

# **Tentative Budget 2022 - 2023**

**Lacey Township School District**



**March 24, 2022**

# State Aid

Amount of Categorical State Aid lost/to be lost under the *Budget Reduction Act* ( S2):

School Year	Amount
2019-2020	623,156
2020-2021	1,310,170
2021-2022	1,345,629
2022-2023	3,251,565
2023-2024	2,021,883
2024-2025	<u>638,489</u>
	<b>\$9,190,892</b>

# Prepayments, Cuts & Moves

Prepayments	\$
Bus Leases Due 2022-2023	\$310,733
Chromebook Lease Due 2022-2023	245,170
Copier Lease Due 2022-2023	86,400
Payments to Retirees (Year 2+) Due 2022-2023	<u>117,400</u>
Total	\$759,703

# Prepayments, Cuts & Moves

Cuts	\$
Eliminate 12 Kindergarten Paraprofessionals (Cut from ESSER Grant)	\$213,480
Absorb 5 Teaching Positions through Attrition (1 Guidance Counselor)	262,000
Elimination 1 .6 Teaching Position	37,200
Elimination 1 Custodial Position	40,873
Elimination 12 Duty Aid Vacancies	100,800
Reduction in Projected Cost of Health Insurance	164,200
Reduction in Projected Cost of Natural Gas & Electric	71,831
Reduction in Instructional Supplies	104,590
Reduction in Non-Instructional Supplies	169,747
Reduction in Athletics Supplies	<u>50,000</u>
Total	\$1,214,721

# Prepayments, Cuts & Moves

Moves to ESSER Grant	\$
Move 2 Special Ed Teaching Positions	\$167,610
Move 24 Preschool Paras	434,385
Move Middle School Chromebook Purchase	255,000
Move Late Buses	78,993
Move a Portion of Student Clubs	<u>73,936</u>
Total	\$1,009,924

# 2022-2023 Tentative Budget

	<b>2022-2023 Tentative</b>	<b>2021-2022 Revised</b>	<b>\$</b>	<b>%</b>
Operating Budget (1)	\$72,343,391	\$76,028,717	\$(3,685,326)	(4.85)%
Grants and Entitlements (2)	1,764,530	10,347,235	(8,582,705)	(82.95)%
Debt Service (3)	<u>3,573,100</u>	<u>3,650,200</u>	<u>(77,100)</u>	<u>(2.11)%</u>
Total	\$77,681,021	\$90,026,152	\$(12,345,131)	(13.71)%

- 1) Please see “Operating Budget” slides for detailed information related to the net increase.
- 2) Please see “Major Grant Revenue” slides for detailed information related to the net decrease.
- 3) The annual repayment of the district’s outstanding debt continues to decrease over time.

# Grants Budget

# Major Grant Revenue

	2022-2023 Tentative	2021-2022 Revised	\$	%
ESEA	\$733,087	\$914,097	\$(181,010)	(19.80)%
IDEA	1,031,443	1,213,462	(182,019)	(15.00)%
ESSER I	0	1,198	(1,198)	(100.00)%
ESSER II	0	2,232,654	(2,232,654)	(100.00)%
ESSER III	0	5,279,883	(5,279,883)	(100.00)%
Local and Other	<u>0</u>	<u>705,941</u>	<u>(705,941)</u>	<u>(100.00)%</u>
Total	\$1,764,530	\$10,347,235	\$(8,582,705)	(82.95)%

Note: The district typical budgets between 85% and 90% of current year revenue for both ESEA and IDEA grants. 100% of ESSER grant revenue is recognized on the 2021-2022 school year. However, a large portion of that grant may be appropriated into the 2022-2023 school year via the encumbrance process.



# Operating Budget

**Revenue**

# Operating Revenues

	2022-2023 Tentative	2021-2022 Revised	\$	%
Property Tax Levy	\$51,538,047	\$50,966,035	\$572,012	1.12%
Categorical State Aid	14,439,880	17,691,445	(3,251,565)	(18.38)%
Extraordinary Aid	620,000	550,000	70,000	12.73%
Fund Balance	757,099	873,267	(116,168)	(13.30)%
Withdrawal from Reserves	4,416,810	2,034,000	2,382,810	117.15%
Stabilization Aid	0	1,322,429	(1,322,429)	(100.00)%
Education Rescue Grant	0	1,316,000	(1,316,000)	(100.00)%
Encumbrances	0	731,465	(731,465)	(100.00)%
Miscellaneous	<u>571,555</u>	<u>544,076</u>	<u>27,479</u>	<u>5.05%</u>
Total	\$72,343,391	\$76,028,717	\$(3,685,326)	(4.85)%

# Property Tax Levy

	2022-2023 Tentative
<i>2021-2022 Operating Budget Property Tax Levy</i>	\$50,966,035
NJDOE Reduction - Chapter 44	<u>(438,538)</u>
2021-2022 Adjusted Levy	50,527,497
Statutory 2.0% Increase	<u>1,010,550</u>
2022-2023 Operating Budget Property Tax Levy	\$51,538,047
Actual Pct. Increase on Preadjusted 2021-2022 Levy	1.12%
<i>2022-2023 Debt Service Budget Property Tax Levy</i>	<u>\$3,014,615</u>
Pct. Decrease	-2.59%
<i>Total 2022-2023 Property Tax Levy</i>	\$54,542,662
Net Pct. Increase	.91%

# Categorical State Aid

	2022-2023 Tentative
Special Education Aid	\$2,504,516
Equalization Aid	11,223,051
Security Aid	483,794
Transportation Aid	<u>228,519</u>
Total	\$14,439,880

# Fund Balance

	<b>2022-2023 Tentative</b>
Budgeted Fund Balance	\$0
Excess Surplus (2)	<u>757,099</u>
Total	\$757,099

- (1) Per the 2020-2021 audit, the district is obligated to use these funds in the 2022-2023 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

	<b>2022-2023 Tentative</b>
Capital Reserve (1)	\$3,766,810
Maintenance Reserve (2)	<u>650,000</u>
Total	\$4,416,810

- (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 public address systems and at all schools, and to replace boilers at the Cedar Creek Elementary School and the Middle School.
- (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

	<b>2022-2023 Tentative</b>	<b>2021-2022 Revised</b>	<b>\$</b>	<b>%</b>
Regular Programs - Instruction	\$20,010,548	\$21,765,738	\$(1,755,190)	(8.06)%
Special Education - Instruction	9,165,802	9,706,007	(540,205)	(5.57)%
Bilingual - Instruction	169,500	199,632	(30,132)	(15.09)%
Co-curricular & Athletics	1,439,813	1,588,930	(149,117)	(9.38)%
Tuition	1,814,009	2,074,086	(260,077)	(12.54)%
Attendance & Health	1,054,782	1,133,617	(78,835)	(6.95)%
Related Services & Other Support	1,218,126	1,106,802	111,324	10.06%
Guidance	1,417,294	1,512,219	(94,925)	(6.28)%
Child Study Teams	1,415,190	1,214,448	200,742	16.53%
Other Instruction & Library	1,946,947	1,877,455	69,492	3.70%

# Budget to Budget (Cont.)

	2022-2023 Tentative	2021-2022 Revised	\$	%
Administration (Building & Central Office)	3,158,360	3,296,892	(138,532)	(4.20)%
Information Technology	658,621	680,110	(21,489)	(3.16)%
Operations, Maintenance & Security	5,664,646	5,983,638	(318,992)	(5.33)%
Transportation	2,976,881	3,666,361	(689,480)	(18.81)%
All Benefits (Net of Staff Contributions)	16,017,131	16,320,653	(303,522)	(1.86)%
Capital Outlay	<u>4,215,741</u>	<u>3,902,129</u>	<u>313,612</u>	<u>8.04%</u>
Total	\$72,343,391	\$76,028,717	\$(3,685,326)	(4.85)%

# Per Pupil Costs

Projected 2022-2023 Total Resident Enrollment	3,735
2022-2023 LTSD Budgetary Per Pupil Cost	\$17,077
<b>\$1,718 <u>below</u> the 2020-2021 statewide median of \$18,795 (1)</b>	
2022-2023 LTSD Administrative Per Pupil Cost	\$ 1,338
<b>\$961 <u>below</u> the 2022-2023 southern region limit of \$2,299 (2)</b>	

- 1) Source: 2021 Taxpayers Guide to Education Spending for K-12 Districts – Indicator #1.
- 2) Source: NJDOE 2022-2023 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>

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

- 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)	\$51,538,047
Total Taxes to be Raised (Debt Service Budget)	<u>3,014,615</u>
	\$54,552,662
Divided by Total Current Assessed Valuation(1)	\$3,981,007,600
	.01370
Multiplied by 100 = 2022 School Tax Rate	1.370

- 1) According to the Municipal Tax Assessor the total assessed valuation increased \$32,302,330 or .82% from 2022.

# Property Taxes (cont.)

## *Your School Property Taxes*

Assessed Value of Your Property

÷ 100

x Current School Tax Rate

= Your School Property Taxes



# School Year Property Taxes

## July 2022 – June 2023

Year	Average Home Value *	School Tax Rate *	School Taxes
2022	\$283,417	1.370	\$3,882.81
2021	<u>\$281,265</u>	<u>1.369</u>	<u>\$3,850.52</u>
Change	+\$2,152	+0.001	+\$32.29
	Less Than 1 “Tax Penny”		\$2.69 Per Month

\* 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.
- April 6<sup>th</sup> = Public budget workshop @ 6:00 pm.
- May 5<sup>th</sup> = Public hearing on and adoption of final budget.
- May 14<sup>th</sup> = Deadline for submission of final budget.

**Thank You!**