

The 2018-2019 Budget

Lacey Township School District



Public Hearing
May 7, 2018

Mission Statement

The mission of the Lacey Township School District is to make student achievement its top priority and to educate and graduate responsible, compassionate, life-long learners who have analytical skills, intellectual resilience, and respect for self and others; who meet or exceed all New Jersey Core Curriculum Content Standards at all grade levels; and who are fully prepared to assume productive and personally fulfilling roles in the diverse, ever-changing world of the 21st Century.

The Board of Education

Robert C. Klaus II, President

Shawn Giordano, Vice President

Linda A. Downing

David Silletti

Nicholas Mirandi

Tom DeBlass

Robert C. Riggs

2017-2018

High School

Mr. Gregory Brandis, Principal

- ❑ Lacey Township High School College Academy
- ❑ Leadership Humanities Academy
- ❑ College Acceptances: Arizona State University, Coastal Carolina University, University of Delaware, Penn State University, Purdue University and the United States Merchant Marine Academy
- ❑ DECA – National Competitors
- ❑ Sea Perch – State Champions
- ❑ Outstanding Achievement in Small Theatre, Select Ensemble, Film (“Welcome to LTHS), 2D Visual Arts
- ❑ Girls Bowling – State Champions
- ❑ Wrestling – Individual State Championships

Middle School

Mr. Jason King, Principal

- ❑ Created a STEM cohort across all subject areas
- ❑ Initiated the creation of a Maker Space in the Geo-Technology classroom
- ❑ Piloted a new ELA series for Grades 7 and 8
- ❑ 48 Johns Hopkins Talent Search Program

Mill Pond School

Mr. Edward Subokow, Principal

- ❑ Implemented a Responsive Classroom character education program
- ❑ Student Awards:
 - ❑ New Jersey Math League – 1st Place for Grade 5
 - ❑ Ocean County Math League - 1st Place for Grades 5 and 6
 - ❑ Awarded a \$2,000 sustainability grant

K-4 Schools

Cedar Creek, Forked River & Lanoka Harbor

Mrs. Ranuska, Mr. Fiedler & Mr. Brewer, Principals

- ❑ Elementary schools participating in the NJDOE Rutgers K-3 Research and Professional Development Project
- ❑ Data Coaches collaborating with teachers to implement data driven instruction with LinkIt!
- ❑ Reading Interventions and training for teachers to implement programs such as Orton Gillingham, Fast Forward, and SIPP

2018-2019

2018-2019 Budget

| | 2018-2019 Proposed | 2017-2018 Revised | \$ | % |
|-------------------------|-----------------------|----------------------|-----------------|---------------|
| Operating Budget | \$71,116,143 | \$68,598,036 | \$2,518,107 | 3.7% |
| Grants and Entitlements | 1,575,359 | 2,094,464 | (519,105) | (24.8)% |
| Debt Service | <u>3,830,575</u> | <u>3,905,738</u> | <u>(75,163)</u> | <u>(1.9)%</u> |
| Total | \$76,522,077 | \$74,598,238 | \$1,923,839 | 2.6% |

Debt Service

| Issue | Original Principal | Interest Rate | Term | P&I FY19 (2) | Principal Balance @ 06/30/19 |
|----------|---------------------|---------------|----------|--------------------|------------------------------|
| 2016A | \$11,595,000 | 3.00% | 15 Years | \$438,550 | \$11,450,000 |
| 2016 | 16,090,000 | 3.00% | 10 Years | 2,184,000 | 11,065,000 |
| 2009 (1) | <u>19,806,000</u> | 3.25% | 15 Years | <u>1,208,025</u> | <u>0</u> |
| | \$47,491,000 | | | \$3,830,575 | \$22,515,000 |

- 1) In 2016, the refundable portion of the 2009 “solar” bonds was refinanced as part of the 2016 series debt.
- 2) Debt service for 2019-2020 will equal \$3,764,150 which is \$66,425 or 1.73% less than the total debt service for 2018-2019.

Grants and Entitlements

| | 2018-2019 Proposed | 2017-2018 Revised | \$ | % |
|--------------|-----------------------|----------------------|--------------------|-----------------|
| ESSA (1) | \$ 717,065 | \$ 867,472 | \$(150,407) | (17.33)% |
| IDEA | 858,294 | 1,009,758 | (151,464) | (15.00)% |
| Other (2) | <u>0</u> | <u>224,323</u> | <u>(283,501)</u> | (100.00)% |
| Total | \$ 1,575,359 | \$ 2,094,464 | \$(519,105) | (24.78)% |

1) The 2017-2018 amount includes \$10,000 for Title IV, which is not budgeted for in 2018-2019.

2) Local grants received in 2017-2018 are unable to be budgeted at this point for 2018-2019.

Operating Budget - Revenue

| | 2018-2019 Proposed | 2017-2018 Revised | \$ | % |
|---------------------|-----------------------|----------------------|--------------------|----------------|
| Local Tax Levy (1) | \$47,375,232 | \$45,642,489 | \$1,732,743 | 3.8% |
| State Aid (2) | 22,006,936 | 21,604,577 | 402,359 | 1.9% |
| Fund Balance (3) | 1,325,791 | 71,943 | 1,253,848 | 1,742.8% |
| Capital Reserve (4) | 0 | 750,000 | (750,000) | (100.0)% |
| Miscellaneous (5) | <u>408,184</u> | <u>529,027</u> | <u>(120,843)</u> | <u>(22.8)%</u> |
| Total | \$71,116,143 | \$68,598,036 | \$2,518,107 | 3.7% |

- 1) The double-digit increase in the cost of health benefits continues to far outpace the almost nonexistent increase in state aid. In order to prevent the elimination of programs, and the wholesale reduction in staff, the Board of Education chose to use a portion of the waiver related to health care costs to increase the property tax levy above the statutory 2.0% cap.
- 2) For the first time in a very long time, categorical state aid increased – by a meager 1.9%. There are already very strong rumors that the State may take back some of that aid in June.
- 3) The \$1,325,791 of fund balance budgeted for FY19 represents 100% of the audited excess surplus from FY17 which the Board has reserved for various and necessary safety and security, facilities, and technology related projects.
- 4) Although the Board has not budgeted a withdrawal from the Capital Reserve for FY19, it reserves the right to do so during the school year if the need arises.
- 5) Miscellaneous revenue includes; the sale or SRECs, Use of Facilities fees, etc.

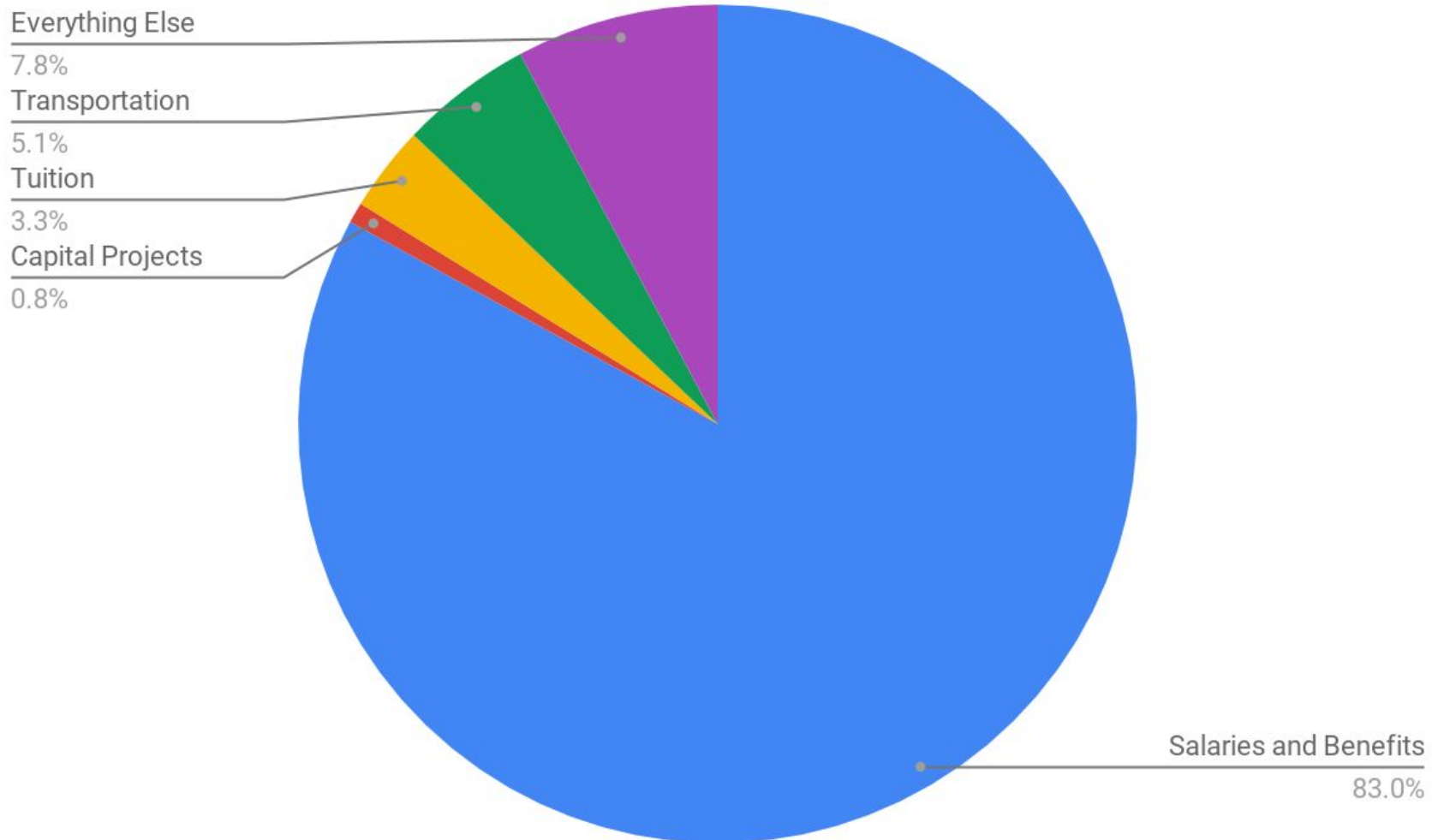
Appropriations

| | 2018-2019 Proposed | 2017-2018 Revised | \$ | % |
|---------------------------------|-----------------------|----------------------|------------|---------|
| Regular Programs - Instruction | \$ 20,184,955 | \$ 19,618,900 | \$ 566,055 | 2.9% |
| Special Education - Instruction | 7,027,239 | 7,029,548 | (2,309) | (0.1)% |
| Bilingual - Instruction | 149,041 | 179,712 | (30,671) | (17.1)% |
| Co-curricular & After School | 1,478,995 | 1,512,153 | (33,158) | (2.2)% |
| Tuition | 2,355,878 | 2,762,667 | (406,789) | (14.7)% |
| Attendance & Health | 1,005,872 | 823,855 | 182,017 | 22.1% |
| Related Services | 845,130 | 722,030 | 123,100 | 17.0% |
| Guidance | 1,232,755 | 1,249,276 | (16,521) | (1.3)% |
| Child Study Teams | 1,184,093 | 1,168,570 | 15,523 | 1.3% |
| Other Instruction | 1,381,503 | 1,585,780 | (204,277) | (12.9)% |

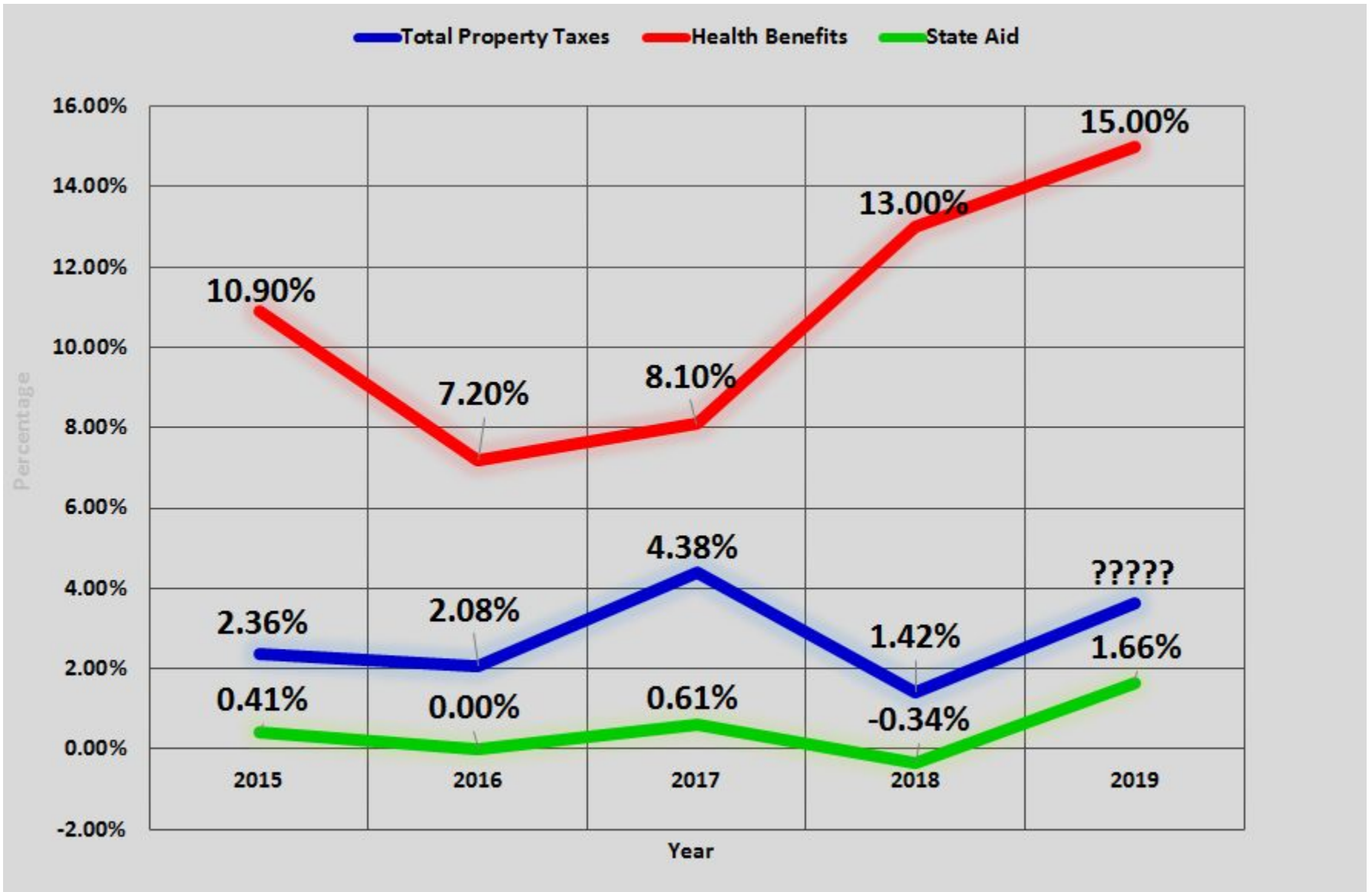
Appropriations

| | 2018-2019 Proposed | 2017-2018 Revised | \$ | % |
|---------------------------------------|-----------------------|----------------------|------------------|---------|
| Administration (Building & CO) | 3,200,918 | 3,040,761 | 160,157 | 5.3% |
| Information Technology | 1,246,916 | 1,140,185 | 106,731 | 9.4% |
| Operations, Maintenance & Security | 5,376,384 | 5,498,491 | (122,107) | (2.2)% |
| Transportation | 3,635,434 | 3,292,096 | 343,338 | 10.4% |
| Benefits (Net) | 19,984,678 | 18,014,917 | 1,969,761 | 10.9% |
| Capital Outlay | <u>826,352</u> | <u>959,095</u> | <u>(132,743)</u> | (13.8)% |
| Total | \$ 71,116,143 | 68,598,036 | \$2,518,107 | 3.7% |

The FY19 Budget by the Numbers



“The” Issue



What's New & Noteworthy?

Safety and Security:

- Installation of security vestibules at every school

Curriculum and Instruction:

- Algebra II and Geometry

- Language Arts Literacy Collections Program for Grades 6-7-8

- Twilight Program at the High School

- STEAM Programs and MakerSpaces

What's New (Cont.)

- ❑ Technology:
 - ❑ Virtual SAN (Storage Area Network) for district backup
 - ❑ Expansion of the 1:1 initiative to the Mill Pond School with Chromebook carts
 - ❑ Replacement of outdated Mac Desktop computers at the Middle School and High School
 - ❑ Replacement of the print labs at the High School
 - ❑ Continued upgrade and replacement of district-wide Promethean Boards

Per Pupil Cost

| | |
|--|----------|
| Projected FY19 Enrollment | 4,332 |
| FY19 LTSD Budgetary Per Pupil Cost | \$14,754 |
| \$821 <u>below</u> FY17 state average of \$15,575 (1) | |
| FY19 LTSD Administrative Per Pupil Cost | \$ 1,247 |
| \$844 <u>below</u> the regional limit of \$2,091 (2) | |

1) Source: 2017 Taxpayers Guide to Education Spending for K-12 districts – Indicator #1.

2) Source: NJDOE 2018-2019 Budget Guidelines.

Property Taxes

“School Year” Tax Rate (1)

Total Current Taxes (1) \div Total Current Assessed Valuation (2)

X 100

= Current Tax Rate

Lacey Township

$$\$50,589,823 / \$3,854,017,305 = .01313$$

$$.01313 \times 100 = 1.313$$

- 1) The “School Year” tax rate is from July through June – NOT from January through December.
- 2) Total taxes includes the levy on the operating budget + debt service.
- 3) Total preliminary valuation increased over \$36 million from last year.

Property Taxes (cont.)

School Property Taxes

Assessed Value of Property

÷ 100

x Current Tax Rate

= School Property Taxes

School Year Property Taxes

July 2018 – June 2019

| Year | Avg. Value * | Tax Rate * | Taxes |
|--------|------------------|--------------|---|
| 2017 | \$275,600 | 1.279 | \$3,524.92 |
| 2018 | <u>\$276,700</u> | <u>1.313</u> | <u>\$3,632.11</u> |
| Change | +\$1,100 | +0.034 | +\$107.19 \$8.93 per month |

* Source: Municipal Tax Assessor.

Next Steps

- ❑ May 9th = 2018-2019 User Friendly Budget posted on the District Website
- ❑ May 14th = Deadline for submission of 2018-2019 final budget
- ❑ July 1st = The 2018-2019 budget is enacted
- ❑ July 1st = 2019-2020 Budget process formally begins

Thank you!