



EMBRACING OUR VISION FOR THE FUTURE



Livingston Public Schools

*Public Budget Hearing and Presentation - April 30, 2024
Fiscal Year 2024-2025*

Balancing the 2024-25 Budget



- A change in Health Benefits from The NJ School Employee Health Benefits Plan, administered by Horizon, to a private plan from Horizon saves over **\$900,000** annually to the district and employees
- Staff already pay for about **25%** of the cost of their health benefits
- 154 other appropriations lines were reduced by a total of over **\$4.3 million**, in order to balance the budget at maximum tax levy of 2% plus 3.75% in enrollment adjustments and banked cap for a total tax levy increase of 5.75%
- To balance the budget, the Budgeted Fund Balance revenue line was increased by **\$300,000** from the prior scenario of March 4, to **\$2.3 million**
- **\$1.6 million** in ROD Grants from the NJ School Development Authority for new boilers and roofs, while beneficial to the district, are accounted for outside of the operating budget

2024-25 Budget Highlights

- All programs 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.
- Changes in health benefits, with over **\$900,000** annual savings to the district and employees, relative to no change. Prescriptions increase **10%**, dental **5%**.
- **3.2%** salary increases, as per agreements with the associations.
- A total of **\$1,295,551 requested** for 16 Full-time Equivalents (FTE) from various departments for new programs and staffing.
 - The 2024-25 Budget **includes \$561k** for **6.0** FTEs from recurring funds redeployed from unfilled positions.
- No increase to the debt service tax levy.

2024-25 Budget Highlights

FY 24-25 State Aid

- On 2/29/24, the DOE announced that State Aid for LPS will increase by \$1.04 M or 11.83%
- Across NJ, an increase for 422 districts, decrease for 122 and flat for 15

Type of State Aid	2023-2024	2024-2025	\$ Increase	% Change
Categorical Transportation Aid	\$ 1,303,530	\$ 1,403,282	\$ 99,752	7.65%
Categorical Special Education Aid	\$ 7,049,480	\$ 7,775,498	\$ 726,018	10.30%
Categorical Security Aid	\$ 434,880	\$ 648,405	\$ 213,525	49.10%
Total State Aid (excl. Extraordinary Aid, Debt Service Aid)*	\$ 8,787,890	\$ 9,827,185	\$ 1,039,295	11.83%

**Extraordinary Aid is budgeted to decrease by about \$205,000*

**Debt Service Aid decreased by about \$29,000*

Revenue History

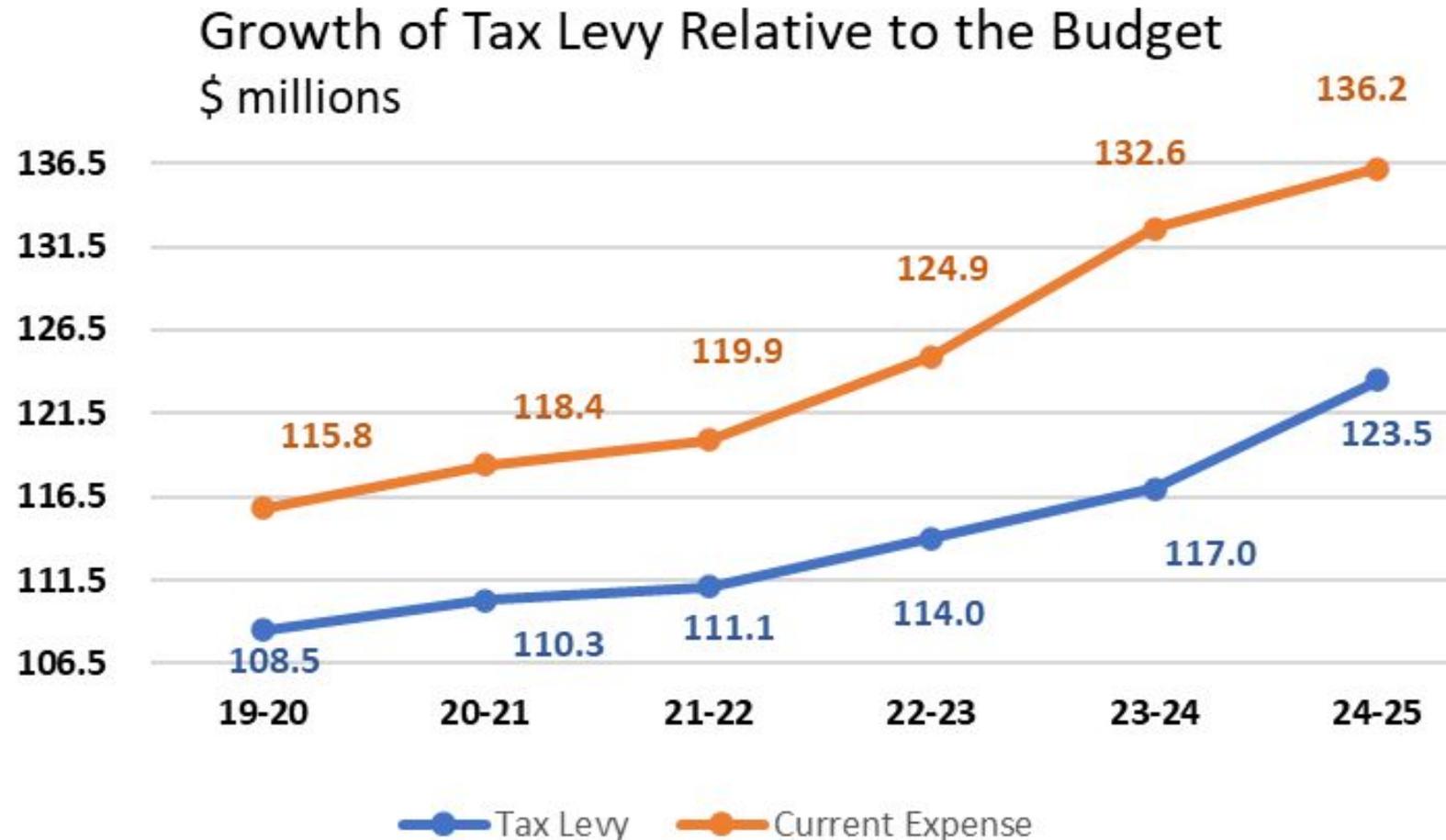
General Fund, \$ millions

- Historically, the local tax levy supported **93.7%** of general funds revenues in 19-20, and dipped to **88.3%** in 23-24
- For several years, revenues and expenditures increased at a higher rate than the tax levy.
- Fund Balance bridged the gap, increasing from the low **\$1 million** range to **\$4.9 million** in 23-24.
- With reliance on Fund Balance unpredictable and **not sustainable**, the 24-25 budget requires reducing Fund Balance to **\$2.3 million**, with the long-term to bring it back to the historical range of **\$1 to 1.3 million**.
- This necessitates using the Enrollment Waiver + Banked Cap to raise the local tax levy above **90%** of revenue.
- Tax levy revenue will support **90.8%** of the general fund budget in 24-25.

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%

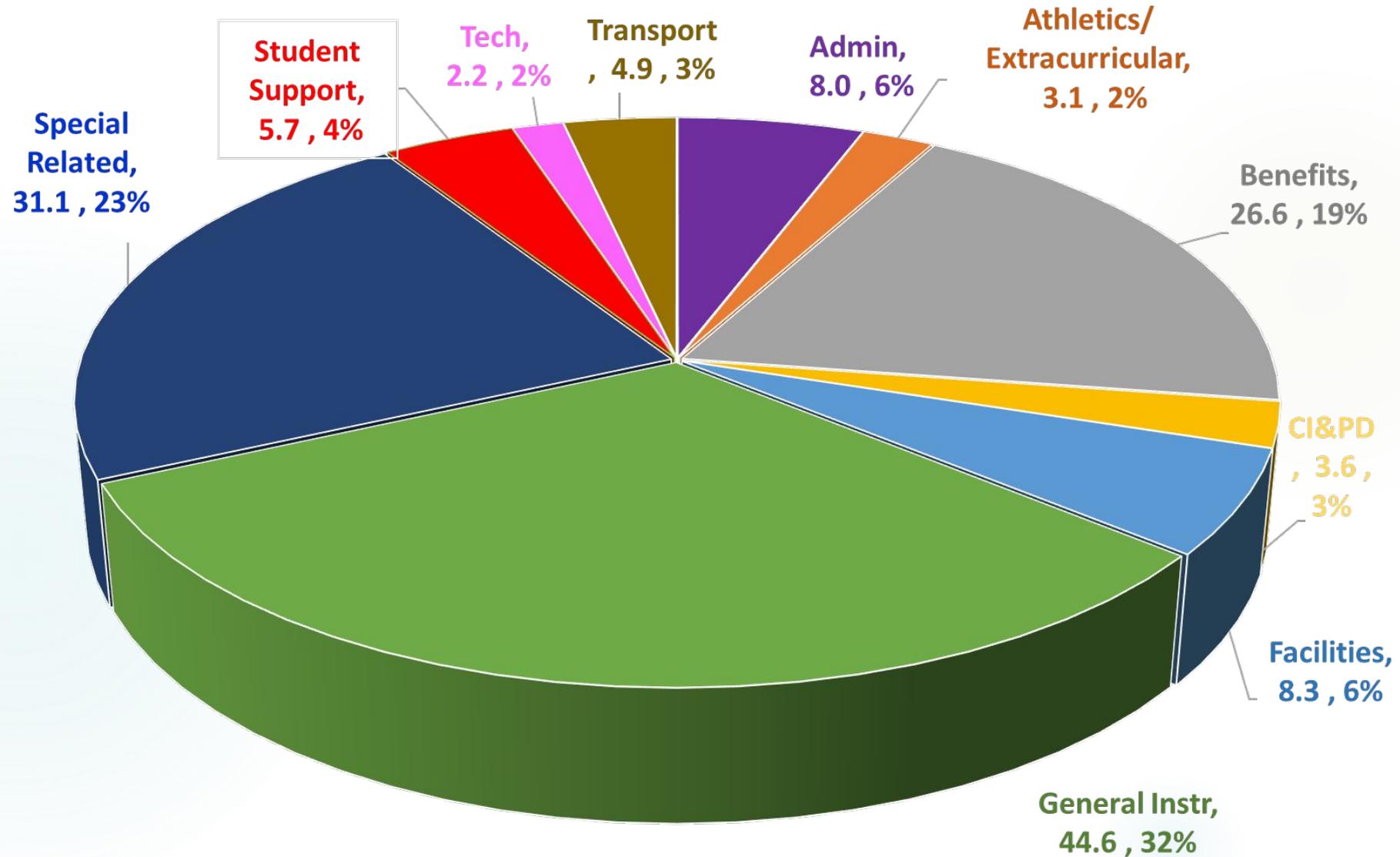
Revenue History: 5 Year Look Back

- The budget has grown at a higher rate than the local operating budget school tax levy
- In 2019-20, the difference between the current expense and the tax levy was about \$7.2 million
- In 2024-25, the difference will grow to at least \$12.7 million.
- Compounded Annual Growth Rate:
 - Current Expense ~ **4.14%**
 - Tax Levy ~ **2.63%**



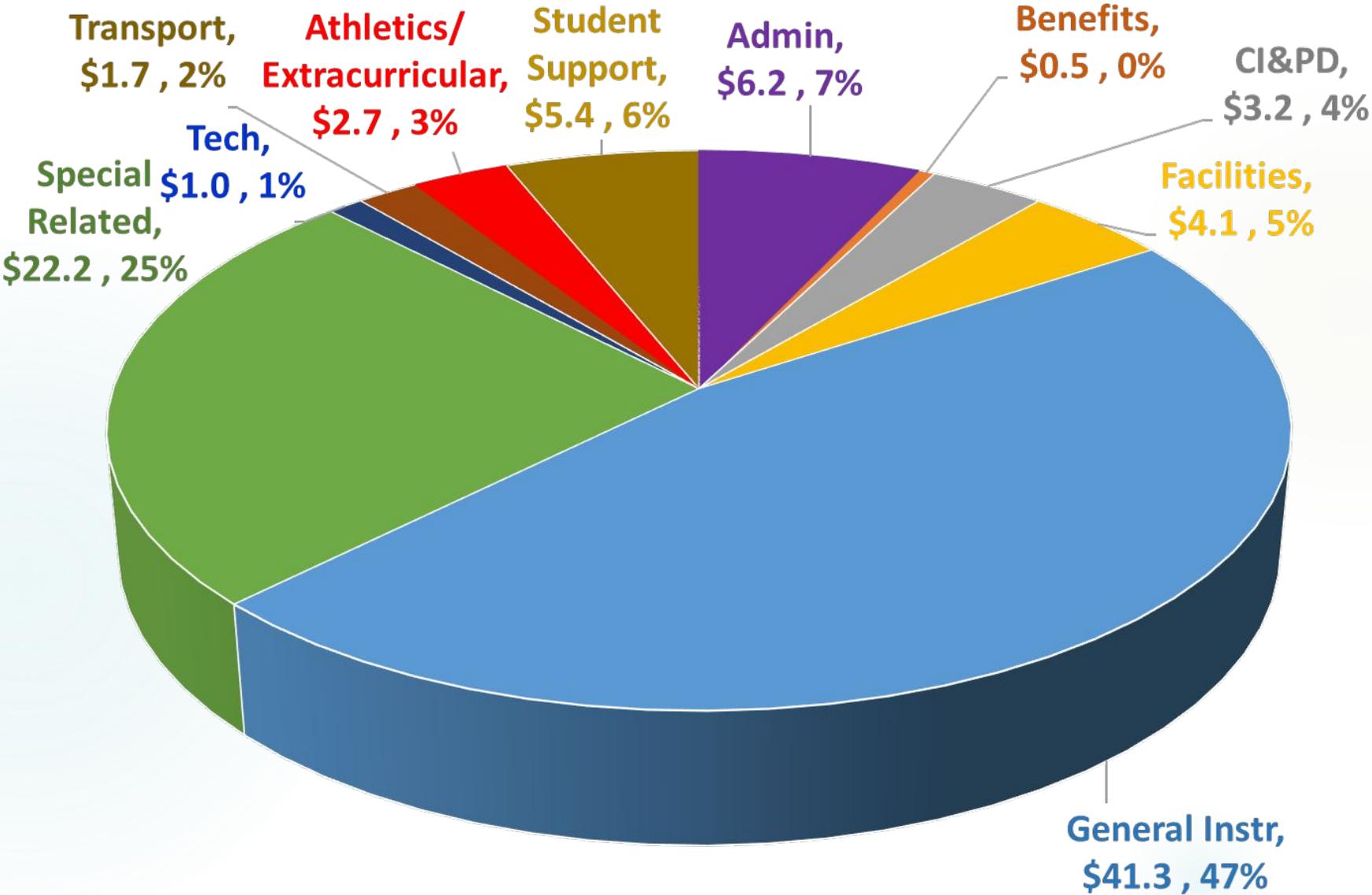
Appropriations by Category

(\$ millions)



Salary Appropriations by Category

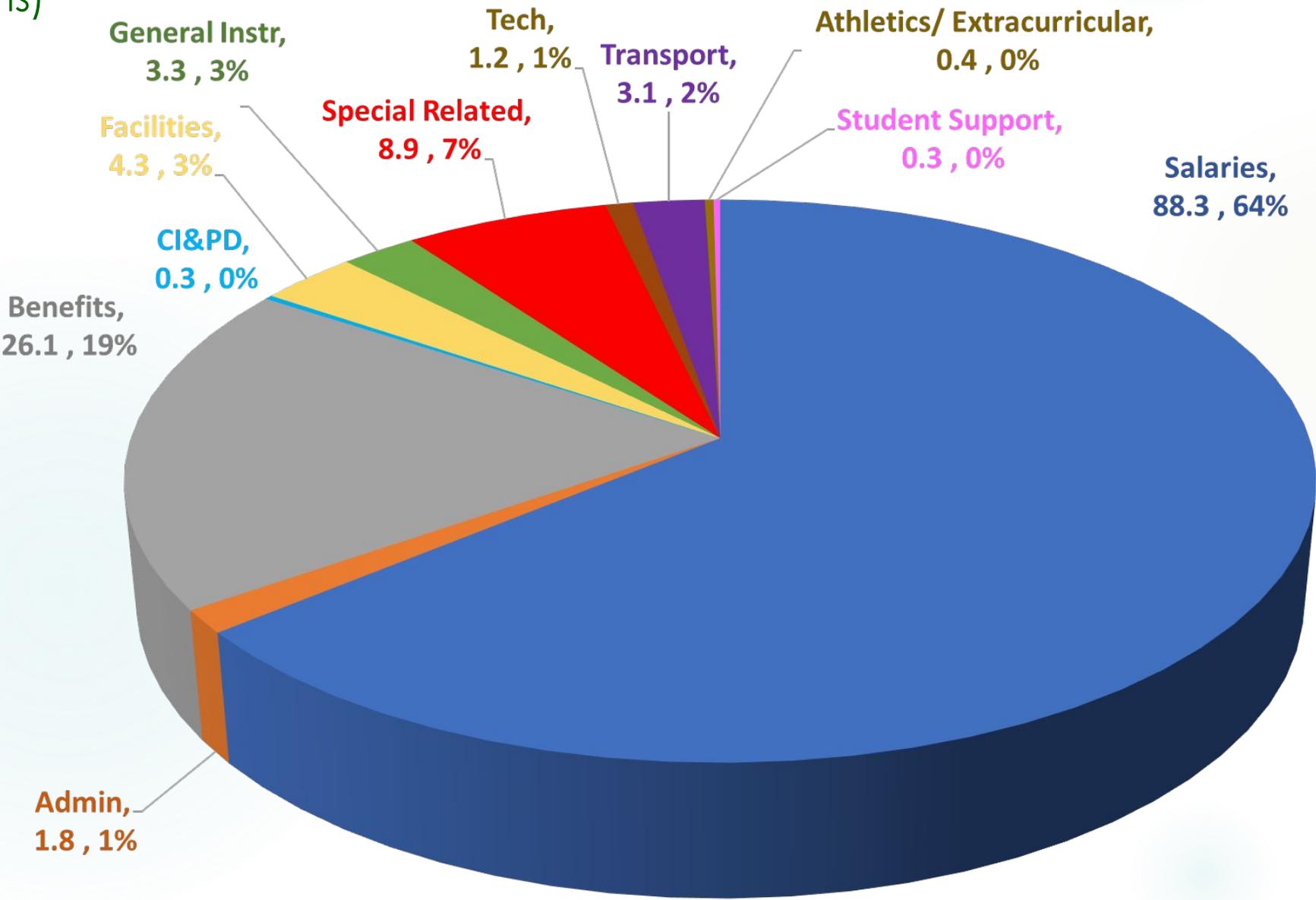
(\$ millions)



Appropriations by Category

Salaries vs. Non-Salaries

(\$ millions)



Continuing District Excellence

Programs Offered that are not Mandated by the NJ DOE

- Full-Day Kindergarten
- Administrative, supervisory and support staff structure
- Assistant Principals
- School Guidance Counselors
- Interventions for each K-8 School for ELA and Math
- Nurse in every school
- Media Specialists in every school
- Three+ Student Assistance Counselors (SACs)
- Gifted & Talented Art & Music through Grade 8
- Instrumental music lessons beginning in Grade 4
- Wide range of curriculum and elective courses
- Instructional and Kindergarten Aides
- Interscholastic Athletics at LHS
- Co-curricular and extracurricular after-school clubs and activities
- STEAM program
- 1:1 technology initiative
- Full Substitute coverage

Enrollment Waivers, Banked Cap and Tax Impact

- **\$830,064** of enrollment waiver adjustment available
- **\$4,384,210** of banked cap available
- **\$1,435,901 would expire** if not used in 2024-25
- With an enrollment waiver and banked cap, the **adjusted tax levy cap** is about **6.47%**
- **A balanced tentative 2025-26 budget** is on tonight's agenda with:
 - **\$830,064** of enrollment waiver adjustment included
 - **\$3,541,737** banked cap included
 - an operating budget tax levy of **5.75%**, which is **0.72% below cap**
 - no increase to the debt service tax levy
- **\$842,473** of unused banked cap will be available for the 2025-26 budget

Approved Preliminary Budget: Use of the Enrollment Waiver Adjustment and Most of the Banked Cap

➤ Base tax increase	2.00%	→	\$ 2,340,482
➤ Enrollment adjustment	0.72%	→	\$ 830,064
➤ <u>Use of most of the banked cap</u>	<u>3.04%</u>	→	\$ 3,541,737
➤ Total tax increase	5.75%	→	\$ 6,728,883
➤ Tax increase to average Home		→	\$ 558
➤ Amount <u>below</u> the tax cap of 6.47%	0.72%	→	\$ 842,473
➤ No expiring banked cap			
➤ Implications for the 2024-25 School Budget:			
○ No additional reductions needed for the 2024-25 School Budget under this scenario.			

Preliminary Tax Impact

- Estimated tax increase based on most recent ratables and revenues and appropriations for the Operating Budget

(Based on 2024 ratables)

Home Price	Proposed 5.75% School Tax Levy
\$ 721,238*	\$558
\$ 500,000	\$387
\$ 700,000	\$542
\$ 900,000	\$697
\$ 1,100,000	\$851

* Average Home Assessment ~ \$721,238

Cost Per Pupil

- **Classroom Instruction per Pupil** increased by \$198 to \$12,184
- **Legal Cost per Pupil** of \$46
< Regional Limit of \$65
- **Total Admin Cost per Pupil** of \$1,828
< Regional Limit of \$2,776
- **General Admin Cost per Pupil** of \$209
< Regional Limit of \$512
- **School Admin Cost per Pupil** of \$747
< Regional Limit of \$1,129
- **Business Office Cost per Pupil** of \$260
< Regional Limit of \$400
- **Food Service Operations Cost per Pupil** is self-sufficient at \$0
- **Employee Benefits as % of Salaries** decreases due to a change in health benefits, but still historically high

Per Pupil Cost Calculations	2021-22	2022-23	2023-24 Original Budget	2023-24 Budget as of 1/31	2024-25 Proposed Budget
Total Budgetary Comparative Per Pupil Cost	\$ 17,061	\$ 17,535	\$ 19,261	\$ 18,576	\$ 19,049
Total Classroom Instruction	\$ 10,840	\$ 11,074	\$ 12,416	\$ 11,976	\$ 12,184
Classroom-Salaries and Benefits	\$ 10,478	\$ 10,719	\$ 11,839	\$ 11,418	\$ 11,635
Classroom-General Supplies and Textbooks	\$ 326	\$ 205	\$ 421	\$ 384	\$ 345
Classroom-Purchased Services and Other	\$ 36	\$ 150	\$ 156	\$ 174	\$ 204
Total Support Services	\$ 2,694	\$ 2,795	\$ 2,985	\$ 2,821	\$ 3,059
Support Services-Salaries and Benefits	\$ 2,435	\$ 2,485	\$ 2,635	\$ 2,498	\$ 2,714
Total Administrative Costs	\$ 1,727	\$ 1,802	\$ 1,791	\$ 1,828	\$ 1,828
Administration Salaries and Benefits	\$ 1,349	\$ 1,334	\$ 1,436	\$ 1,354	\$ 1,400
Legal Costs	\$ 30	\$ 48	\$ 32	\$ 50	\$ 46
Total Operations and Maintenance of Plant	\$ 1,412	\$ 1,457	\$ 1,626	\$ 1,520	\$ 1,543
Operations and Maintenance-Salaries and Benefits	\$ 808	\$ 816	\$ 897	\$ 871	\$ 893
Board Contribution to Food Services	\$ -	\$ -	\$ -	\$ -	\$ -
Total Extracurricular Costs	\$ 330	\$ 342	\$ 370	\$ 360	\$ 362
Total Equipment Costs	\$ 8	\$ 28	\$ 21	\$ 67	\$ 21
Employee Benefits as a percentage of salaries*	22.13%	25.74%	27.1%	27.02%	26.87%

Looking Ahead to 2025-26

- **\$842,473** of banked cap unused in 2024-25 will be available for a tax levy cap of **2.68%** in 2025-26
- If an **enrollment waiver** and/or a **health benefits waiver** is offered the cap would be higher
- With costs growing faster than revenues, the district must continue to look for efficiencies and savings in order to offset a major budgetary shortfall, called the **Fiscal Cliff** in NJ School Finance
- A **special budget question** during the November 2025 election seeking voter approval to go above the tax levy cap would also be an option



Questions or Comments?

Thank you!

