



LONG HILL TOWNSHIP SCHOOL DISTRICT

Introduction of 2013-14
Tentative Budget

March 4, 2013
Township Municipal Building

PURPOSE OF THE PRESENTATION

- Provide a quick look at the overall budget for 2013-14
- Briefly explain the school budgeting process and the factors and challenges that impact all districts
- Provide an overview of projected expenses, revenues and the tax impact of this budget
- Review the use of Capital and Maintenance Reserve funds for facility projects in the district
- Provide information and answer questions about the 2013-14 Long Hill School District Budget
- The Tentative budget must be submitted to the Executive County Superintendent for approval by March 7, 2013

2013-14 BUDGET IN BRIEF

- Operating budget (*Fund 11*) is projected to be \$14,959,159, an increase of 1.30%
- Proposed General Fund tax levy increase of 1.91% is below the 2.0% mandated tax cap
- Net Debt Service (*Fund 40*) expenses are \$1,211,892, a decrease of \$32,251 or -2.59%
- Net combined *Fund 11* & *Fund 40* tax increase of 1.54%

FINANCIAL CHALLENGES FACING THE DISTRICT

- Long Hill will get **\$624,159** in State Aid in 2013-14, *unchanged* from the current year but more than \$300,000 less than three years ago
- However, the State-mandated assessment for Debt Service for SDA funding, which is deducted from our aid, increased from \$33,181 to **\$51,163** for 2013-14.
- In addition, five Long Hill students will be attending Unity Charter School next year, and the district must budget **\$85,476** as 'Transfer of Funds to Charter Schools'
- Revenues from local sources such as subscription busing fees and tuition payments are projected to be lower next year

STUDENT ENROLLMENT TREND

YEAR	ENROLLMENT	CHANGE	PERCENT
2004	1,103	11	1.01%
2005	1,098	-5	-0.45%
2006	1,090	-8	-0.73%
2007	1,067	-23	-2.11%
2008	1,029	-38	-3.56%
2009	1,026	-3	-0.03%
2010	930	-96	-4.0%
2011	933	3	.003%
2012	861	-72	-7.8%
2013	835	-26	-3.1%

ENROLLMENT PROJECTIONS – 2013-14

Gillette School	2013-14 Projected Enrollment	Number of Sections	Average Class Size
SKIP/KIT (based on Demographic Study)	23	3	-
Kindergarten* (based on actual to-date)	60	3	20
First Grade	67	4	16-17

*Full-day Kindergarten

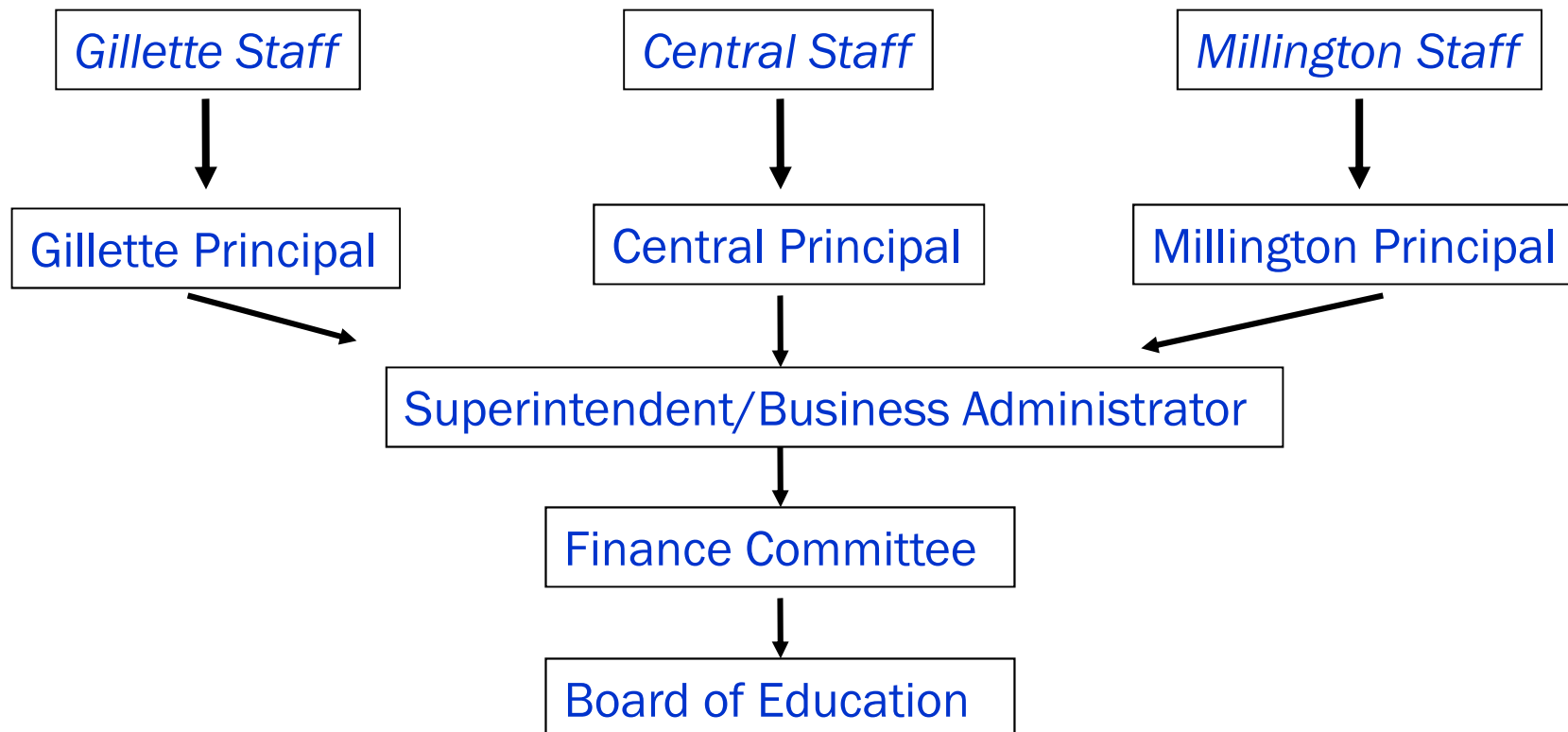
ENROLLMENT PROJECTIONS – 2013-14

Millington School	2013-14 Projected Enrollment	Number of Sections	Average Class Size
Second Grade	90	5	18
Third Grade	72	4	18
Fourth Grade	91	4	22-23
Fifth Grade	91	5	18-19

ENROLLMENT PROJECTIONS – 2013-14

Central School	2013-14 Projected Enrollment
Sixth Grade	109
Seventh Grade	107
Eighth Grade	117
Out of District Placements	8
Total District Enrollment	835

SCHOOL-BASED BUDGET PROCESS



BUDGET HIGHLIGHTS 2013-14

- Maintains current staffing and program levels
- Includes funding for Two part-time Teacher Assistants for Millington students as per their IEP's
- New Middle School Math Curriculum at Central
- Capital and Maintenance Reserve funding of Roof replacement projects at Central School
- Full-day Kindergarten implementation using existing staff

BUDGET HIGHLIGHTS 2013-14

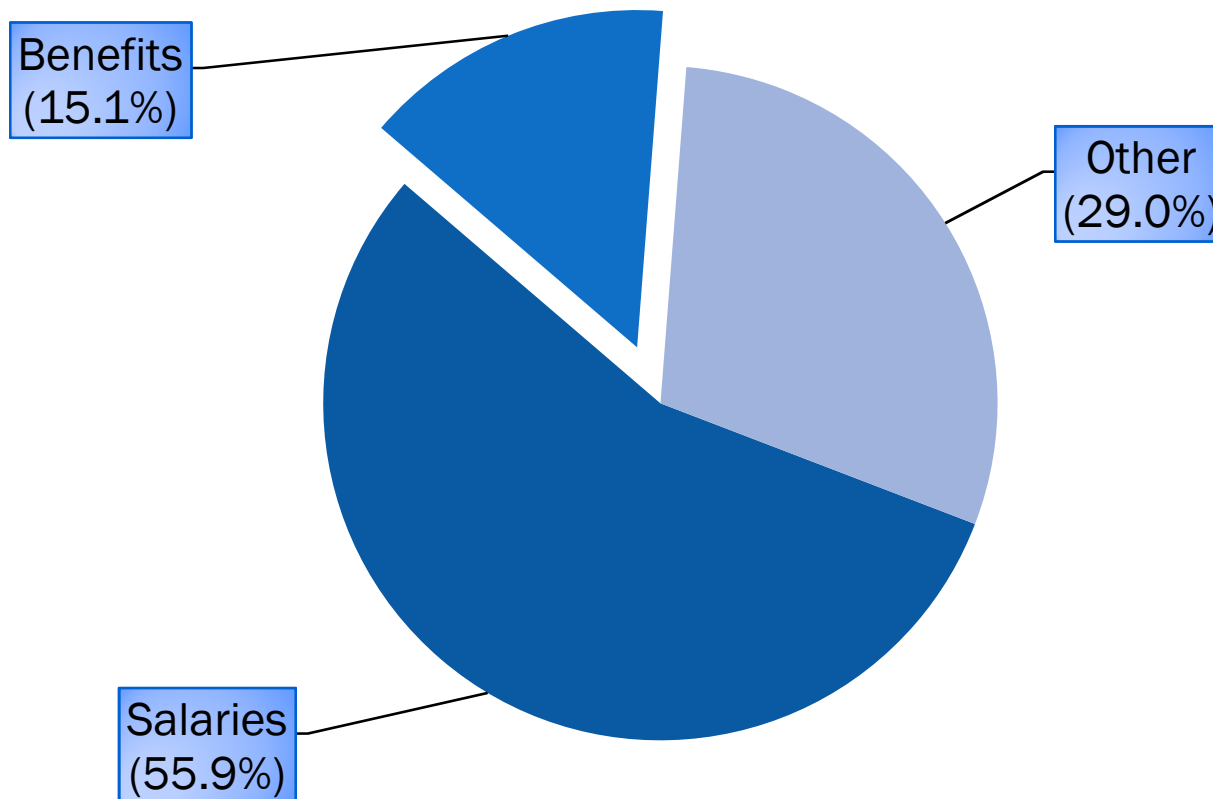
- Maintenance accounts increased for required upkeep of buildings and equipment (\$20,008)
- Staff Development funds for teacher and principal observation maintained for next year (\$48,830)
- Reduction in Transportation costs of approximately \$63,000 by eliminating midday Kindergarten routes
- Expense for Out-of-District special education tuition students reduced by about \$228,000 or 37.6%

TEN-YEAR BUDGET CHANGES: GENERAL FUND EXPENSES

	General Fund			
School Year	Tax Levy	Tax Change	<i>Budget</i>	<i>Budget Change</i>
2004-2005	\$10,665,535	–	\$11,912,914	5.99%
2005-2006	\$11,046,511	3.57%	\$12,380,520	3.93%
2006-2007	\$11,433,923	3.51%	\$12,739,767	2.90%
2007-2008	\$11,885,513	3.95%	\$13,187,367	3.51%
2008-2009	\$12,649,048	6.42%	\$13,726,650	3.96%
2009-2010	\$13,021,089	2.94%	\$14,143,503	3.16%
2010-2011	\$13,607,499	4.50%	\$14,247,113	0.73%
2011-2012	\$13,873,821	1.96%	\$14,613,607	1.59%
2012-2013	\$13,841,574	(-0.23%)	\$14,767,255	2.03%
2013-2014	\$14,105,639	1.91%	\$14,959,159	1.30%

2013-14 CURRENT EXPENSE BREAKDOWN

Total Current Expenses = \$14,959,159



DISTRICT ADMINISTRATIVE COSTS

	2012-13 Revised Budget	2013-14 Projected Budget	2013-14 Regional Limit	Dollar \$ Over/ (Under)	Percent % Over/ (Under)
Total Admin Costs	\$1,498,134	\$1,498,151	\$1,707,363	(\$209,212)	(12.3%)
Admin cost Per Pupil	\$1,744	\$1,740	\$1,985	(\$245)	(12.3%)

***Source: NJDOE Budget software**

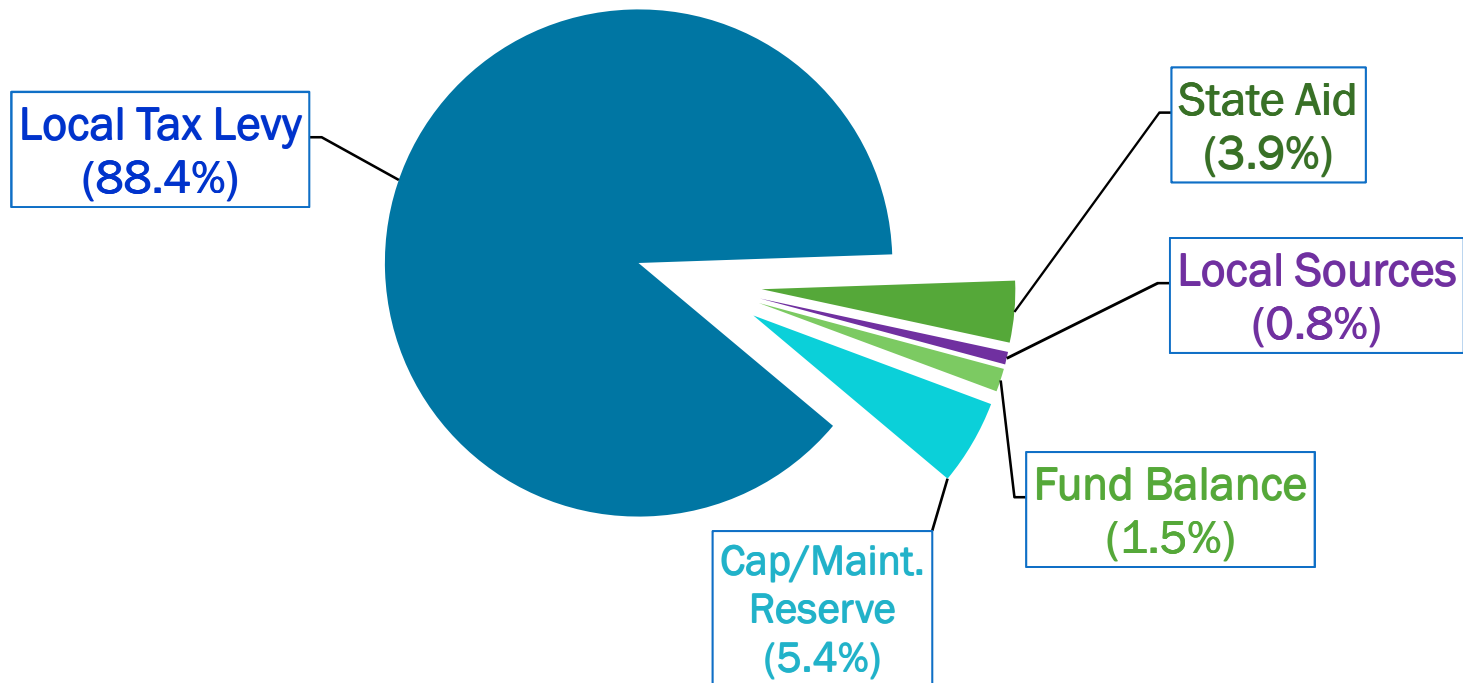
Administrative costs include salaries of administrators, technology coordinator, business staff, and school secretaries; legal services, audit fees, phones, copiers and other purchased technical services.

CAPITAL & MAINTENANCE RESERVE FUNDS

- Withdrawal of \$532,172 from the *Capital Reserve Fund* for the Replacement of a Built Up Roof at Central School
- Withdrawal of \$86,852 from the *Maintenance Reserve Fund* for the replacement of the Metal Roof at Central School
- Deposit of \$250,000 in anticipated surplus at June 30, 2013 into the *Capital Reserve Fund* for future needs
- Both projects will be bid out in the near future for completion this summer

2013-14 SOURCES OF REVENUE

TOTAL CURRENT FUND 11 & 12 REVENUES = \$15.9 MILLION



REVENUE CHANGE YEAR TO YEAR

Revenue Source	2012-13	2013-14	Change
Fund Balance	\$169,703	\$236,001	\$66,298
Tax Levy	\$13,841,574	\$14,105,639	\$264,065
State Aid	\$624,159	\$624,159	\$0
Miscellaneous	\$45,500	\$35,500	(\$10,000)
Tuition	\$85,000	\$55,000	(\$30,000)
Subscription Bus	\$40,000	\$40,000	\$0
<i>Maintenance Reserve Withdrawal</i>	\$0	\$86,852	\$86,852
<i>Capital Reserve Withdrawal</i>	\$450,000	\$532,172	\$82,172
<i>Capital Reserve Deposit</i>	\$68,000	\$250,000	\$182,000
TOTAL REVENUE	\$15,323,936	\$15,965,323	\$641,387

SPECIAL REVENUE FUND (20)

- Federal IDEA grant funding of about \$230,000 is used by Long Hill to offset special education tuition expenses
- Title II-A NCLB money of approximately \$21,000 is used for staff professional development—seminars, workshops, etc.
- Both IDEA and No Child Left Behind (NCLB) grants are expected to be reduced, and districts are advised to budget 75% of this years total grant award
- Other State funding ‘passed-through’ to Non-public schools in Long Hill

TAX LEVY AND IMPACT ON AVERAGE HOMEOWNER

General Fund	\$ 14,105,639
Debt Service Fund	<u>\$ 1,211,892</u>
Total Tax Levy	\$ 15,317,531

- Average assessed value in Long Hill per the tax assessor's office is **\$383,929**
- Annual tax increase due to total tax levy equals about **\$119.64** (based on average home of \$383,929)
- Tax rate per \$100,000 of assessed valuation is **\$1.211**, or an annual increase of \$31.16 over last year

TAX IMPACT ON RESIDENTS-ALL FUNDS

Assessed Home Value	Annual Tax Increase	Monthly Tax Increase
\$300,000	\$93.49	\$7.79
\$350,000	\$109.07	\$9.09
\$383,929*	\$119.64	\$9.97
\$450,000	\$140.23	\$11.69

*Average assessed home value in Long Hill Township

SUMMARY/REVIEW

- 1.30% Increase in General Fund expense
- 1.91% General Fund Tax Levy increase
- Including Debt Service, total tax increase is 1.54%
- Tax increase for the average homeowner is \$9.97 per month (\$119.64 annual)
- Must be submitted to the Executive County Superintendent for approval by *March 7, 2013*

CHANGES TO ELECTION/BUDGET VOTE

- Last year the Board of Education voted to move the annual school election to November
- This change also meant that the annual school budget is no longer voted on by residents if the tax levy increase is at or below the state cap of **2.0%**.
- This proposed budget contains a general fund tax levy increase of **1.91%**
- Those wishing to run for election to the Board in November must file a petition with the Morris County Clerk in June

