

# **Tentative Budget 2021 - 2022**

**Lacey Township School District**

**March 18, 2021**

# The Issue: State Aid

Amount of Categorical State Aid Lost/to be Lost under the *Budget Reduction Act* and S2:

School Year	Amount
2019-2020	623,156
2020-2021	1,310,170
2021-2022	1,345,629
2022-2023	1,260,163
2023-2024	783,593
2024-2025	<u>247,450</u>
	<b>\$5,570,161</b>

# 2021-2022 Tentative Budget

	2021-2022 Tentative	2020-2021 Revised	\$	%
Operating Budget (1)	\$72,658,823	\$72,447,298	\$211,525	.29%
Grants and Entitlements (2)	3,874,991	3,040,085	834,906	27.46%
Debt Service (3)	<u>3,650,200</u>	<u>3,733,800</u>	<u>(83,800)</u>	<u>(2.24)%</u>
<b>Total</b>	<b>\$80,183,814</b>	<b>\$79,221,183</b>	<b>\$962,631</b>	<b>1.22%</b>

- 1) Please see “Operating Budget” slides for detailed information related to the net increase.
- 2) The \$2.3 million ESSER II Federal Grant to be received in FY22 is \$1.9 million greater than the ESSER I Federal Grant received in FY21. The \$1.9 million is partially offset by the fact that although FY22 grant information includes 85% of grants such as ESEA and IDEA, it does not include “local” grants which are not typically budgeted for.
- 3) The annual repayment of the district’s outstanding debt continues to decrease over time.

# Operating Budget

**Revenue**

# Operating Revenues

	2021-2022 Tentative	2020-2021 Revised	\$	%
Property Tax Levy	\$50,966,035	\$49,672,583	\$1,293,452	2.60%
Categorical State Aid	17,691,445	19,037,074	(1,345,629)	(7.07)%
Extraordinary Aid	550,000	500,000	50,000	10.00%
Fund Balance	873,267	661,698	211,569	31.97%
Withdrawal from Reserves	2,034,000	1,280,000	754,000	58.91%
Encumbrances	0	332,744	(332,744)	(100.00)%
Miscellaneous	<u>544,076</u>	<u>963,199</u>	<u>(419,123)</u>	<u>(43.51)%</u>
Total	\$72,658,823	\$72,447,298	\$211,525	.29%

# Property Tax Levy

	2021-2022 Tentative
2019-2020 Operating Budget Property Tax Levy	\$49,672,583
2020-2021 Operating Budget Property Tax Levy:	
Statutory 2.0% Increase	993,452
Banked Cap	<u>300,000</u>
Total for Operating Budget	\$50,966,035
Pct. Increase	2.60%
2020-2021 Debt Service Budget Property Tax Levy	\$3,094,713
Pct. Decrease	-2.72%
Total 2020-2021 Property Tax Levy	\$54,060,748
Net Pct. Increase	2.28%

# Categorical State Aid

	2021-2022 Tentative
Special Education Aid	\$2,504,516
Equalization Aid	14,474,616
Security Aid	483,794
Transportation Aid	<u>228,519</u>
Total	\$17,691,445



# Fund Balance

	2021-2022 Tentative
<b>Budgeted Fund Balance (1)</b>	<b>\$0</b>
<b>Excess Surplus (2)</b>	<b><u>873,267</u></b>
<b>Total</b>	<b>\$873,267</b>

- (1) As of July 1, 2020, the district's undesignated fund balance is above the 2% permitted by law.
- (2) Per the 2019-2020 audit, the district is obligated to use these funds in the 2021-2022 budget on one-time expenditures. The district is purchasing new curriculum in order to remain compliant with the New Jersey Student Learning Standards (NJSLs).

# Withdrawal from Reserves

	2021-2022 Tentative
Capital Reserve (1)	\$1,634,000
Maintenance Reserve (2)	<u>400,000</u>
<b>Total</b>	<b>\$2,034,000</b>

- (1) Per N.J.A.C. 6A:23A-14.1(h) funds withdrawn from this reserve account are restricted to capital projects included in the district's Long Range Facilities Plan (LRFP). Specifically, these funds will be used to replace fire alarm systems and intrusion detection systems at all schools.
- (2) Per N.J.A.C. 6A:23A-14.2(d) funds withdrawn from this reserve account are restricted to required maintenance appropriations; 11-0000-261-420.

# **Appropriations**

# Budget to Budget

	2021-2022 Tentative	2020-2021 Revised	\$	%
Regular Programs - Instruction	\$21,429,632	\$20,299,575	\$1,130,057	5.57%
Special Education - Instruction	9,070,346	8,922,228	148,118	1.66%
Bilingual - Instruction	199,632	204,276	(4,644)	(2.27)%
Co-curricular & Athletics	1,596,660	1,586,995	9,665	0.61%
Tuition	2,060,611	2,544,546	(483,935)	(19.02)%
Attendance & Health	1,072,265	973,554	98,711	10.14%
Related Services & Other Support	1,087,591	1,036,200	51,391	4.96%
Guidance	1,470,828	1,391,655	79,173	5.69%
Child Study Teams	1,210,948	1,259,938	(48,990)	(3.89)%
Other Instruction & Library	1,825,174	1,796,038	29,136	1.62%

# Budget to Budget (Cont.)

	2021-2022 Tentative	2020-2021 Revised	\$	%
Staff Training	65,500	57,825	7,675	13.27%
Administration (Building & CO)	3,251,638	3,289,808	(38,170)	(1.16)%
Information Technology	673,110	648,685	24,425	3.76%
Operations, Maintenance & Security	5,783,842	5,815,729	(31,887)	(0.55)%
Transportation	3,683,596	3,914,866	(231,270)	(5.91)%
Benefits (Net)	16,054,018	17,020,009	(965,991)	(5.68)%
Capital Outlay	<u>2,123,432</u>	<u>1,685,371</u>	<u>438,061</u>	<u>25.99%</u>
Total	\$72,658,823	\$72,447,298	\$211,525	0.29%

# Per Pupil Costs

Projected 2021-2022 Total Resident Enrollment	3,934
2021-2022 LTSD Budgetary Per Pupil Cost	\$16,558
<b>\$470 <u>below</u> the 2019-2020 statewide average of \$17,028 (1)</b>	
2021-2022 LTSD Administrative Per Pupil Cost	\$ 1,301
<b>\$942 <u>below</u> the 2021-2022 southern regional limit of \$2,243 (2)</b>	

1) Source: 2020 Taxpayers Guide to Education Spending for K-12 Districts – Indicator #1.

2) Source: NJDOE 2020-2021 Budget Guidelines - Southern Region.

# **Property Taxes**

# Property Taxes

Two Components:

- 1) Operating Budget Component
- 2) Debt Service Budget Component



# Property Taxes (cont.)

## ***“School Year” Tax Rate*** <sup>(1)</sup>

$$\begin{aligned} & \text{Total Current Taxes (2)} \quad \div \quad \text{Total Current Assessed Valuation} \\ & \qquad \qquad \qquad \times 100 \\ & = \text{Current Tax Rate} \end{aligned}$$

- 1) The “School Year” tax rate is from July 1st through June 30th.
- 2) Total taxes includes the levy on the operating budget + debt service.

# Property Taxes (cont.)

Total Taxes to be Raised (Operating Budget)	\$50,966,035
Total Taxes to be Raised (Debt Service Budget)	<u>3,094,913</u>
	\$54,060,948
Divided by Total Current Assessed Valuation	\$3,948,705,270
	.01369
Multiplied by 100 = 2021 School Tax Rate	1.369

# **Property Taxes (cont.)**

## ***Your School Property Taxes***

Assessed Value of Your Property

$\div 100$

x Current School Tax Rate

= Your School Property Taxes

# School Year Property Taxes

## July 2021 – June 2022

Year	Average Home Value *	School Tax Rate *	School Taxes
2021	\$281,265	1.369	\$3,850.52
2020	<u>\$279,403</u>	<u>1.352</u>	<u>\$3,777.53</u>
Change	+\$1,862	+0.017	+\$72.99
	About 2 “Tax Pennies” Per Month		\$6.08

\* Source: Municipal Tax Assessor.

# Next Steps

- March 20<sup>th</sup> = Deadline for submission of tentative budget to the Executive County Superintendent.
- Continue to explore opportunities to increase revenue.
- Continue to explore opportunities to decrease appropriations.
- May 6th = Public hearing on and adoption of final budget.
- May 14th = Deadline for submission of final budget.

**Thank You!**