

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT

Excellence in Education

ALLAMUCHY TOWNSHIP SCHOOL



MOUNTAIN VILLA SCHOOL

ALLAMUCHY TOWNSHIP SCHOOL DISTRICT

2019 - 2020 PROPOSED BUDGET

BOARD OF EDUCATION OPERATIONS COMMITTEE

James Britt, Chair

John Egan, Lisa Strutin, Bill Cramer

Joseph Flynn, Superintendent

Jim Schlessinger, School Business Administrator

John Egan, Board President

Fiscal Goal

The 2019-2020 Allamuchy Township School District proposed budget has been developed in a fiscally responsible manner to:

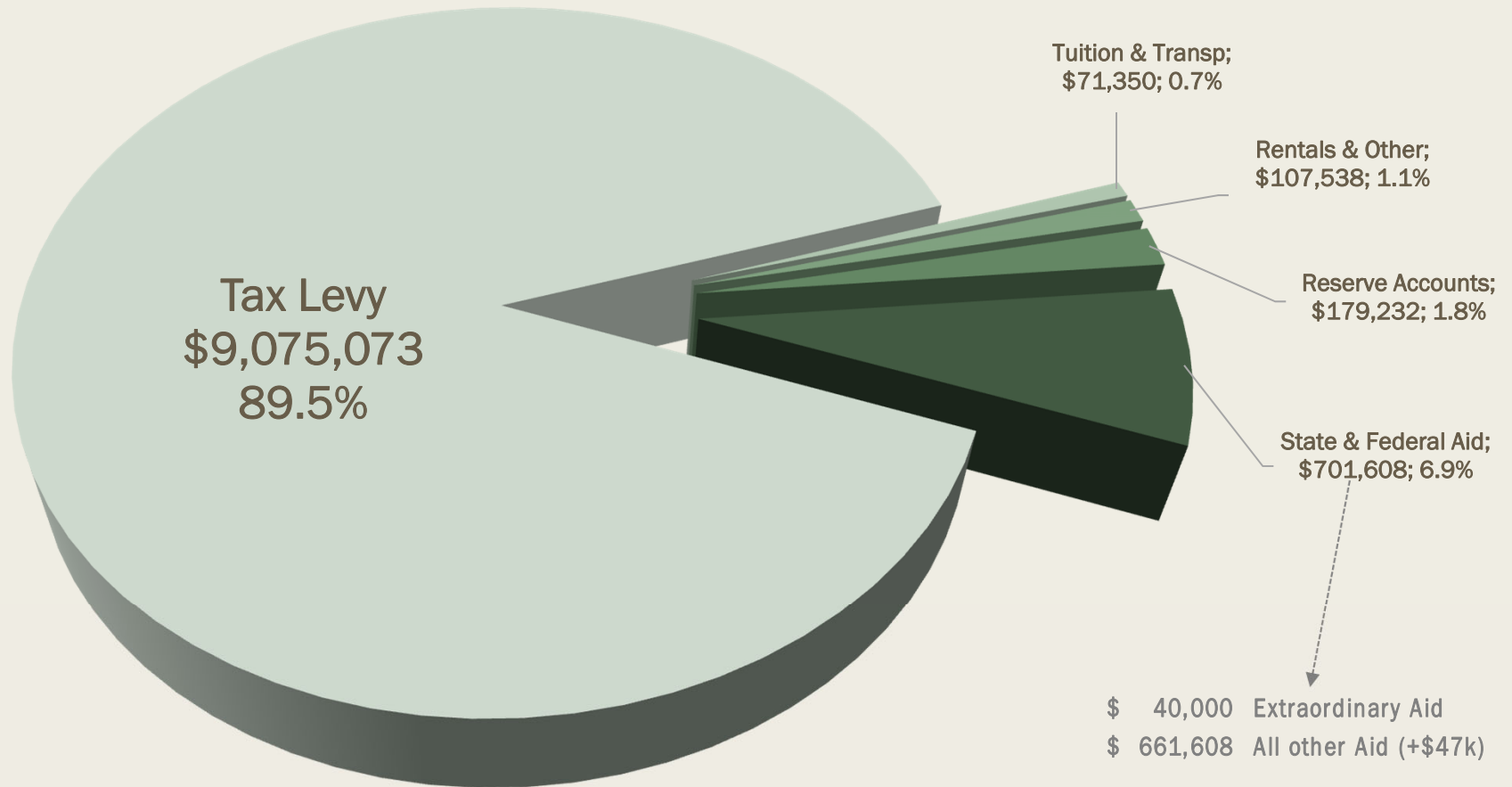
Achieve established educational goals,

Continue to provide all of the Allamuchy Township students with the highest quality education,

Consider multi-year strategic planning needs,

Respect local taxpayers.

Where funds come from . . .



Total Revenues: \$10,134,801

The proposed budget continues to provide funds for...

- All district instructional and support staff salaries
- Staff contractual health benefits
- Hackettstown High School tuition (\$2.1mm)
- State and federal special education programs in and out-of-district
- Student transportation
- All classroom textbooks and instructional supplies
- Student extra curricular and after school athletic activities (partial student payment)
- Utility costs for and maintenance of school facilities (facilities projects and continued maintenance projects)

Additional items the 2019-20 budget provides...

- Instruction

- Additional 2.0 FTE to provide additional support to Guidance, as well as the PSD and MD programs
- Enhance technology
 - Upgrades to infrastructure and media center
 - Continue one-to-one Chromebook initiative at ATS
- Enhanced instruction
 - Outdoor classrooms at both buildings and maker space at ATS now open and increasingly utilized
 - Sailing Program continues at MVS

- Facilities projects

- School security enhancements
 - Panic buttons, cameras, security doors
- Repairs to interior and exterior of building
 - Complete flooring upgrades in middle school
 - Additional flooring upgrade, including removal of asbestos tile
 - Heating repairs

Changes in State Aid

	Gen'l Fund Aid	Change (YoY)	Change (2010)
2009-10	\$ 695,330	\$ -	\$ -
2010-11	326,234	(369,096)	(369,096)
2011-12	478,827	152,593	(216,503)
2012-13	531,957	53,130	(163,373)
2013-14	548,155	16,198	(147,175)
2014-15	560,195	12,040	(135,135)
2015-16	560,195	-	(135,135)
2016-17	568,557	8,362	(126,773)
2017-18	583,757	15,200	(111,573)
2018-19	614,633	30,876	(80,697)
2019-20	661,608	46,975	(33,722)

Budget years
that required
tax increase

Budget years
with no tax
increase

While the recent trend has been positive, reductions in State Aid have cost the District \$1,519,182 since 2010 before adjusting for enrollment increases.

Allamuchy is still 32.3% underfunded when compared to the SFRA formula.

State Aid Over/Under Funding

All Warren County Districts

Overfunded Districts

<u>District</u>	<u>% of SFRA</u>
Hardwick	418%
Great Meadows	332%
Hope	283%
Knowlton	264%
White	259%
Washington Twp	257%
Franklin	256%
Blairstown	243%
Frelinghuysen	243%
North Warren	222%
Greenwich	132%
Lopatcong	117%
Warren Hills	103%
Alpha	103%
Pohatcong	102%

Underfunded Districts

<u>District</u>	<u>% of SFRA</u>
Mansfield	96%
Warren Tech	94%
Harmony	93%
Belvidere	93%
Phillipsburg	91%
Oxford	90%
Washington Boro	75%
Allamuchy	68%
Hackettstown	62%

SFRA Funding %: The amount of State Aid received by the District vs. the amount calculated by the School Funding Reform Act (SFRA) formula. Districts with amounts over 100% are overfunded (receiving more State Aid than the formula prescribes); Districts with amounts under 100% are underfunded.

School Taxes Over the Years

	<u>Tax Rate</u>	<u>Chg/100k</u>
2014-15	1.596%	\$ 85.12
2015-16	1.683%	\$ 86.93
2016-17	1.676%	\$ (6.52)
2017-18	1.676%	\$ 0.02
2018-19	1.676%	\$ 0.00
2019-20	1.699%	\$ 22.51

The Community has benefited from no tax increases for the last several years due to the growth in Allamuchy's taxable property value, however with those new properties come new students and increasing enrollments... we need to continue to provide quality programming, and as a Community, it is necessary to support these efforts through nominal tax increases.

Estimated Tax Increase Including Debt Service Tax

ACTUAL			
Taxes absorbed by new ratables (NEW taxpayers):			
New ratables for 2019-20 year	<u>\$ 8,121,700</u>		
New taxes (general)	1.577%	\$	128,085
New taxes (debt service)	0.122%	\$	<u>9,891</u>
Total new taxes from ratables		\$	<u>137,976</u>
Impact to RECURRING taxpayers:			
Increase in general tax levy		\$	135,098
Decrease in debt service tax levy		\$	<u>(7,418)</u>
Total impact to 2018-19 taxpayers		\$	<u>127,680</u>
ESTIMATED tax change per \$100k property value:		\$	<u>22.51</u>

*** IF THERE WERE NO NEW RATABLES ***			
Taxes absorbed by new ratables (NEW taxpayers):			
New ratables for 2019-20 year	<u>\$ -</u>		
New taxes (general)	1.600%	\$	-
New taxes (debt service)	0.124%	\$	-
Total new taxes from ratables		\$	<u>-</u>
Impact to RECURRING taxpayers:			
Increase in general tax levy		\$	263,183
Increase in debt service tax levy		\$	<u>2,473</u>
Total impact to 2018-19 taxpayers		\$	<u>265,656</u>
ESTIMATED tax change per \$100k property value:		\$	<u>46.83</u>

* All impacts are based on generalized assumptions and estimates. Individual situations may vary.

What does a tax increase cover?

2018-19 general fund tax levy	\$ 8,811,890
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2% increase	<u>\$ 176,238</u>
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Contractual salary increases	\$ 124,521
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Benefit cost increases	\$ 67,332
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Non-union salary increases	<u>\$ 34,406</u>
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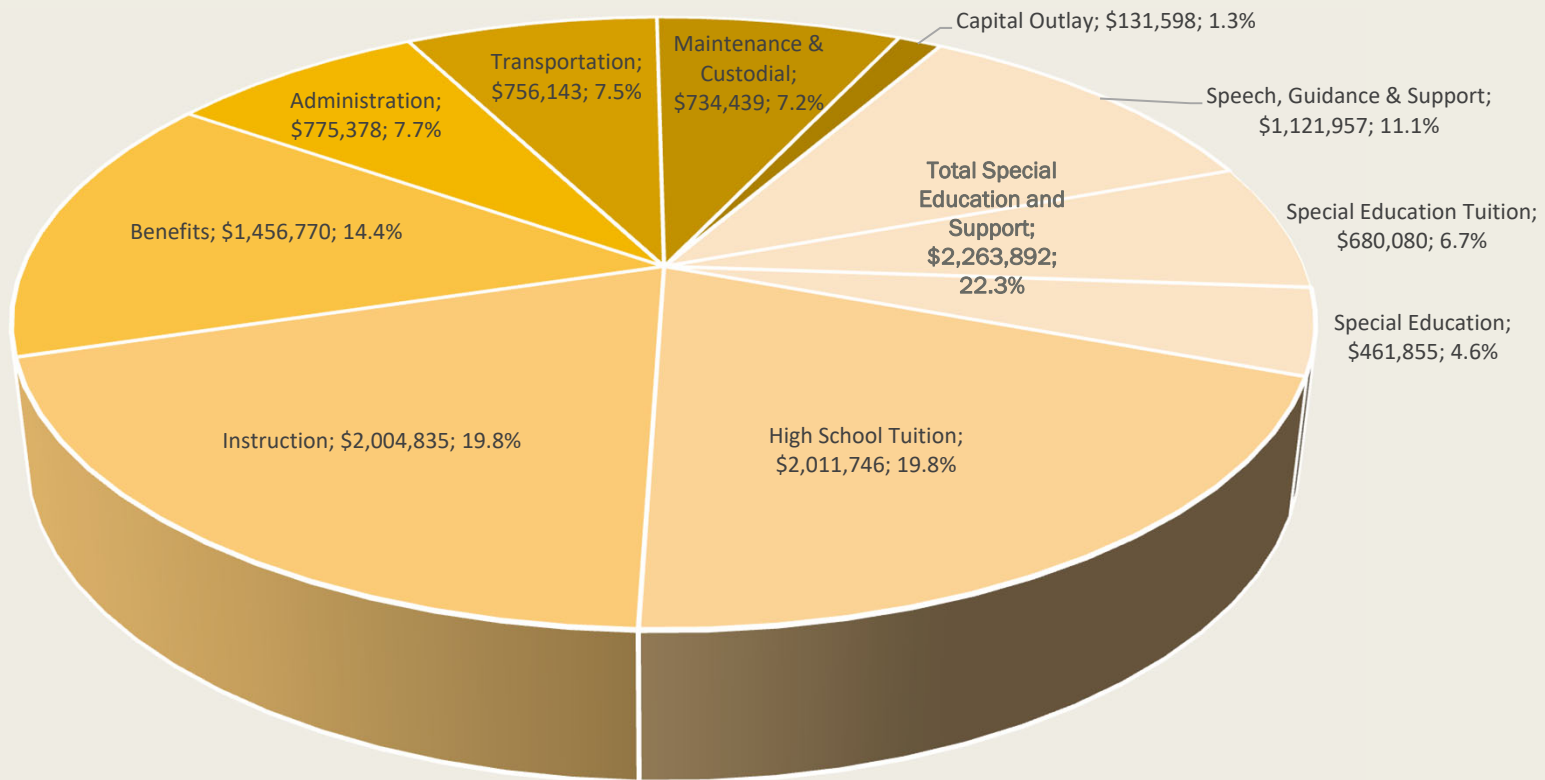
	\$ 226,259
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Additional educational staff	<u>\$ 95,842</u>
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	<u>\$ 322,101</u>
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The standard 2% increase to the tax levy provides insufficient funding to even simply maintain the status quo. While our aid from the State is increasing (though still at levels well below the funding formula), we continue to face challenges in finding the resources to educate and support the needs of our growing community.

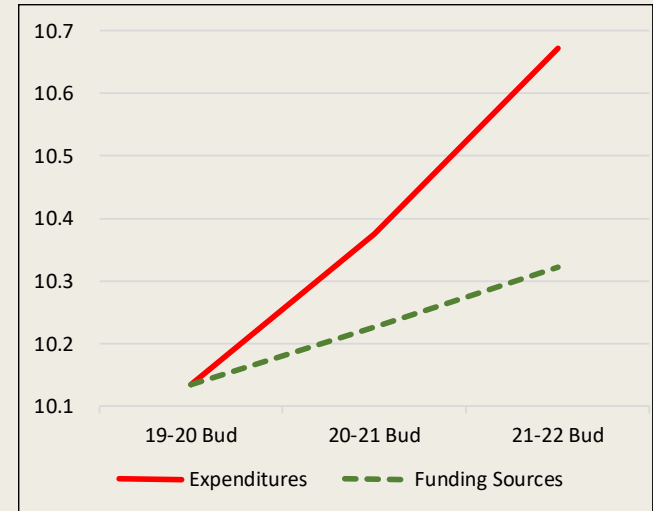
General Fund Expenses



Total Expenses: \$10,134,801

Challenges on the Horizon...

	19-20 Bud	20-21 Δ	20-21 Bud	21-22 Δ	21-22 Bud
Fund 10 expenditures:					
Tuition	2,691,826		2,703,734		2,757,809
o/w Hackettstown	2,096,426	0.0%	2,096,426	2.0%	2,138,355
all others	595,400	2.0%	607,308	2.0%	619,454
Salaries	4,249,814		4,367,190		4,487,885
o/w Instruction/Support	3,237,957	3.0%	3,335,095	3.0%	3,435,148
all others	1,011,858	2.0%	1,032,095	2.0%	1,052,737
Benefits	1,489,420		1,600,287		1,722,241
o/w Health & Dental	1,108,670	10.0%	1,219,537	10.0%	1,341,491
all others	380,750	0.0%	380,750	0.0%	380,750
Transportation (x-Sal)	465,145	0.0%	465,145	0.0%	465,145
Maint/Custodial (x-Sal)	438,270	0.0%	438,270	0.0%	438,270
Technology	244,932	0.0%	244,932	0.0%	244,932
Textbooks	30,000	0.0%	30,000	0.0%	30,000
Capital	131,598	0.0%	131,598	0.0%	131,598
All Other	393,796	0.0%	393,796	0.0%	393,796
	10,134,801		10,374,952		10,671,675
Funding Sources:					
Fund balance/reserves	179,232	-50.0%	89,616	-100.0%	-
Tuition	15,000	0.0%	15,000	0.0%	15,000
Transportation	56,350	0.0%	56,350	0.0%	56,350
Rentals	39,000	0.0%	39,000	0.0%	39,000
Other / misc	68,538	0.0%	68,538	0.0%	68,538
State aid / grants	701,608	0.0%	701,608	0.0%	701,608
Tax levy	9,075,073	2.0%	9,256,574	2.0%	9,441,706
	10,134,801		10,226,686		10,322,202
Surplus (Shortfall)	-		(148,265)		(349,473)



Considerable work needs to be done in the next year to identify additional sources of funding to cover:

- Union salary guide increases
- Employee benefits
- Capital projects (repairs, school security measures, etc.)
- Technology improvements
- Rising costs of tuition / special education
- Enrollment increases – additional classes?

The Need for Reserves

Capital Reserve			
District (County)	Budget	Reserve (\$)	As % of Budget
Passaic	16,525,786	2,000,000	12.1%
Morris	11,000,000	1,250,000	11.4%
Hunterdon	11,703,500	1,202,305	10.3%
Hunterdon	6,400,000	650,000	10.2%
Monmouth	14,606,141	1,351,630	9.3%
Bergen	20,000,000	1,700,000	8.5%
Warren	19,000,000	1,300,000	6.8%
Cape May	19,256,663	1,191,548	6.2%
Monmouth	15,227,187	920,921	6.0%
Middlesex	17,579,504	800,000	4.6%
Warren	20,000,000	618,786	3.1%
Passaic	18,097,659	420,000	2.3%
Passaic	19,000,000	300,000	1.6%
Morris	19,000,000	300,000	1.6%
Allamuchy	10,000,000	60,000	0.6%
Sussex	12,739,506	101	0.0%

Maintenance Reserve			
District (County)	Budget	Reserve (\$)	As % of Budget
Hunterdon	6,400,000	400,000	6.3%
Hunterdon	11,703,500	563,164	4.8%
Passaic	16,525,786	700,000	4.2%
Monmouth	15,227,187	617,464	4.1%
Monmouth	14,606,141	541,007	3.7%
Cape May	19,256,663	359,287	1.9%
Passaic	18,097,659	214,000	1.2%
Middlesex	17,579,504	205,915	1.2%
Warren	19,000,000	180,000	0.9%
Warren	20,000,000	177,615	0.9%
Passaic	19,000,000	40,000	0.2%
Allamuchy	10,000,000	20,000	0.2%
Morris	19,000,000	30,000	0.2%
Morris	11,000,000	-	0.0%
Sussex	12,739,506	-	0.0%
Bergen	20,000,000	-	0.0%

Recently, all Districts across NJ were polled to get an understanding of the reserves each held. Of those that responded, the Districts with budgets between \$5mm and \$20mm are shown above.

The average Capital Reserve for the Districts shown is 5.9% of budget, while the average Maintenance Reserve is 2.0%.

Both of these averages are in line with the average across the state, all budget sizes.

** Because Districts did not consent to publicizing these results, only the county name is shown in the detail for each.*

Comparative Per Pupil Amounts

Selected Local Warren County K-8 Districts

	2015-16	2016-17	Change	SFRA Funding %
White	22,327	23,795	6.6%	259%
Hope	20,966	23,361	11.4%	283%
Harmony	19,382	22,461	15.9%	93%
Oxford	19,373	20,801	7.4%	90%
Green	19,510	20,442	4.8%	99%
Pohatcong	21,032	20,202	-3.9%	102%
Great Meadows	19,853	20,023	0.9%	332%
Alpha *	19,070	19,994	4.8%	103%
Allamuchy	17,896	19,581	9.4%	68%

* K-6 District

Source: DOE Taxpayers Guide 2016-17 (latest data available)

Fiscal Goal

The proposed 2019-20 Allamuchy Township School District budget has been developed in a fiscally responsible manner to achieve established educational goals and to continue to provide all Allamuchy Township students with the highest quality of educational programs and opportunities.

Should you have any additional questions please contact us at AESbudgetquestions@aes.k12.nj.us through May 6.



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