

Manalapan Englishtown Regional Schools



**A GREAT DISTRICT
TODAY!**

**WHAT KIND OF
DISTRICT WILL IT BE
TOMORROW?**

Quality and Efficiency



- Quality:
 1. Consistently determined to be a high performing district through NJQSAC
 2. One elementary school rated in the top 50 in the state
 3. Two elementary schools in the top 15 in the county
 4. Student performance and growth on the PARCC among the highest within the regional

Quality and Efficiency



- Efficiency:
 1. Total spending per pupil is \$1878 less than the state average for all k-8's and \$2091 less than the state average for all types of districts
 2. The administrative cost per pupil is \$137 less than the state average of all k-8's

Senate Bill 2



**THE FUNDING FOR THE MERS DISTRICT IS
BASED ON TWO FACTS AS DETERMINED BY
THE STATE:**

- 1. BASED ON ASSESSED VALUE AND OTHER
FACTORS THE RESIDENTS OF MANALAPAN
AND ENGLISHTOWN ARE CONSIDERED
“UNDER TAXED” AND ARE NOT
CONTRIBUTING THEIR FAIR SHARE TO
THE DISTRICT.**
- 2. ADJUSTMENT AID WHICH WAS
IMPLEMENTED TO MAINTAIN FLAT
FUNDING FOR THOSE DISTRICTS THAT
LOST ENROLLMENT IS BEING
ELIMINATED.**

Impact of Senate Bill 2



- Over the next seven years the district will lose a cumulative \$39,830,818
- In 2016-2017 the district received \$20,112,100 in state aid, in 2024-2025 the district will receive \$7,167,920
- This reduction represents a cut of 64%

“The Formula”



- $(\text{Cost Model})(\text{Demographics}) = \text{Adequacy Budget}$
- $\text{Adequacy Budget} - \text{Local Fair Share}(\text{real-estate taxes}) = \text{Equalization Aid (State Aid)}$
- Cost model is based on a model district of 5000 students and the costs associated with a typical middle school student
- Local fair share is determined by equalized value (fair market value of residential real estate) and districts income (most recent IRS) both of which are multiplied by a coefficient determined by the state

Problems with the “Formula”



- “Model District/School” was established in 2008, education has changed dramatically in the past 10 years.
- 1. Increased security costs
- 2. Implementation of 1 to 1 digital conversions/Wi-Fi
- 3. Computerized assessment
- 4. Implementation of new rigorous standards which require additional supportive services
- 5. State mandates: HIB, NJAchieve
- In 2016 the district spent \$229 above adequacy per pupil, in 2018 it was \$1,040????????

More Problems with the “Formula”



- The coefficients used to determine local fair share are inconsistent and arbitrary
- 1. In 2014 the township paid its local fair share, in 2015 the township local levy was almost 10% below the local fair share???????
- 2. For the past 10 years the coefficients changed every year, why?????
- 3. What's included in the tax base is inconsistent across communities due to “tax exemptions” given to certain developers

2019-2020 Budget Deficit



THE ANTICIPATED BUDGET DEFICIT FOR NEXT YEAR IS ALREADY 3.1 MILLION DOLLARS

- **\$600,000 MUST BE PUT BACK INTO SURPLUS**
- **\$1,035,000 WILL BE DEDUCTED FROM CURRENT STATE AID**
- **\$1,500,000 IS THE ANTICIPATED DEFICIT DUE TO INCREASE COSTS**

AND IT IS LIKELY THAT THE AMOUNT WILL INCREASE

2018-2019 Budget Reductions



- Elimination of Enrichment Program
- Implementation of 6 day elementary schedule to increase efficiency (allowed district to eliminate one P.E. teaching position)
- Elimination of Media position at MEMS/PB
- Elimination of several honorium positions at elementary level (Art Club, Minecraft, Newspaper, Young Scientist, Talent Show)
- Opportunity for personalized learning increased with implementation of 6 day schedule

Possible Budget Reductions and Increase of Revenue



- Introduction of student fees to ensure that all extracurricular activities are revenue neutral
- End courtesy busing, students will have an option to pay for busing. Cost will ensure that bus service is revenue neutral
- Larger class sizes
- MEMS Graduation costs to be covered by charging for tickets
- Introduce fee schedule for use of district buildings and grounds
- Additional cuts will be needed, to be determined

What can we do?



- **PARENTAL PRESSURE ON POLITICIANS**
- **USE REFERENDUMS TO ACQUIRE STATE FUNDING OF NEEDED MAINTENANCE AND IMPROVEMENTS**
- **INCREASE TAXES TO REFLECT FAIR SHARE**
- **JOIN LAWSUIT TO FORCE STATE TO CORRECT FORMULA**

Parental Pressure on Politicians



- SenSweeney@njleg.org
- SenRuiz@njleg.org
- AsmCoughlin@njleg.org
- AsmLampitt@njleg.org

Local Representatives

- SenThompson@njleg.org
- AsmDancer@njleg.org
- AsmClifton@njleg.org

You can also contact the governor and the commissioner at the NJ web site

Parental Pressure cont. “What to say”



- “The current formula of the SFRA is arbitrary and unfairly targets my child’s district.”
- “How can we go from paying our fair share one year to being 7 million below our fair share the next year, that doesn’t make sense.”
- “Are you unaware of how much education has changed in the past 10 years, the cost model needs to be completely redone.”
- “The ability of my child to succeed is being hindered by a formula that makes no sense, fix it.”

Referendums: Alternative method for replacing lost state aid



- In the past money was set aside every year into Capital and Maintenance Reserve so that major projects could be done through the current operating budget
- Going forward this can no longer occur due to the significant reductions in state aid
- While referendums will lead to a small increase in taxes, the cost will be spread over 30 years and more importantly 40% will be paid by the state

Capital Improvements Included in Referendum



- New Fire alarms: 6 locations - \$1,034,000
- Generators: 6 locations - \$2,775,000
- Exhaust Fans: \$630,000
- VAT Replacement: \$290,000
- Window Replacement at CM: \$2,000,000
- Chiller Replacement at ELC: \$982,000
- MEMS HVAC upgrade (Hall ways, 2 large gyms)
:\$1,082,000
- HVAC upgrade for CM, TM, PB, MB, LM: \$15,280,000

State Aid through Debt Service



- Questions 2 and 3 of the referendum include capital improvements that will qualify for debt service aid from the state

	Total Cost	Tax Payer Cost	State Debt Service Aid
Question 2	13,410,000	8,046,000	5,364,000
Question 3	17,344,000	10,406,400	6,937,600
Total	30,754,000	18,452,400	12,301,600

Benefits of Question 1



Lafayette Mills addition of 4 kindergarten rooms plus parking lot expansion: \$3,540,000

- Eliminates the busing of LM kindergarten students across town to the ELC
- Large number of kindergarten students would only receive busing as part of the new bus fee policy, additional savings for district

Law Suit: Force the State to Implement the Formula in a Fair and Equable Manner



- **OUR BOARD ATTORNEY IS CURRENTLY WORKING WITH TOMS RIVER PUBLIC SCHOOLS TO DEVELOP A LAW SUIT OVER THE ARBITRARY WEALTH FORMULA**
- **I HAVE ASKED OUR BOARD ATTORNEY TO PRESENT TO THE BOARD HOW WE CAN JOIN THE LAWSUIT AS WELL AS EXPAND IT TO INCLUDE THE INAPPROPRIATENESS OF THE 2008 COST MODEL BEING IMPLEMENTED IN THE CURRENT FORMULA**

Increase Taxes to Reflect Local Fair Share



- The Department of Education has not indicated how Senate Bill 2 will effect the current regulations regarding the "2 % cap"
- Local fair share is currently approximately 7 million below what the state believes it should be.
 - The district is currently approximately 6 million above adequacy according to the state
 - It is my belief that the district will be allowed to raise taxes as part of the c

Questions?



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