

Middletown City School District

Budget Proposal 2021-2022

Administrative – February 4, 2021

Instructional – February 25, 2021

Capital, Benefits – March 4, 2021

Revenue Discussion - March 18, 2021

Assumptions for Budgeting

\$ Average CPI rate for most items = 2.0%

\$ Health Insurance Premiums = 6% increase

\$ Tax cap maximum = 1.56% (not 2%)

\$ TRS = 10% (estimated)

\$ ERS = 15% (estimated)

Assumptions for Budgeting

\$ BOCES Services Increase = 5% (estimated)

\$ Foundation Aid Increase/Decrease = 0%

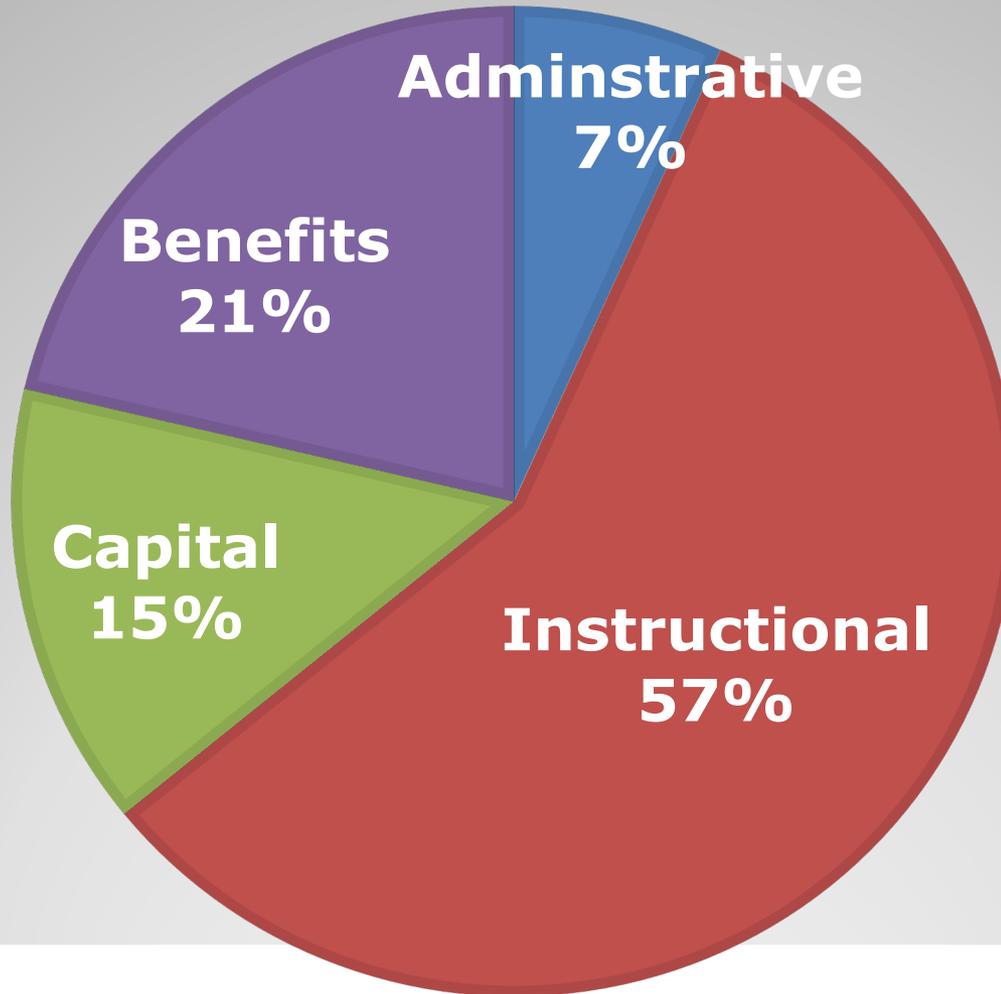
\$ Community Schools Increase/Decrease = 0%

\$ Debt Service Payment Increase = 20%

\$ Contractual Salary Increase = \$5M

\$ *Covid-19 Expenses continued*****

Estimated Percent of Total Budget

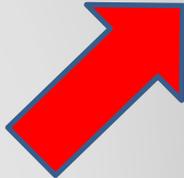


Proposed State Aid

as of ****January 2021****



2021-22 Estimated Revenues	Revenue Proposed 2020-21	Revenue State Approved 2020-21	Difference
Total State Aid	107,583,512	111,449,927	(3,866,415)
COVID-19 Stimulus	7,478,247	0	7,478,247
Total State Aid	115,061,759	111,449,927	3,611,832



Estimated Other Revenues

OTHER REVENUES	Proposed Revenue 2021-22	Approved Revenue 2020-21	Difference
PILOTS	549,515	413,003	136,512
Int & penalties on taxes	514,732	525,000	-10,268
Utility Tax	1,995,231	1,989,542	5,689
Charges for Services	135,000	162,000	-27,000
Day school Tuition	750,000	925,000	-175,000
Interest Earnings	145,000	205,000	-60,000
Health Services	37,000	40,000	-3,000
Refund Prior Years Expense	1,250,000	1,250,000	0
Sale of Equipment	2,500	3,000	-500
Insurance Recoveries/Dividends	50,000	50,000	0
Other Compensation for Loss	750	750	0
QSCB Subsidy	160,000	160,000	0
Medicaid	325,000	350,000	-25,000
Interfund Transfers - Debt Service	500,000	500,000	0
NJROTC	94,500	96,450	-1,950
Total Other Revenues	6,509,228	6,669,745	-160,517





Tax Cap Calculation - 9 Steps

			2021/22
	1)	Prior Year Tax Levy	77,404,150
TIMES	2)	1 + Tax Base Growth Factor (provided by Commissioner of Tax & Finance by February 15th.)	1.0145
		subtotal	78,526,510
PLUS	3)	PY PILOTS	413,003
MINUS	4)	PY Levy for Judgements over 5% of total tax levy	
		PY Levy for excess increases to ERS	
		PY Levy for excess increases to TRS	
		PY Capital Tax Levy	4,735,684
EQUALS		PY TAX LEVY LIMIT	74,203,829
TIMES	5)	Allowable Levy Growth Factor (1 + inflation factor, up to 2%)	1.0123
		subtotal	75,116,536
MINUS	6)	CY PILOTS	549,515
PLUS	7)	Available Carryover	
EQUALS		CY TAX LEVY LIMIT (to be submitted to State Comptroller, Commissioner of Tax & Finance and the Commissioner of Education by March 1st)	74,567,021
PLUS	8)	CY Levy for Judgements over 5% of total tax levy	
		CY Levy for excess increases to ERS	
		CY Levy for excess increases to TRS	
		CY Capital Tax Levy	4,354,258
MINUS	9)	Erroneous levy plus interest from prior year	
EQUALS		ALLOWED TAX LEVY WITH 50% plus 1 approval	78,921,279
		Maximum Tax Levy Increase	1,517,129
			1.96%



Tax levy levels

1.96% = \$1,517,129 (Maximum Tax Levy)

1.00% = **\$774,042** (1% same increase last year)

0.05% = \$387,021

Revenue Summary

	2021-22 Proposed Budget
State Aid	115,061,759
Other Revenue	6,509,228
Local Property Taxes	78,178,191
Unappropriated Fund Balance	5,646,487
Total Revenue	205,395,665

2021-22 Budget Proposed Summary

	2021-22 Proposed Budget	2020-21 Adopted Budget	Increase Over 2020-21	Percentage Change
Administrative	15,989,420	15,382,098	607,322	3.95%
Program	124,751,709	117,798,700	6,953,009	5.90%
Capital	29,042,831	27,590,869	1,451,962	5.26%
Benefits	41,195,182	39,223,951	1,971,231	5.03%
Total	210,979,142	199,995,618	10,983,524	5.49%

2021-22 Proposed Budget Overview

- ✓ Proposed Budget: **\$210,979,142**
- ✓ Proposed Revenue: **\$205,395,665**
- ✓ Shortage: **(\$5,583,477)**
- ✓ Tax Levy Increase: **\$1,517,129 (maximum)**
- ✓ Levy Amount: **\$78,921,279 (maximum)**
- ✓ Tax Cap: **1.96% (This is the maximum)**

Considerations before final budget

- **April 1st State Aid Revisions**
- **Reserves**
- **Tax Cap**
- **Program cuts**
- **American Rescue Plan \$17.7M**

Contingent Budget Rules

First Vote

Under Cap	50%+1
Over Cap	60%+1

Second Vote

Under Cap	50%+1
Over Cap	60%+1

Contingent

Same Levy as Prior Year

2020-21 Budget Calendar

Administrative – February 4, 2021

Instructional - February 25, 2021

Capital & Benefits - March 4, 2021

Revenue Discussion - March 18, 2021

Budget Adoption - April 22, 2021

Budget Hearing - May 6, 2021

Budget/Election Vote – Tuesday, May 18, 2021

