

# 2017-2018 Budget

**Rough Draft**



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# **DISCLAIMER!**

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**THE INFORMATION PRESENTED ON THE  
FOLLOWING SLIDES IS**

**ESTIMATED**

**AND BASED SOLELY ON THE MOST  
RECENTLY AVAILABLE DATA FROM ALL  
SOURCES; INCLUDING THE  
NEW JERSEY DEPARTMENT OF  
EDUCATION.**



# The 2017-2018 Budget is . . .



# Major Budget Segments

**General Current Expense – Fund 10**

**Special Revenue – Fund 20**

**Debt Service – Fund 40**



# Let's Review . . .

## Step #1

Estimate total **REVENUE**

## Step #2

Estimate total **APPROPRIATIONS**

## Step #3

If revenue > appropriations = **SURPLUS**

If appropriations > revenue = **DEFICIT**



# **Step #1** – Revenue

**Property Taxes**

**State Aid**

**Capital Reserve**

**Miscellaneous Revenue**



# Property Taxes

	\$	% Inc.
<b>2016-2017 Property Tax Levy</b>	<b>\$44,747,538</b>	
<b>Budget Cap of 2%</b>	<b>894,951</b>	<b>2.0%</b>
<b>2017-2018 Property Tax Levy @ “2%”</b>	<b>45,642,489</b>	
<b>+ Banked Cap from 2015-2016 Budget</b>	<b>321,060</b>	<b>0.7%</b>
<b>+ Est. Banked Cap from 2016-2017 Budget</b>	<b><u>125,000</u></b>	<b><u>0.3%</u></b>
<b>Maximum 2017-2018 Property Tax Levy</b>	<b>\$46,088,549</b>	<b>3.0%</b>



# State Aid

**There are 2 types of State Aid:**

- 1. “Categorical” Aid – Regular State Aid**
- 2. “Debt Service” Aid – District Debt**





# “Categorical” Aid

<b>Actual 2016-2017</b>	<b>\$</b>
<b>Equalization Aid</b>	<b>\$17,753,571</b>
<b>Special Education Aid</b>	<b>2,504,516</b>
<b>Security Aid</b>	<b>483,794</b>
<b>Transportation Aid</b>	<b>333,156</b>
<b>PARCC Aid (1)</b>	<b>129,540</b>
<b>Adjustment Aid (1)</b>	<b><u>71,943</u></b>
<b>Total</b>	<b>\$21,276,520</b>

(1) It is uncertain whether or not districts will once again receive this aid net year.



# Capital Reserve

	\$
<b>Withdrawal for Capital Projects</b>	<b>\$500,000</b>

**Note:** The entire \$500,000 of fund balance will be dedicated toward the replacement of boilers at the Lanoka Harbor Elementary School – a project which will be submitted to the Department of Education.



# Miscellaneous Revenue

	\$
<b>Extraordinary Aid</b>	<b>\$400,000</b>
<b>SRECs</b>	<b>250,000</b>
<b>SEMI / MAC</b>	<b>52,000</b>
<b>Other</b>	<b><u>5,550</u></b>
<b>Total</b>	<b>\$707,550</b>



# Adding it All Up!

	<b>Best Case</b>	<b>Worst Case (1)</b>	<b>Probable</b>
<b>Property Taxes</b>	<b>\$46,088,549</b> 3.0% Increase	<b>\$44,747,538</b> 0.0% Increase	<b>\$45,642,489</b> 2.0% Increase
<b>State Aid</b>	<b>21,276,520</b> 0.0% Increase	<b>19,148,868</b> 10% Decrease	<b>21,075,037</b> No Adj. or PARCC Aid
<b>Capital Reserve</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
<b>Miscellaneous</b>	<b><u>707,550</u></b>	<b><u>707,550</u></b>	<b><u>707,550</u></b>
<b>Total</b>	<b>\$68,572,619</b>	<b>\$65,103,956</b>	<b>\$67,925,076</b>



# Step #2 – Appropriations

	<b>Estimated 2017-2018</b>
<b>CORE BUDGET:</b>	
Regular Programs – Instruction	\$19,321,654
Special Education – Instruction	7,138,536
Co-curricular and Athletics	1,499,470
Tuition	2,620,540
Attendance and Health	838,077
Related Services, Guidance and CST	2,885,695
Improvement of Instruction, Library and Staff Training	2,078,656
Central and School Administration, and Technology	3,548,428
Facilities and Security	5,509,879
Transportation	3,356,032
Benefits (Net of Chapter 78)	18,826,564
Capital Outlay	530,000
Other	<u>511,245</u>
	\$68,664,776
<b>PLUS - BADLY NEEDED ADDITIONS:</b>	
Driven by IEP/Code	\$340,000
Driven by Curriculum and Technology	<u>243,000</u>
<b>GRAND TOTAL</b>	<b>\$69,247,776</b>



# Step #3 – The Verdict

	<b>Best Case</b>	<b>Worst Case</b>	<b>Probable</b>
<b>Revenue</b>	<b>\$68,572,619</b>	<b>\$65,103,956</b>	<b>\$67,925,076</b>
<b>Appropriations</b>	<b>69,247,776</b>	<b>69,247,776</b>	<b>69,247,776</b>
<b>Excess/(Deficit)</b>	<b>\$(675,157)</b>	<b>\$(4,143,820)</b>	<b>\$(1,322,700)</b>
<b>Action to be Taken</b>	<b>Increase Revenue Or Decrease Appropriations</b>	<b>Increase Revenue Or Decrease Appropriations</b>	<b>Increase Revenue Or Decrease Appropriations</b>



# Resolving a Deficit

## 1. Increase estimated revenue:

- a) Use *Waivers* to further increase property taxes.
- b) Institute *participation fees* for athletics and co-curricular activities.
- c) Institute *transportation fees* for non-mandated students.

## 2. Decrease estimated appropriations:

- a) Eliminate programs and services.
- b) Decrease staff – which decreases wages and benefits.



# From Draft → Tentative

- 1. Governor Christie will deliver his 2017 budget address on or before February 28<sup>th</sup>.**
- 2. Within 48 hours of the address, school districts are to receive notice of state aid for FY18.**
- 3. The **Tentative Budget** will be presented to the Board of Education for adoption on March 13<sup>th</sup>.**
- 4. By Law, the tentative budget must be submitted to the Executive County Superintendent for his review and approval no later than March 20<sup>th</sup>.**





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# Questions?

