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Education

Middletown Township Public Schools

Proposed 2016-2017 Final Budget and Initiatives

April 26, 2016



Mission Statement of the Middletown Township Public Schools

- The Middletown Township Public School District, in partnership with our resourceful and historically rich community, provides students with a rigorous and relevant education, rooted in the New Jersey and Common Core State Standards, motivating them to recognize and develop their full potential as responsible citizens, contributing to an ever-evolving global society.



Approach to the 16-17 Budget Cycle

- Process of developing the budget incorporates the recently adopted strategic plan
- Budgeting decisions by the administrative team and the Board of Education are aligned with identified educational needs and driven by student achievement
- Management of financial resources while remaining within the 2% tax levy cap



Personnel changes for 16-17

New positions proposed for 2016-2017

- High School:
 - Business teacher – High School North
 - History teacher – High School South
 - Special education teachers (2) – High School South
- Middle School:
 - Special education teacher – Thorne
 - Special education teacher – Thompson
 - Special education – resource (3) – one each school
 - Language arts teacher – Thompson
 - Science/social studies teacher – Thompson
 - Educational technology specialist – shared
 - Music teacher (.40) - Bayshore
- Elementary:
 - Social behavior support specialist – shared
 - Grade level teacher – Harmony
 - Special education teacher

In addition, technology tutor stipends are proposed for all three levels.

A total of 15.4 new positions are proposed to address specific needs that will be offset by 7 projected eliminated positions across the district, resulting in a net personnel increase of 8.4 positions.



Curriculum and Assessment

Continued curricular revisions to align with adopted state standards including the *Next Generation Science Standards*:

- K-5 Science
- AP Statistics
- New Business electives (2)
- AP Biology
- Forensic Science
- Introduction to Biotechnology
- Introduction to Medical Lab Techniques
- Marine Science
- Spanish IV
- French IV
- Italian IV
- Latin IV
- New GLP3 elective
- New STEM math elective
- New STEM technology electives (2)



Curriculum and Assessment (cont.)

- Professional development to support new adoptions, intervention programs, and state mandates
- Continued development and revision of benchmark assessments
- Continued training for teachers in Reader's and Writer's Workshop



Curriculum and Assessment (cont.)

Program and material adoptions for:

- Spanish III
- French III
- Italian III
- Latin III
- AP Spanish
- AP French
- Sociology
- Western Civilization
- AP Art History
- AP English Literature and Composition
- SAT Preparation – English
- Journalism I, II and Advanced
- Behavioral Science
- AP Economics
- AP Psychology
- Civic Leadership
- Recent American History
- TV Production
- Advanced TV Production
- K-5 Spanish
- K-5 Music
- K-5 Art
- Science – grades 6, 7 and 8
- AP Computer Science Principles
- Financial Algebra
- Fundamentals of Science
- Biology
- Environmental Science
- AP Environmental Science
- Introduction to Business
- Introduction to Marketing



Continued Academic Support

- After school tutoring
- Summer remedial/enrichment program
- K-5 Literacy and Mathematics intervention programs
 - Year two of Fountas and Pinnell Benchmarking System to extend to grade 1
 - Addition of Project Read Storyform Program for comprehension grades K-5
 - Monitoring of interventions implemented in order to determine effectiveness
- Online subscriptions including BrainPop, Newsela Pro, Discovery Education, and LibGuides, Explore Learning Gizmos, DreamBox Learning, Turn-it-in, etc.
- Reading Workshop bundles for all K-8 teachers
- Family workshops such as:
 - Tech Expo/Technology Initiatives
 - Harassment, Intimidation and Bullying (HIB)
 - Child Assault Prevention (CAP)
 - NJSIAA Workshop (for aspiring college athletes)
 - Family Literacy Night
 - Family Engineering/Mathematics
 - Google Classroom



2016-2017 Technology Initiatives

- Scheduled replacement of three and four year old Chromebooks
- Continued upgrade of classroom and lab computers, including introduction of Chromeboxes at the elementary level
- Continued wireless network improvements and other infrastructure to accommodate the increased number of devices
- Devices to continue support for curriculum adoptions
- Additional projection/smart board installations in secondary schools
- Upgrades to High School South TV studio



Capital Reserve Uses Planned for 2016-2017

• High School North track replacement	\$632,500
• HVAC replacement at High School North and South bubbles	\$460,000
• Elevator replacements at High School North and New Monmouth (two year project)	\$153,000
• Floor tile replacements at Lincroft	\$110,000
• Other building improvements	\$71,000
• Equipment purchases	<u>\$473,500</u>
Total	\$1,900,000



Budgeted Revenues

- Tax levy – funds 86% of budget
- State aid – funds 11% of budget
- Fund balance – has decreased to funding .67% of budget from .83% of budget
- Capital reserve – funds 1.2% of the 2016-2017 proposed budget
- Remaining 1.13% is funded by extraordinary aid (grant) and other miscellaneous revenues



Budgeted general operating expenses

• Salaries	\$97,325,890
• Benefits	\$24,370,440
• Transportation (except salaries)	\$10,504,233
• Facilities (except salaries)	\$7,104,920
• Tuition	\$ 6,190,612
• Curricular supplies, technology and textbooks	\$3,909,481
• Other (purchased services, athletics, administrative)	<u>\$3,779,825</u>
Total	\$153,185,401

Salaries and benefits comprise 79% of the general operating expenses.

Budget history

	Proposed 2016- 2017	2015- 2016	2014- 2015	2013- 2014	2012- 2013	2011- 2012	\$ Change	% Change
General Fund (except capital)	\$153,185,401	\$150,518,121	\$147,996,429	\$146,339,982	\$143,591,521	\$143,376,741	\$9,808,660	6.8%
Capital Outlay	\$3,403,022	\$2,712,451	\$3,460,809	\$7,941,096	\$6,152,816	\$2,299,150	\$1,103,872	48.0%
Special Revenue (no tax levy)	\$4,266,634	\$4,005,040	\$4,078,261	\$4,638,542	\$4,275,977	\$4,339,284	\$(72,650)	(1.6%)
Debt Service	\$7,048,193	\$7,062,579	\$5,479,255	\$5,101,922	\$5,528,750	\$5,527,650	\$1,520,543	27.5%
Total	\$167,903,250	\$164,298,191	\$161,014,754	\$164,021,542	\$159,549,064	\$155,542,825	\$12,360,425	7.9%



Five year budget trend

- The total increase in the district's operating budget (general plus capital)between 2011-2012 and the proposed 2016-2017 budget – a five year period – is 7.5%, or 1.5% per year.
- The total increase in the general fund tax levy for the same period, including the proposed 2016-2017 budget, is 8.2%, or 1.6% per year.
- Capital outlay varies depending on the amount available in capital reserve to fund projects.
- Federal and state grant funding has decreased over the five year period, putting more pressure on the local budget.
- Debt service increased in 2014-2015 as a result of the 2013 roofing and HVAC referendum.



State aid – still deficient

- State aid was decreased by \$7.2 million, or 35%, between 2009-2010 and 2010-2011. Even with subsequent increases, state aid for 2016-2017 is still \$3.1 million less than it was in 2009-2010.
- General fund state aid as calculated under the funding formula for Middletown is \$20,962,445. We are only receiving \$17,838,595 of this amount; \$3,123,850 short.



Tax levy cap history

- Since the implementation four years ago of the cap on the increase in school district general fund tax levies, Middletown Township Public Schools has been significantly below the cap. Below is a summary of the district's unexpired accumulated banked cap:
 - 2013-2014 \$1,250,042 (expires with 2016-2017 budget)
 - 2015-2016 \$1,307,665 (expires with 2018-2019 budget)

The proposed 2016-2017 budget does not include the use of any banked cap.

(\$2,072,579 in banked cap generated in 2011-2012 expired in 2013-2014 and \$1,262,669 in banked cap generated in 2012-2013 expired in 2015-2016; total of \$3,335,248 has expired out of \$5,892,955 cumulated banked cap generated)

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Tax levy increase history

Tax levy increase





Tax impact (based on average assessed value of \$402,547)

- General Fund
 - Annual increase of \$101.57
 - Monthly increase of \$8.46
- Debt Service
 - Annual decrease of \$(.50)
 - Monthly decrease of \$(.04)
- Total
 - Annual increase of \$101.07
 - Monthly increase of \$8.42

The total school tax rate is actually decreasing \$.0568/\$100 due to the increase in the total township assessed values from the revaluation. The average assessed home value has increased from \$375,600 to \$402,547.

Taxpayers' Guide to Education Spending - 2016

	State Average K-12/3,501+	Middletown Township	
14-15 Total Spending Per Pupil	\$19,471	\$18,127	
15-16 Budgetary Per Pupil Cost	\$15,144	\$13,741	25th lowest out of 103 in category
15-16 Budgetary Administrative Cost Per Pupil	\$1,541	\$1,277	17th lowest out of 103 in category
15-16 Budgetary Administration Salaries and Benefits Cost Per Pupil	\$1,259	\$1,161	38th lowest out of 103 in category
15-16 Operations and Maintenance of Plant Costs Per Pupil	\$1,812	\$1,467	28th lowest out of 103 in category
15-16 Budgetary Extracurricular Costs Per Pupil	\$280	\$243	47th lowest out of 103 in category
15-16 Student to Teacher Ratio	12.4	12.5	37th highest out of 103 in category
15-16 Student to Administrator Ratio	163.3	214.4	15th highest out of 103 in category
15-16 Faculty to Administrator Personnel Ratio	15.3	20.0	17th highest out of 103 in category



Cost saving initiatives

- Debt service refunding
- Comprehensive annual review of health insurance options and broker fee savings
- Cooperative purchasing
- Transportation jointures
- Energy efficient equipment
- Paperless systems
- Shared services with Township of Middletown
- Tuition revenue generated by specialized instructional programs



Background/update on NJ Division of Pensions and Benefits Assessment

- The District received notification in early February 2014 of an initial pension liability assessment of \$5.4 million from the NJ Division of Pensions and Benefits related to an October 2007 sidebar agreement to the 2005-2008 MTEA contract.
- Over the past two years, the district has pursued multiple levels of appeal of this assessment.
- On December 29, 2014, the district was notified that the original assessment had been reduced to eliminate interest charges on the additional pension liability , which resulted in a revised assessment of \$3.8 million.
- The district received a bill on February 4, 2015 for the revised amount of \$3.8 million.
- The district's current appeal has been filed with NJ Superior Court, Appellate Division.

The 2016-2017 proposed budget does not include any payment of this assessment.



Conclusion

- Visit our website – www.middletonk12.org for budget information.