

Middletown City School District

Budget Proposal 2020-2021

Administrative – February 6, 2020

Instructional – February 20, 2020

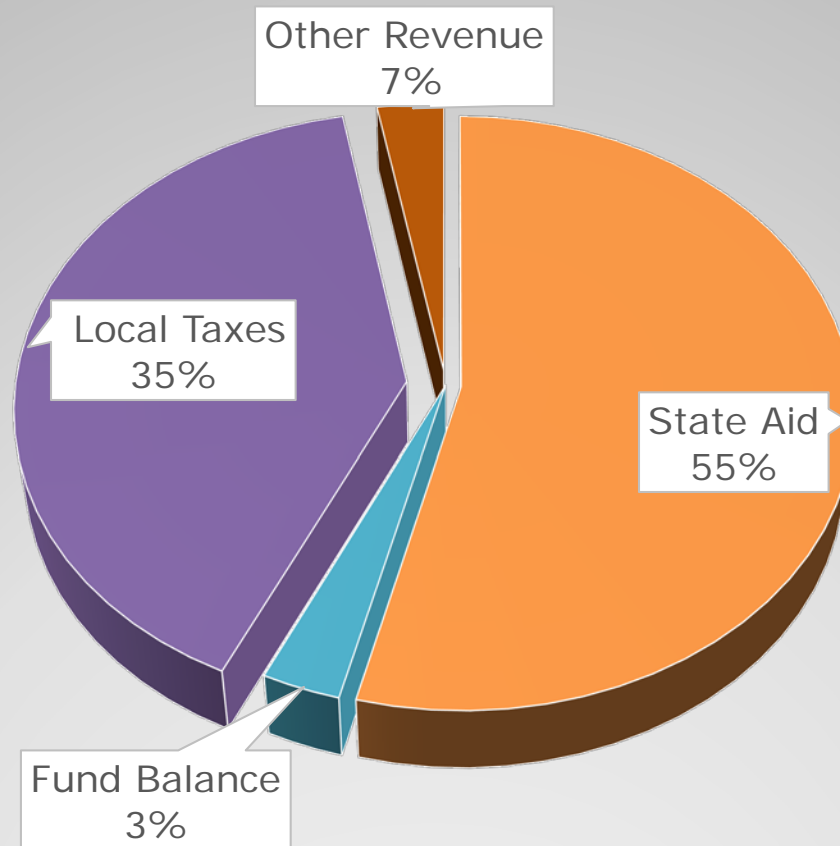
Capital, Benefits – March 5, 2020

Revenue Discussion – April 16, 2020

Current Economic Pressures

- State Aid Frozen - same levels as last year
- State Aid this year – April 30th adjustments
- Enrollment Increasing
- Pandemic

What Makes Up Revenue for Middletown



■ State Aid ■ Fund Balance ■ Local Taxes ■ Other Revenue

Proposed State Aid

as of ****March 31****

2020-21 Estimated Revenues	Revenue 2019-20	Estimated Revenue 2020-21	Difference
Basic Formula	101,900,894.00	102,053,158	152,264
BOCES	5,302,528	5,712,799	410,271
Textbook, Software, Library & Hardware	768,618	783,491	14,873
Total State Aid	\$107,972,040	\$108,549,448	\$577,408

Estimated Other Revenues

OTHER REVENUES	Approved Revenue 2019-20	Estimated Revenue 2020-21	Difference
PILOTS	769,802	413,003	(356,799)
Int & penalties on taxes	454,000	525,000	71,000
Utility Tax	1,549,687	1,989,542	439,855
Charges for Services	135,000	162,000	27,000
Day school Tuition	280,000	925,000	645,000
Interest Earnings	145,000	205,000	60,000
Health Services	40,000	40,000	-
Refund Prior Years Expense	1,250,000	1,150,000	(100,000)
Sale of Equipment	2,500	3,000	500
Insurance Recoveries/Dividends	52,161	50,000	(2,161)
Other Compensation for Loss	750	750	-
QSCB Subsidy	160,000	160,000	-
Medicaid	185,000	350,000	165,000
Interfund Transfers - Debt Service	500,000	500,000	-
NJROTC	94,500	96,450	1,950
Total Other Revenues	5,618,400	6,676,866	1,058,466

Estimated Property Tax Levy

REAL PROPERTY TAXES	Budget 2019- 20	Estimated Revenue 2020-21	Difference	% Change
Local Property Taxes	69,637,772	70,637,772	1,000,000	
School Tax Relief Program (STAR)	7,000,000	6,000,000	(1,000,000)	
Tax Levy (Tax Cap)	\$ 76,637,772	\$77,404,149	\$766,377	1%

Tax Cap Calculation– 9 Steps

			2020/21
	1)	Prior Year Tax Levy	76,637,772
TIMES	2)	1 + Tax Base Growth Factor (provided by Commissioner of Tax & Finance by February 15th.)	1.0174
		subtotal	77,971,269
PLUS	3)	PY PILOTS	791,449
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	4,767,409
EQUALS		PY TAX LEVY LIMIT	73,995,309
TIMES	5)	Allowable Levy Growth Factor (1 + inflation factor, up to 2%)	1.0181
		subtotal	75,334,624
MINUS	6)	CY PILOTS	413,001
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)	74,921,623
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	4,354,069
MINUS	9)	Erroneous levy plus interest from prior year	
EQUALS		ALLOWED TAX LEVY WITH 50% plus 1 approval	79,275,692
		Maximum Tax Levy Increase	2,637,920
			3.44%

Tax levy levels

3.44% = \$2,637,920 (Maximum Tax Levy)

2.14% = \$1,637,920 (minus \$1 million)

1.00% = **\$766,377** (1% same increase last year)

0.83% = \$ 637,920 (minus \$2 million)

Revenue Summary

REAL PROPERTY TAXES	Budget 2019-20	Estimated Revenue 2020-21	Difference
State Aid	107,972,040	108,549,448	577,408
Other Revenue	5,618,400	8,676,866	2,058,466
Local Property Taxes	76,637,772	77,404,149	\$766,377
Fund Balance	3,499,227	3,499,227	0
Total Revenue	196,130,133	198,129,690	1,999,557

2020-21 Budget Proposed Summary

	2019-20 Budget	2020-21 Proposed Budget	Increase/Decrease Over 2019-20	Percentage Change
Administrative	13,925,903	15,437,151	1,511,248	10.85%
Program	115,962,801	117,875,680	1,912,879	1.65%
Capital	28,751,727	27,788,584	(963,143)	-3.35%
Benefits	37,489,707	38,774,963	1,285,256	3.43%
Total	196,130,138	199,876,378	3,746,240	1.91%

2020-21 Proposed Budget Overview

- ✓ Proposed Budget: **\$199,876,378**
- ✓ Shortage: **(\$1,563,679)**
- ✓ Tax Levy Increase: **\$2,637,920 (maximum)**
- ✓ Levy Amount: **\$79,275,692 (maximum)**
- ✓ Tax Cap: **3.44% (This is the maximum)**

Considerations before final budget:

- April 30th State Aid Revisions
- Reserves
- Tax Cap
- Program cuts

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

Instructional - February 6, 2020

Capital, Benefits - March 5, 2020

Revenue Discussion – April 16, 2020

Budget Adoption – May 7, 2020

Public Hearing – TBD

Budget/Election Vote – After June 1, 2020