



EMBRACING OUR VISION FOR THE FUTURE



Livingston Public Schools

Preliminary Budget Planning - February 6, 2024
Fiscal Year Budget - 2024-2025

Embracing Our Vision For The Future

Livingston Public Schools Portrait of a Graduate



Conscientious Friend

- Uplifts others with kindness
- Listens with intention
- Turns empathy into action
- Invests in community
- Weighs impact on other people, the environment, and society



Independent Thinker

- Practices self-reflection and self-advocacy
- Asks probing questions
- Embraces innovation
- Understands the past and envisions the future
- Relies on own values and beliefs in decision making and civic participation



Balanced Individual

- Cares for self and pursues personal passions
- Finds humor and joy in life
- Persists in the face of adversity
- Appreciates beauty and creative expression
- Makes choices that promote social, mental, and physical wellbeing



Thoughtful Communicator

- Listens to and amplifies quieter voices
- Communicates with clarity and purpose
- Uses language to promote inclusivity and unity
- Respects the power of influence and uses feedback to uplift others
- Perceives and promotes truth



Collaborative Leader

- Knows when to observe, when to support, and when to initiate
- Recognizes strength in difference
- Models honesty, humility, and accountability
- Advocates for justice and sees through a global lens
- Believes in the possibilities that come with change, and overcomes obstacles



Motivated Learner

- Views challenges as opportunities
- Persists in making connections and finding solutions through trial and error
- Relishes curiosity, often when no clear outcome is apparent
- Discerningly identifies reliable sources of information
- Rebounds with zeal



Agenda

Aligned to the 2022 - 2027 Strategic Plan
and District Goals:

- ▶ Budget Process and Calendar
- ▶ Board Budget Goals
- ▶ History of the 2% Cap
- ▶ Revenue History
- ▶ Status of 2024-2025 Budget
- ▶ Banked Cap Availability
- ▶ Tentative Tax Impact
- ▶ Next Steps



Budget Process and Calendar

The draft budget represents months of planning, preparation and prioritization

October 2023	Budget documents sent to Principals, Supervisors and Central Office Staff
November 2023	LBOE provided budget goals to Administrative Team
December 2023	Budget documents due to the Business Office
Dec 2023-Jan 2024	Individual Budget meetings with Principals and Administrative Team
January 2024	Central Office budget development
February 6, 2024	LBOE Meeting/Budget Presentation and Discussion
February 13, 2024	LBOE Meeting/Budget Presentation and Discussion
February 27, 2024	Governor's Budget Address LBOE Meeting/Budget Presentation and Discussion
February 29, 2024	Release of State Aid \$ Amounts
March 12, 2024	LBOE Meeting/Budget Presentation and Discussion
March 19, 2024	LBOE Meeting/Adoption of Tentative Budget
April 16, 2024	LBOE Meeting/Budget Presentation
April 30, 2024	LBOE Meeting / Public Budget Hearing/Board Approval of Budget

BOARD BUDGET GOALS (page 1 of 2)

- Based on an updated facility usage plan incorporating board, stakeholder, and community input and with the goal of adhering to class size guidelines, develop a long-range facility plan and timeline to address enrollment increases and facilities constraints.
- Support a five-year curriculum writing cycle to keep research- and evidence-based programs and materials current, relevant, and rigorous; initiate technology solutions to drive consistency, collaboration, and communication; and provide professional development to support staff, students, and other stakeholders.
- Assess and reflect upon the raw data, professional recommendations, and community input of the Equity Audit and drive student achievement by providing community-supported, research- and evidence-based programs and activities to both students and staff in the school environment.

BOARD BUDGET GOALS (page 2 of 2)

- Execute a district-wide security audit and implement necessary improvements to ensure the safety and security of all students, staff, and district property.
- Audit current curricular, extracurricular, and mental health programming to provide resources for greater inclusion and the betterment of the student experience and outcomes; to drive a greater sense of connectedness; and to ensure the academic, social, physical, and mental well-being of all LPS students.
- Expand access to high quality programs, services, and resources aligned to external standards to support LHS students in their high school planning, post-graduation planning, and college application process.

2% Investment

History of the 2% Cap



- ▶ Prior to 2007 average school tax levy was approximately 7%.
- ▶ Communities were required to vote to approve their school budgets.
- ▶ In 2007 a school budget cap was set at 4%. Community vote still required.
- ▶ In 2010 the 2% cap was instituted as a **cost saving** measure. 2% was touted as a responsible increase. The requirement of a community vote on the school budget was abolished in communities where budget increases were 2% or under. Initially, the 2% cap was offset by on influx of Chapter 78 health care payments and contract settlements at or below 2%.
- ▶ Salary costs in our current contracts rose by 3% from last year to this year. Just those increases encumber most of the 2% allowable.
- ▶ Inflation is high, and health insurance premiums have increased by nearly 50% over the past decade.
- ▶ 2% unlikely to change. Some districts already moving to a voted budget to overcome challenges associated with the cap.
- ▶ Investment in our schools has been a cornerstone of our community.

Revenue History

General Fund, \$ millions

- Historically, the local tax levy supported about 93% of the general funds revenues, and was 88% in 2023-24.
- In the past several years, revenues and expenditures increased at a higher rate than the tax levy.
- Fund Balance bridged the gap, increasing to about 3.7% (from the low \$1 million range to 4.9 million in 2023-24).
- With reliance on Fund Balance unpredictable and not sustainable, the 2024-25 budget calls for reducing Fund Balance \$2 million, with the aim of keeping it between 1% and 1.5% of the revenues.
- This necessitates using Banked Cap to raise the local tax levy back to supporting above 90% of the revenue.

Revenue Type	2019-20	% of Total	2020-21	% of Total	2021-22	% of Total	2022-23	% of Total	2023-24	% of Total	2024-25 Tentative	% of Total
Tax Levy	\$ 108.5	93.7%	\$ 110.3	93.2%	\$ 111.1	92.6%	\$ 114.0	91.4%	\$ 117.0	88.3%	\$ 123.5	90.8%
State Aid	4.9	4.2%	5.6	4.7%	\$ 6.2	5.1%	\$ 7.7	6.1%	\$ 9.5	7.2%	\$ 9.3	6.8%
Other	1.1	0.1%	1.2	0.1%	\$ 0.8	0.1%	\$ 1.1	0.1%	\$ 1.2	0.2%	\$ 1.2	0.2%
Fund Balance	1.3	1.1%	1.3	1.1%	\$ 1.9	1.6%	\$ 1.9	1.5%	\$ 4.9	3.7%	\$ 2.0	1.5%
Total	115.8	100.0%	118.4	100.0%	\$ 119.9	100.0%	\$ 124.9	100.0%	\$ 132.6	100.0%	\$ 136.2	100.0%

Banked Cap Availability

- ▣ **\$4,384,210** of Banked cap available, with **\$1,435,901** expiring if not used.
- ▣ With Banked Cap, the maximum tax levy would be **5.75%**

	\$ Banked Cap	Banked Cap (above 2%)	Tax Levy (%)	Tax Impact on Average Assessed Home of \$721,238	Tax Impact above 2%	\$ Banked Cap Expiring if not Used
2% Tax Levy (no Banked Cap Used)	\$0	0.00%	2.00%	\$192.57	\$0.00	\$1,435,901
Banked Cap Available For 24-25 Budget	\$4,384,210	3.75%	5.75%	\$558.25	\$365.68	\$0

Preliminary Tax Impact

- Tentative tax estimate based on most recent ratables and revenues and appropriations for the Operating Budget

(Based on 2024 ratables - subject to change)

Comparison of 2% Tax Levy and Full Use of Banked Cap (5.75%)

Home Price	2.00% Tax Levy	5.75% Tax Levy	\$ Difference between 5.75 and 2%	\$ Difference per Month
\$ 721,238*	\$193	\$558	\$366	\$30.50
\$ 500,000	\$134	\$387	\$254	\$21.17
\$ 700,000	\$187	\$542	\$355	\$29.58
\$ 900,000	\$240	\$697	\$456	\$38.00
\$ 1,100,000	\$294	\$851	\$558	\$46.50

* Average Home Assessment ~ \$721,238

Budget Highlights

Appropriations include:

- All programs and staffing currently in place in the 2023-2024 school year.
- Necessary technology upgrades, mandated math curriculum changes, and a needed physical inventory of fixed assets for reconciliation with our financial records.
- Impending changes in health benefits, with over \$900,000 in savings to the district and employees, relative to what the cost would have been without the change. Prescription increase 10%, dental 5%.
- 3.2% salary increases, as per agreements with the associations.
- No increase to the debt service tax levy.
- **Does not** include requests for \$1,295,551 in new programs and staffing at this time.