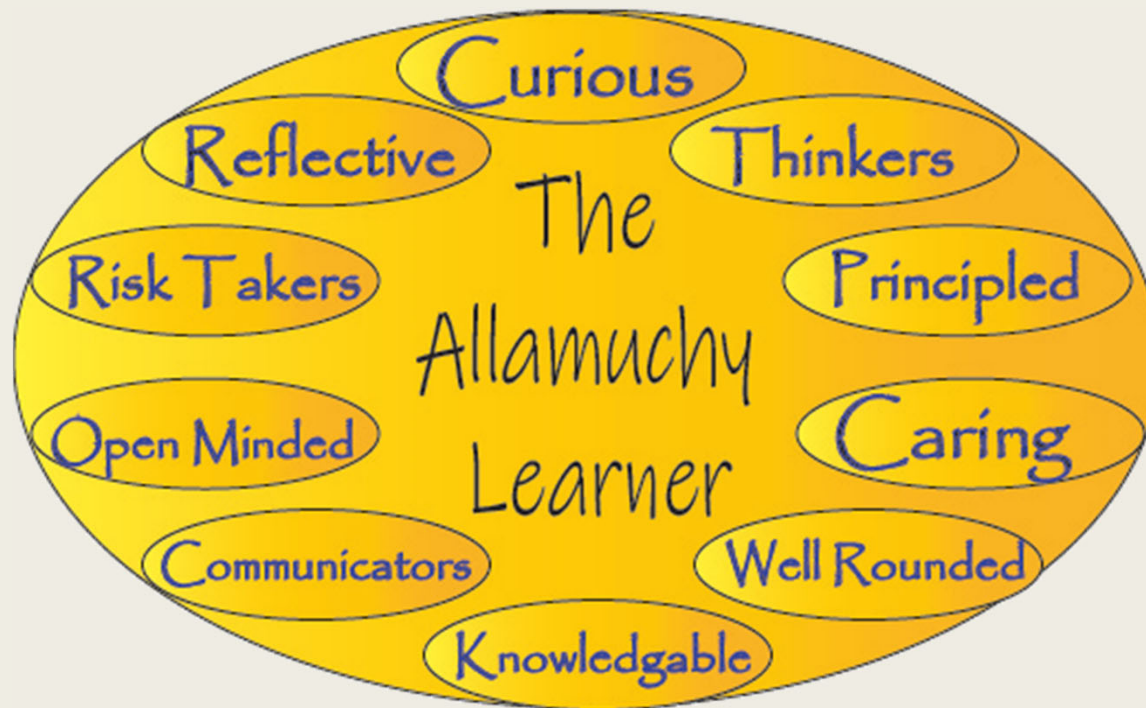


# ALLAMUCHY TOWNSHIP SCHOOL DISTRICT

*Promoting the Allamuchy Learner*



# **ALLAMUCHY TOWNSHIP SCHOOL DISTRICT**

## **2021 - 2022 PROPOSED BUDGET**

**BOARD OF EDUCATION OPERATIONS COMMITTEE**

**Mary Renaud, Chair**

**Abby Christmann, Giovanni Cusmano, Lisa Strutin**

**Melissa Sabol, Acting Superintendent**

**Jim Schlessinger, School Business Administrator**

**Lisa Strutin, Board President**

# Fiscal Goal

**The 2021-2022 Allamuchy Township School District proposed budget has been developed 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,
- ✓ Be fiscally responsible to all stakeholders.

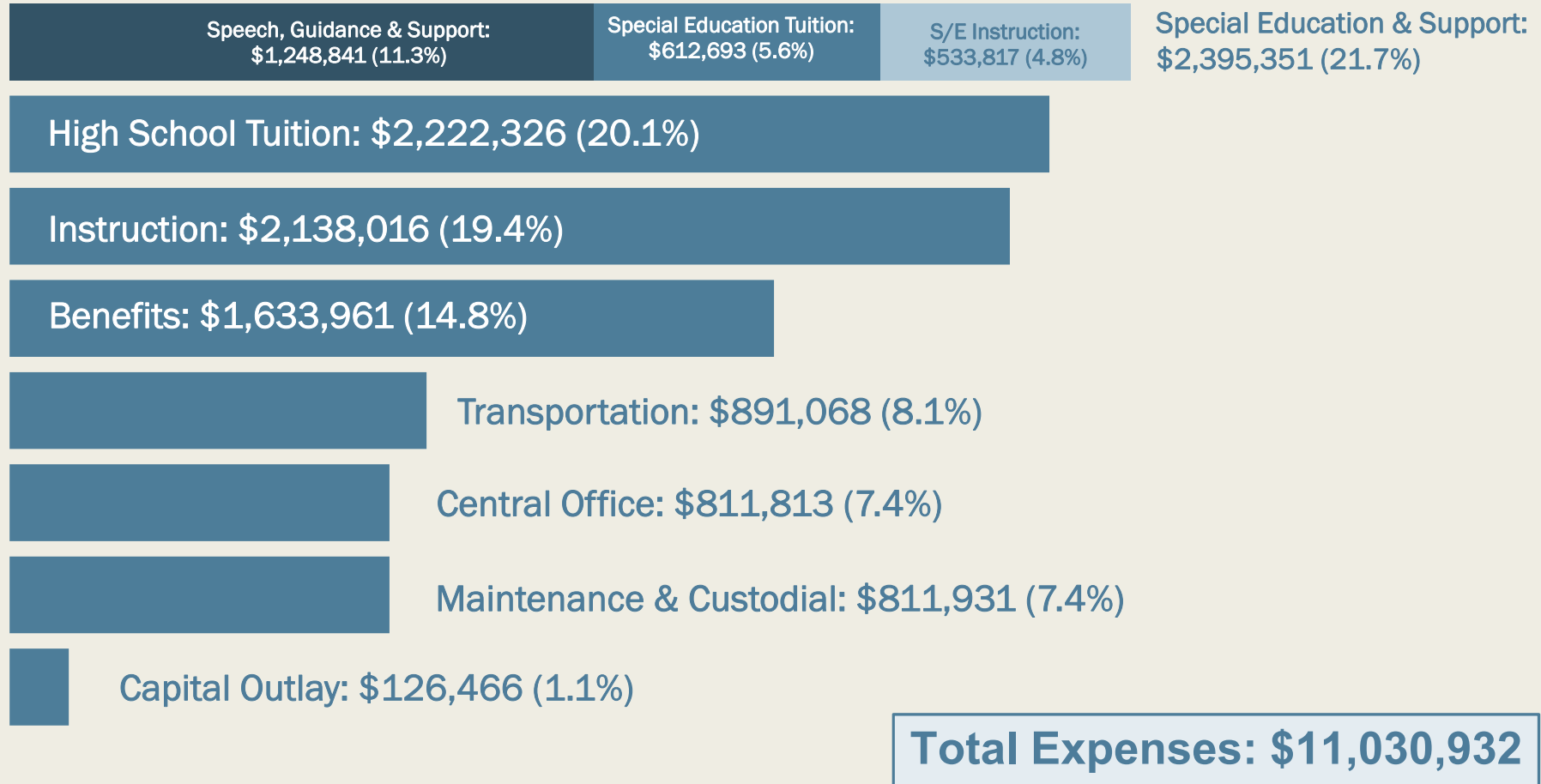
# The proposed budget continues to provide funds for...

- All staff salaries and health benefits
- Tuition to Hackettstown High School (\$2.3mm)
- Special education programs in and out of district
- Student transportation
- All classroom textbooks, technology, and instructional supplies
- 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 2021-22 budget provides

- Instruction
  - Purchase of a new Language Arts program with supplemental materials for grades K-5.
  - Continue to enhance technology
    - Upgrades to infrastructure - update switches (these control the speed of our internet connection)
    - Continue one-to-one Chromebook initiative at ATS and maintain the accessibility of devices for all students
- Continue to enhance instruction
  - Expand the outdoor education programs
  - Enhance extra curricular programs
- Facilities projects
  - Building repairs
    - ATS roof
    - ATS locker rooms
    - HVAC Systems
    - Elevator/lift repairs

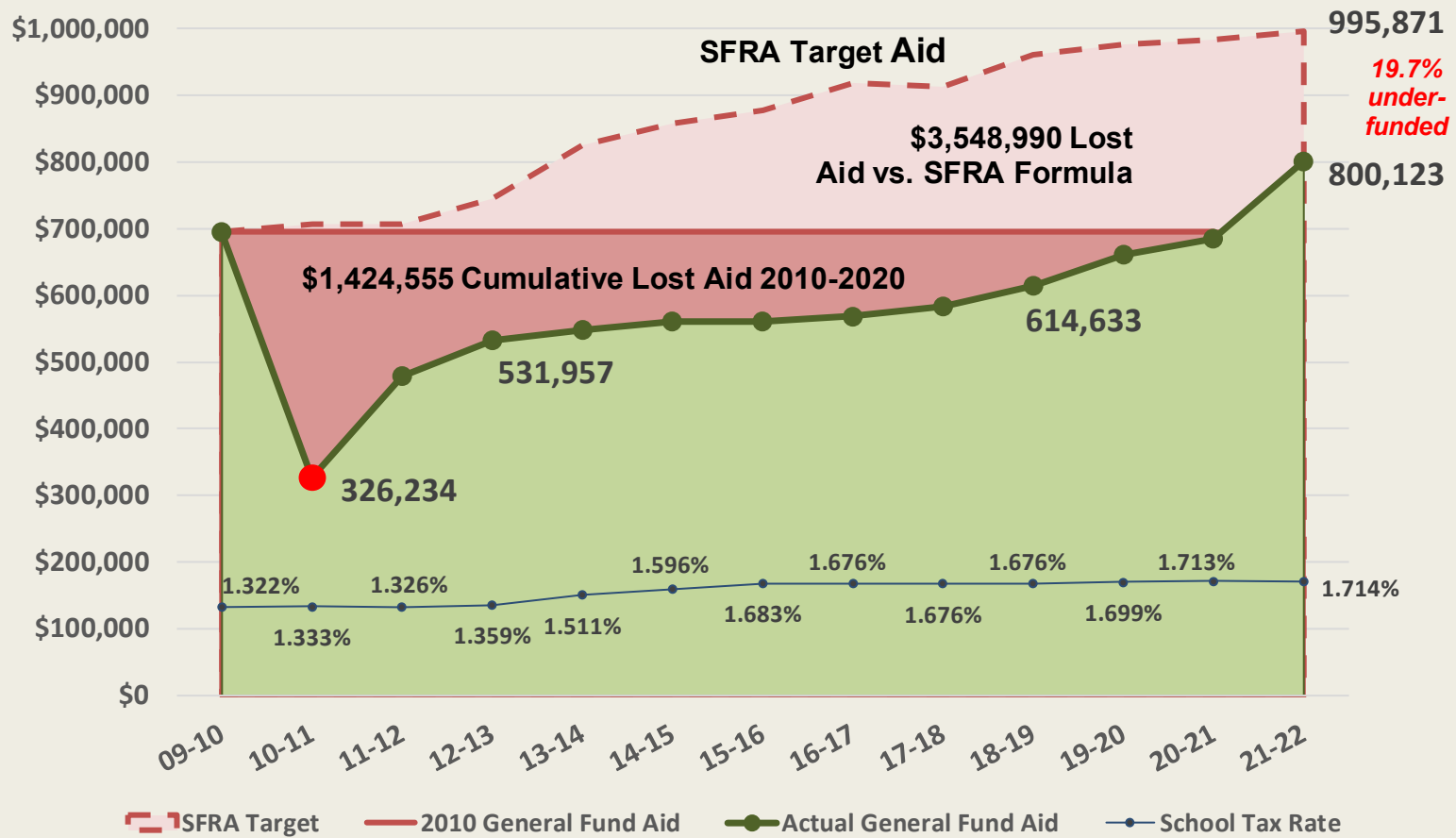
# General Fund Expenses



# General Fund Expenses

	2019-20	2020-21	2021-22	2021-22 Budget by Object				
	Audited	Projected	Budget	Salaries	Benefits	Services	Supplies	Other Items
Regular Instruction	2,206,289	2,366,056	2,496,962	2,176,016	-	174,246	143,600	3,100
Special Instruction	492,812	573,185	533,817	526,167	-	4,400	3,250	-
Support Services	744,128	719,687	736,285	572,400	-	157,800	5,800	285
Co-Curricular / ESY	87,306	116,853	153,610	150,010	-	1,000	2,500	100
<b>In-District Instruction</b>	<b>3,530,535</b>	<b>3,775,781</b>	<b>3,920,674</b>	<b>3,424,593</b>	-	<b>337,446</b>	<b>155,150</b>	<b>3,485</b>
Tuition	2,668,965	2,805,756	2,835,019	-	-	2,835,019	-	-
<b>Total Instruction</b>	<b>6,199,500</b>	<b>6,581,537</b>	<b>6,755,693</b>	<b>3,424,593</b>	-	<b>3,172,465</b>	<b>155,150</b>	<b>3,485</b>
Benefits	1,452,950	1,596,535	1,633,961	-	1,633,961	-	-	-
<b>Total Instruction &amp; Benefi</b>	<b>7,652,450</b>	<b>8,178,072</b>	<b>8,389,654</b>	<b>3,424,593</b>	<b>1,633,961</b>	<b>3,172,465</b>	<b>155,150</b>	<b>3,485</b>
Central Office Operations	722,721	812,618	811,813	538,460	45,548	196,505	6,200	25,100
Buildings and Grounds	739,693	825,278	811,931	341,501	-	198,000	270,430	2,000
Transportation	861,339	838,700	891,068	395,624	-	435,744	56,500	3,200
Capital Exps & Transfers	340,811	129,893	126,466	-	-	-	-	126,466
<b>Total Expenditures</b>	<b>10,317,014</b>	<b>10,784,561</b>	<b>11,030,932</b>	<b>4,700,178</b>	<b>1,679,509</b>	<b>4,002,714</b>	<b>488,280</b>	<b>160,251</b>

# Changes in State Aid



**Allamuchy is still 19.7% underfunded when compared to the SFRA formula.**



# State Aid Increases/Decreases

	<u>2019-20</u>	<u>2020-21 (Orig)</u>	<u>2020-21 (Final)</u>	<u>2021-22</u>
State Aid Reductions	89,796,327	158,387,670	156,359,118	197,308,193
Additional State Aid	<u>192,624,746</u>	<u>333,638,191</u>	<u>-</u>	<u>573,972,108</u>
Total Available	282,421,073	492,025,861	156,359,118	771,280,301
<b>Allamuchy Share</b>	<b><u>0.016633%</u></b>	<b><u>0.015065%</u></b>	<b><u>0.015065%</u></b>	<b><u>0.014905%</u></b>
Aid Increase	<u>46,975</u>	<u>74,124</u>	<u>23,556</u>	<u>114,959</u>
Total Allamuchy Aid	<u>661,608</u>	<u>735,732</u>	<u>685,164</u>	<u>800,123</u>

*The State's ability to allocate an increase to Allamuchy's aid package comes from two sources: Aid recaptured from reductions to overfunded Districts and additional funding set aside in the State Budget to close the funding gap.*

*In 2020-21, we were originally allocated \$74,124 through these sources. The final State Budget took the \$333.6 million originally intended to close the funding gap and redistributed it to Pandemic-induced areas of need (i.e. unemployment).*

*For the 2021-22 State Budget, approximately \$575 million has been directed to close the funding gap, which is the main driver of the significant jump in aid from last year. Will it hold up?*

# State Aid Over/Under Funding

## All Warren County Districts

<u>Overfunded Districts</u>		<u>Underfunded Districts</u>	
<u>District</u>	<u>% of SFRA</u>	<u>District</u>	<u>% of SFRA</u>
Blairstown	215.2%	Warren Hills	99.7%
Great Meadows	211.5%	Pohatcong	99.6%
Hope	188.3%	Mansfield	97.5%
Franklin	175.5%	Phillipsburg	96.6%
White	173.6%	Warren Tech	96.3%
Washington Twp	165.0%	Belvidere	95.0%
Frelinghuysen	164.5%	Harmony	92.2%
Knowlton	153.4%	Oxford	88.8%
North Warren	137.5%	<b>Hackettstown</b>	<b>83.9%</b>
Greenwich	126.3%	<b>Allamuchy</b>	<b>82.0%</b>
Lopatcong	119.4%	Washington Boro	81.7%
Alpha	100.9%		

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.

This chart compares State Aid funding for the 2021-22 school year against SFRA funding targets from 2019-20, the last time such information was available for all Districts. It is meant to be illustrative as to the status of each District, but cannot be fully accurate without updated SFRA targets.

# Comparative Per Pupil Amounts

## *Selected Local Warren County K-8 Districts*

	<u>2017-18</u>	<u>2018-19</u>	<u>Change</u>	<u>SFRA %</u>
Hope	23,877	29,160	22.1%	188%
Harmony	22,105	25,368	14.8%	92%
White	25,541	24,462	-4.2%	174%
Great Meadows	22,047	23,624	7.2%	212%
Pohatcong	21,602	23,512	8.8%	100%
Green	21,940	23,229	5.9%	107%
Oxford	21,409	22,593	5.5%	89%
<b>Allamuchy</b>	<b>19,809</b>	<b>20,192</b>	<b>1.9%</b>	<b>82%</b>
Alpha *	20,203	20,161	-0.2%	101%

\* K-6 District Source: DOE Taxpayers Guide 2018-19 (latest data available)

# 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%	\$22.44
2020-21	1.713%	\$14.50
2021-22	1.714%	\$0.30

*The Community had benefited from no tax increases for 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

	2021-22 BUDGET		*** IF NO NEW RATABLES ***	
<b>Taxes absorbed by NEW taxpayers:</b>				
New ratables for 2021-22 year		<u>\$ 10,881,200</u>		<u>\$ -</u>
New taxes (general)	1.595%	\$ 173,554	1.625%	\$ -
New taxes (debt service)	0.119%	\$ 12,904	0.121%	\$ -
Total new taxes from ratables		<u>\$ 186,458</u>		<u>\$ -</u>
<b>Impact to RECURRING taxpayers:</b>				
Increase in general tax levy		\$ 13,180		\$ 186,733
Decrease in debt service tax levy		\$ (11,435)		\$ 1,469
Total impact to 2020-21 taxpayers		<u>\$ 1,744</u>		<u>\$ 188,202</u>
<b>ESTIMATED tax change per \$100k property value:</b>		<u>\$ 0.30</u>		<u>\$ 32.11</u>

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

	<u>Ratables</u>	<u>Tax Rate</u>
<b>2020-21</b>	\$586,202,200	1.7133%
<b>2021-22</b>	\$597,083,400	<u>1.7136%</u>
<b>Change</b>	<u>\$ 10,881,200</u>	<u>0.0003%</u>

# What does a 2% tax increase cover?

2020-21 general fund tax levy	\$ 9,336,672
<b>2% increase</b>	<b>\$ 186,733</b>
Benefit cost increases	\$ 75,000
2% salary increase - all staff	\$ 85,000
2% tuition increase	\$ 56,000
<b>Base use of 2% tax levy increase</b>	<b>\$ 216,000</b>
Remainder of tax increase available for program improvements	<b>\$ (29,267)</b>

*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.*

# Where funds come from . . .

**Tax Levy: 9,523,405 (86.3%)**

**State & Federal Aid: 840,123 (7.6%)**

**Tuition and Transportation: 350,709 (3.2%)**

**Reserve Accounts: 234,195 (2.1%)**

**Rentals and Other: 82,500 (0.7%)**

**Total Revenues: \$11,030,932**

# The Cost of Healthcare / Chapter 44

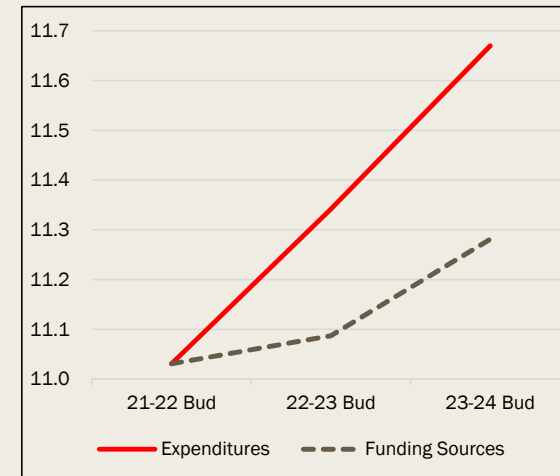
	2018-19	2019-20	2020-21
<b>Covered Employees</b>	52	53	58
<b>Gross Premiums</b>	\$ 919,994	\$ 947,005	\$ 1,128,897
<b>Net Cost</b>	\$ 800,844	\$ 817,040	\$ 987,865
<b>Employee Contribution</b>	13.0%	13.7%	12.5%
<b>Average District Spend per Covered Employee</b>	<b>\$ 15,401</b>	<b>\$ 15,416</b>	<b>\$ 17,032</b>

- The District had been able to manage costs as employees transitioned on their own from the traditional plan to Horizon OMNIA, keeping per-capita costs relatively steady in spite of increasing premiums; however
- Chapter 44 changes that...



# Three-Year Projection

	<u>21-22 Bud</u>	<u>22-23 Δ</u>	<u>22-23 Bud</u>	<u>23-24 Δ</u>	<u>23-24 Bud</u>
<b>Fund 10 expenditures:</b>					
Tuition	2,835,019		2,891,719		2,949,554
o/w Hackettstown	2,340,086	2.0%	2,386,888	2.0%	2,434,625
all others	494,933	2.0%	504,832	2.0%	514,928
Salaries	4,700,178		4,828,427		4,960,269
o/w Instruction/Support	3,424,593	3.0%	3,527,331	3.0%	3,633,151
all others	1,275,585	2.0%	1,301,097	2.0%	1,327,119
Benefits	1,679,509		1,805,305		1,943,681
o/w Health & Dental	1,257,961	10.0%	1,383,757	10.0%	1,522,133
all others	421,548	0.0%	421,548	0.0%	421,548
Transportation (x-Sal)	495,444	0.0%	495,444	0.0%	495,444
Maint/Custodial (x-Sal)	470,430	0.0%	470,430	0.0%	470,430
Technology	312,001	0.0%	312,001	0.0%	312,001
Textbooks	73,000	0.0%	73,000	0.0%	73,000
Capital	126,466	0.0%	126,466	0.0%	126,466
All Other	338,885	0.0%	338,885	0.0%	338,885
	<b><u>11,030,932</u></b>		<b><u>11,341,678</u></b>		<b><u>11,669,730</u></b>
<b>Funding Sources:</b>					
Fund balance/reserves	234,195	n/a	100,000	n/a	100,000
Tuition	124,000	0.0%	124,000	0.0%	124,000
Transportation	226,709	0.0%	226,709	0.0%	226,709
Rentals	25,000	0.0%	25,000	0.0%	25,000
Other / misc	57,500	0.0%	57,500	0.0%	57,500
State aid / grants	840,123	0.0%	840,123	0.0%	840,123
Tax levy	<b><u>9,523,405</u></b>	<b>2.0%</b>	<b><u>9,713,873</u></b>	<b>2.0%</b>	<b><u>9,908,151</u></b>
	<b><u>11,030,932</u></b>		<b><u>11,087,205</u></b>		<b><u>11,281,483</u></b>
Surplus (Shortfall)	<u>-</u>		<b><u>(254,473)</u></b>		<b><u>(388,247)</u></b>



**We need to continue to be expense-conscious while also identifying 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?

# Fiscal Goal

**The proposed 2021-22 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](mailto:AESbudgetquestions@aes.k12.nj.us) through May 6.**

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