



Middletown Township Board of Education

**Tentative Budget Updates
March 23, 2021**



2021-2022 Tentative Budget Updates

Increase in capital outlay

The bids for the HSS HVAC rooftop unit replacement project came in higher than anticipated. The 2021-2022 tentative budget has been updated to reflect additional withdrawals from the capital and maintenance reserves totaling \$543,452 to fund this project. The portion of the project that is being funded from the general fund budget has been added to the list of 2021-2022 capital projects.

Capital Outlay

Proposed Projects:

Refurbishing of tensile structures (bubbles) - HSN/HSS	\$740,000
Fire alarm head units at elementary schools	77,000
Floor replacement/asbestos abatement - Nut Swamp	90,000
Replacement of APR wall tile - River Plaza/Navesink	76,000
Replacement flooring in 6 classrooms - Harmony	41,000
Blind replacement at HSS, Thorne, Bayshore	39,000
Floor replacement/asbestos abatement - Leonardo CST room	6,000
Generator hook up for central office; Bayshore network	20,000
Generator hook up for HSS Cafeteria and network	30,000
Generator hook ups for all elementary heating and alarm circuits	55,000
Replace alarm panel at Thompson	58,000
HSS Art Wing doors	22,000
School stage floor and fronts refinishing - two elementaries	28,000
Various improvements - New Monmouth	10,000
HSS HVAC rooftop project	<u>543,452</u>
Total capital projects	\$1,835,452 (\$1,642,000 from capital reserve)

Capital and Maintenance Reserves

	Balance June 30, 2020	Amount used during 2020-2021 year	Amount allocated to 2021-2022 budget (tentative)	Remaining Balance
Capital	\$2,354,491	\$667,653	\$1,642,000	\$44,838
Maintenance	\$1,060,533	\$250,000	\$693,452	\$117,081
Total	\$3,415,024	\$917,653	\$2,335,452	\$161,919

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

Reductions in general fund budget

Reduction in non-instructional salaries/benefits	\$165,457
Move purchases of curriculum adoptions and athletic uniforms to 2020-2021 budget	<u>548,932</u>
Total 2021-2022 proposed budget reductions	\$714,389

Revision of debt service tax levy

The debt service tax levy for 2021-2022 has been adjusted to reflect the impact of the 2020-2021 debt service savings entirely in the 2021-2022 budget instead of spreading the impact to future years.

Previously proposed 2021-2022 debt service tax levy	\$5,375,338
Revised 2021-2022 debt service tax levy	<u>4,704,954</u>
	\$670,384

This results in the debt service tax levy impact on an average assessed value home to decrease further from a (\$9.03) annual reduction to a (\$35.24) annual reduction.

Decrease in proposed total tax levy

	Originally proposed	Currently proposed	Decrease
General	\$150,500,890	\$149,786,501	\$714,389
Debt service	\$5,375,338	\$4,704,954	\$670,384
Total	\$155,876,228	\$154,491,455	\$1,384,773

The revised total tax levy (general and debt service) equates to a .85% increase overall.

General and Debt Service Fund tax levy impact

2020 Avg. Assessed Value of home: \$467,272	2020-2021	2021-2022	Annual change	Monthly change
Operating tax impact	\$5,732.52	\$5,856.89	\$124.37	\$10.36
Debt service tax impact	\$219.21	\$183.97	(\$35.24)	(\$2.94)
Total	\$5,951.73	\$6,040.86	\$89.13	\$7.42
2020-2021 (Avg. assessed home value - \$448,197; increase of \$19,075)				
Total tax rate (General and debt service)	1.328	1.253	(.075)	

Special Revenue Funds

The ESSER II and related grants have been added to the Special Revenue Fund budget. The application for these funds is due May 14, 2021 and the Board will be discussing and approving the submission of this application at the April voting meeting. **These funds have no impact on the tax levy** and will be utilized for initiatives that target the impact of the pandemic on instruction and learning, such as additional teaching staff.

ESSER II	\$1,798,350
Learning Acceleration	\$115,409
Mental Health	<u>\$50,377</u>
	\$1,964,136

Budget Timeline

- **Tentative budget was due to the County Superintendent on March 22 for review and approval.**
- **Public hearing on final budget must be held between April 24 and May 7, 2021. BOE April voting meeting is on April 27, 2021.**