

# **Tentative Budget 2018-2019**

**Lacey Township School District**



**March 26, 2018**

# What's New & Noteworthy?

## Curriculum & Instruction

- Mandated Expansion of the Preschool Program
- Critical Supplies to advance the STEAM program
- Critical Supplies for the Drama and Music programs

## Safety & Security

- Security Vestibules at all schools

## Technology

- Expansion of the 1:1 initiative to the Mill Pond School
- Replacement of backup and storage equipment
- Partial desktop replacement



# 2018-2019 Tentative Budget

	2018-2019 Tentative	2017-2018 Revised	\$	%
Operating Budget (1)	\$71,116,143	\$68,598,036	\$2,518,107	3.7%
Grants and Entitlements (2)	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%

- 1) Please see “Operating Revenues” slide.
- 2) The decrease is attributable to the fact that projected funding from FY19 grants and entitlements includes “federal” grants such as ESSA and IDEA; but, does not include “local” grants which are not typically budgeted for.



# Operating Revenues

	2018-2019 Tentative	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>
<b>Total</b>	<b>\$71,116,143</b>	<b>\$68,598,036</b>	<b>\$2,518,107</b>	<b>3.7%</b>

- 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 rumors that the State may take back some of that.
- 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.



# “The” Issue



# Budget to Budget

	2018-2019 Tentative	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)%
Bi-lingual - 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)%



# Budget to Budget (Cont.)

	2018-2019 Tentative	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)%
<b>Total</b>	<b>\$ 71,116,143</b>	<b>68,598,036</b>	<b>\$2,518,107</b>	<b>3.7%</b>



# Per Pupil Costs

Projected FY19 Enrollment	4,332.0
FY19 LTSD Budgetary Per Pupil Cost	\$14,754
<b>\$821 <u>below</u> FY17 state average of \$15,575 (1)</b>	
FY19 LTSD Administrative Per Pupil Cost	\$ 1,247
<b>\$844 <u>below</u> the regional limit of \$2,091 (2)</b>	

- 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 (2)  $\div$  Total Current Assessed Valuation (3)

**X 100**

= Current Tax Rate

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

$$.01313 \times 100 = 1.313$$

- 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

\* Source: Municipal Tax Assessor.



# Next Steps

- March 29<sup>th</sup> = Deadline for submission of tentative budget to the Executive County Superintendent.
- May 7<sup>th</sup> = Public hearing on and adoption of final budget.
- May 14<sup>th</sup> = Deadline for submission of final budget.



**Thank You!**

