

Middletown Township Board of Education

2007-2008 Proposed School Budget



In the planning and construction of the proposed 2007-2008 school budget, administration and the Board of Education made every effort to craft a budget that balances the fiscal concerns of the community with the needs of Middletown's 10,000+ elementary and secondary school students.

Increases in State Aid, after having been in essence frozen for several of the previous years, surplus utilized for tax relief and miscellaneous revenue (incl. interest income) have helped provide revenues to keep down the cost increase to our local taxpayers. We received \$755,677 in HELP Aid from the State for 2007-8, which also goes a long way in helping to fund our budget. While there were inescapable increases in utilities, insurance, health benefit costs and transportation costs as well as contractual obligations, every effort was made to minimize the overall tax impact to residents without negatively affecting the educational program for our students. This budget maintains funding for all current programs and staff, with a slight increase in staff to alleviate high class sizes in the middle schools and high schools and to provide much-needed elementary services. On April 17th, voters will decide whether they will support maintaining the quality of education in Middletown schools.

| Expenditure Category Analysis | Current Budget 2006-2007 | Proposed Budget 2007-2008 | Percentage Difference |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|-----------------------|
| Salaries | \$81,646,528 | \$85,663,230 | 4.9% |
| Employee Benefits (Health, worker's comp, PERS & soc. sec.) | 20,789,896 | 21,595,241 | 3.9% |
| Transportation | 9,075,947 | 9,571,674 | 5.5% |
| Tuition (Private schools for handicapped, vocational school, etc) | 4,009,143 | 4,124,109 | 2.9% |
| Utility Costs & Communications | 3,613,500 | 3,759,350 | 4.0% |
| Curriculum, Textbooks, Supplies & Educational Media | 3,120,181 | 3,158,430 | 1.2% |
| Capital Lease Principal and Interest | 1,483,364 | 2,038,495 | 37.4% |
| Technology | 665,000 | 818,113 | 23.0% |
| Capital Projects/Services | 340,000 | 340,000 | 0.0% |
| Non-Instructional Equip. & Facilities | 30,000 | 30,000 | 0.0% |
| Accounts for 2006-7 HELP AID (generally one-time costs for literacy initiatives, security cameras, elementary swipe locks, counseling services and capital needs) | 755,677 | 0 | -100% |
| Other: | 4,702,001 | 4,817,095 | 2.4% |
| Includes Legal, Insurance, Building Maintenance, Audit, Copiers, Athletics, Testing, Health & Admin. | | | |
| TOTAL | \$130,231,237 | \$135,915,737 | 4.4% |

The 2007-2008 school budget maintains funding for:

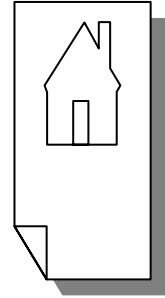
- Current school programs
- Current staff positions
- Staff development
- New and revised curriculum for students
- Continuation of hazardous busing
- Regular maintenance of all 17 school buildings

In addition, proposed in the 2007-2008 school budget:

- 3 new middle school teachers to help address large class sizes (to replace 3 positions moved last year to high schools to cover the 3 high school positions cut through the budget defeat process)
- 1 elementary guidance counselor to help meet student needs
- 1 high school teacher to address class size
 - Assistant middle school cross country coaches for after-school athletic activities
 - Additional technology to supplement instruction in accordance with the 5-year technology plan
- 3 additional reading specialists (2 for the elementary and 1 for the middle schools)– Funded by IDEIA

Tax Impact for Middletown Homeowners

| For A Home Assessed* at: | Total Increase Per Month | Total Increase Per Year | Total Percentage Increase | Total Proposed School Tax |
|--------------------------|--------------------------|-------------------------|---------------------------|---------------------------|
| \$100,000 | \$ 6.17 | \$ 74 | 3.3% | \$2,334 |
| \$150,000 | \$ 9.25 | \$111 | 3.3% | \$3,501 |
| \$200,000 | \$ 12.33 | \$148 | 3.3% | \$4,668 |
| \$250,000 | \$ 15.42 | \$185 | 3.3% | \$5,835 |
| \$300,000 | \$ 18.50 | \$222 | 3.3% | \$7,002 |



* Assessed valuation is the amount on a tax bill from the township not the market value of a home.

The budget carries a **7.4¢** total tax increase (includes a .1 increase in debt service due to bond payment schedules). This represents a tax increase of **3.3%** over the prior year.

The employee benefits line is only up 3.9%, which is much lower than previous years, despite having to pay State mandated PERS pension costs which are expected to increase by over \$186,000 or 35%.

We have included the lease for the 2nd phase of the project to replace the aged and ineffective elementary classroom and instructional space unit ventilators with energy efficient modern unit ventilators for all elementary schools to address year-round air quality, humidity and temperature. Based on final costs, this will be funded by a 10 year lease, which will save the district nearly \$1 million in interest compared to a 15 year lease.

Although the capital projects line is not going up one single dollar and remains at \$340,000, we are proposing a capital lease for artificial turf for High School North to be used for football, soccer and field hockey. Especially with the current need for sod replacement, the artificial surface is a very effective solution in terms of cost (low maintenance costs and no need for sod replacement) and practical utilization (multiple sports and no need to 'rest' the field or limit/preclude use right after rainfall).

State Aid increased by 3% or \$580,246 for 2007-8, after being frozen in several of the previous budget years.

State Aid, are we getting our fair share?



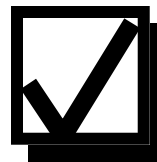
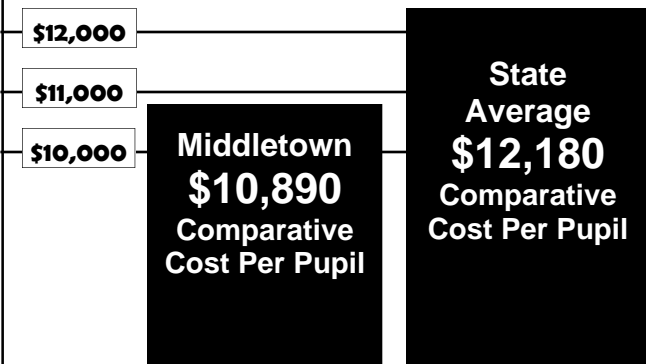
Because of the disproportionate amount of State Aid going to some New Jersey School Districts, middle-income districts such as Middletown receive **LESS** State Aid than other districts.

| | District | compared to | State Avg. |
|----------------------------|------------|--------------------|------------|
| State Aid | 16% | compared to | 41% |
| Local (incl. taxes) | 79% | compared to | 51% |

The percentage of State Aid to Middletown has actually dropped from **18%** to **16%** since 2003.

Comparing Per Pupil Expenditure

In the most recent N.J. Comparative Spending Guide, Middletown was **\$1,290 below** the state average in per pupil spending for N.J. K-12 school districts.



**Annual
School Election
will be held on:**

Tuesday, April 17, 2007

Polling Hours are 4:00 pm - 9:00 pm

**Polling locations are the same
as General Election**

See your sample ballot for your polling location