

Middletown City School District

# 2018-19 Proposed Revenue

**March 15, 2018**

# 2018-2019 Assumptions

\$ Annual inflation rate for most items 2%

\$ TRS = 11%

\$ ERS = 16.5%

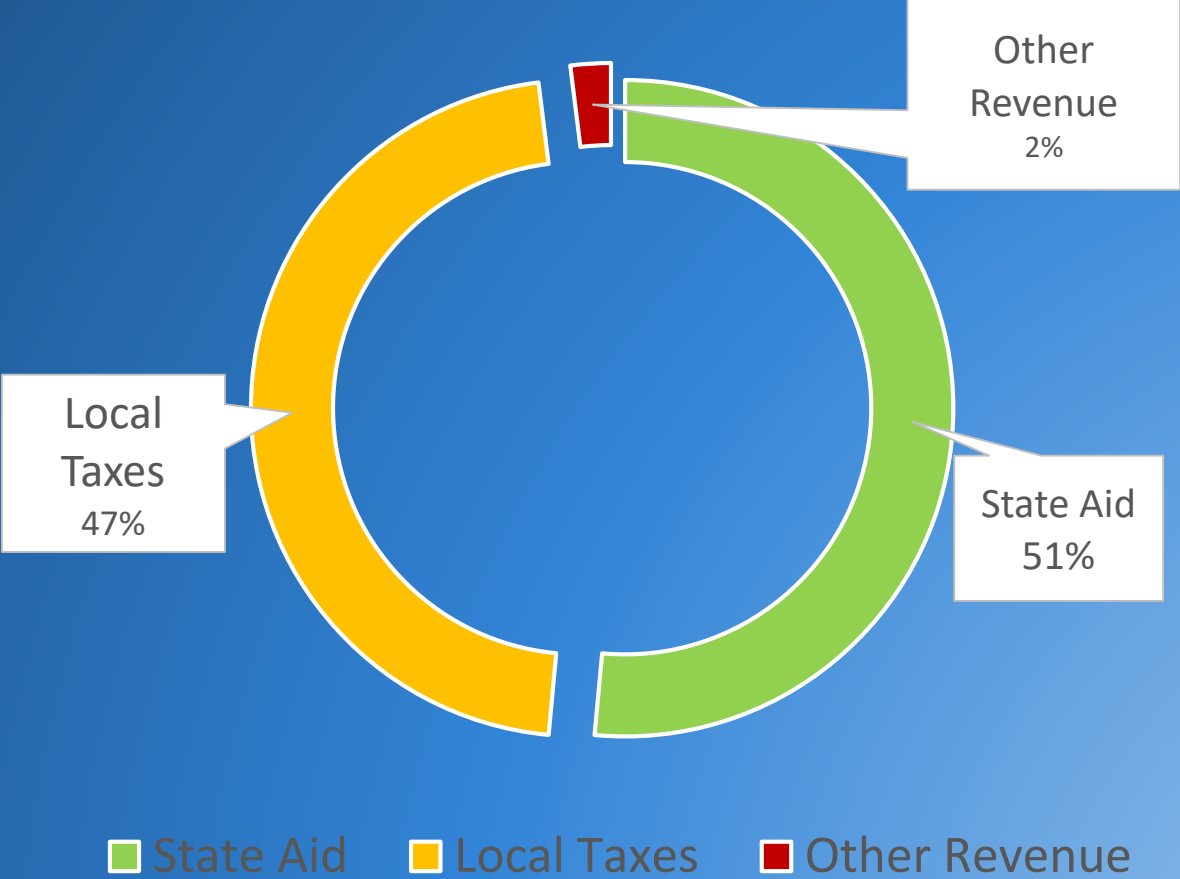
\$ BOCES Services = 5%

\$ Health Insurance – TBD (Self Funded)

\$ Foundation Aid Increase 3%

\$ Community Schools Increase 39.7%

# What Makes Up Revenue for Middletown



# Proposed State Aid as of January 2018

2018-19 Proposed Revenues	Budget 2017-18	Proposed Revenue 2018-19	Difference
Basic Formula	84,114,375	87,192,701	3,078,326
Lottery Aid	7,000,000	7,000,000	-
BOCES	3,559,401	4,261,579	702,178
Textbook, Software, Library & Hardware	749,738	796,908	47,170
<b>Total State Aid</b>	<b>\$95,423,514</b>	<b>\$99,251,188</b>	<b>\$3,827,674</b>

# Proposed Other Revenues

OTHER REVENUES	Budget 2017-18	Proposed Revenue 2018-19	Difference
PILOTS	556,894	646,419	89,525
Int & penalties on taxes	250,000	275,000	25,000
Utility Tax	1,459,687	1,459,687	-
Charges for Services	91,999	96,400	4,401
Day school Tuition	280,000	280,000	-
Interest Earnings	125,000	125,000	-
Health Services	40,000	40,000	-
Refund Prior Years Expense	500,000	1,100,000	600,000
Sale of Equipment	-	-	-
Insurance Recoveries	2,161	2,161	-
Other Compensation for Loss	750	750	-
QSCB Subsidy	160,000	160,000	-
Medicaid	64,675	152,000	87,325
Retirement Reserve - General Fund	500,000	-	(500,000)
Interfund Transfers - Debt Service	190,625	190,625	-
NJROTC	88,500	92,500	4,000
<b>Total Other Revenues</b>	<b>4,310,291</b>	<b>4,620,542</b>	<b>310,251</b>

# Proposed Property Tax Levy

REAL PROPERTY TAXES	Budget 2017-18	Proposed Revenue 2018-19	Difference	% Change
Local Property Taxes	67,483,747	69,518,805	2,035,058	2.73%
School Tax Relief Program (STAR)	7,000,000	7,000,000	-	
Tax Levy	74,483,747	76,518,805	2,035,058	2.73%

# Tax Cap Calculation

					2017/18	2018/19
	1)	Prior Year Tax Levy			72,208,215	74,483,747
TIMES	2)	1 + Tax Base Growth Factor (provided by Commissioner of Tax & Finance by February 15th.)			1.0125	1.0156
			subtotal		73,110,818	75,645,694
PLUS	3)	PY PILOTS			582,218	617,239
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			5,520,029	6,548,684
EQUALS		PY TAX LEVY LIMIT			68,173,007	69,714,249
TIMES	5)	Allowable Levy Growth Factor (1 + inflation factor, up to 2%)			1.0126	1.02
			subtotal		69,031,987	71,108,534
MINUS	6)	CY PILOTS			556,894	646,419
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)			68,475,092	70,462,115
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			6,008,655	6,056,690
MINUS	9)	Erroneous levy plus interest from prior year				
EQUALS		ALLOWED TAX LEVY WITH 50% plus 1 approval			74,483,747	76,518,805
			Tax Levy Increase		\$ 2,275,532	\$ 2,035,058
					3.151%	2.73%



# Additional Instructional Budget Requests

Request	Location	Justification	Costs
3 additional buses	District Wide	Increased enrollments	\$201,000 (90% State aid)
Math Coordinator	K-12	Curriculum Support	\$135,000
Psychologist	High School	Increased Enrollment	\$62,000
Physical education Teacher	High School (1) Twin Towers (.5)	Increased Enrollment	\$90,000
Technology Teacher	High School	Increased Course Offerings	\$60,000
Special Education Teacher (2)	High School	Increased Enrollment	\$120,000
Music Teacher	High School	Increased Enrollment	\$60,000
Clubs	District-Wide	Increased Student Engagement	\$20,000
<b>Total</b>			<b>\$748,000</b>



# Additional Non-Instructional Budget Requests

Request	Location	Justification	Costs
Security Aides	High School (3)	Increased building space and extended building hours	\$95,000
Clerical	High School (.5)	Facilitate main office in the afternoon	\$20,000
Clerical	Technology (.5)	Increase current part time to Full Time	\$19,000
Part Time Cleaners	Various Locations (3)	Increased Meal Service Throughout the Day	\$50,000
Utility Tradesman	District-Wide	Upgrade – more skilled staff	\$54,400
<b>Total</b>			<b>\$238,400</b>

# 2018-19 Proposed Summary with Additional Recommendations

	2017-18 Budget	2018-19 Proposed Budget	Increase/Decrease Over 2017-18	Percentage Increase
Administrative	11,763,793	12,437,169	673,376	5.72%
Program	103,014,452	108,467,506	5,453,054	5.29%
Capital	27,780,651	28,491,631	710,981	2.56%
Benefits	36,957,884	38,179,584	1,221,700	3.31%
Additional Request		986,400		
<b>Total</b>	179,516,780	188,562,290	9,045,510	5.04%

2018-19 Proposed Revenues	Budget 2017-18	Proposed Budget 2018-19	Difference
<b>STATE AID</b>			
Basic Formula	84,114,375	87,192,701	3,078,326
Lottery Aid	7,000,000	7,000,000	-
Boces	3,559,401	4,261,579	702,178
Textbook, Software, Library & Hardware	749,738	796,908	47,170
<b>Total State Aid</b>	<b>95,423,514</b>	<b>99,251,188</b>	<b>3,827,674</b>
<b>OTHER REVENUES</b>			
PILOTS	556,894	646,419	89,525
Int & penalties on taxes	250,000	275,000	25,000
Utility Tax	1,459,687	1,459,687	-
Charges for Services	91,999	96,400	4,401
Day school Tuition	280,000	280,000	-
Interest Earnings	125,000	125,000	-
Health Services	40,000	40,000	-
Refund Prior Years Expense	500,000	1,100,000	600,000
Sale of Equipment			-
Insurance Recoveries	2,161	2,161	-
Other Compensation for Loss	750	750	-
QSCB Subsidy	160,000	160,000	-
Medicaid	64,675	152,000	87,325
Retirement Reserve - General Fund	500,000	-	(500,000)
Interfund Transfers - Debt Service	190,625	190,625	-
NJROTC	88,500	92,500	4,000
<b>Total Other Revenues</b>	<b>4,310,291</b>	<b>4,620,542</b>	<b>310,251</b>
<b>REAL PROPERTY TAXES</b>			
Local Property Taxes	67,483,747	69,518,805	2,035,058
School Tax Relief Program (STAR)	7,000,000	7,000,000	-
Tax Levy	74,483,747	76,518,805	2,035,058
Budget Shortage		2,872,528	
Fund Balance	5,299,227	5,299,227	
Proposed 2017-18 Budget	179,516,780	188,562,290	9,045,510

# 2018-19 Proposed Budget Overview

- ✓ Proposed Budget: \$ **188,562,290**
- ✓ Shortage: **\$2,872,528**
- ✓ Budget Increase from 2017-18: **\$9,045,510**
- ✓ Budget Increase: **5.04%**
- ✓ Tax Levy Increase: **\$2,035,058 (maximum)**
- ✓ Max Levy Amount: **\$76,518,805 (maximum)**
- ✓ Tax Cap: **2.73%** (This is the maximum)

# 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

# Things to consider before final budget

- State Budget April 1
- State Aid (already 3% increase)
- Lottery Aid
- Reserves
- Tax Cap
- Health Plan
- Capital Projects

# 2018-19 Budget Calendar

<b>Public Input -</b>	<b>April 5, 2018</b>
<b>Budget Adoption -</b>	<b>April 19, 2018</b>
<b>Budget Hearing -</b>	<b>May 3, 2018</b>
<b>Budget/Election Vote -</b>	<b>May 15, 2018</b>