

Preliminary 2018-2019 Budget Hearing March 26, 2018

CTSD Board of Education Finance Committee

Kevin Maloy, Chair
Lana Brennan
Maria Grant
Alissa Olawski

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Objectives

- To present a clear and accurate overview of the Clinton Township School District's Preliminary 2018-2019 Budget
- To answer the essential questions:
 - What is included in the Clinton Township School District Preliminary Budget?
 - What are the implications to the resident taxpayers?

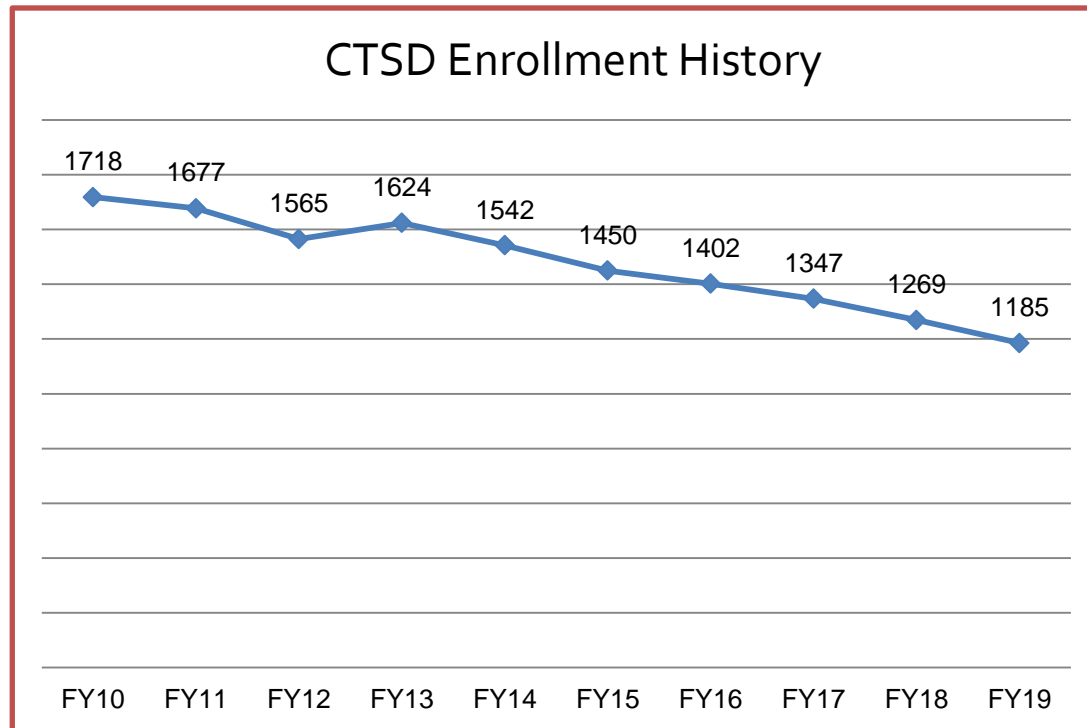


Agenda

- Revenues
 - State Aid Information
 - Other Revenues
- Expenditures
 - Budget Highlights
 - Budget Details
- Tax Levy Information
 - General Fund
 - Debt Service



Enrollment



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Revenues – State Aid Components

	FY18	FY19	Diff
School Choice Aid	507,624	260,897	-246,727
Transportation Aid	168,475	655,670	487,195
Special Education Aid	780,444	1,008,514	228,070
Security Aid	83,110	95,566	12,456
PARCC Readiness Aid	14,050	0	-14,050
Per Pupil Growth Aid	14,050	0	-14,050
Additional Adjustment Aid	741,912	260,719	-481,193
Professional Learning Community Aid	12,750	0	-12,750
Additional Adjustment Aid	0	41,975	41,975
TOTAL	2,322,415	2,323,341	\$926

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Revenues

	FY18 Approved	FY 19 Anticipated	Difference
Tax Levy 1.5%	23,145,143	23,492,320	347,177
Tuition From Parents-PS 18 Students	0	45,000	45,000
Tuition from LEAs-Lebanon/2 Sp Ed	577,593	673,626	96,033
Misc Rev-Primarily Building Use	100,000	72,459	-27,541
Interest On Capital Reserve	1,000	500	-500
Interest on Maintenance Reserve	300	250	-50
STATE AID (see components below)	2,322,415	2,323,341	926
Extraordinary Aid	388,085	100,000	-288,085
Fund Balance	241,023	70,321	-170,702
Maintenance Reserve	0	200,000	200,000
Title IIA	14,851	13,274	-1,577
IDEA Basic	298,056	285,458	-12,598
Debt Service	2,099,708	2,100,106	398
TOTAL	\$29,188,174	\$29,376,655	\$188,481

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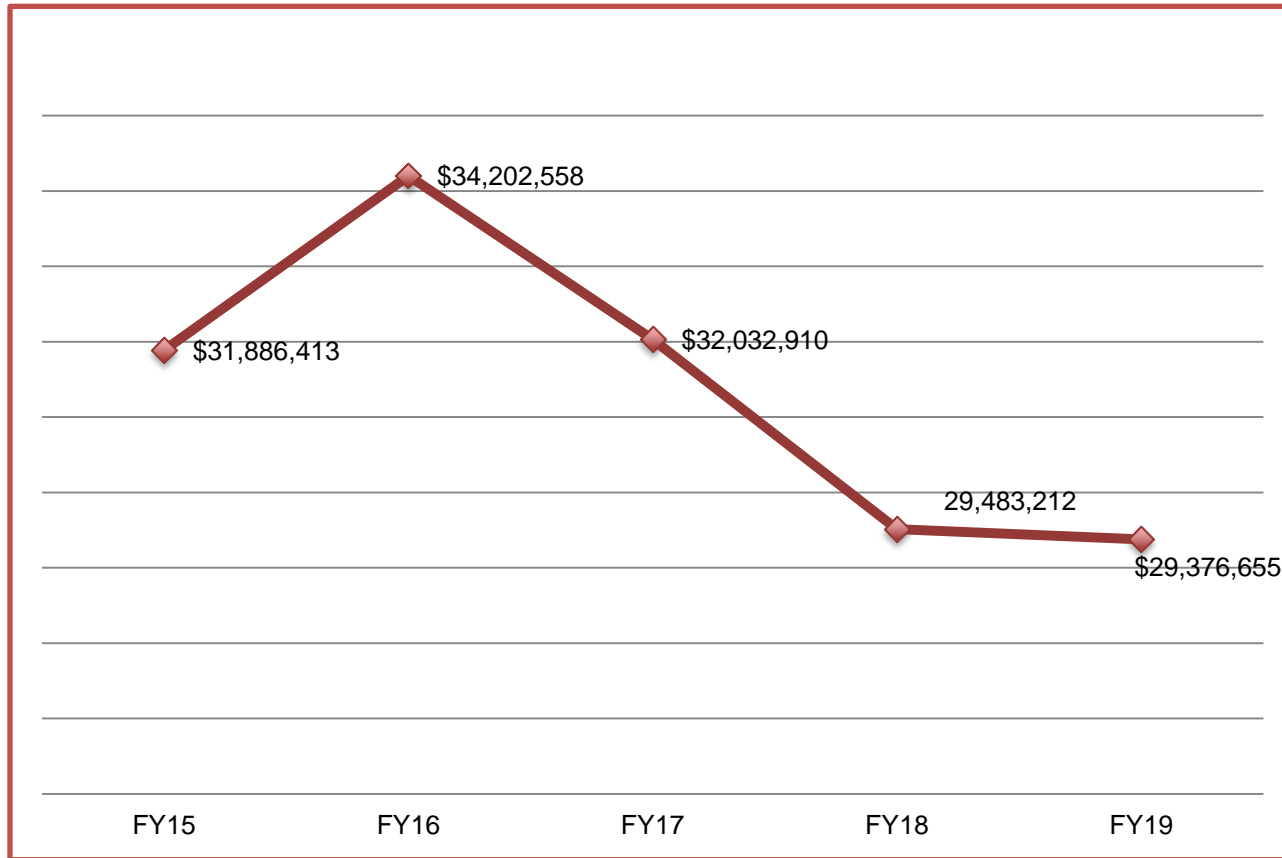
Expenditures - History

FY15	FY16	FY17	FY18 Estimated	FY19 Proposed
\$31,886,413	\$34,202,558	\$32,032,910	\$29,483,212	\$29,376,655
	2,316,145	-2,169,648	-2,549,698	-106,557
	7.26%	-6.34%	-7.96%	-0.36%

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Expenditures – General Fund Expenditure History



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Budget Highlights

- Curriculum, Programs, and Technology
- School Security Measures
- Financial Considerations and Constraints

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General Fund Increases

- **Employee Benefit** costs have a significant impact.
- **Special Education Private School Placement Tuition** costs are forecasted to double.
- **Legal fees** are increasing due to special education cases, unilateral placements, contract negotiations, and deliberations with the Township.
- **Negotiations** with the local collective bargaining group is in process.
- **Substitute teacher costs** were under-budgeted this year and need to be increased.
- **School Security** remains a priority and additional funds are being allocated for important projects.



Budget Highlights

Curriculum & Technology – *Expanding Student Learning Resources*

- NJTSS (materials, data, testing)
- Schoolwide Resources platform (ELA)
- NGSS Materials
- STEAM/Design Lab materials (RVS)
- MobyMax (all content areas)
- Fact Fluency
- IDE: Problem Based Instruction
- Teachers College Columbia - Readers/Writers Workshop Professional Development K-8

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Budget Highlights

Technology Initiatives

- Chromebook 1:1 Refresh and Replacement
- Chromebook Access via Classroom Carts
- Design Lab @ RVS

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Budget Highlights

School Security Measures

- Full Security Audit for the District
- Specific School Public Address Upgrades
- Card Access for Staff

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Budget Highlights

Financial Constraints

- Anticipated Healthcare Costs
 - Medical Benefits Increasing 18% in 2019 Calendar Year
 - Prescription Benefits Increasing 8% in School Year
 - Dental Benefits Increasing 8% in School Year
- Special Education increase in out-of-district placements (4 to 9)
- Collective Bargaining - In Process

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Preliminary Budget Details- Increases

(Subject to NJDOE Approval)

Budget Area	Anticipated Cost Increase	Anticipated % Increase
Health Benefits <i>(Calendar Year)</i>	\$394,564	8.72%
Out-of-District Tuition	\$258,490	212%
Legal Fees	\$20,000	25%
Substitute Teachers	\$65,522	43%
School Security	\$34,500	64%
Negotiated Settlement	TBD	

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Preliminary Budget Details-Decreases

(Subject to NJDOE Approval)

Budget Area	Anticipated Cost Decrease	Anticipated % Decrease
General Supplies	\$57,802	9%
Superintendent's Office	\$59,875	25%
Cleaning, Maintenance, and Repairs	\$67,185	25%
Overall Staffing Positions	TBD	

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Tax Rate Information

These rates are preliminary, subject to approval and amended by tax appeals.

GENERAL FUND 2017-2018	GENERAL FUND 2018-2019	Difference
\$1.076 per \$100 valuation	\$1.091 Per \$100 valuation	.015

- The General Fund Tax Levy is 1.5%, which is *under* the 2% Tax Levy CAP.
- The General Fund Tax Levy is increasing by \$347,177 over the current year.
- The Tax Rate from last year is increasing by 1.5 cents.
- This is an increase of \$58 for the average assessed home of \$385,000, which is a monthly rate of \$4.83.

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Preliminary Tax Rate Information

DEBT SERVICE 2017-2018	DEBT SERVICE 2018-2019	Difference
\$.079 per \$100 valuation	\$.096 Per \$100 valuation	\$.017

- The Debt Service Tax Levy is \$2,100,106, which is a difference of \$398 from 2017-2018.
- In the 2017-2018 Budget, the Board made a one-time application to the Debt Service Tax Levy of \$391,723 of funds remaining from a prior building referendum.
- This year the tax rate was .079 per \$100 of valuation; next year it will be .096 per \$100 of valuation

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Tax Rate Information

These rates are preliminary, subject to approval and amended by tax appeals.

General Fund + Debt Service 2017-2018	General Fund + Debt Service 2018-2019	Difference
\$1.155 per \$100 valuation	\$1.187 Per \$100 valuation	.032

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Why is the Debt Service Rate Increasing ?

For 2017-18, the District was able to use \$391,723 in leftover referendum funds to offset the Debt Service payment. This was a **one-time benefit** that is not available this year. Debt Service must return to normal levels.

DEBT SERVICE 2017-2018	DEBT SERVICE 2018-2019	Difference
\$2,099,708	\$2,100,106	\$398



Preliminary General Fund Tax Rate

These rates are preliminary, subject to approval and amended by tax appeals.

- The General Fund Tax Rate from last year is increasing by 1.5 cents.
- This equates to an increase of \$58 for the average assessed home of \$385,000, which is a monthly rate of \$4.83.

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Next Steps . . .

- March 27, 2018** Submission of Tentative Budget to New Jersey For Review, Modifications and Approval
- April 15, 2018** Targeted Date for NJDOE Executive County Superintendent Approval
- April 18, 2018** Targeted Date for Advertisement of Proposed Budget
- April 30, 2018** Formal Budget Hearing



Thank you!

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