

# Middletown City School District

## Budget Proposal 2019-2020

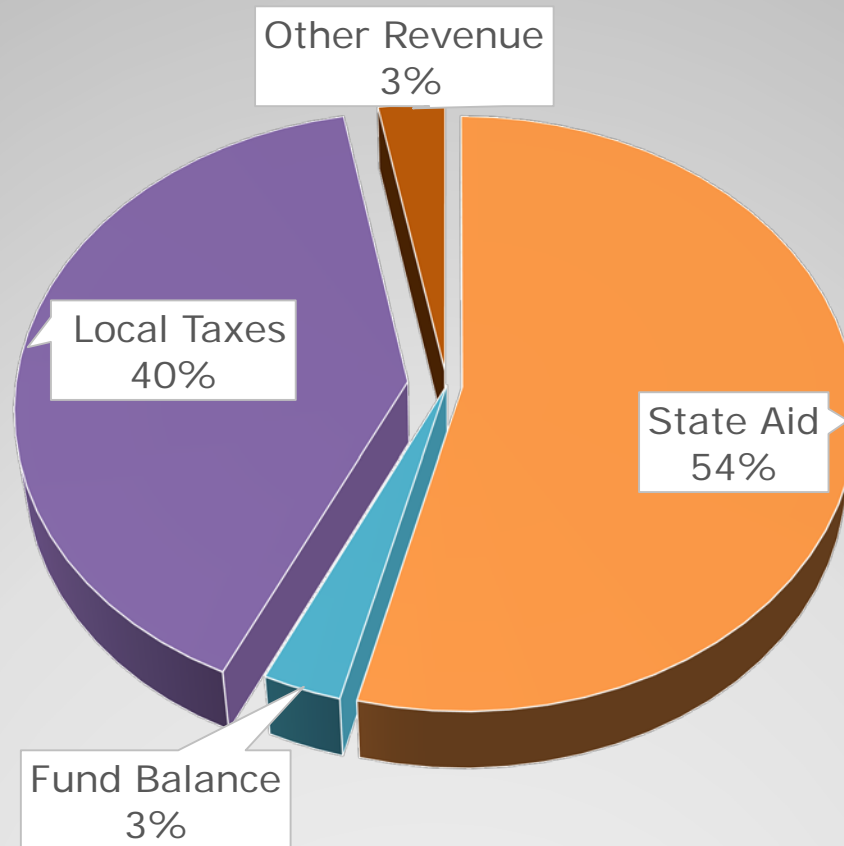
Administrative – February 7, 2019

Instructional – February 21, 2019

Capital, Benefits – March 7, 2019

**Revenue Discussion - March 21, 2019**

# What Makes Up Revenue for Middletown



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

# Proposed State Aid

as of **\*\*January 2019\*\***

2019-20 Estimated Revenues	Revenue 2018-19	Estimated Revenue 2019-20	Difference
Basic Formula	85,894,355	87,856,940	1,962,585
Lottery Aid	8,500,000	9,500,000	1,000,000
BOCES	4,261,579	5,465,474	1,203,895
Textbook, Software, Library & Hardware	766,588	801,128	34,540
<b>Total State Aid</b>	<b>99,422,522</b>	<b>103,623,542</b>	<b>4,201,020</b>

# Estimated Other Revenues

OTHER REVENUES	Revenue 2018-19	Estimated Revenue 2019-20	Difference
<b>PILOTS</b>	<b>646,419</b>	<b>769,802</b>	<b>123,383</b>
<b>Int &amp; penalties on taxes</b>	<b>304,000</b>	<b>304,000</b>	<b>-</b>
<b>Utility Tax</b>	<b>1,459,687</b>	<b>1,459,687</b>	<b>-</b>
<b>Charges for Services</b>	<b>135,000</b>	<b>135,000</b>	<b>-</b>
<b>Day school Tuition</b>	<b>280,000</b>	<b>280,000</b>	<b>-</b>
<b>Interest Earnings</b>	<b>125,000</b>	<b>145,000</b>	<b>20,000</b>
<b>Health Services</b>	<b>40,000</b>	<b>40,000</b>	<b>-</b>
<b>Refund Prior Years Expense</b>	<b>1,100,000</b>	<b>1,350,000</b>	<b>250,000</b>
<b>Sale of Equipment</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>
<b>Insurance Recoveries/Dividends</b>	<b>2,161</b>	<b>52,161</b>	<b>50,000</b>
<b>Other Compensation for Loss</b>	<b>750</b>	<b>750</b>	<b>-</b>
<b>QSCB Subsidy</b>	<b>160,000</b>	<b>160,000</b>	<b>-</b>
<b>Medicaid</b>	<b>152,000</b>	<b>185,000</b>	<b>33,000</b>
<b>Interfund Transfers - Debt Service</b>	<b>190,625</b>	<b>500,000</b>	<b>309,375</b>
<b>NJROTC</b>	<b>92,500</b>	<b>94,500</b>	<b>2,000</b>
<b>Unappropriated Fund Balance Capital Project (Stadium, Library)</b>	<b>4,175,000</b>	<b>-</b>	<b>(4,175,000)</b>
<b>Total Other Revenues</b>	<b>\$8,865,642</b>	<b>\$5,478,400</b>	<b>(\$3,387,242)</b>

# Estimated Property Tax Levy

REAL PROPERTY TAXES	Budget 2018-19	Estimated Revenue 2018-19	Difference	% Change
Local Property Taxes	68,878,805	70,690,320	1,811,515	
School Tax Relief Program (STAR)	7,000,000	7,000,000	-	
Tax Levy (Tax Cap)	75,878,805	77,690,320	1,811,515	2.387%



# Tax Cap Calculation– 9 Steps

				2019/20
	1)	Prior Year Tax Levy		75,878,805
TIMES	2)	1 + Tax Base Growth Factor (provided by Commissioner of Tax & Finance by February 15th.)		1.0155
			subtotal	77,054,926
PLUS	3)	PY PILOTS		650,185
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		5,639,067
EQUALS		PY TAX LEVY LIMIT		72,066,044
TIMES	5)	Allowable Levy Growth Factor (1 + inflation factor, up to 2%)		1.02
			subtotal	73,507,365
MINUS	6)	CY PILOTS		769,802
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)		72,737,563
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		4,952,757
MINUS	9)	Erroneous levy plus interest from prior year		
EQUALS		ALLOWED TAX LEVY WITH 50% plus 1 approval		77,690,320
			Tax Levy Increase	\$ 1,811,515
				2.387%



# Revenue Summary

<b>REAL PROPERTY TAXES</b>	<b>Budget 2018-19</b>	<b>Estimated Revenue 2018-19</b>	<b>Difference</b>
<b>State Aid</b>	<b>99,422,522</b>	<b>103,623,542</b>	<b>4,201,020</b>
<b>Other Revenue</b>	<b>8,865,642</b>	<b>5,478,400</b>	<b>(3,387,242)</b>
<b>Local Property Taxes</b>	<b>75,878,805</b>	<b>77,690,320</b>	<b>1,811,515</b>
<b>Fund Balance</b>	<b>5,799,227</b>	<b>4,799,227</b>	<b>(1,000,000)</b>
<b>Total Revenue</b>	<b>189,966,196</b>	<b>191,591,489</b>	<b>1,625,293</b>

# 2019-20 Proposed Summary

	2018-19 Budget	2019-20 Proposed Budget	Increase/Decrease Over 2018-19	Percentage Change
<b>Administrative</b>	12,670,557	13,050,967	380,410	3.00%
<b>Program</b>	108,535,706	115,659,428	7,123,722	6.56%
<b>Capital</b>	32,936,627	28,660,819	(4,275,808)	-12.98%
<b>Benefits</b>	35,823,306	35,983,354	160,048	0.45%
<b>Total</b>	<b>189,966,196</b>	<b>193,354,568</b>	<b>3,388,372</b>	<b>1.78%</b>



# 2019-20 Proposed Budget Overview

- ✓ Proposed Budget: **\$193,354,568**
- ✓ Shortage: **(\$1,763,079)**
- ✓ Tax Levy Increase: **\$1,811,515 (maximum)**
- ✓ Levy Amount: **\$77,690,320 (maximum)**
- ✓ Tax Cap: **2.387%** (This is the maximum)

## Things to consider before final budget:

- State Budget April 1st
- State Aid
- Lottery Aid
- Reserves
- Tax Cap
- Other Revenues

# 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

# **2019-20 Budget Calendar**

**Instructional - February 21, 2019**

**Capital, Benefits - March 7, 2019**

**Revenue Discussion - March 21, 2019**

**Public Input - April 4, 2019**

**Budget Adoption - April 25, 2019**

**Budget Hearing - May 9, 2019**

**Budget/Election Vote - May 21, 2019**