



# Middletown Township Board of Education

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**Tentative Budget Presentation**  
**March 22, 2022**



## NJ Department of Education Budget Statement of Priorities

Each year, when the district’s budget is submitted to the state, it is accompanied by a “Statement of Priorities”. This statement includes the following categories for which the district is **required** to provide an explanation of the items related to each that are included in the budget:

Maintaining Our School System

Raising Standards and Expanding Opportunities

Building Professionalism

21st Century Life and Careers

Planning for the Future

Protecting our Investment

Science

English Language Arts

Social Studies

Visual and Performing Arts

Health and Physical Education

Mathematics

21st Century Life and Careers

Technology

World Languages

As we prepare the budget for 2022-2023, we need to keep in mind the expectation that the district not only “maintain our school system” and “protect our investment” but also “raise standards and expand opportunities” as we “plan for the future” relative to all of the subject areas we teach. Elimination of items in the proposed budget has the potential to not only limit our ability to maintain and expand our existing programs but rather to cause a reduction in the opportunities provided to our students.

# Tentative budget = tentative budget

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The 2022-2023 tentative budget proposal may need to be revised/updated to reflect changes in cost projections for budget areas that are still evolving:

- Personnel
- Health benefits
- Capital projects

The administrative team and the Board will continue to review these areas as more information becomes available. Any necessary changes to the tentative budget will be communicated at upcoming board meetings and at the public hearing for the final budget adoption.

# 2022-2023 Tentative Budget Summary

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## Proposed Budgeted Revenue (2.0% tax levy increase) - **Tentative Budget**

	2021-2022	2022-2023	Change \$	Notes
<b>Tax levy</b>	\$149,786,501	\$152,782,231	\$2,995,730	2.0% increase proposed
<b>State aid</b>	\$14,523,621	\$13,530,438	(\$993,183)	Year 5 S2 decrease
<b>Extraordinary aid</b>	\$1,500,000	\$2,250,000	\$750,000	20-21 award was \$2,497,562
<b>Other local sources and interest</b>	\$1,066,100	\$1,165,100	\$99,000	Includes interest, tuition, enterprise activities
<b>Capital reserve</b>	\$1,642,000	\$2,216,064	\$574,064	Use of reserve for projects
<b>Federal aid(SEMI)</b>	\$212,519	\$239,002	\$26,483	Amt. determined by state
<b>Utilization of maintenance reserve</b>	\$693,452	\$0	(\$693,452)	
<b>Transportation fees - other LEA's</b>	\$800,000	\$1,000,000	\$200,000	Based on anticipated jointures
<b>Surplus available</b>	\$989,299	\$3,285,993	\$2,296,694	From FYE 6/30/2021
<b>Total</b>	\$171,213,492	\$176,468,828	\$5,255,336	

## Summary of Proposed Budgeted Appropriations - **Tentative Budget**

	2021-2022	2022-2023	Change \$	Change %
Regular Programs - Instruction	\$58,189,616	\$60,971,028	\$2,781,412	4.8%
Total Special Education - Instruction	\$20,628,380	\$20,854,021	\$225,641	1.1%
Total Co-Curricular, Athletics, After School and Summer programs	\$2,484,742	\$2,676,976	\$192,234	7.7%
Total Tuition	\$5,693,000	\$5,458,411	(\$234,589)	(4.1%)
Attendance, Health, Related Services, and Guidance	\$8,978,924	\$9,593,271	\$614,347	6.8%
Other Student Support Services - Special Education	\$6,271,557	\$6,611,004	\$339,447	5.4%
Improvement of Instruction, Staff Training, Media Services	\$1,315,392	\$1,842,551	\$527,159	40.0%

## Summary of Proposed Budgeted Appropriations (cont.) - **Tentative Budget**

	2021-2022	2022-2023	Change \$	Change %
School, District, Central and IT Administrative Costs	\$11,513,543	\$11,811,539	\$297,996	2.3%
Operation and Maintenance of Plant	\$13,783,792	\$15,371,805	\$1,588,013	11.5%
Student Transportation Services*	\$11,759,384	\$13,082,589	\$1,323,205	11.3%
Employee Benefits	\$28,650,158	\$25,702,880	(\$2,947,278)	(10.3%)
Capital Outlay	\$1,881,102	\$2,459,664	\$578,562	30.8%
Transfer of funds to charter schools	\$63,802	\$33,089	(\$30,713)	(48.1%)
Estimated reserve interest	\$100	\$0	(\$100)	(100.00%)
<b>Total Budget</b>	<b>\$171,213,492</b>	<b>\$176,468,828</b>	<b>\$5,255,336</b>	<b>3.1%</b>

\*see transportation fee revenue from other LEA's

# Proposed Personnel Changes

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- Additional personnel needs are being considered:
  - 1 additional HS Guidance counselor
  - 3-4 American Sign Language teachers for middle school and high school
  - 1 additional teacher at Middletown Village based on projected enrollment
  - Increase of 1 part time high school ESL teacher to full time
  - 1 additional Reading Development Teacher and 1 additional Mathematics Specialist (elementary)
  - 1 additional Mathematics Interventionist - Thompson
  - 1 Alternate School Intervention program teacher - HSN/HSS
  - 1 Transition Specialist - special education (secondary)
  - 1 additional Art teacher - HSN
  - 1 additional Special Education teacher (secondary)



# Maintenance of ESSER-II instructional staff

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The District included 11 teachers to be substantially funded with ESSER-II funds for the 2021-2022 and 2022-2023 school years, totalling approximately \$1.2 million.

The 2022-2023 tentative budget includes approximately \$200,000 in personnel costs to maintain 10 of these positions for the 2022-2023 school year.

# Health Insurance and Chapter 44

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The District changed carriers and migrated to a self-funded insurance program effective 9/1/2021. These changes have had a positive impact on the District's health insurance costs so far. The projected health insurance costs for next year are approximately \$3,000,000 lower than the budgeted cost for 2021-2022.

## Chapter 44 Additional Costs:

Per the NJDOE's calculation, the implementation of **Chapter 44 cost the District \$1,724,644** in additional health insurance premiums and reduced employee contributions between the 2019-2020 and 2020-2021 fiscal years.

# Curriculum and Instruction Initiatives

Continuation of existing curriculum updates, including the following major updates:

- Middle School Social Studies
- Middle School Fine Arts and Drama
- Middle School Language Arts
- Elementary Science
- Elementary/Secondary ESL

New curricular offerings:

- Mathematics courses for juniors and seniors in accelerated and data pathways
- Numerous electives for the Arts Academy and Business CTE
- Expansion of American Sign Language (ASL) into the middle school and more advanced ASL offerings in the high school

Professional development and technology:

- Professional development from outside consultants on recent district initiatives
- Technology to support instruction, including Kami

# Special Education Initiatives

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Expand preschool program with an additional full-day integrated class at Harmony Elementary School.

Increase related services to students for behavioral supports.

Train all preschool staff on updated/digital version of Creative Curriculum.

Provide district-wide professional development, training, and consultation on modifications/accommodations to support students with disabilities in general education.

Enhance transition program for students ages 16-21 and develop a class for students ages 18-21.

# Capital Projects

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## Proposed Projects:

Asbestos removal and tile replacement - Bayview	\$70,000
Flooring replacement - Bayshore/Thompson	\$120,000
Door replacement - Bayshore/Thompson/Thorne	\$50,000
Rooftop unit replacements - Bayview/Ocean Avenue	\$155,000
Fire alarm system replacements - Lincroft/Navesink	\$80,000
Ceiling replacement - Harmony APR	\$12,000
Asphalt various areas - Thompson/Thorne/Bayview/Harmony	\$78,000
Bathroom renovations - High School South/River Plaza	\$60,000
Generator hookups	\$20,000
Turf field/track renovations - High School North	<u>\$1,571,064</u>
Total - funded by capital reserve	\$2,216,064

# Capital and Maintenance Reserves

	Balance June 30, 2021	Amount used during 2021-2022 year	Amount allocated to 2022-2023 budget (tentative)	Remaining Balance
Capital	\$3,858,064	\$1,642,000	\$2,216,064	\$0
Maintenance	\$2,060,533	\$1,491,452	\$0	\$569,081
Total	\$5,918,597	\$3,133,452	\$2,216,064	\$569,081

**Allowable balances in capital and maintenance reserves are \$104,631,989 and \$7,768,252, respectively.**

# Debt Service Budget

## 2022-2023 Outstanding Bonds

Principal and interest due on outstanding bonds for the 2022-2023 year:

Refunding Bonds, Series 2020	\$3,150,000	Mature 8/1/2027
Refunding Bonds, Series 2013	\$650,000	Mature 8/1/2027
2014 Bond Issue	\$1,280,000	Mature 3/15/2033
Interest	\$1,398,918	
Total	\$6,478,918	

Total outstanding bonds at June 30, 2023 will be \$32,065,000.

These payments are included in the debt service fund and are funded by debt service state aid and a separate debt service tax levy.

# Debt Service Reduction 2011-2022

Bonds Payable:	Outstanding Principal balance, 6/30/2022	Outstanding principal balance, 6/30/2011	(Reduction)/ increase	Original issue amount	Year of issue
Refunding bonds, Series 2020	\$21,235,000	\$54,915,000	(\$33,680,000)	\$78,400,000	1997
Refunding Bonds, Series 2013	\$4,400,000	\$9,120,000	(\$4,720,000)	\$10,500,000	2002
2014 Bond Issue (ROD grant projects)	\$11,510,000	\$0	\$11,510,000	\$19,379,000	2014
Total	\$37,145,000	\$64,035,000	(\$26,890,000)		



# Utilization of ARP-ESSER funding

**ARP ESSER**-Allowable uses include: staffing to provide research based before/after school remediation to support student growth, a consultant company (ESS) to provide coordination of tiered services, clinicians to provide direct clinical services for students and fit to returns, and high priority projects from the Long Range Facilities Plan in the district.

**Accelerated Learning Coaching and Educator Support**-Staffing to provide supplemental instruction for students quarantined due to the pandemic. Funding has also been allocated for staff stipends to support school Learning Design Teams data analysis and program planning to address individual academic needs of students and staff professional development. Staff stipends to develop Gr 6-12 English and Mathematics Common Unit Assessments.

**Evidenced Based Summer Learning and Enrichment**-Staffing for research based Summer Learning programs including: ESports and Instrumental Music Programs and supplies to support the ESports Program.

# Utilization of ARP-ESSER funding

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**Evidenced Based Comprehensive Beyond the School Day-Staffing to provide research based** before/after school remediation/enrichment activities to support student growth.

**NJTSS Mental Health Support Staffing**-Stipends for After School Restorative Practices Counselors/Facilitators at the Middle Schools and High Schools. These staff members are providing students with an opportunity to meet one on one or in groups after school to discuss disciplinary infractions in a constructive and respectful manner while infusing restorative practices.

**Upgrade and replacement of HVAC units in the district** - Projects will be determined based upon an evaluation of the district's existing equipment to determine the units most in need of upgrade and replacement (approximately \$3.2 million).

## General and Debt Service Fund tax levy impact at 2.0% increase

2021 Avg. Assessed Value of home: \$530,200 (2020 value was \$467,272)	2021-2022	2022-2023	Annual change	Monthly change
Operating tax impact	\$5,856.89	\$5,993.66	\$136.77	\$11.40
Debt service tax impact	\$183.97	\$203.62	\$19.65	\$1.64
<b>Total</b>	\$6,040.86	\$6,197.28	\$156.42	\$13.04
Total tax rate (General and debt service)	1.293	1.169	(0.124)	

# Shared Services

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- **Purchasing - Participation in numerous purchasing cooperatives**
- **Garbage/recycling - Participation in joint garbage/recycling contract with Twp. of Middletown**
- **Technology - Procurement of broadband services through NJ Digital Readiness for Learning and Assessment Program (DRLAP)**
- **Insurance - Participation in the Diploma Joint Insurance Fund liability insurance fund**
- **Facilities - Sharing of skilled trades facilities staff services with Twp. of Middletown**
- **Transportation - Hosting of jointured routes with neighboring districts and participation in Monmouth Ocean Education Service Commission's routes**

# Budget Timeline

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- **March 22 - Board votes on tentative budget; district submits approved tentative budget to the NJDOE Monmouth County office for review and approval by March 28, 2022.**
- **Public hearing and adoption of the final budget must be done between Monday, April 25 and Monday, May 9, 2022. The Board anticipates holding the public hearing and adopting the final budget at its April voting meeting.**