

Lacey Township School District

Tentative Budget

2024 - 2025



March 19, 2024

The Impact of S-2 to the Lacey Township School District

STATE AID CUTS

2018-2019 = **\$586,536**

2019-2020 = **\$623,156**

2020-2021 = **\$1,310,170**

2021-2022 = **\$1,345,629**

2022-2023 = **\$3,251,565**

2023-2024 = **\$3,968,990**

2024-2025 = **\$3,205,902**

**The maximum increase in the tax levy is 2%
OR approximately \$1mil.**

To put this into perspective:

- Yearly State aid reductions are currently more than triple the amount of the taxes able to be raised by the levy.
- Total State aid reductions are over \$14m.

AND there is still a need to address the following issues:

- Contractual responsibilities rise above 2% in many areas
- Higher gasoline prices
- Increased insurance premiums
- Tuition increases outside of our local control
- Transportation cost increases
- Inflation - rising costs for just about everything

Reductions

Prepayments & Reductions

Prepayments

\$

- Bus Leases Due 2024-2025 \$218,730
- Terminal Leave Payments 362,000

Prepayments & Reductions

Reductions	\$
● 26 Certificated Positions	\$1,666,657
● 1 Full-time Position through Attrition	30,397
● 1 Part-time Para	22,466
● 1 Guidance Position	72,200
● 5 Duty/lunch Aide Positions	133,958
● 6 Long-term Substitutes	361,377
● Summer Guidance	2,200
● Maintenance/Grounds Substitutes and Overtime	10,000
● Projected Cost of Health Insurance (39 Positions)	1,372,693
● Social Security	45,639
● Reduction in SpEd Professional Services	22,500

Prepayments & Reductions

Reductions	\$
● Reduction to Telephone	20,275
● Instructional Supplies	38,486
● Non-Instructional Supplies	1,455,075
● Special Education	58,100
● Professional Development	450
● Contracted Services	137,000
● Co-Curricular	92,349
● Courtesy Bussing	126,640
● Tuition	125,986
● Athletics	<u>138,180</u>
Total	\$6,513,358

2024-2025 Tentative Budget

	2024-2025 Tentative	2023-2024 Revised	\$	%
Operating Budget	\$71,226,468	\$71,761,806	\$(535,338)	(00.75)%
Grants and Entitlements (1)	7,885,167	9,875,758	(1,990,591)	(20.16)%
Debt Service (2)	<u>3,302,700</u>	<u>3,388,850</u>	<u>(86,150)</u>	<u>(2.54)%</u>
Total	\$82,414,335	\$86,026,414	\$(3,612,079)	(4.20)%

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

Grants Budget

Major Grant Revenue

	2024-2025 Tentative	2023-2024 Revised	\$	%
ESEA	\$720,327	\$1,083,199	\$(362,872)	(33.50)%
IDEA	953,714	1,130,523	(176,809)	(15.64)%
PEA(Inclusive of GF portion)	5,659,500	3,323,279	2,336,221	70.30%
ESSER I	0	0	0	0%
ESSER II	0	0	0	0%
ESSER III	200,000	3,536,107	(3,336,107)	(94.34)%
Local and Other	<u>351,626</u>	<u>802,650</u>	<u>(451,024)</u>	<u>(56.19)%</u>
Total	\$7,885,167	\$9,875,758	\$(1,990,591)	(20.16)%

Note: The district typically budgets between 85% of current year revenue for both ESEA and IDEA grants. The rollover portion of ESSER grant revenue is recognized in the 2023-2024 school year. However, a portion of that grant will be appropriated into the 2024-2025 school year via the encumbrance process.

Operating Budget

Revenue

Operating Revenues

	2024-2025 Tentative	2023-2024 Revised	\$	%
Property Tax Levy	\$54,256,788	\$53,192,929	\$1,063,859	2.00%
Categorical State Aid	7,264,988	10,470,890	(3,205,902)	(30.62)%
Extraordinary Aid	704,637	635,482	69,155	10.88%
Fund Balance/Excess Surplus	1,018,674	3,723,894	(2,705,220)	(72.64)%
Encumbrances	0	795,049	(795,049)	(100.00)%
Withdrawal from Reserves	0	1,572,000	(1,572,000)	(100.00)%
September Question/State Loan	6,902,861	0	6,902,861	100.00%
Miscellaneous	<u>1,078,520</u>	<u>1,371,562</u>	<u>(293,042)</u>	<u>(21.37)%</u>
Total	\$71,226,468	\$71,761,806	\$(535,338)	(00.75)%

Property Tax Levy

	2024-2025 Tentative
<i>2023-2024 Operating Budget Property Tax Levy</i>	\$53,192,929
Statutory 2.0% Increase	<u>1,063,859</u>
2024-2025 Operating Budget Property Tax Levy	\$54,256,788
Actual Pct. Increase on Preadjusted 2022-2023 Levy	2.00%
<i>2024-2025 Debt Service Budget Property Tax Levy</i>	<u>\$2,741,973</u>
Pct. Decrease	-3.04%
<i>Total 2024-2025 Property Tax Levy</i>	\$56,998,761
Net Pct. Increase	1.75%

Categorical State Aid

**2024-2025
Tentative**

Special Education Aid	\$2,504,516
Equalization Aid	4,048,159
Security Aid	483,794
Transportation Aid	<u>228,519</u>
Total	\$7,264,988

Based on CPI x GF budget

SCHOOL YEAR	LTSD	A		B		C	A+B+C
	STATE AID	STATE AID REDUCTION	CUMULATIVE AID LOSS	~BUDGET ROLLOVER++	Consumer Price Index	~2% ON TAX LEVY	TOTAL IMPACT
18-19	\$20,970,400						
19-20	\$20,347,244	(\$623,156)	\$623,156	(\$1,059,736)	1.45%	\$947,505	(\$735,387)
20-21	\$19,037,074	(\$1,310,170)	\$1,933,326	(\$1,195,774)	1.70%	\$1,349,846	(\$1,156,098)
21-22	\$17,691,445	(\$1,345,629)	\$3,278,955	(\$1,237,674)	1.69%	\$1,293,452	(\$1,289,851)
22-23	\$14,439,880	(\$3,251,565)	\$6,530,520	(\$1,439,240)	1.91%	\$1,019,321	(\$3,671,484)
23-24	\$10,470,890	(\$3,968,990)	\$10,499,510	(\$4,086,378)	5.86%	\$1,207,573	(\$6,847,795)
24-25	\$7,264,988	(\$3,205,902)	\$13,705,412	(\$4,132,707)	5.81%	\$1,063,859	(\$6,274,750)
24-25 are projected numbers based upon the schedule provided by the DOE				CUMULATIVE IMPACT			(\$19,975,365)

Fund Balance

	2024-2025 Tentative
Budgeted Fund Balance	\$703,025
Excess Surplus (1)	<u>315,471</u>
Total	\$1,018,496

- (1) Per the 2022-2023 audit, the district is obligated to use these funds in the 2024-2025 budget. The district normally uses these funds for one time purchases but unfortunately need these funds to help balance the budget.

Per Pupil Costs

Projected 2024-2025 Total Resident Enrollment 3,934

2024-2025 LTSD Budgetary Per Pupil Cost \$17,457

\$1,573 below the 2022-2023 statewide median of \$19,030 (1)

2024-2025 LTSD Administrative Per Pupil Cost \$ 1,306

\$1,269 below the 2024-2025 southern region limit of \$2,575 (2)

Lacey Township School District is the 6th lowest in administrative costs per pupil amongst large K-12 districts in the State of New Jersey.

1. Source: 2023 Taxpayers Guide to Education Spending for K-12 Districts – Indicator #1.
2. Source: NJDOE 2024-2025 Budget Guidelines - Southern Region.

Appropriations

Budget to Budget

	2024-2025 Tentative	2023-2024 Revised	\$	%
Regular Programs - Instruction	\$19,639,186	\$18,697,890	\$941,296	.05%
Special Education - Instruction	10,565,842	9,761,134	804,708	.82%
Bilingual - Instruction	141,180	195,050	(53,870)	(27.62)%
Co-curricular & Athletics	1,351,068	1,401,705	(50,637)	(.36)%
Tuition	2,509,982	2,334,748	175,234	.75%
Attendance & Health	1,073,686	1,070,819	2,867	.03%
Related Services & Other Support	1,461,287	1,282,515	178,772	13.94%
Guidance	1,393,590	1,527,815	(134,225)	(.88)%
Child Study Teams	1,682,425	1,505,981	176,444	11.72%
Other Instruction & Library	2,130,658	2,081,230	49,428	.24%

Budget to Budget (Cont.)

	2024-2025 Tentative	2023-2024 Revised	\$	%
Administration (Building & Central Office)	3,309,953	3,397,238	(87,285)	(.26)%
Information Technology	725,978	702,344	23,634	.34%
Operations, Maintenance & Security	5,671,953	5,886,408	(214,455)	(.36)%
Transportation	3,547,144	3,605,230	(58,086)	(.16)%
All Benefits (Net of Staff Contributions)	15,861,184	16,438,681	(577,497)	(.35)%
Capital Outlay	<u>161,352</u>	<u>1,904,195</u>	<u>(1,742,843)</u>	<u>(91.53)%</u>
Total	\$71,226,468	\$71,792,983	\$(566,515)	(.08)%

Property Taxes

Property Taxes

Two Components:

- 1) Operating Budget Component
- 2) Debt Service Budget Component

Property Taxes (cont.)

“School Year” Tax Rate ⁽¹⁾

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

- 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)	\$54,256,788
Total Taxes to be Raised (Debt Service Budget)	<u>2,741,973</u>
	\$56,998,761
Divided by Total Current Assessed Valuation(1)	\$4,029,146,600
	.01415
Multiplied by 100 = 2024 School Tax Rate	1.415

- 1) According to the Municipal Tax Assessor the total assessed valuation increased \$21,680,300 or .54% from 2023.

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 Tax

July 2024 – June 2025

Year	Average Home Value *	School Tax Rate *	School Taxes
2024	\$287,011	1.415	\$4,061.20
2023	<u>\$285,601</u>	<u>1.398</u>	<u>\$3,992.70</u>
Change	+\$1,410	+0.017	+\$68.50 \$5.71 Per Month

* Source: Municipal Tax Assessor.

In Summary and Next Steps



Building the 2024-2025 Budget

Part 1 Reductions

- Teacher reductions, which will drive classes into the upper 30s across all grades.
 - 26 teachers (21 NT and 5 T)
- Support Staff reductions, which will alter services that students currently receive, such as one-to-one services for special needs students.
 - 1 Paraprofessional, 1 Guidance Counselor, 5 Duty/Lunch Aides
- Reductions to athletics including all freshman sports.
- Reductions to co-curricular budgets which will reduce the opportunities for students to stay after school.
- Reductions to academic supports for students who need extra help.
- Elimination of educationally valuable field trips.
- Reduction of elective class offerings at the middle and high schools.
- Elimination of courtesy busing.



Budget Imbalance = \$6.9 Million

Now What?





THIS IS NOT AN OPTION!

Reduce \$6.9 Million Budget Imbalance

- 57 Additional Staff Reductions (inclusive of salary and benefits):
 - **Bringing total staff reductions to 96 for 2024-2025**
 - **Overall staff reductions since inception of S2 = 198!!**
 - Will drive class sizes into the **upper 40s across all 1-12 Grades.**
 - Further reductions to custodial, support, counseling, clerical, and administrative staff.
- **Pay-to-Participate** for all athletic programs.
- **Elimination** of co-curricular activities.
- Additional reductions to all repair and maintenance accounts by 25%, which will result in only emergency repairs (no preventative maintenance).

**THIS IS NO LONGER A THOROUGH AND
EFFICIENT EDUCATION!!!**



September Public Question

This process needs to be developed by the LTBOE
and approved by the County and NJDOE.

The Lacey Township Board of Education is seeking an approval from the district's legal voters to raise an additional **\$TO BE DETERMINED** for the 2024/25 school year as permitted under 18A:22-40 for the following purposes:

Approval of these taxes will result in a permanent increase in the district's tax levy.



State Loan

What We Know About a State Loan

- Requires a fiscal State Monitor.
 - Is responsible for directing all business office activities, including the preparation of monthly reports, approval of all purchase activities, and payment of bills and claims.
- Increases the need for future loans.
- Requires Fund Balance to be reduced to 1.5% of General Fund Expenditures instead of 2%.

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.
- April 30th = Public hearing on and adoption of final budget.
- May 14th = Deadline for submission of final budget.

Thank You!

**This presentation will be
on our website at
laceyschools.org**