

Tentative Budget 2020 - 2021

Lacey Township School District

March 18, 2020

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	1,622,901
2022-2023	1,519,825
2023-2024	945,055
2024-2025	<u>298,438</u>
	\$6,319,546

2020-2021 Tentative Budget

	2020-2021 Tentative	2019-2020 Revised	\$	%
Operating Budget (1)	\$72,307,754	\$73,085,259	\$(777,505)	(1.06)%
Grants and Entitlements (2)	1,592,846	2,139,066	(546,220)	(25.54)%
Debt Service	<u>3,733,800</u>	<u>3,764,150</u>	<u>(30,350)</u>	<u>(.81)%</u>
Total	\$77,634,400	\$78,988,475	\$(1,354,075)	(1.71)%

- 1) Please see “Operating Revenues” slide.
- 2) The decrease is attributable to the fact that projected funding from FY21 grants and entitlements includes “federal” grants such as ESSA and IDEA; but, does not include “local” grants which are not typically budgeted for.

Operating Budget

Revenue

Operating Revenues

	2020-2021 Tentative	2019-2020 Revised	\$	%
Property Tax Levy	\$49,972,583	\$48,322,737	\$1,649,846	3.41%
Categorical State Aid	19,037,074	20,347,244	(1,310,170)	(6.44)%
Extraordinary Aid	500,000	575,000	(75,000)	(13.04)%
Fund Balance	661,698	768,286	(106,588)	(13.87)%
Withdrawal from Reserves	1,280,000	1,658,382	(378,382)	(22.82)%
Encumbrances	0	957,871	(957,871)	(100.00)%
Miscellaneous	<u>856,399</u>	<u>455,739</u>	<u>400,660</u>	<u>87.91%</u>
Total	\$72,307,754	\$73,085,259	\$(777,505)	(1.06)%

Property Tax Levy

	2020-2021 Tentative
2019-2020 Operating Budget Property Tax Levy	\$48,322,737
2020-2021 Operating Budget Property Tax Levy:	
Statutory 2.0% Increase	966,455
Banked Cap	<u>683,391</u>
Total for Operating Budget	\$49,972,583
Pct. Increase	3.41%
2020-2021 Debt Service Budget Property Tax Levy	\$3,181,367
Pct. Decrease	-1.58%
Total 2020-2021 Property Tax Levy	\$53,153,950
Net Pct. Increase	3.01%

Categorical State Aid

	2020-2021 Tentative
Special Education Aid	\$2,504,516
Equalization Aid	16,171,234
Security Aid	483,794
Transportation Aid	<u>228,519</u>
Total	\$19,037,074

Fund Balance

	2020-2021 Tentative
Budgeted Fund Balance (1)	\$0
Excess Surplus (2)	<u>661,698</u>
Total	\$661,698

- (1) As of July 1, 2019, the district's undesignated fund balance is below the 2% permitted by law.
- (2) Per the 2018-2019 audit, the district is obligated to use these funds in the 2020-2021 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

	2020-2021 Tentative
Capital Reserve (1)	\$980,000
Maintenance Reserve (2)	<u>300,000</u>
Total	\$1,280,000

- (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 original boilers at the High School, as well as to replace public address 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

A Balancing Act

Deficit > \$2 Million

A Balancing Act (Cont.)

Eliminations/Reductions/Additions

Elimination of 15.6 Certificated Staff (8 from absorptions)

Elimination of 1 Administrator

Addition of 1 LD Teacher

Elimination of Enrichment Program

Elimination of Twilight Program

Reduction in After School Activities & Late Bus

Elimination of Courtesy Busing

Elimination of Class 3 Officer Program

Addition of 1 School Safety Officer

Elimination of District Paid Student Accident Insurance

Budget to Budget

	2020-2021 Tentative	2019-2020 Revised	\$	%
Regular Programs - Instruction	\$20,953,519	\$20,569,403	\$384,116	1.87%
Special Education - Instruction	8,336,095	8,260,875	75,220	0.91%
Bilingual - Instruction	204,276	195,537	8,739	4.47%
Co-curricular & Athletics	1,569,924	1,589,933	(20,009)	(1.26)%
Tuition	2,495,180	2,076,868	418,312	20.14%
Attendance & Health	973,543	971,226	2,317	0.24%
Related Services & Other Support	1,032,549	942,778	89,771	9.52%
Guidance	1,389,780	1,397,607	(7,827)	(0.56)%
Child Study Teams	1,260,063	1,208,454	51,609	4.27%
Other Instruction & Library	1,781,762	1,878,993	(97,231)	(5.17)%

Budget to Budget (Cont.)

	2020-2021 Tentative	2019-2020 Revised	\$	%
Staff Training	58,750	47,420	11,330	23.89%
Administration (Building & CO)	3,280,703	3,353,450	(72,747)	(2.17)%
Information Technology	644,914	680,905	(35,991)	(5.29)%
Operations, Maintenance & Security	5,746,701	5,511,166	235,535	4.27%
Transportation	3,929,847	3,744,987	184,860	4.94%
Benefits (Net)	17,371,046	17,807,582	(436,536)	(2.45)%
Capital Outlay	<u>1,279,102</u>	<u>2,848,075</u>	<u>(1,568,973)</u>	<u>(55.09)%</u>
Total	\$72,307,754	\$73,085,259	\$(777,505)	(1.07)%

Per Pupil Costs

Projected 2020-2021 Total Resident Enrollment	3,954
2020-2021 LTSD Budgetary Per Pupil Cost	\$16,359
\$9 <u>above</u> the 2018-2019 statewide average of \$16,350 (1)	
2020-2021 LTSD Administrative Per Pupil Cost	\$ 1,320
\$868 <u>below</u> the 2020-2021 southern regional limit of \$2,188 (2)	

1) Source: 2019 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 ⁽¹⁾

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

- 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)	\$49,972,583
Total Taxes to be Raised (Debt Service Budget)	<u>3,181,367</u>
	\$53,153,950
Divided by Total Current Assessed Valuation	\$3,929,818,965
	.01352
Multiplied by 100 = 2020 School Tax Rate	1.352

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 2020 – June 2021

Year	Average Home Value *	School Tax Rate *	School Taxes
2020	\$279,403	1.352	\$3,777.53
2019	<u>\$278,100</u>	<u>1.322</u>	<u>\$3,676.48</u>
Change	+\$1,303	+0.030	+\$101.05 \$8.42 Per Month

* Source: Municipal Tax Assessor.

Next Steps

- March 20th = 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 4th = Public hearing on and adoption of final budget.
- May 14th = Deadline for submission of final budget.

Thank You!