

Neptune Township
School District

Budget Task Force

Thank you.

Purpose of the Committee

1. Serve as ambassador of information.
2. Offer ideas and input.
3. Provide feedback to district's ideas.

HOW DID WE GET HERE?

- Prior to 2018: Predictable Aid \$32,000,000
- Prior to 2018: Tax Levy 2% increase each year

State Aid	2018-2019 \$31,484,609	2019-2020 \$29,849,956	2020-2021 \$26,958,707	2021-2022 \$22,446,763	2022-2023 \$19,785,196	2023-2024 \$14,210,958	2024-2025 \$10,328,463	2025-2026 \$8,826,208
Decrease	1.54%	5.19%	9.69%	16.74%	11.86%	28.17%	27.32%	14.54%

State Aid and S-2

S-2 Reductions	19-20	20-21	21-22	22-23	23-24	24-25	25-26	Totals
Projection	1,485,190	2,286,051	2,831,721	2,651,868	1,648,980	520,731	520,731	11,945,272
Actual	1,634,653	2,891,249	4,511,944	2,661,567	5,574,238	3,882,495	868,874	22,025,020
	-149,463	-605,198	-1,680,223	-9,699	-3,361,764	-348,143	-348,143	-10,079,748

Increased Expenses Over the Same Period

Steep increase in Health Insurance Costs - 27.9% (SEHBP)

Charter School Tuition-3.6 million

Property Insurance- 14%

Rising Special Education Costs -4%-10% OOD

Contractual Salary increases - 3.5 to 3.7%

Higher Utilities Costs- 7 to 14%

Transportation - CPI 3.57% (25-26)



What Have We Already Done?

- Significantly Reduced Positions (>100)
 - Trimmed all program expenses
 - Worked with grant partners
 - Cuts across all departments
 - Curtailed spending mid-year
- Continued shared services (Brookdale, Township, U.S. Navy, HMH)
- Brought in tuition students (send-receive, Deaf Ed, Paid Special Ed)
 - Utilized fund balance
 - Utilized attrition
- Closed 1 building (process of reverting)
 - Increased tax levy

Personnel Cut Categories

- Teachers
 - Reading Teachers
 - Literacy Coaches
- Technology Specialists
 - Nurse
- Enrichment Teachers
 - Principal
- Supervisors/Department Chairs
- Professional Development Coordinator
- Library, Art, and Music Teachers
 - Paras
- Safety Officers
 - Secretaries
 - Truant Officer
- Asst. Facilities Manager
 - Maintenance
 - Custodians

Original 2025-2026 Budget

- 2% Tax Levy Increase
- 40 Additional staff positions cut
 - Courtesy bussing cut
- All professional development expenses cut
 - Field trips eliminated
- Mental Health supports cut
 - Mid-shift custodian cuts
 - Deep administrative cuts
- No “emergency” funding in account lines

Adequacy Spending and Local Share

- Adequacy Budget is the amount of money that the state determines we should spend to educate our students.
- Local Share is the amount of money that the state determines the municipality should contribute to the school district's spending.

The Neptune Township School District is

UNDER ADEQUACY and UNDER LOCAL SHARE.

After Tax Levy Incentive (\$1,976,445) below adequacy
and under local fair share.

Tax Levy Incentive Grant

- DOE allowed districts whose municipalities were “under local share” and schools were “under adequacy” to increase tax levy UP TO the local share expectation. That opportunity allowed us to increase the tax levy base to be more aligned with neighboring districts of the same size.



Restrictions

- SDA-Reverter Clause

Midtown, ECC, 60 Neptune Blvd, Summerfield

SDA-Bonds

- SDA-Class size Guidelines
 - Desegregation Order
- Transportation Mandates
 - Tenure
 - Contracts

Bond Information

- High School -86 million
- Middle School -26 million
- Gables- 1.8 million
- Green Grove -14 million
- Shark -11 million
- Summerfield - 25 million - **reverter clause**
- ECC -11 million - **reverter clause**
- Midtown -71 million - **reverter clause**
- CO -17 thousand - **reverter clause**

What Big Ideas Have we Explored?

- Borrowing Money from the State-not an option
 - Outsourcing some staff categories
- Selling Buildings/Renting Buildings-Restrictions
- **Closing Buildings-Limited Financial Savings**
- **Reformatting Buildings-Limited Financial Savings**



Comparison Data

	Enrollment (25-26 Budget)	Staff (from most recent audit J-16)	Total Budgetary Cost per pupil (25-26 budget)	Tax Levy (25-26 budget)	# of schools	Economically Disadvantaged % (Performance Report 23-24)	
Neptune	3548	581	26,375	74,560,704	8 (1 offline)	57.6	
Ocean	3126	670	26,476	76,536,741	5	30.4	
Wall	3208	964	25,369	78,818,888	7	11.4	

Another Comparison

Looking at a former Abbott district, with similar demographics, Long Branch, their enrollment is higher. However, see below. Neptune enrollment in 25-26 budget - 3,548 (648 of those are special education students)

Long Branch enrollment in 25-26- 5,395 (607 of those are special education students).

Total 25-26 Tax Levy for Neptune - \$74,560,704

Total 25-26 Tax Levy for Long Branch- \$67,742,443

Total 25-26 State Aid for Neptune - \$8,826,208 (\$4,898,731 of that aid for spec ed students)

Total 25-26 State Aid for Long Branch - \$42,502,685 (\$5,529,956 of that aid for spec ed students)

When looking at the data you can see a clear disparity in the funding provided to another former Abbott district within the same area and similar socioeconomic status. We have more special education students onroll and reported but yet we received \$631,225 less special education aid than Long Branch. This shows that the weights involved in the formula truly do not make sense at all when you look at actual numbers.

Also, when you take strictly the state aid sources in the budget and compare it to the enrollment the numbers show a clear gap in the way each student is funded through the State aid formula.

For Long Branch their total per pupil amount for all state aid sources would come out to approx \$7,878 per student (Total state aid- \$42,502,685 divided by total enrollment- 5,395).

For Neptune their total per pupil amount for all state aid sources would come out to approx \$2,487 per student (Total state aid - \$8,826,208 divided by total enrollment- 3548).

Research and Next Steps

- Two-pronged approach
- November 10 Minutes

Updates

- SDA: CO has reverter clause.
- Bus v contract: Some restrictions may prevent this from being a viable option.
- Enrollment: Stable for 24-25 and 25-26.
- Budget: VC is currently confirming revenues and tuition and will build the budget based on flat state aid.

Front Burner/Back Burner Thoughts

Front Burner:

Enrollment reductions/Staffing

Cost savings by thinking creatively and exploring revenue

Outsourcing

Health Insurance Cost Containment/Negotiations Priority

Appraisal of eligible buildings

Back Burner:

School Funding

Closing School/Sale of School

