

Middletown Township Public Schools 2018-2019 Budget Development

March 20, 2018

Board Workshop Meeting Presentation

Tonight's Focus

- Background to 2018-2019 budget development
- Current budget considerations
- Timeline

Mission Statement

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.

The district will be entering the fourth year of its five year strategic plan (2015-2020).

Background information for the 2018-2019 budget – Outstanding Debt

Bonds Payable

Principal and interest due on outstanding bonds for the 2018-2019 year:

Refunding Bonds, Series 2010	\$4,780,875	Mature 8/1/2027
Refunding Bonds, Series 2013	\$710,330	Mature 8/1/2027
2014 Bond Issue	\$1,556,863	Mature 3/15/2033
Total	\$7,048,068	

Total outstanding bonds at June 30, 2018 will be \$60,145,000.

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

Background information for the 2018-2019 budget - Outstanding Debt

Technology leases

Technology Lease Payments - 2018-2019

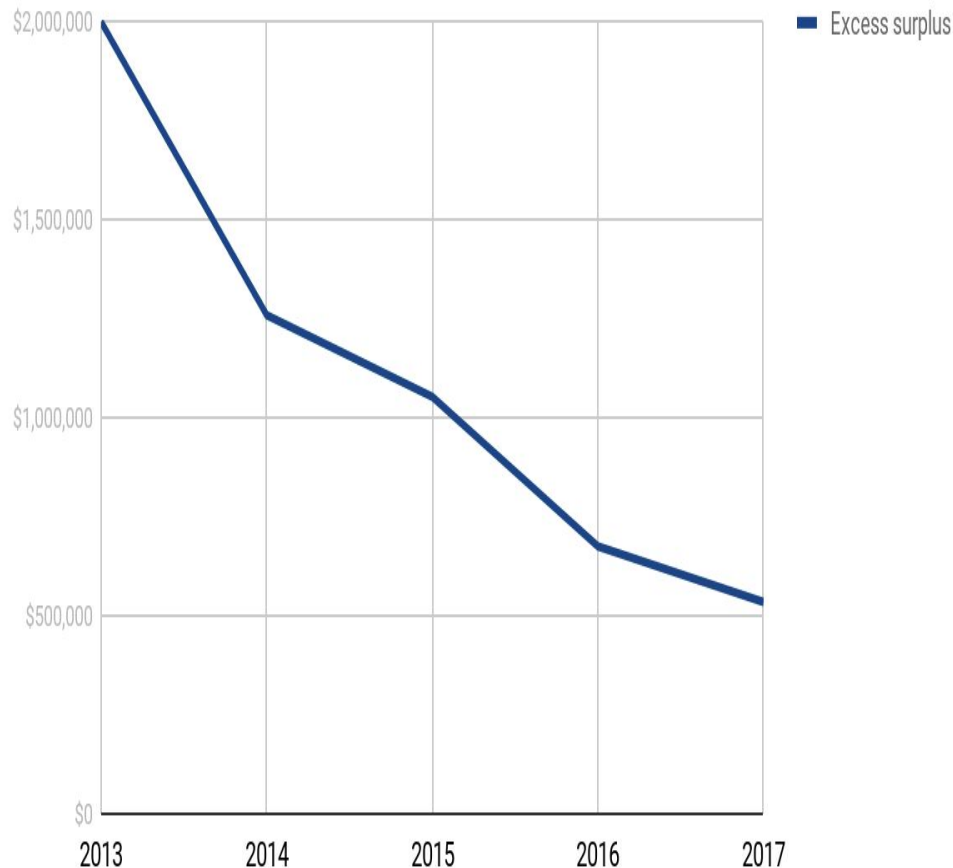
2014-2015 tech lease	\$313,357	matures 1/2019
2015-2016 tech lease	\$170,242	matures 1/2020
2016-2017 tech lease	\$312,458	matures 1/2021
Total	\$796,057	

Outstanding balance on the three remaining technology leases will be \$1,571,080 at June 30, 2018.

Background information for the 2018-2019 budget - Revenue

Excess surplus

At \$534,377, this represents .3% of the district's 2016-2017 operating budget of \$159,404,928.



Background information for the 2018-2019 budget – Revenue

Capital Reserve
Maintenance Reserve

Recap of Capital and Maintenance Reserves for 2017-2018

Remaining balance after 2016-2017 capital expenditures	\$509,836
Deposit, June 30, 2017	\$1,000,000
Ending balance, June 30, 2017	\$1,509,836
Maintenance reserve balance, June 30, 2017	\$704,670

Background information for the 2018-2019 budget - Revenue

Major Grants

The district's two major grants are the IDEA and the ESEA grants. Our 2017-2018 allocations for these grants are as follows:

IDEA	\$2,721,052
ESEA	\$754,760
Total	\$3,475,812

Typically we budget 75% - 90% of the current year's allocation as our anticipated funding for the next year.

Summary of Budgeted Revenue (2% tax levy increase)

	2017-2018	2018-2019	Change \$	Change %
Tax levy	\$139,079,885	141,861,483	2,781,598	2.0%
State aid	17,838,595	18,345,222	\$506,627	2.84%
Extraordinary aid	1,356,772	1,300,000	(56,772)	(4.2%)
Fund balance	674,825	534,377	(140,448)	(20.8%)
Other local sources	700,000	700,000	0	0%
Capital reserve	0	1,500,000	1,500,000	
Federal aid(SEMI)	111,623	122,968	11,345	10.2%
Total	\$159,761,700	164,364,050	4,602,350	2.88%

Summary of Budgeted Appropriations

	2017-2018 (revised)	2018-2019	Change \$	Change %
Salaries	\$98,680,242	\$101,466,203	2,785,961	2.82%
Benefits	26,690,032	27,130,794	440,762	1.65%
Transportation (excluding salaries)	10,189,551	10,529,964	340,413	3.34%
Facilities and security (excluding salaries)	5,351,302	5,888,636	537,334	10.04%
Tuition	5,104,000	5,551,794	447,794	8.77%
Curricular supplies, technology and textbooks	4,604,800	5,935,596	1,330,796	28.90%
Other (purchased services, athletics, administrative)	5,734,224	5,288,140	(446,084)	(7.78%)
Capital expenditures	3,407,549	2,370,942	(1,036,607)	(30.42%)
Total budget	\$159,761,700	\$164,162,069	4,400,369	2.75%

Revenue vs. Appropriations

Currently:

Budgeted Revenue: \$164,364,050
(including 2% tax levy increase)

Budgeted Appropriations: \$164,162,069

Unallocated revenue 201,981

Banked cap

Banked cap available for 2018-2019 budget:

Expiring in 2018-2019	\$23,995
Generated in 2018-2019 (health care waiver)	<u>\$177,613</u>
Total	\$201,608

Significant budget impact items

Security

Security:

Personnel changes proposed for 2018-2019:

Safe School Officers (SSO):

12 Elementary and 3 Middle School
SSO's \$425,040

Repurpose 4 current High School
guards as SSO's - additional cost 30,912

\$455,952

Capital improvements proposed:

Replacement of PA system at HSS \$160,000

Funding toward securing the APR doors
at the elementary schools \$100,000

Significant budget impact items

Personnel

The following new positions are currently under consideration for inclusion in the 2018-2019 budget:

3 elementary social behavioral Support specialists	\$161,700
1 guidance counselor - Thompson	\$53,900
Conversion of special ed supervisor from 10 to 12 months	\$21,427
1 special ed teacher - HSS	\$53,900
1 attendance clerk for secondary schools	\$41,438
Reduction of two elementary positions due to enrollment	\$(107,800)

Staffing for 2018-2019 is still being evaluated and may result in some reallocating of positions to offset these additions.

Additionally, the central office team and the special education consultant are reviewing the paraprofessional assignments for next year, which may impact anticipated costs.

Significant budget impact items

Health Benefits

Health insurance:

Health insurance premiums net of employee contributions:

Last meeting:

2017-2018	\$20,530,034
2018-2019	<u>\$24,328,733</u> (projected)
Increase	\$3,798,699

UPDATE:

2017-2018	\$20,530,034
2018-2019	<u>\$21,060,488</u> (projected)
Increase	\$530,454

Significant budget impact items

Technology

Instructional Technology:

2017-2018 Budget	\$1,929,204
2018-2019 Anticipated	<u>\$2,306,916</u>

Increase: \$377,712

Attributable to:

1:1 Chromebook refresh included in 18-19 budget that was not included in 2017-2018 since we were able to allocate funds in the 2016-2017 budget: \$519,998.

Also included in 2018-2019 anticipated budget is an elementary iPad refresh: \$239,300.

2018-2019 budget reflects a decrease in technology lease payments with the extinguishment of the 2013-2014 lease (\$288,286 for current budget)

Significant budget impact items

Curriculum

The curriculum budget for 2018-2019 is currently \$1.1 million higher than the 2017-2018 budget.

Significant components:

Middle school math and pre-calc textbook adoptions:
\$376,973

Middle and high school language arts adoptions:
\$824,174

Significant budget impact items

Transportation

Currently we are projecting a 3.34% increase in non-salary transportation expenses. This is attributable to a CPI increase for renewed routes of 1.51%, an increase in the aid-in-lieu amount, and anticipated increases in special education routes.

We are continuing to work on rerouting and the expansion of jointure routes to increase efficiency and reduce anticipated costs.

2017-2019 Budget	\$10,310,800
2018-2019 Budget	\$10,609,214
Increase:	\$298,414

Capital projects/equipment proposed

HSS Stage repair/replacement	\$110,000
Sidewalk repairs - Bayshore and Thorne	\$145,164
HSS - replace fence with guardrail/back of school	\$40,931
HSS - resand and paint girls gym floor	\$22,612
Bayshore - install drive through off bus loop to staff lot	\$16,000
Thompson - repair/replace floor in cafeteria and "chunnel"	\$23,000
Harmony - repair/replace cafeteria floor	\$17,500
Thompson and Thorne - install drop ceilings for noise reduct.	\$26,000
Navesink - removal of modular	\$75,000
HSN - replacement of auditorium lighting and sound system	\$400,000

Capital projects/equipment proposed (continued)

Leonardo - resand and refinish gym floor and stage	\$10,995
Port Monmouth - install additional parking	\$8,000
District wide painting	\$40,000
Elevator replacements - HSS and Bayshore	\$350,000
District - field maintenance/improvement program	\$160,504
Bathroom improvements	\$60,000
Facilities vehicle - cargo van to replace 2001 box truck	\$40,000
Elementary schools - securing of APR doors	\$100,000
River Plaza - installation of staff bathroom	\$15,000
High School South - replacement of PA system	\$160,000
Total	\$1,820,706

Projected Capital Reserve 2018-2019 and beyond

Unallocated balance, June 30, 2018 (net of 2018-2019 budgeted expenditures)	\$9,836
Capital reserve deposit, June 30, 2018	??????
Preliminary identified capital needs - 18-19	
HSN and HSS media center renovations	2,000,000
Thompson MS - science labs	TBD
HSN turf field replacement	1,000,000
HSS arts wing renovation	TBD
Elementary bathrooms	TBD

General Fund tax levy increases – revenue generated

	2018-2019 at 2% increase	2018-2019 at 1.5% increase	2018-2019 at 1% increase	2018-2019 at .5% increase	2018-2019 at no increase
Tax levy- general fund	\$141,861,483	\$141,166,083	\$140,470,684	\$139,775,284	\$139,079,885
Additional revenue	\$2,781,598	\$2,086,198	\$1,390,799	\$695,399	\$0
Estimated annual/monthly tax increase for avg. assessed home	\$169.67/ \$14.14	\$142.40/ \$11.87	\$115.14/ \$9.60	\$87.87/ \$7.32	\$0

Conclusion

The tentative 2018-2019 budget will be voted on at the Board's March 28 voting meeting.

The public hearing and the final adoption of the 2018-2019 budget will likely be at the Board's voting meeting on April 25.