

Middletown Township Board of Education 2006-2007 Final Proposed School Budget



In the planning and construction of the proposed 2006-2007 school budget, administration and the Board of Education were especially cognizant of the budgetary implications of the legislation known as 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 again been frozen (same aid for the past 3 years). 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 degrading our educational program. This budget maintains funding for all current programs and staff, with a slight increase in high school staff to accommodate growing enrollments at the high school level. On April 18th, voters will decide whether they too will support maintaining the quality of education in Middletown schools.

Category Analysis	Current Budget 2005-2006	Proposed Budget 2006-2007	Percentage Difference
Salaries	\$77,394,015	\$80,358,272	3.8%
Employee Benefits (Health, worker's comp, PERS & soc. sec.)	19,001,213	21,088,654	11.0%
Transportation	8,744,465	9,070,447	3.7%
Tuition (Private schools for handicapped, vocational school, etc)	6,166,436	5,858,949	-5.0%
Utility Costs, Communications	3,100,000	3,613,500	16.6%
Curriculum, Textbooks, Supplies & Educational Media	3,120,748	3,122,211	0.0%
Capital Lease Principal and Interest	2,570,852	2,380,456	-7.4%
Technology	515,000	665,000	29.1%
Non-Instructional Equip. & Facilities	30,000	30,000	0.0%
Capital Projects/Services	320,000	340,000	6.3%
Other: Includes Legal, Insurance, Building Maintenance, Audit, Copiers, Athletics, Testing, Health & Admin.	4,254,592	4,336,409	1.9%
TOTAL	\$125,217,321	\$130,863,898	4.5%

The 2006-2007 School Budget maintains funding for:

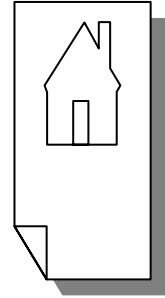
- Current school programs
- Current staff positions
- Staff development to improve instruction
- New and revised curriculum for students
- Continuation of Hazardous Bussing
- Regular maintenance of all 17 school buildings

In addition, the 2006-2007 School Budget provides:

- 3 additional high school teachers to help address large class sizes
- A lease to replace the elementary classroom unitvents (long past their useful lives) and current window air conditioners (medically necessitated) with energy efficient modern unitvents with air conditioning

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	\$ 10.67	\$128	5.9%	\$2,288
\$150,000	\$ 16.00	\$192	5.9%	\$3,432
\$200,000	\$ 21.33	\$256	5.9%	\$4,576
\$250,000	\$ 26.67	\$320	5.9%	\$5,720
\$300,000	\$ 32.00	\$384	5.9%	\$6,864



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

The budget carries a **12.8¢** total tax increase (includes a .6 increase in debt service due to bond payment schedules). The general fund budgeted expenditure increase is **4.5%** over the prior year's school budget.

Due to S-1701, last year we were forced to use an additional \$1+ million to reduce our surplus to 2%, which has resulted in a higher tax increase for this year since we can not replace that revenue. State mandated PERS pension costs are expected to increase by over \$330,000 or 160%. Absent these two specific State mandates, our general fund tax increase would be lower by nearly **3¢** (single digit tax increase).

Despite the capital lease category **decreasing** by 7.4%, we are proposing a new capital lease to replace the elementary classroom unitvents with energy efficient modern unitvents equipped with air conditioning for all elementary schools. The new units will provide for more optimal fresh air, temperature and humidity control.

Utility increases are expected to be more than 16% for next year. This is due to sharp increases in gas and electricity. We continue to participate in cooperative purchasing agreements in an effort to contain these rising costs.

Our proposed 2006-7 administrative costs per pupil are \$1,101, which is **\$453 BELOW** the State per pupil threshold. The State's central region administrative per pupil cost limitation is \$1,554 per student.

State Aid, are we getting our fair share?



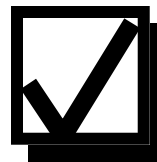
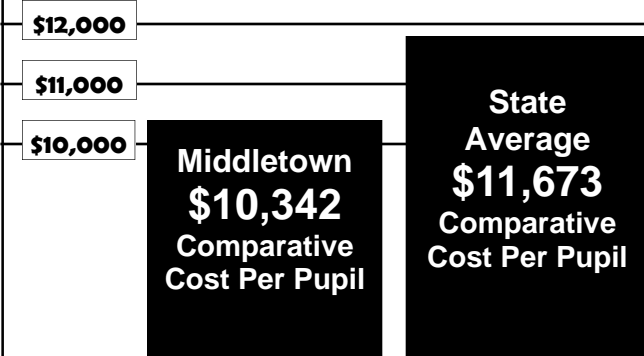
Because of the disproportionate amount of State Aid going to some New Jersey School Districts, middle-income districts such as Middletown receive **LESS** State Aid than other districts.

	District		State Avg.
State Aid	17%	compared to	41%
Local (incl. taxes)	79%	compared to	51%

The percentage of State Aid to Middletown has actually dropped from **18%** to **17%** since 2002.

Comparing Per Pupil Expenditure

In the recent N.J. Comparative Spending Guide, Middletown was **\$1,331 below** the state average in per pupil spending for K-12 school districts.



Annual School Election will be held on:

Tuesday, April 18, 2006

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