

**Jackson School District  
2023-2024  
Tentative Budget**

**Board of Education Meeting  
March 15, 2023**

# 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 = ~~**\$2.5 million**~~

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

The State told us  
6 years ago we would lose  
\$2.5 million in aid this year.

On March 2, 2023 we  
learned this cut is now \$6.2  
million!

Updated March 2:

**Overall**  
**\$23 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 **\$22 MILLION in 6 years** (will be **\$23 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

# We are enduring the 5th largest cut to State Aid in ALL OF N.J.

	<b>County</b>	<b>District</b>	<b>Cut</b>	<b>% of total aid</b>
<b>1</b>	<b>Hudson</b>	<b>Jersey City</b>	<b>-51,062,150</b>	<b>-27.65%</b>
<b>2</b>	<b>Ocean</b>	<b>Toms River Regional</b>	<b>-14,421,851</b>	<b>-31.77%</b>
<b>3</b>	<b>Monmouth</b>	<b>Asbury Park City</b>	<b>-8,587,256</b>	<b>-29.32%</b>
<b>4</b>	<b>Monmouth</b>	<b>Freehold Regional</b>	<b>-6,763,723</b>	<b>-22.14%</b>
<b>5</b>	<b>Ocean</b>	<b>Jackson Twp</b>	<b>-6,287,744</b>	<b>-18.41%</b>
<b>6</b>	<b>Monmouth</b>	<b>Neptune Twp</b>	<b>-4,222,907</b>	<b>-24.84%</b>
<b>7</b>	<b>Middlesex</b>	<b>South Brunswick Twp</b>	<b>-4,063,240</b>	<b>-20.58%</b>
<b>8</b>	<b>Ocean</b>	<b>Lacey Twp</b>	<b>-3,968,990</b>	<b>-27.49%</b>
<b>9</b>	<b>Ocean</b>	<b>Brick Twp</b>	<b>-2,542,260</b>	<b>-14.80%</b>
<b>10</b>	<b>Ocean</b>	<b>Stafford Twp</b>	<b>-2,357,904</b>	<b>-30.79%</b>

Current state aid for Jackson = \$3,850 per K-12 student

State aid to all districts receiving comparable state aid = \$10,543 per student.

# Cost Saving Efforts and Creative Solutions

- Staff Reductions at Every Level
- ESIP - Energy Savings Improvement Program
- Health Benefits Savings
- Special Education Programs In-District
- Aggressive Pursuit of Grants
- Advertising on Buses
- Facility Rentals (Auditoriums)
- Fought for Stabilization Aid

## Health Benefit Costs

	17-18	18-19	19-20	20-21	21-22	22-23	23-24
Health Benefit Costs	\$21,153,715	\$21,040,702	\$21,732,586	\$24,745,356	\$26,850,406	\$21,749,443	\$21,985,342

## Out of District Special Education Placements

	17-18	18-19	19-20	20-21	21-22	22-23	23-24
# Students	84	91	93	77	57	53	
Sp. Ed Tuition	\$4,724,465	\$5,464,214	\$5,255,52	\$4,731,339	\$6,265,760	\$4,814,572	\$4,568,331

# 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

# Factors Impacting the 2023-2024 Budget

## REVENUE:

- **State Aid** - Impact of cuts over the past 6 years
- **Other Aid** - How 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** - Things we can't control
- **Needs** - Curricular, Extra-Curricular, Facility, Security, Technology

## ENROLLMENT:

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

REVENUE



# Sources of Revenue



We have limited ways to support a budget, including:

- Tax levy (amount raised by taxation) - capped at 2% increase each year
  - This year that amount is \$1.8 million
- Grants - we are always seeking grants (no grant writer, cut at the beginning of S2)
- Federal and State Programs
- Participation Fees for Sports and Activities
- Food Service Revenue
- Child Care Revenue
- Facility Rentals Revenue
- Donations
- Preschool Aid/State Aid



# OVERVIEW OF STATE AID SINCE 2017

	17-18	18-19	19-20	20-21	21-22	22-23	23-24
Equalization Aid	\$42,102,240	\$42,102,240	\$39,805,236	\$36,323,732	\$32,087,569	\$27,481,691	\$21,193,947
Transportation Aid	\$1,013,961	\$601,355	\$601,355	\$601,355	\$601,355	\$601,355	\$601,355
Special Education Aid	\$5,211,500	\$5,211,500	\$5,211,500	\$5,211,500	\$5,211,500	\$5,211,500	\$5,211,500
Security Aid	\$854,977	\$854,977	\$854,977	\$854,977	\$854,977	\$854,977	\$854,977
Other	\$453,208				\$246,633		

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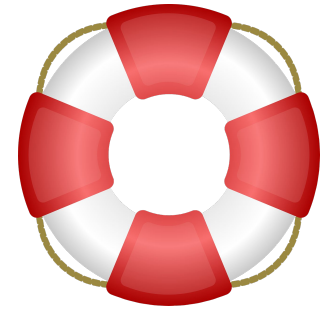
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Security Aid	\$854,977	\$854,977	\$854,977	\$854,977	\$854,977	\$854,977	\$854,977
Other	\$453,208				\$246,633		
Extraordinary Aid	\$1,100,000	\$1,100,000	\$1,100,000	\$1,300,000	\$1,376,584	\$1,876,584 <i>anticipated</i>	\$1,876,584 <i>anticipated</i>
Stabilization Aid					 \$6,000,000	 \$1,642,898	\$0 anticipated

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Stabilization Aid					 \$6,000,000	 \$1,642,898	\$0 anticipated
<b>Total</b>	<b>\$50,735,886</b>	<b>\$49,870,072</b>	<b>\$47,573,068</b>	<b>\$44,291,564</b>	<b>\$46,378,618</b>	<b>\$37,669,005</b>	<b>\$29,738,363</b>
<b>Change</b>	<b>\$0</b>	<b>-\$865,814</b>	<b>-\$2,297,004</b>	<b>-\$3,281,504</b>	<b>+\$2,087,054</b>	<b>-\$8,709,613</b>	<b>-\$7,930,642</b>
% Reduction from previous year	0%	-1.71%	-4.61%	-6.90%	+4.71%	-18.78%	-21.05%
Cumulative Loss of State Aid		-1.71%	-6.23%	-12.70%	-8.59%	-25.75%	-41.39%

**Total Change in Aid Since 2017 = Loss of \$20,997,523**



# COVID-Related Funding Received Since 2017 “Kept the Budget Afloat” From 2020 - 2023 And Allowed us to Address Learning Loss



17-18	18-19	19-20	20-21	21-22	22-23	23-24
			ESSR 1 \$718,134	ESSR 2 \$4,013,268	ARP ESSR \$9,198,970	NONE
			COVID Relief \$470,268			

**Without these funds, we would have been forced to make drastic changes, much sooner and would not have been able to help our students and staff climb out of the stress and learning loss of the COVID Pandemic.**

# Tax Levy Increase vs. Reduction in State Aid from 2017 through Present

	17-18	18-19	19-20	20-21	21-22	22-23	23-24
Change in Total Aid	\$0	-\$865,814	-\$2,297,004	-\$3,281,504	+  \$2,087,054	-\$  8,709,613	-\$7,930,642
*General Tax Levy Increase	\$2,248,574	\$2,547,602	\$2,101,241	\$1,723,423	\$1,757,891	\$1,793,049	\$1,828,910
NET IMPACT to REVENUE	\$2,248,574	\$1,681,788	-\$195,763	-\$1,558,081	\$3,844,945	-\$6,916,564	-\$6,101,732

*\* Remember: Tax Levy Increase is Limited BY LAW (CAPPED) at a 2% INCREASE each year.*

# ENROLLMENT and STATE AID

# Comparison of Aid to Enrollment

<b>AID</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>
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	-\$865,814	-\$2,297,004	-\$3,281,504	+\$2,087,054	-\$8,709,613	-\$7,930,642
% Change	0%	-1.71%	-4.61%	-6.90%	+4.71%	-18.78%	-21.05%
<b>Since 2017: Cumulative Loss of State Aid = - 41.39%</b>							

<b>Enrollment</b>	<b>17-18</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24 estimated</b>
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%	?
<b>Since 2017: Cumulative Loss of Enrollment = - 11.9%</b>							



# 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**

- We are **UNDER Adequacy** in spending, according to the State of NJ's Adequacy Budget calculations
- We are **14th lowest in Budgetary Cost Per Pupil** (out of 92 NJ K-12 Districts)

## **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.**

# EXPENDITURES

# Challenges in the Face of Funding Cuts

- Contractual obligations
- Rising costs (software licenses, etc.)
- Gas prices
- Tuition increases outside our control
- Increases in special education out-of-district transportation

Rising Inflation	
Year	Consumer Price Index
2017	2.5%
2018	2.1%
2019	1.3%
2020	2.5%
2021	1.6%
2022	8.2%
2023	6.3%
<i>Source: U.S. Bureau of Labor Statistics - Middle Atlantic Region</i>	

# 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

WHAT IT MEANS

## **We've Reached the Fiscal Cliff...**

- **Loss of Aid**
- **Increase in Expenditures**
- **Surplus Depleted Over the Past 6 years - PLUS - During that same time we have not generated any new surplus**

# Impact to This Tentative Budget:

- Reduction in Administrative Staff
- Reduction in Certified Staff
- Reduction in Non-Certified Staff
- Elimination of Courtesy Busing and Busing to Child Care Centers
- Reduction of Extra-Curricular
- Reduction of District Sports
- Loss of Tier 1 Capital Projects (Except Safety-Related Projects)
- Reduction in School-Based Budgets
- Curriculum Adoption Cycle for HS Math will be Paused
- Technology Reductions
- Increases to Participation Fees for Athletics and Activities

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

**We will be exploring EVERY possible area to create a budget for approval in April.**



The figures on the next slides demonstrate the “bottom line” of this Tentative Budget and the impact the 2% tax levy increase will have on the average homeowner.

We are far from having final answers as to what will be lost in this budget in order to accomplish a balanced budget.

We will be working over the next several weeks to make those decisions.

These are heartbreaking decisions to have to make, all while trying our best to maintain what makes the Jackson School District so special.

# **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 Tentative Budget

## Comparison from 2022-2023 Budget

	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%
<b>Total Budget</b>	<b>\$158,903,894</b>	<b>(\$12,150,933)</b>	<b>( 7.10%)</b>

# What does this mean for taxpayers?

- TOTAL Tentative Budget is **\$158,903,894**
- **.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

**Look on our  
Budget Information Page  
to view:**

- **Budget presentations**
- **The full, detailed Tentative Budget document**

**[www.JacksonSD.org](http://www.JacksonSD.org)**

# The Budget Process

## Public Input is Always Encouraged

There are various opportunities for public input:

- Budget Overview & Meeting Schedule: **Jan. 18**
- “Building a Budget” Presentations: **Feb. 15**
- Tentative Budget Introduced at BOE Meeting: **March 15**
- Continued Discussion/Refinement of Budget Prior to Public Hearing on **April 26**