

Tentative Budget Proposal



March 19, 2018

Snapshots from the State's FY 2019 Budget Brief

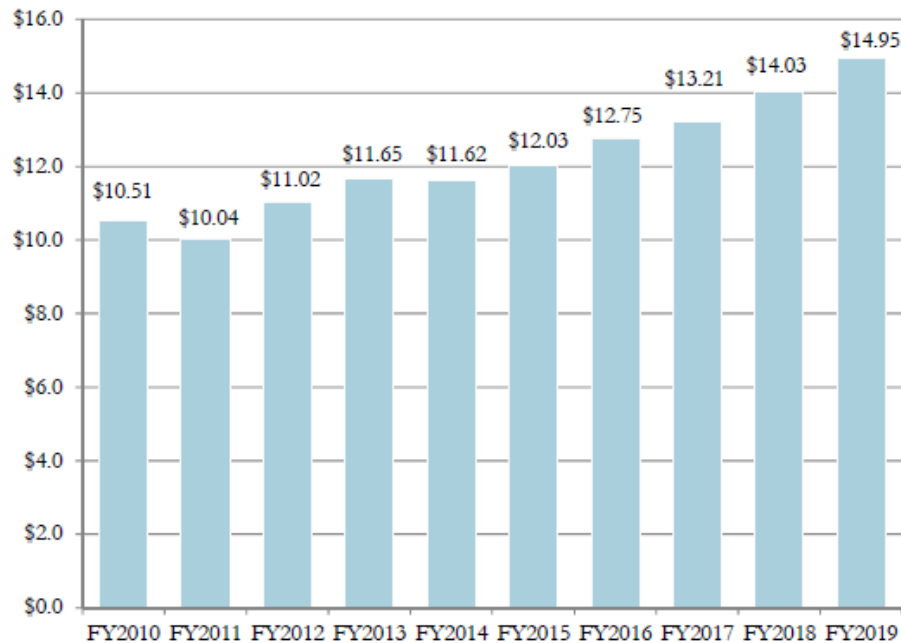
Supporting All Students

- **Following the Funding Formula:** Governor Murphy is committed to providing schools with the resources they need by following our Supreme Court-approved funding formula. The Governor is committed to putting New Jersey's schools on the path to full funding within four years, and is proposing an additional \$283 million in formula aid. School districts will see enhanced formula-based aid this year, with no district or charter school receiving less State aid than it did last year. We must ensure that New Jersey's students continue to grow and learn, and moving toward funding the formula is critical to that goal.

- **Formula Aid** - A year-over-year increase of over \$283 million, including reallocations of non-formula funding that will be distributed such that no district receives less funding. In fact, 94% of districts will see an increase in aid.
- **Pre-K Aid** – A \$57 million increase will continue to fund existing pre-K programs and provide additional dollars for districts who wish to expand or start a pre-K program. This continues the process of expanding State-funded pre-K programs within the State of New Jersey.

History of School Aid

(In Billions)



* Amounts include direct aid to schools, payments made on-behalf of districts and school construction debt service. Beginning in FY2018, amounts include pension contributions from the Lottery Enterprise Contribution Act.

- **School Security Aid** – This budget maintains funding of \$11.3 million to support \$75 per pupil for non-public school security needs.

- **School Construction** – A \$148 million increase will help support another \$500 million in school construction projects across our state.

- **Other Aid Categories** – This budget continues to ensure that the funding provided to charter schools in fiscal 2019 is not less than the 2018 funding on either a per-pupil or total revenue basis, and maintains support of high-needs special education.

Despite the constraints on State resources, all school districts will receive at least the same funding in fiscal 2019 as the previous year to uphold the Governor’s strong commitment to education.

STATE OF NEW JERSEY - DEPARTMENT OF EDUCATION
 DIVISION OF FINANCE
 OFFICE OF SCHOOL FACILITIES AND FINANCE
 PROJECTED 2018-19 STATE SCHOOL AID
 EQUALIZATION AID

03/15/2018

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COUNTY: 25-MONMOUTH
 DISTRICT: 1640-FREEHOLD BORO
 BUDGET: K-8

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ADEQUACY BUDGET CALCULATION:
 ***** REGULAR EDUCATION *****

Projected Weighted Base Enrollment	1,693 (A)	
Total Base Cost		
- @ \$11,209 per pupil		
times GCA 0.99530	18,887,646 (B)	
Projected Weighted At-Risk Only Enrollment	589 (C)	
Total At-Risk Only Cost		
- @ \$11,209 per pupil		
times GCA 0.99530	6,571,071 (D)	
Projected Weighted LEP Only Enrollment	3 (E)	
Total LEP Only Cost		
- @ \$11,209 per pupil		
times GCA 0.99530	33,469 (F)	
Projected Weighted combined LEP & Low Income Enrollment	218 (G)	
Total Combined LEP & Low Income Cost		
- @ \$11,209 per pupil		
times GCA 0.99530	2,432,077 (H)	
***** SPECIAL EDUCATION *****		
Special Education Enrollment		
- FTE Resident Enrollment @ 14.92%	250 (I)	
Total Special Education Cost		
- @ \$17,343 per pupil		
times GCA 0.99530		
times Item (I) times 2/3	2,876,915 (J)	
Speech Only Enrollment		
- FTE Resident Enrollment @ 1.630%	27 (K)	
Total Speech Only Cost		
- @ \$1,180 per pupil		
times GCA 0.99530		
times Item (K)	31,710 (L)	
ADEQUACY BUDGET -		
Item (B) + (D) + (F) + (H) + (J) + (L)	\$30,832,888 (M)	

LOCAL SHARE CALCULATION - REGULAR DISTRICT

Equalized Valuation (10/1/2017)	765,190,442 (N)
District Income (2015)	182,967,585 (O)
Equalized Val. x 0.013828828 / 2	5,290,844 (P-1)
District Income x 0.046200477 / 2	4,226,595 (P-2)
Local Fair Share : Item(P-1) + Item(P-2)	9,517,439 (P)
LOCAL SHARE - COUNTY VOCATIONAL SCHOOL DISTRICT	
County Local Shares	1,575,788,209 (Q)
County Adequacy Budgets	1,437,581,842 (R)
Item(Q) / Item(R)	1.0961 (S)
Local Share	
Item(S) x Item(M) - for Vocs Only	0 (T)
EQUALIZATION AID CALCULATION	
Adequacy Budget (Item(M))	30,832,888 (U)
Local Fair Share (Item (P) or (T))	9,517,439 (V)
EQUALIZATION AID	
(Item(U) less Item(V))	\$21,315,449 (W)

Underfunding

Equalization Aid Due (Item W)	\$21,315,449
Equalization Aid Received	<u>(\$ 9,105,477)</u>
Amount Underfunded	\$12,209,972

Over Fair Share

Local Fair Share (Item T)	\$ 9,517,439
Operating Tax Levy	<u>\$ 11,235,266</u>
Over Fair Share	\$ 1,717,827

FY 19 Proposed State Aid

	17/18 State Aid Received	18/19 State Aid Proposed	Difference
Equalization Aid	\$9,105,477	\$9,105,477	\$0
Transportation Aid	\$54,775	\$407,350	\$352,575
Special Education Aid	\$842,591	\$982,255	\$139,664
Security Aid	\$212,987	\$739,721	\$526,734
Under Adequacy Aid	\$435,142	\$0	-\$435,142
PARCC Readiness Aid	\$15,960	\$0	-\$15,960
Per Pupil Growth Aid	\$15,960	\$0	-\$15,960
PLC Aid	\$16,920	\$0	-\$16,920
Total Aid	\$10,699,812	\$11,234,803	\$534,991

2018~19 School District Budget Statement - District Status

Line	Name	Amount
	District Budgeted Adequacy Spending	
A	2018-19 General Fund Levy	\$11,235,266
B	Equalization Aid	\$9,105,477
C	Total Budgeted Adequacy Spending (A + B)	\$20,340,743
D	District Adequacy Budget	\$30,832,888
E	Excess Amount (C - D)	-\$10,492,145
	IF E IS:	
	Positive:Proposed Budget Exceeds expected local levy	
	Zero or negative:Proposed Budget is at or below the expected local levy	
	Important Note: If Line E above is positive, then complete the explanation in the box below this statement:	
	The school district has proposed programs and services in addition to the New Jersey student learning standards adopted by the State Board of Education. Briefly describe the programs that cause th...	

Amount Under-Adequate

There are 88 school districts receiving aid increases greater than Freehold Borough. How does the 3rd most underfunded school district in New Jersey get the 89th highest aid increase?

STATE OF NEW JERSEY - DEPARTMENT OF EDUCATION
 DIVISION OF FINANCE
 OFFICE OF SCHOOL FACILITIES AND FINANCE
 PROJECTED 2018-19 STATE SCHOOL AID
 STATE AID PHASE-IN SUMMARY

03/15/2018

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COUNTY: 25-MONMOUTH
 DISTRICT: 1640-FREEHOLD BORO
 BUDGET: K-8

Page YRN

GENERAL FUND AID:		SPECIAL REVENUE FUND AID:	
Equalization Aid	0 (A-1)	Preschool Education Aid	NA (B-1)
Educational Adequacy Aid	NA (A-2)	SUBTOTAL	\$0 (B)
School Choice Aid	NA (A-3)		
Transportation Aid	352,575 (A-4)	DEBT SERVICE FUND AID:	
Special Education Categorical Aid	139,664 (A-5)	Debt Service Aid, Type 2	NA (C)
Security Aid	526,734 (A-6)	ADDITIONAL AID PAYABLE ON BEHALF OF DISTRICT:	
Adjustment Aid	0 (A-7)	Debt Service Aid, Type 1	NA (D)
SUBTOTAL	\$1,018,973 (A)		
		GRAND TOTAL AID PAYABLE TO AND ON BEHALF OF DISTRICT:	
		Total Aid	\$1,018,973 (E)

4-YEAR PHASE-IN AND REALLOCATION DETAIL:

Phase-in Change	
(TOT[(A)-(A-3)] - BUD[(AA)-(A-6)]) times 1/4	
	\$534,991 (AA-1)
Reallocation of BUD(AA-2)	\$483,982 (AA-2)
TOTAL (MAX[0, (AA-1) + (AA-2)])	\$1,018,973 (AA)*

* The amount (AA) is allocated among state aid categories, in the following order: Transportation Aid (A-4), Security Aid (A-6), Special Education Categorical Aid (A-5), Equalization Aid (A-1), and Adjustment Aid (A-7). The values on Page YRN, when added to the corresponding values on Page BUD, will not exceed the category totals on Page TOT.

Note: Additional Adjustment Aid (see Page NET(A-8)) ensures no loss in K-12 State Aid.

Monmouth County Districts Receiving Highest Dollar Increases

County	Dist	District	FY2018 Total K-12 Aid	FY2019 Total K-12 Aid	One Year K-12 Aid Difference	Aid Percent Difference	STATE AID FUNDING RATIO
Monmouth	2770	Long Branch City	43,224,236	45,385,448	2,161,212	5.0%	79%
Monmouth	3160	Middletown Twp	17,481,823	18,345,222	863,399	4.9%	146%
Monmouth	100	Asbury Park City	54,448,308	55,244,435	796,127	1.5%	181%
Monmouth	1640	Freehold Boro	10,699,812	11,234,803	534,991	5.0%	45%
Monmouth	2920	Manalapan-Englishto	19,440,358	19,938,658	498,300	2.6%	299%
Monmouth	3810	Ocean Twp	7,614,796	8,079,720	464,924	6.1%	149%
Monmouth	2290	Howell Twp	33,158,120	33,540,599	382,479	1.2%	132%
Monmouth	1660	Freehold Twp	4,266,774	4,596,132	329,358	7.7%	92%
Monmouth	5420	Wall Twp	3,716,167	4,030,939	314,772	8.5%	74%
Monmouth	3040	Matawan-Aberdeen F	12,396,728	12,706,646	309,918	2.5%	83%
Monmouth	3270	Monmouth Regional	3,298,990	3,592,401	293,411	8.9%	197%
Monmouth	3030	Marlboro Twp	11,418,511	11,688,880	270,369	2.4%	180%
Monmouth	3260	Monmouth Co Vocati	8,120,555	8,350,800	230,245	2.8%	403%
Monmouth	2230	Holmdel Twp	2,016,705	2,246,720	230,015	11.4%	49%
Monmouth	2430	Keyport Boro	5,522,076	5,751,498	229,422	4.2%	87%

Findings & Declarations Relative to School Funding Reforms

18A:7F-44(2)(g)

The Legislature finds and declares that:

In the **absence of a clear, unitary, enforceable statutory formula to govern appropriations for education**, crucial funding decisions are made annually, in competition for limited State resources with other needs and requirements as part of the annual budget negotiation process, utilizing many different classes and categories of aid, **leading to an uncertain, unpredictable, and untenable funding situation for the State and school districts alike.**

Actions Going Forward

- Administration meetings with District 11 Legislators and Legislative Leadership
- Superintendent Testimony at Assembly Budget Committee March 28
- DOE Commissioner Testimony
 - Senate April 17
 - Assembly April 23rd
- Continue to update community and provide awareness of events where advocacy is needed

Updated Planning

Positions, also known as Full Time Equivalents, don't refer to personnel they refer to budgeted positions. Staffing of positions is accomplished in many ways (i.e. movement/transfers) no personnel action is to be inferred from this listing of budgeted positions, said another way the person and the position are two separate items:

- Abolish 2 elementary basic skills positions
- Add 6th Grade Math Position
- Add 4th Grade Position
- Add 5th Grade Position
- Add 2 Special Education Resource Teachers

Eliminations from Plan “A”

- New FIS Pathway
 - FIS ELA/SS Teacher (Dual Certified)
 - FIS Math Teacher
 - FIS Science Teacher 0.4 & Special Ed. 0.6 (Dual Certified)
- 2 Teachers - Create Elementary Professional Learning Community Time (PLC) 6A:9C-3.3
 - 1 Teacher – FIS/PAE Physical Education Teacher; maximize use of new gym space and prepare District for new law restricting the counting of recess toward Physical Ed. & Health time
 - 1 Teacher - Elementary Spanish/ESL 6A:15-1.5

Operating Budget

Title	2016~17 Actual	2017~18 Revised	2018~19 Budget	Difference	Difference %
TOTAL REGULAR PROGRAMS - INSTRUCTION	\$ 5,411,939	\$ 5,853,465	\$ 5,771,051	(82,414)	-1.41%
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,476,351	2,703,175	2,943,466	240,291	8.89%
TOTAL BASIC SKILLS/REMEDIAL - INSTRUCTION	2,155	109,878	1,296	(108,582)	-98.82%
TOTAL BILINGUAL EDUCATION - INSTRUCTION	708,279	775,227	797,517	22,290	2.88%
TOTAL SCHOOL-SPON. CO/EXTRA CURR. ACTVTS. - INST	47,154	55,713	58,595	2,882	5.17%
TOTAL SCHOOL-SPONSORED ATHLETICS - INSTRUCTION	47,116	73,066	74,701	1,635	2.24%
TOTAL - INSTRUCTION (TUITION)	925,634	1,027,100	1,049,086	21,986	2.14%
ATTENDANCE AND SOCIAL WORK	39,555	41,210	43,008	1,798	4.36%
HEALTH SERVICES	222,387	261,548	248,205	(13,343)	-5.10%
SPEECH, OT, PT AND RELATED SVCS	495,977	589,455	501,805	(87,650)	-14.87%
OTH SUPP SERV STD-EXTRA SERV	27,613	59,128	47,700	(11,428)	-19.33%
GUIDANCE	256,001	286,360	298,378	12,018	4.20%
CHILD STUDY TEAMS	616,613	666,457	704,284	37,827	5.68%
IMPROV. OF INST. SERV.	350,014	393,396	409,631	16,235	4.13%
EDU. MEDIA SERV./LIBRARY	86,472	91,842	96,267	4,425	4.82%
INSTR. STAFF TRAINING SERV.	84,139	90,169	92,676	2,507	2.78%
SUPPORT SERV.-GEN. ADMIN.	479,355	530,864	566,370	35,506	6.69%
SUPPORT SERV.-SCHOOL ADMIN.	770,738	814,805	848,643	33,838	4.15%
CENTRAL SERVICES	439,531	465,731	491,091	25,360	5.45%
ADMIN. INFO TECHNOLOGY	267,432	306,556	307,566	1,010	0.33%
REQUIRED MAINT FOR SCH FAC.	354,440	364,970	368,934	3,964	1.09%
CUSTODIAL SERVICES	855,296	910,101	947,719	37,618	4.13%
CARE AND UPKEEP OF GROUNDS	71,522	81,929	82,915	986	1.20%
SECURITY	18,881	23,300	75,300	52,000	223.18%
STUDENT TRANSPORTATION SERV.	587,618	919,612	819,302	(100,310)	-10.91%
PERSONAL SERVICES - EMPLOYEE BENEFITS	4,622,911	5,499,200	5,674,558	175,358	3.19%
TOTAL GENERAL CURRENT EXPENSE	20,465,123	22,994,262	23,319,969	325,707	1.42%
TOTAL CAPITAL OUTLAY	1,024,385	133,070	22,909	(110,161)	-82.78%
GENERAL FUND GRAND TOTAL	\$ 21,489,508	\$ 23,127,332	\$ 23,342,878	215,546	0.93%

Operating Budget Revenues

Title	2016~17	2017~18	2018~19	Difference	Difference %
Local Tax Levy	11,054,967	11,235,266	11,235,266	0	0.00%
Unrestricted Miscellaneous Revenues	299,771	30,000	30,000	0	0.00%
SUBTOTAL - REVENUES FROM LOCAL SOURCES	11,354,738	11,265,281	11,265,281	0	0.00%
Categorical Transportation Aid	54,775	54,775	407,350	352,575	643.68%
Extraordinary Aid	181,876	100,000	100,000	0	0.00%
Categorical Special Education Aid	842,591	842,591	982,255	139,664	16.58%
Equalization Aid	8,149,685	9,105,477	9,105,477	0	0.00%
Categorical Security Aid	212,987	212,987	739,721	526,734	247.31%
Under Adequacy Aid	435,142	435,142	0	-435,142	-100.00%
PARCC Readiness Aid	15,960	15,960	0	-15,960	-100.00%
Per Pupil Growth Aid	15,960	15,960	0	-15,960	-100.00%
Professional Learning Community Aid	16,920	16,920	0	-16,920	-100.00%
Other State Aids	696	0	0	0	0.00%
SUBTOTAL - Revenues from State Sources	9,926,592	10,799,812	11,334,803	534,991	4.95%
Medicaid Reimbursement	85,575	105,129	107,746	2,617	2.49%
ARRA/SEMI Revenue	2,239	0	0	0	0.00%
SUBTOTAL - Revenues from Federal Sources	87,814	105,129	107,746	2,617	2.49%
Budgeted Fund Balance - Operating Budget	0	823,414	635,048	-188,366	-22.88%
Withdrawal from Cap Res-for Local Share	141,745	110,161	0	-110,161	-100.00%
Withdrawal from Maint. Reserve	36,600	0	0	0	0.00%
Adjustment for Prior Year Encumbrances	0	23,535	0	-23,535	-100.00%
Actual Revenues (Over)/Under Expenditures	-57,981	0	0	0	0.00%
TOTAL OPERATING BUDGET	21,489,508	23,127,332	23,342,878	215,546	0.93%

RECAP OF BALANCES

17/18 Budget Revised	\$23,127,332
Add State Aid Increase	534,991
Add SEMI Revenue Increase	2,617
Subtract Change in Fund Balance	(188,366)
Subtract Capital Reserve Funding	(110,161)
Subtract Adjustment for PY Encumbrance	(23,535)
	<u>\$23,342,878</u>

Estimated Grant Revenue

	16/17	17/18	18/19	\$ Diff.	% Diff.
Other Revenue from Local Sources	46,725	0	0	0	0.00%
Total Revenues from Local Sources	46,725	0	0	0	0.00%
Preschool Education Aid	181,815	213,435	213,435	0	0.00%
Other Restricted Entitlements	129,046	153,195	110,000	-43,195	-28.20%
TOTAL REVENUES FROM STATE SOURCES	310,861	366,630	323,435	-43,195	-11.78%
Title I	977,563	1,088,502	739,668	-348,834	-32.05%
Title II	50,889	90,060	45,659	-44,401	-49.30%
Title III	74,435	103,162	60,333	-42,829	-41.52%
I.D.E.A. Part B (Handicapped)	494,046	471,705	350,000	-121,705	-25.80%
Preschool Development Expansion Grant	1,120,153	1,104,760	1,083,154	-21,606	-1.96%
Other	505,513	650,124	500,000	-150,124	-23.09%
TOTAL REVENUES FROM FEDERAL SOURCES	3,222,599	3,508,313	2,778,814	-729,499	-20.79%
TOTAL GRANTS AND ENTITLEMENTS	3,580,185	3,874,943	3,102,249	-772,694	-19.94%

Regulation requires that grants be budgeted at least 15% less than what was received in the current year. Uncertainty in the federal budget dictates an even more conservative estimate.

Debt Service

	16/17	17/18	18/19	\$ Diff.	% Diff.
Transfers from Other Funds	90,562	0	0	0	0.00%
Local Tax Levy	524,928	353,320	590,351	237,031	67.09%
Interest Earned on Debt Service Reserve	0	39,009	0	-39,009	-100.00%
TOTAL REVENUES FROM LOCAL SOURCES	524,928	392,329	590,351	198,022	50.47%
Debt Service Aid Type II	125,734	0	381,057	381,057	100.00%
Budgeted Fund Balance	0	12	991	979	8158.33%
Withdrawal from Debt Service Reserve	0	0	39,009	39,009	100.00%
TOTAL LOCAL REPAYMENT OF DEBT	741,224	392,341	1,011,408	619,067	157.79%

Debt service state aid owed to district is \$448,302 which was reduced in the budget proposal by 15% to \$381,057. This was anticipated in the financial advisers estimates but not congruent with full funding. In 18/19 \$40,000 in bond interest revenue earned will be used to offset the tax levy. As the contractors are paid and the amount of bonds held in the bank is depleted interest revenue will go down.

Preliminary Estimated Tax Info

	17/18 Budget	18/19 Budget	Increase
Operating Tax Levy	\$ 11,235,266	\$ 11,235,266	\$ -
Debt Service Tax Levy	353,320	590,351	237,031
Total Tax Levy	\$ 11,588,586	\$ 11,825,617	2.05%
Assessed Valuations	\$ 1,044,411,520	\$ 1,057,493,600	\$ 13,082,080
Estimated Tax Rate	\$ 1.11	\$ 1.12	\$ 0.01
Average Assessed Home	\$ 252,477	\$ 255,415	\$ 2,938
Estimated Tax on Average Assessed	\$ 2,801	\$ 2,856	\$ 55

Important Note: Tax rate is variable based on assessed valuations. Assessed valuations and therefore tax rates are not finalized until after the budget is adopted. Information contained herein is tentative and only an estimate for illustration purposes, the total tax rate is based on final assessed valuations.

Questions