

**Jackson School District
2023-2024
Proposed Budget
Public Hearing**

May 8, 2023

Where we Began:

2023-2024 Tentative Budget Introduced March 15

	2023-2024 Tentative Budget	Change from Previous Year	% Change
General Fund Tax Levy	\$ 93,274,419	\$1,828,910	2.00%
State Aid	\$ 29,738,363	(\$7,930,642)	(21.05%)
General Fund	\$136,773,421	(\$5,782,118)	(4.06%)
Federal/State Programs	\$ 13,696,973	(\$6,371,501)	(31.75%)
Total Debt	\$ 8,433,500	\$ 2,686	0.03%
Total Budget	\$158,903,894	(\$12,150,933)	(7.10%)

What We are Facing This Year

The Impact of S2 to the Jackson School District

2018-2019 = **\$1.3 million**

2019-2020 = **\$2.3 million**

2020-2021 = **\$3.5 million**

2021-2022 = **\$4.3 million**

2022-2023 = **\$4.6 million**

2023-2024 = **\$2.1 million**

2024-2025 = **\$806,460**

Originally, we expected to lose \$2.5 million this year.

In March we learned we would be losing \$6.2 million.

Bills were just passed to alter our cut this year - so we are back to a \$2.1 million loss.

Updated April 17:

**Overall
\$19 million
will be lost
in state aid
over 7 years**

This Budget is a Reflection of the 6 Years' Worth of Decimating Budget Cuts

- We have been discussing - **and advocating against** - the S2 funding formula that has cut our aid more than **\$18 MILLION in 6 years** (will be **\$19 million or higher over the course of 7 years.**)
- Meanwhile, our expenses have risen higher than the mandated 2% cap on our tax levy
- We have been forced to operate in a “cut model” budget, year after year
 - Reduce operational costs
 - Cut staff
 - Postpone needed facilities improvements
 - Seek additional revenue
 - We have needed to draw from (and not generate additional) surplus funds - which are for emergency needs and were traditionally rolled over to support the following year's school budget needs

Advocacy

We have aggressively pursued multiple avenues to advocate for a review or pause of S2 cuts and to draw special attention to the unique circumstances faced by Jackson.

- Joined coalition lawsuit to seek S2 formula from state
- Testified to Senate and Assembly Budget Committees on multiple occasions
- Gathered public support to advocate for our students on S2 cuts
- Worked with legislators to create bill to establish nonpublic transportation consortium pilot program and provide funding for impacted districts
- Met with Governor's Office to discuss our challenges
- Met with District 12 Legislators
- Multiple requests to the Governor and the Commissioner of Education to come to our district and discuss needs
- Multiple meetings with the Ocean County Superintendent
- Met with staff from the DOE

Factors Impacting the 2023-2024 Budget

REVENUE:

- **State Aid** - Impact of cuts over the past 6 years
- **Other Aid** - Other types of temporary aid have kept us afloat
- **Surplus** - We have been utilizing surplus funds to support programs, and in addition have not been able to generate new surplus, as in the past
- **Tax Levy Cap** - 2% Cap limits our ability to keep on top of rising costs

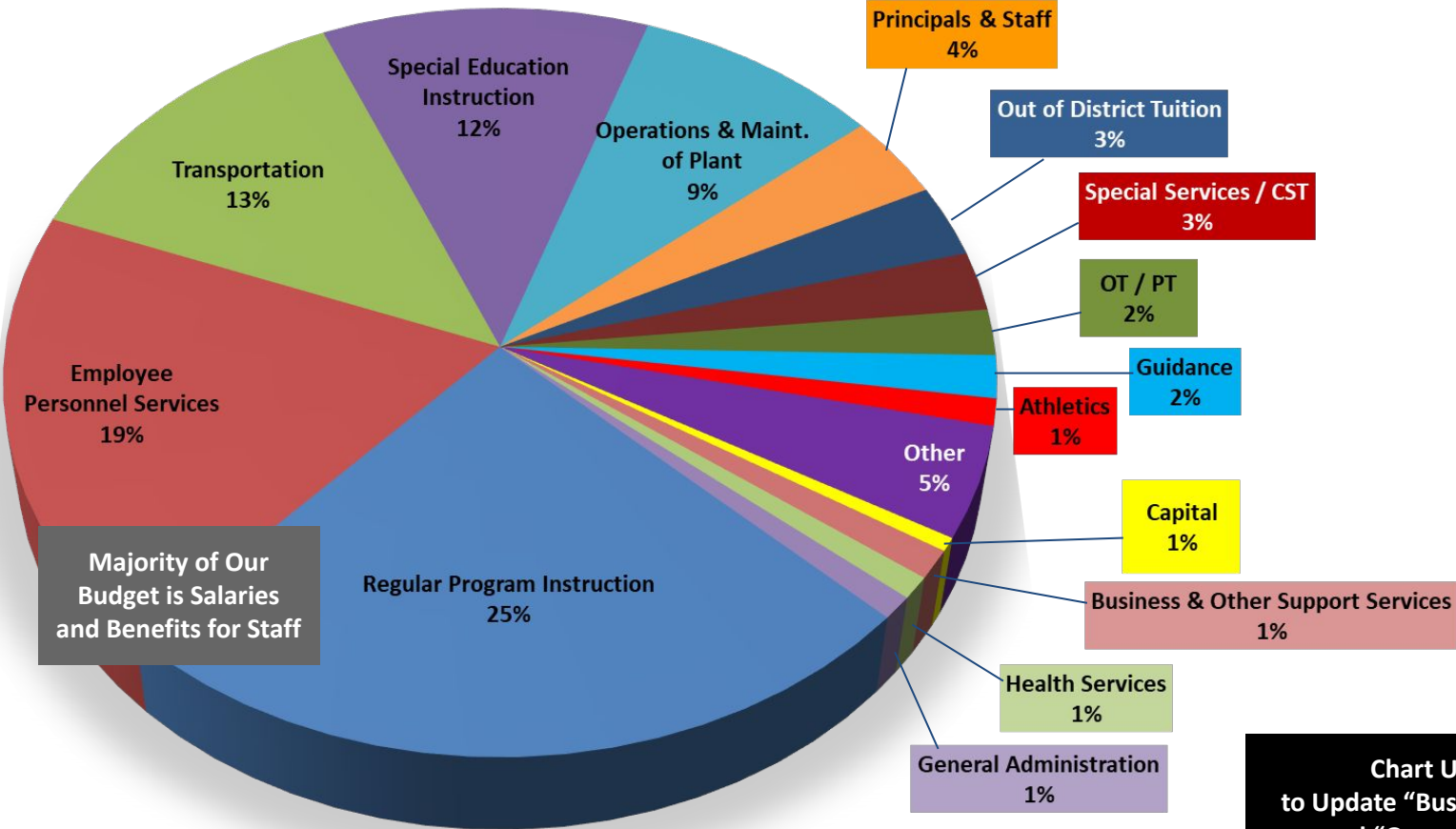
EXPENDITURES:

- **Fixed/Mandated/Costs Outside of Our Control** - Gas prices, tuition increases, increases in special education out-of-district transportation, contractual obligations
- **Needs** - Curricular, Extra-Curricular, Facility, Security, Technology
- **Inflation** - Between 6% and 8%

ENROLLMENT:

- Decreases in enrollment are leveling a bit
- **Our state aid cuts FAR EXCEED our enrollment decreases**

Breakdown of Expenses - General Fund



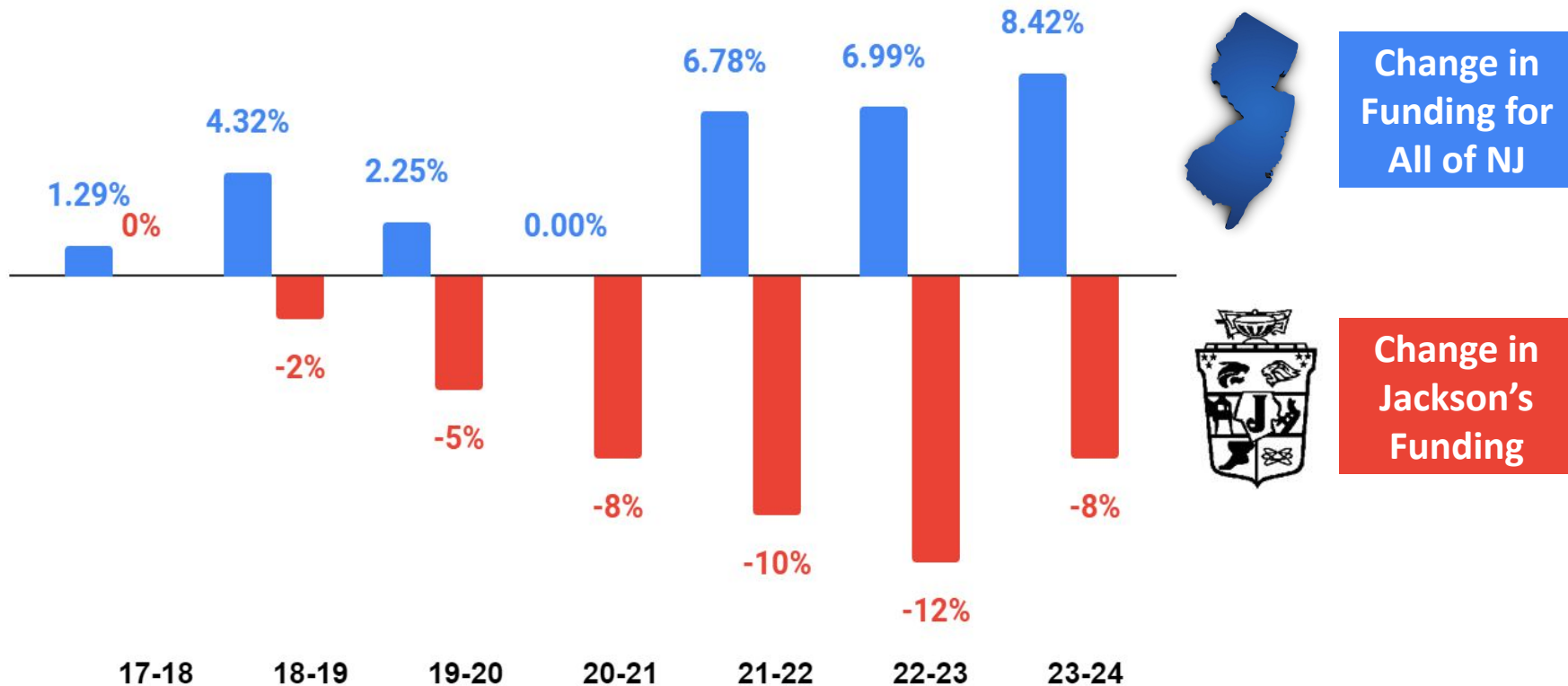
Majority of Our Budget is Salaries and Benefits for Staff

- OTHER Includes:**
- Attendance
 - Special Schools, ROTC
 - Basic Skills
 - PD/Supervisors
 - Co-Curricular
 - Bilingual
 - Health
 - Speech
 - Impact of Instruction
 - Media
 - Data Processing

Chart Updated May 9, 2023 to Update "Business and Support Services" and "General Administration" areas

Change in State Aid in NJ Since Start of S2

(Reflects aid common to all districts - does not include stabilization or extraordinary aid)



State Aid Cuts Far Exceed Enrollment Decreases

AID	17-18	18-19	19-20	20-21	21-22	22-23	23-24
Total Aid	\$50,735,886	\$49,870,072	\$47,573,068	\$44,291,564	\$46,378,618	\$37,669,005	\$29,738,363*
% Change	0%	-1.71%	-4.61%	-6.90%	+4.71%	-18.78%	-21.05%

Since 2017: Cumulative Loss of State Aid = - 41.39%

**When the state re-evaluated our aid loss in March, we received \$4,218,397 back in the form of miscellaneous revenue (not categorized by the state as "aid".)*

To present a full, fair picture of aid vs. enrollment, if this were counted as aid, our

Cumulative Loss of State Aid = - 33.1%

Enrollment	17-18	18-19	19-20	20-21	21-22	22-23	23-24 estimated
Enrollment (Oct. 15)	8,189	8,106	7,964	7,630	7,355	7,214	?
% Decrease		-1.02%	-1.74%	-4.19%	-3.59%	-1.9%	?

Since 2017: Cumulative Loss of Enrollment = - 11.9%

Decreased Staffing Levels Since 2017

**151.5 Positions
Have Been
Eliminated
Since 2017-2018**

Administration

Teachers

Paraprofessionals

Bus Drivers

Secretaries

Custodians

Food Service

Lunchroom Aides

Grounds

Nurses Aides

Non-Certified Supervisors

Security- Full Time

Security - Part Time

Receptionists

Technology

Garage

Van Aides

Support Staff

Every Area Has Felt the Impact of Staff Cuts

Many Have Been Accomplished Through Attrition/Retirements

We are Efficient and Effective: How We Compare

What is the NJ “Adequacy Budget”?

Every school district in the state calculates what would be the necessary funding level to provide a “thorough and efficient education” to every pupil in that district.

This is what is referred to as the Adequacy Budget.

- We are \$9 Million **UNDER Adequacy** in spending this year, according the State of NJ’s Adequacy Budget calculations. Will be even more millions under adequacy for the 23-24 school year.
- We are **14th lowest in Budgetary Cost Per Pupil** (out of 92 NJ K-12 Districts)

EXPENDITURES

Challenges in the Face of Funding Cuts - Continued

Total Non-Public Students (Transported and AIL)

17-18	18-19	19-20	20-21	21-22	22-23	23-24
655	1,101	1,427	1,946	2,789	3,867	4,750 estimated

2022-2023 (One-Year) Increase:

- 1078 students or 38.6% increase

Increase Since 2017:

- 4095 students or 490% increase

ELL Students

17-18	18-19	19-20	20-21	21-22	22-23	23-24
181	168	226	264	284	453	540 estimated

2022-2023 (One-Year) Increase:

- 169 students or 59.5% increase

Increase Since 2017:

- 272 students or 150% increase

Analyzing Every Option

This budget process included analyzing every cost-saving option, **including closing Rosenauer.**

ASSISTANCE TO BUDGET

- Savings on energy costs
- Savings on maintenance costs
- Savings on a small PORTION of staffing
- Could rent or eventually sell the building
- Selling = one-time infusion of funds

NEGATIVE IMPACT

- Majority of students are “walkers” - sending to another school would require busing costs year after year, negating significance of savings
- Would still need to retain and relocate all teaching staff due to class size needs
- Although enrollment has decreased district-wide in recent years, our class sizes have INCREASED due to staffing cuts.
- Full-day kindergarten, fewer out-of-district placements and preschool expansion **leaves little room in other schools to absorb students**

On balance, at this time we determined closing the school was not best for the district.

WHAT IT MEANS

Impact to the 2023-2024 Budget:

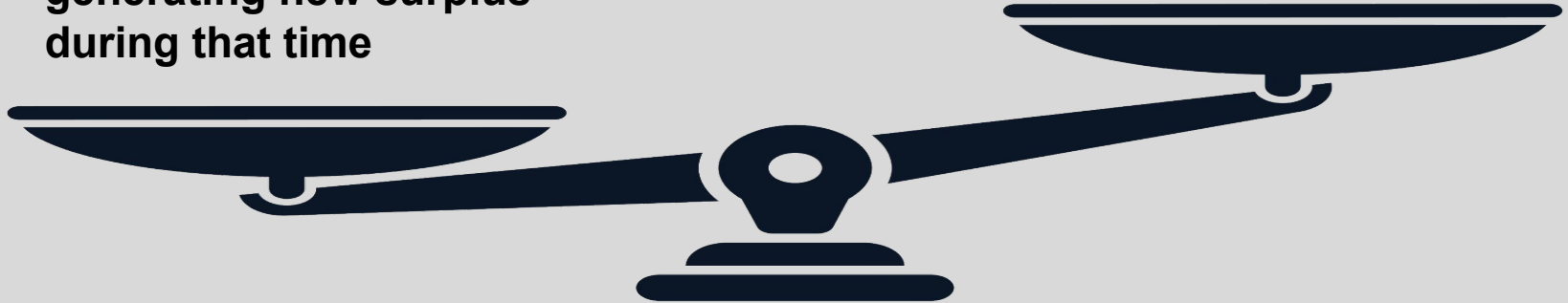
- Loss of 64 positions with most through attrition or elimination (total 215 since 2018)
- Reduction in Administrative Staff
- Reduction in Certified Staff
- Reduction in Non-Certified Staff
- Reduction in School-Based Budgets
- Loss of Tier 1 Capital Projects (Except Safety-Related Projects)
- Technology Reductions
- Increase in class sizes
 - Kindergarten: 20
 - Grades 1-5: 23 avg. → 26 avg.
 - Grade 6-8: 25 avg. → 28 avg.
 - Grades 9-12: 25 avg. → 30 avg.
- Reduction of some Extra-Curricular Activities
- Elimination of transportation to practices for off-site sports
- Reduction in assistant coaches
 - Allows us to maintain the sport itself
- Reduction of 2 District Sports
 - Ice Hockey - Low ice hockey participation #s
 - Gymnastics - Gymnasts can still compete as individuals in State Competitions

These cuts are STILL not enough to reach a balanced budget.

In order to BALANCE the budget in the face of our challenges, even the cuts we are proposing are NOT ENOUGH to operate our district efficiently and effectively.

- **6-Year Loss of \$18 Million in Aid**
- **Increase in Expenditures**
- **Surplus Depleted Over 6 years - plus not generating new surplus during that time**

- **Staffing cuts (215 since 2018)**
- **Reductions to programs, services, technology**
- **Increased class size**
- **Cuts to sports, activities**
- **Needed facilities improvements paused**



**We WILL NOT introduce a budget that cuts more than we already have.
Doing so would prohibit us from providing an efficient education for our students.**

**We have asked the NJ
Department of Education for
\$10.2 million in assistance
to balance our budget for
2023-2024.**

**The cuts we are making
will certainly impact
our experiences.**

**We need this infusion
to operate our district.**



**The district will need to work the 10-year loan payment into our budget each year.
The tax levy cap remains - meaning the LOAN PAYMENT will NOT impact your tax rate.**

**Meanwhile, we will continue to educate decision-makers about
our challenges and special circumstances and look for SUSTAINABLE RELIEF.
We need LONG-TERM SOLUTIONS rather than one-time fixes.**

Why is this Loan Necessary?

- We have met with the Executive County Superintendent multiple times, going through each line item in the budget. He has communicated to the Department of Education that **the district has been fiscally responsible.**
- We explained that **it was with great anguish that we were seeking this assistance, but that we have no other choice.**
- By law the district must continue to operate under a 2% tax levy cap, which allows us no mechanism to save necessary programs and positions in the face of devastating cuts.
- We have HOPE that S2 will not remain in place for the 2024-2025 budget year.
- We have HOPE that a more balanced funding formula for the state is developed.
- We have HOPE that our state aid will increase for ELL, special education, transportation and security.
- **However, the district can not plan with just hope. We must ACT NOW to protect the education of our students.**

We Will Also Be Seeking a Special Question on the November 7, 2023 Ballot

To raise an additional \$4,035,000 for the General Fund for 2023-2024.

These taxes will be used exclusively to add the following positions:

- 6 Guidance Counselors
- 2 Student Assistance Counselors
- 8 Interventionist Teachers
- 10 Elementary Teachers
- 12 Secondary Teachers
- 1 Nonpublic Student Coordinator
- 1 Nonpublic Secretary
- 4 Child Study Team Members
- 4 ESL Teachers

Tax Impact of Special Question:

The average home in Jackson is assessed at \$330,688.

The impact for this average homeowner would be:

- \$96 year
- \$8 month
- 26 cents day

If approved by voters, the funds will result in a permanent increase to the tax base. If the special question is defeated, we will not be able to add these positions to meet the needs of our students.

Why This Special Question is Being Proposed

6 - Guidance Counselors

Needed for increase in mental health and better student-to-counselor ratios

2 - Student Assistance Counselors

Needed for increases we are experiencing in substance abuse

8 - Interventionist Teachers

Needed for academic intervention to improve academic progress

10 - Elementary Teachers

Needed for class size reduction

12 - Secondary Teachers

Needed for class size reduction

1 - Nonpublic Student Coordinator

1 - Nonpublic Secretary

Needed for management of all state non-public funds that are required to be managed by the school district (e.g. Title I.....)

4 - Child Study Team Members

Needed for better ratio of special education student-to-case manager

4 - ESL Teachers

Needed for increases in student population and instructional needs for ESL students

What's Next:

2023-2024 BUDGET

- **The budget being voted on tonight is based on the approval from the Department of Education on our loan request.**
- District will need to work 10-year loan payment into budget each year.
- **2% levy cap remains = LOAN will NOT increase your taxes**
- The 2023-2024 Budget approved tonight goes into effect July 1.
- We will strategize with departments to implement cuts effective July 1.

NOV. 7, 2023 SPECIAL QUESTION

- We will create a series of opportunities to discuss special question and impact to your taxes prior to vote.
- On Nov. 7, voters decide on special question.
- **If approved**, the funds will result in a permanent increase to the tax base and the positions funded will be added to the district to better meet the needs of students.
- **If not approved**, we will not be able to add these positions to meet the needs of our students.

There will be multiple PUBLIC meetings and opportunities to discuss the special question and its impact prior to the November vote.

Budget Figures and Tax Impact

Tax Levy Information

The “tax levy” is the amount to be raised by taxation.

It takes two forms:

- “General Fund” tax levy (i.e. operating budget)
- “Debt Service” tax levy (i.e. previously approved construction projects, referenda)

**This year’s tentative budget contains a
general fund tax levy increase of 2 %**

2023-2024 Proposed Budget

Comparison from 2022-2023 Budget

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General Fund Tax Levy	\$ 93,274,419	\$1,828,910	2.00%
State Aid	\$ 29,738,363*	(\$7,930,642)	(21.05%)
State Aid Loan	\$10,225,067	\$10,225,067	100%
General Fund	\$143,660,026	\$1,104,487	0.77%
Federal/ State Programs	\$ 13,696,973	(\$6,371,501)	(31.75%)
Total Debt	\$ 8,433,500	\$ 2,686	0.03%
Total Budget	\$165,790,499	(\$5,264,328)	(3.08%)

**When the state re-evaluated our aid loss in March, we received \$4,218,397 back in the form of miscellaneous revenue (not categorized by the state as "aid".)*

What does this budget mean for taxpayers?

- TOTAL Tentative Budget is **\$165,790,499**
- **.0005-cent increase** to the School Tax Rate
- 2023 Tentative School Tax Rate = **\$1.4203 per \$100 of assessed home value**
- Average home in Jackson is assessed at \$330,688
- **\$2 increase per year** for the average homeowner

After May 9, look on our Budget Information Page to view the full, detailed budget document and tonight's presentation.

www.JacksonSD.org

The decisions we are making are painful.

Please know they were made with careful consideration for what would have the least impact on students' education and experiences.

This is NOT the budget we want.

It is the budget we are forced to endure given our extraordinary challenges.

We will continue our efforts to educate decision-makers about our unique circumstances and for the funding we need to run our district.

We are hopeful a solution is on the horizon.

Until then, we will continue to put students first, always.

PUBLIC FORUM