

Middletown Township Board of Education 2005-2006 Proposed School Budget



In the planning and construction of the proposed 2005-2006 school budget, administration and the Board of Education were especially cognizant of the restrictions placed on the budget by recently enacted legislation, S-1701. While the impact of this law will have long-lasting implications for the Middletown School district, every effort was made 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.

Due to the deficit in the State budget, aid to most local school districts has been frozen. While there were inescapable increases in health benefits, insurance and transportation costs as well as contractual obligations, every effort was made to minimize the overall tax impact to residents. This budget maintains funding for all current programs and staff, with possible re-allocation of some staff positions to support increased student achievement. On April 19th, voters will decide whether they too will support maintaining the quality of education in Middletown schools.

Category Analysis	Current Budget 2004-2005	Proposed Budget 2005-2006	Percentage Difference
Salaries	\$74,751,843	\$77,372,667	3.5%
Employee Benefits (Health, worker's comp, PERS & soc. sec.)	16,362,280	19,005,524	16.2%
Transportation	8,539,508	8,744,465	2.4%
Tuition (Private schools for handicapped, vocational schools, etc.)	5,730,219	6,206,436	8.3%
Lease Principal and Interest	2,626,890	2,570,852	-2.1%
Curriculum, Textbooks, Supplies & Educational Media	3,023,025	3,145,363	4.0%
Utility Costs, Communications	2,960,000	3,100,000	4.7%
Technology	483,000	515,000	6.6%
Non-Instructional Equip. & Facilities	32,738	30,000	-8.4%
Capital Projects/Services	850,000	320,000	-62.4%
Other: Includes Legal, Insurance, Building Maintenance, Audit, Copiers, Athletics, Testing, Health & Admin.	4,250,520	4,207,014	-1.0%
TOTAL	\$119,610,023	\$125,217,321	4.7%

The 2005-6 School Budget maintains funding for:

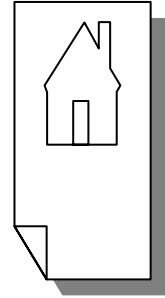
- Current school programs
- Current staff positions
- Staff development to improve instruction
- New and revised curriculum for students
- Continuation of Hazardous Bussing
- Regular maintenance of all 17 school buildings

In addition, the 2005-6 School Budget provides:

- New science adoption at elementary schools
- New district technology initiatives to improve student learning

Tax Impact for Middletown Homeowners

For A Home Assessed* at:	Total Proposed Increase	Total Percentage Increase	Total Proposed School Tax	Total Increase Per Month
\$100,000	\$ 75	3.6%	\$2,160	\$ 6.25
\$150,000	\$112	3.6%	\$3,240	\$ 9.33
\$200,000	\$150	3.6%	\$4,320	\$ 12.50
\$250,000	\$187	3.6%	\$5,400	\$ 15.58
\$300,000	\$225	3.6%	\$6,480	\$ 18.75



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

The budget would generate a **7.5¢** total increase or a modest **3.6%** tax increase over the prior year's school budget. 1.395 million dollars have been budgeted by the Board to provide **2.9¢** in tax relief to the community. In addition, the district has been mandated to reduce fund balance to 2%, forcing an additional 1.196 million dollars to be returned to taxpayers resulting in an additional **2.4¢** reduction in the tax impact for the school budget.

This state mandated surplus reduction provides tax relief that amounts to **\$4** per month or **\$48** per year.

This mandated surplus reduction (the result of S-1701 legislation) creates a revenue hole that may result in a significant tax spike in the 2006-07 school budget to maintain the current level of programs and services.

The State's new regional administrative cost spending limitation is \$1,494 per student. Our proposed 2005-6 administrative costs are **\$444 BELOW** the State per pupil threshold. The District's administrative costs have been several hundred dollars **less** per pupil than the State average for many 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.

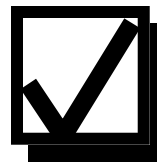
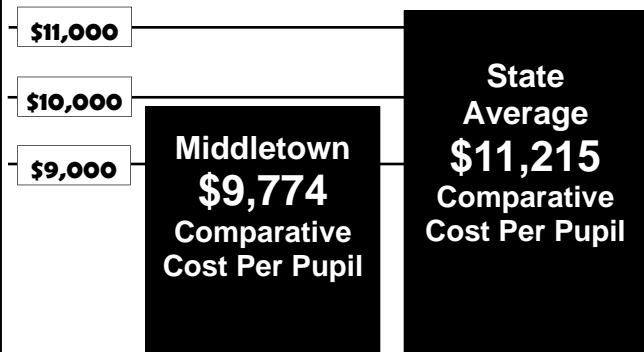


	District	compared to	State Avg.
State Aid	17%	compared to	42%
Local (incl. taxes)	78%	compared to	50%

The percentage of State Aid to Middletown has dropped from **18%** to **17%** since 2002. The total amount of State Aid to the District remained flat despite increased costs in many areas.

Comparing Per Pupil Expenditure

In the recent N.J. Comparative Spending Guide, Middletown was **\$1,441 below** the state average in per pupil spending for K-12 school districts.



Annual School Election will be held on:

Tuesday, April 19, 2005

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