M}$$

Revenues - Expenditures = Shortfall



Structural Budget Deficit continued...

Several cost drivers contribute to this structural imbalance:

- Contractual salary increases have averaged 3% to 3.5% annually, for 5 years this equates to \$19.5M or 21%
- Health benefit costs are projected to increase by 10% for the 2025–2026 school year. Over 5 years this is \$9M or 35%
- Transportation contract renewals are increasing by 3.7%, consistent with the Consumer Price Index (CPI) as outlined in the State Notice. Over 5 years this equates to \$8.6M or a 99% increase
- Out-of-district special education tuition costs have increased by 5–6%, with the average annual cost per student (including transportation) totaling approximately \$125,000. Over 5 years this equates to \$2.8M or 28%

These increases reflect statewide trends and mandated obligations, further limiting the District's ability to reduce expenditures without impacting essential services.

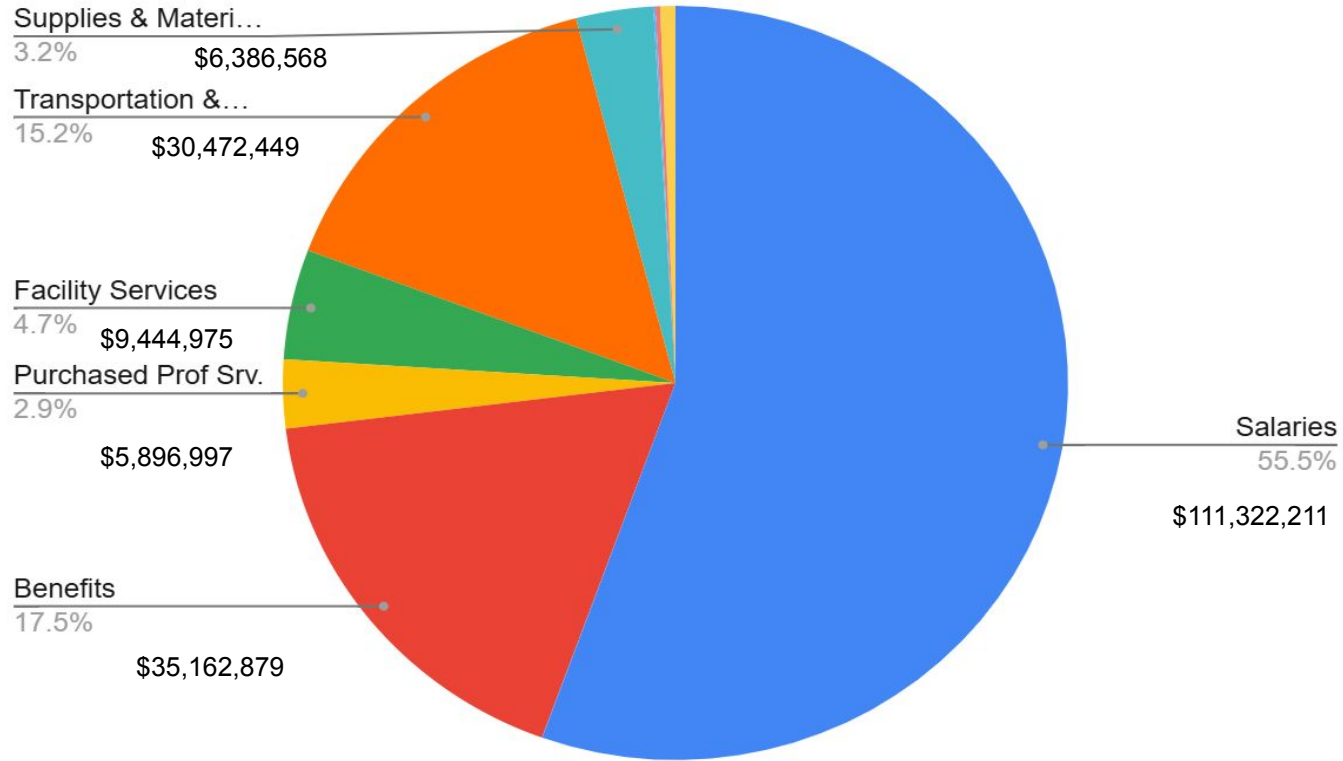


Structural Deficit continues...Impact of COVID/ESSER Funds

From 2020 to 2024, the District's budget grew by \$13.2 million due to temporary ESSER grant funds, which offset general fund costs and boosted the Budgeted Fund Balance.

Now that ESSER has ended, the District must address \$13.2 million in ongoing expenses—including salaries, benefits, special education, maintenance, capital, and instructional programs—without this support. **These costs must be absorbed into the General Fund or reduced through program cuts or restructuring.**

Appropriations by Category



West Orange Public Schools “Reimagined”

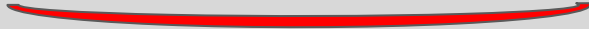


2025-2026 Final Budget for Adoption



Summary of the overall state of the 2025-2026 Final Budget with a 2.3% Tax Levy Increase

	2021	2022	2023	2024	2025	2026
TOTAL BUDGET	\$155,421,995	\$165,688,392	\$182,686,625	\$191,166,328	\$207,407,444	\$200,489,456



- Over the past four years and including the current fiscal year, the District's General Fund Budget has increased by over \$51 million, representing a 33% growth.
- Proposed General Fund Budget for fiscal year 2026 reflects a \$9 million reduction, or approximately 3% less than the **prior** fiscal year's budget

REVENUE COMPARISON COUNTY APPROVED



Revenue Source	2024-2025 Actual	2025-2026 Proposed (at 2.3%)	Change	Percent Change
Tax Levy	\$154,665,117	\$158,950,040	\$3,116,667	2.0%
Banked Cap / Adjustments	\$1,168,256	\$465,254	(-\$703,002)	(-60%)
State Aid	\$33,585,837	\$32,578,262	(-\$1,007,575)	(-3%)
Extraordinary & N/P - Transportation Aid	\$4,547,015	\$3,697,015	(-\$850,000)	(-19.0%)
Tuition Revenue	\$135,095	\$140,000	\$4,905	3.5%
SEMI Revenue	\$286,157	\$38,000	(-\$248,157)	(-86.0%)
Misc. & Int. Revenue	\$338,105	\$333,185	\$33,185	-1.5%
Budgeted Fund Balance	\$5,012,637	\$3,787,690	(-\$1,224,947)	(-24%)
W/D Capital Reserve	\$5,000,000	\$0	(-\$5,000,000)	(-100%)
W/D Maintenance Reserve	\$0	\$500,000	\$500,000	100.0%
Encumbrances - Rollover	\$0	\$0	\$0	0.0%
TOTAL	\$204,738,219	\$200,489,456	(-\$4,248,763)	(-2.08%)

EXPENDITURE COMPARISON COUNTY APPROVED



Functional Budget Areas	2024-2025	2025-2026	\$ Diff	%Diff
Tuition	\$ 11,910,088	\$12,964,861.00	\$1,054,772.53	8.86%
Support	\$ 10,116,958	\$ 8,768,347	\$ (1,348,611)	-13.33%
Special Ed Services	\$ 8,726,464	\$ 8,427,838	\$ (298,626)	-3.42%
Administration	\$ 13,230,021	\$ 12,610,364	\$ (619,657)	-4.68%
Custodial & Maint. & Security	\$ 14,912,180	\$ 13,967,050	\$ (945,130)	-6.34%
Transportation	\$ 17,301,553	\$ 17,289,140	\$ (12,413)	-0.07%
Benefits	\$ 31,998,931	\$ 35,131,425	\$ 3,132,494	9.79%
General Ed Instructional	\$ 55,464,718	\$ 55,992,834	\$ 528,115	0.95%
Special Ed Instructional	\$ 20,789,525	\$ 20,733,082	\$ (56,443)	-0.27%
Basic/Bilingual/Multi Instruct	\$ 5,823,059	\$ 5,861,615	\$ 38,556	0.66%
Co Curr/Athletic/Summer	\$ 2,735,381	\$ 2,819,384	\$ 84,003	3.07%
Capital	\$ 10,198,709	\$ 4,288,291	\$ (5,910,418)	-57.95%
Charter	\$ 620,418	\$ 726,847	\$ 106,429	17.15%
Preschool	\$ 554,094	\$ 908,378	\$ 354,284	63.94%
Food Service Contribution	\$ 350,000		\$ (350,000)	-100.00%
	\$ 204,732,101	\$ 200,489,456	\$ (4,242,645)	-2.07%



Community Feedback - Parents/Staff/Union/Residents

- Pay Freeze for all District Personnel
- Seek Grants & Corporate Donations
- Cut Middle School Athletics
- Parents Pay for Athletics
- Transportation: Parents Pay for Bussing
- Transportation: Cut Co-Curricular/Late Bus
- Rent Out Facilities & Increase Fees
- Raise Taxes
- Technology Equipment, Software, & Staffing
- Professional Development
- Cut Capital Projects



Non-Classroom Cuts made to the 2025-2026 Budget

The following are prioritized over classroom teacher reductions:

- Capital Projects
- Professional Development
- Custodial Services
- Security Services
- Curriculum Writing
- Central Office District Employees/Administration
- Technology
- Transportation



Criteria & Consideration for the 2025-2026 budget

- Conducted audit of student enrollment for all programs & courses performed by Supervisors, Directors, Principals, & all Administration
 - Average class size increased across the district
 - Capped at 25
- Performed a consolidation of courses where enrollment was low
- Reconfigured 6-8 Middle School model
- Preserved middle school sports & co-curricular programs. Found cost saving through establishing shared partnership with township recreation department



Capital Projects 2025–2026

To keep our school buildings safe and operational, continued investment in facilities is essential. Priorities include:

- **Roof repairs and replacements**
- **Replacement of aging HVAC units**
- **High-priority projects**



Anticipated Capital Projects 2025-2026

Location	Project	Estimate
WOHS	Elevator 1 Replacement	\$86,000.00
WOHS	Roof Area N Conforti	\$648,500.00
Hazel	Roof Area B, C, and Fascia	\$164,000.00
Washington	HVAC Cafeteria RTU With Controls	\$103,600.00
Redwood	Roof Area J	\$377,000.00
WOHS	HVAC Tarnoff RTU's (2) With Controls	\$407,070.00
Edison	HVAC 2 Airedales and 1 McQuay Unit With Controls	\$197,295.00
Roosevelt	HVAC 2 Airedales, 1 McQuay Unit, and 1 Ceiling Mount With Controls	\$199,727.00
Liberty	HVAC RTU's 4 Units 3,7,11,and 14 With Controls	\$627,573.00
Hazel	HVAC RTU Gymnasium With Controls	\$178,430.00
Roosevelt	Facade Masonry Raking, Pointing, Power Washing Area	\$56,100.00
Bus Garage	Shifting Exterior Walls and Sinkholes Under Interior Section	\$221,521.00
TOTAL	All Projects Include Soft Costs Where Required	\$3,266,816.00



Budget Reductions

Department	Positions	Reductions
District / Central Office (11)	Administrators	3
	Technology	2
	Administrative Assistants	2
	<u>Special Services</u>	
	Case Workers	2
	Nurses	2
Buildings & Grounds (8)	Custodians	8

Budget Reductions Across the District



Department	Positions	Reductions
PreSchool (2)	Music	1
	Special Education	1
K-5 Elementary (12)	Gregory	3
	Hazel	1
	Kelly	1
	Redwood	2
	St. Cloud	1
	Washington	2
	Special Education	2

Department	Positions	Reductions
6-8 Middle School (15) Edison, Liberty, Roosevelt	Social Studies	3
	Science	3
	ELA	3
	Career Education	2
	World Language	2
	Special Education	2
9-12 High School (9) WOHS	Social Studies	2
	Science	1
	Career Ed	1
	World Language	1
	ESL	1
	Music	1
	PE / Health	1
	Special Education	1

Of the 57 total positions that were reduced:

- 15 were Retirements & Resignations not replaced
- 4 were Non Renewals not replaced
- 38 were due to State Aid Reduction

21 of the 38 (55%) reductions due to economy were offered existing vacancies

ESTIMATED IMPACT ON HOMEOWNERS



	Town Total Value	Budget Tax Levy	Rate <i>(Per \$100 of assessed value)</i>	Avg. Home	School Taxes on Avg. Home	Annual Increase
*2025-2026	\$10,001,287,802	\$164,753,896	1.647	\$615,472	\$10,138.83	\$246.39

The monthly increase for the average assessed home with a **2.3%** tax levy increase is \$20.53 per month.

*Per district auditor



Budget Challenges throughout New Jersey

“Many other school districts have been forced to take drastic measures to address years of budget shortfalls.”-NJ.com Below is a partial list of the New Jersey school districts currently facing significant financial challenges:

Bordentown – Eliminating 50 staff positions

Jackson – Closing a second school

Middletown – Closing 2 schools and raising taxes by 10%

Plainfield – Proposing a 36% tax increase

Toms River – Facing a \$22 million shortfall in 2025–2026

East Orange – Cutting 93 staff positions

Evesham – Cutting 83 staff positions

Camden – Facing a \$91 million deficit

Passaic – Cutting 51 staff positions

Montclair – Tax levy increase of 3.1% to close a \$2.5 million revenue gap

Wayne – Reducing 40 staff positions

Lakewood – Received a \$65 million loan to meet payroll;

Flemington-Raritan – Raising tax levy by 4% despite a 6% increase in State Aid

Lacey Township– 7.57% tax levy increase, they reached a compromise from 14% previously proposed

As more boards hold public hearings, this list is expected to grow, with many districts turning to staff reductions and/or tax increases to close budget gaps.



FINANCIAL TRANSPARENCY

Please note that all financial information included in this presentation has been sourced directly from the District’s “User Friendly Budgets,” which are publicly available on our District website dating back to 2016. The data presented for the 2025–2026 Proposed Budget reflects the most current figures and has been officially advertised in accordance with state requirements.



Thank You



A Great Place to Learn!

