

Tentative Budget 2019-2020

Lacey Township School District



March 18, 2019

The Issue: State Aid

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

School Year	Amount
2018-2019	\$586,536
2019-2020	623,156
2020-2021	819,809
2021-2022	1,015,494
2022-2023	950,997
2023-2024	591,347
2024-2025	186,741
	\$4,744,080



2019-2020 Tentative Budget

	2019-2020 Tentative	2018-2019 Revised	\$	%
Operating Budget (1)	\$70,469,006	\$72,054,484	\$(1,585,478)	(2.20)%
Grants and Entitlements (2)	1,595,823	2,105,828	(510,005)	(24.2)%
Debt Service	<u>3,764,150</u>	<u>3,830,575</u>	<u>(66,425)</u>	<u>(1.7)%</u>
Total	\$75,828,979	\$77,990,887	\$(2,161,908)	(2.77)%

- 1) Please see “Operating Revenues” slide.
- 2) The decrease is attributable to the fact that projected funding from FY20 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

	2019-2020 Tentative	2018-2019 Revised	\$	%
Local Tax Levy (1)	\$48,322,737	\$47,375,232	\$947,505	2.00%
State Aid (2)	20,922,244	21,420,400	(498,156)	(2.33)%
Fund Balance (3)	768,286	1,325,791	(557,505)	(42.05)%
Withdrawal from Reserves (4)	0	831,257	(831,257)	(100.00)%
Encumbrances	0	693,620	(693,620)	(100.00)%
Miscellaneous (5)	<u>455,739</u>	<u>408,184</u>	<u>47,555</u>	<u>11.65%</u>
Total	\$70,469,006	\$72,054,484	\$(1,585,478)	(2.20)%

- 1) The loss of state aid has continued to put pressure on the district to build a budget which is thorough and efficient for students and staff. As a result, in addition to increasing the property tax levy by 2.0%, the Board will also use \$511,753 of fund balance. See #3 below.
- 2) The \$498,156 decrease in overall state aid is the result of a decrease in categorical state aid of \$623,156 offset by a \$125,000 increase in extraordinary aid.
- 3) The \$768,286 of fund balance budgeted for FY20 is the combination of audited excess surplus from FY18 of \$256,533 and \$511,753 of anticipated excess surplus from the FY19 school year.
- 4) Although the Board has not budgeted a withdrawal from the Capital Reserve for FY19, it reserves the right to do so either in creating the final FY20 budget, or during the FY20 school year if the need arises.
- 5) Miscellaneous revenue includes; the sale of SRECs, Use of Facilities fees, etc.



Budget to Budget

	2019-2020 Tentative	2018-2019 Revised	\$	%
Regular Programs - Instruction	\$20,732,370	\$20,232,735	\$499,635	2.47%
Special Education - Instruction	7,738,595	7,018,470	720,125	10.26%
Bilingual - Instruction	194,066	149,041	45,025	30.21%
Co-curricular & After School	1,618,236	1,507,077	111,159	7.38%
Tuition	2,047,643	2,355,370	(307,643)	(13.06)%
Attendance & Health	974,912	933,398	41,514	4.45%
Related Services	730,306	803,630	(73,324)	(9.12)%
Guidance	1,385,845	1,232,755	153,090	12.42%
Child Study Teams & ESY	1,421,561	1,380,410	41,151	2.98%
Other Instruction & Library	1,896,040	1,838,276	57,764	3.14%



Budget to Budget (Cont.)

	2019-2020 Tentative	2018-2019 Revised	\$	%
Staff Training	71,500	73,246	(1,746)	(2.38)%
Administration (Building & CO)	3,241,059	3,206,408	34,651	1.08%
Information Technology	643,043	723,204	(80,161)	(11.08)%
Operations, Maintenance & Security	5,525,853	5,445,805	80,048	1.47%
Transportation	3,738,676	3,607,827	130,849	3.63%
Benefits (Net)	18,160,678	19,337,183	(1,176,505)	(6.08)%
Capital Outlay	<u>348,623</u>	<u>2,209,649</u>	<u>(1,861,026)</u>	<u>(84.22)%</u>
Total	\$70,469,006	\$72,054,484	\$(1,585,478)	(2.20)%



Per Pupil Costs

Projected 2019-2020 Enrollment	3,968.0
2019-2020 LTSD Budgetary Per Pupil Cost	\$16,291
\$509 <u>above</u> 2017-2018 state average of \$15,782 (1)	
2019-2020 LTSD Administrative Per Pupil Cost	\$ 1,315
\$820 <u>below</u> the 2019-2020 regional limit of \$2,135 (2)	

- 1) Source: 2018 Taxpayers Guide to Education Spending for K-12 districts – Indicator #1.
- 2) Source: NJDOE 2019-2020 Budget Guidelines.



Property Taxes

“School Year” Tax Rate (1)

Total Current Taxes (2) \div Total Current Assessed Valuation (3)

X 100

= Current Tax Rate

$$\$51,555,279 / \$3,898,380,413 = .01322$$

$$.01322 \times 100 = 1.322$$

- 1) The “School Year” tax rate is from July through June.
- 2) Total taxes includes the levy on the operating budget + debt service.
- 3) Total preliminary valuation increased over \$44 million from last year.



Property Taxes (cont.)

School Property Taxes

Assessed Value of Property

$\div 100$

x Current Tax Rate

= School Property Taxes



School Year Property Taxes

July 2019 – June 2020

Year	Avg. Value *	Tax Rate *	Taxes
2018	\$276,700	1.313	\$3,633.07
2019	<u>\$278,100</u>	<u>1.322</u>	<u>\$3,676.48</u>
Change	+\$1,754	+0.009	+\$43.41 \$3.62 Per Month

* Source: Municipal Tax Assessor.



Next Steps

- March 20th = Deadline for submission of tentative budget to the Executive County Superintendent.
- May 6th = Public hearing on and adoption of final budget.
- May 14th = Deadline for submission of final budget.



Thank You!

