

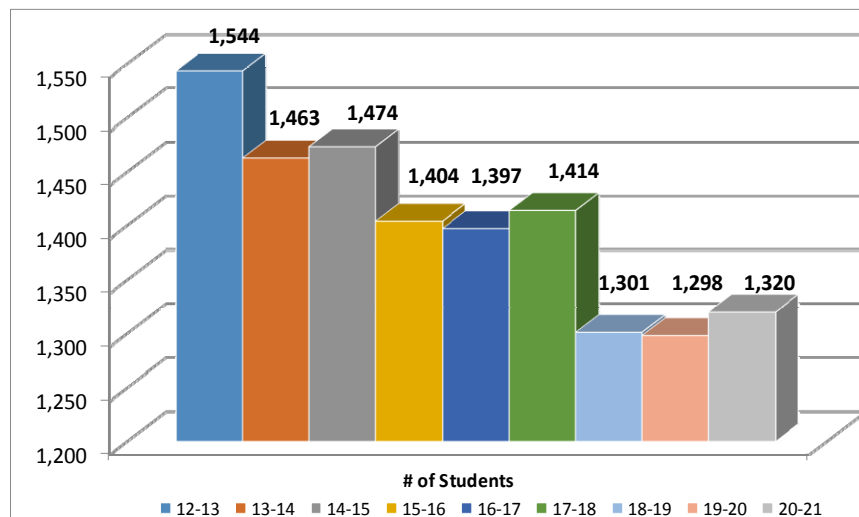
LOWER CAPE MAY REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION
2020-2021 BUDGET PUBLIC HEARING
April 30, 2020 5:30PM

Mr. Richard J. Hooyman, President, Lower Township
Mr. Gary Playford, Vice President, Lower Township
Mr. Thomas Connelly, Lower Township
Mr. Gary Douglass, Lower Township
Mrs. Kathleen Elwell, West Cape May
Mr. Charles Hunt, Lower Township
Mrs. Nicole Morrison, Lower Township
Mr. Frank Onorato, Lower Township
Mr. Harry Sundstrom, Jr., Cape May City

Mr. Joseph A. Castellucci, Superintendent of Schools
Mr. Mark G. Mallett, Business Administrator/Board Secretary

Enrollment Trends

- Enrollment is anticipated to increase slightly next year



Revenues

- Total Revenue is \$415,000 less than prior year, which is mainly due to a \$1.2 million decrease in State Aid, which is partially off-set by an increase in Capital Reserve
 - In 19-20, using \$1.2 million in Capital Reserve to renovate bathrooms in the HS and RMT and replace/upgrade theater lights
 - In 20/21, using \$1.8 million in Capital Reserve to renovate RMT bathrooms in RMT and replace front-of-house theater lights and replace HVAC units in the HS and RMT cafeterias

	2020-2021	2019-2020	% Var.
Local Tax Levy – Oper. Budget	22,228,740	21,792,882	2.0%
Other Revenue	407,801	360,535	13.1%
State Aid	7,592,363	8,741,581	(13.2%)
Federal Aid	696,962	921,492	(24.4%)
Surplus/Encumbrance/Reserve	3,895,269	3,321,245	17.3%
Local Tax Levy – Debt Svce	1,073,500	1,172,708	(8.5%)
Debt Service Aid/Fund Balance	69,510	68,702	1.2%
Total Revenue	35,964,145	36,379,145	(1.1%)

State Aid Trends

- State Aid is decreasing vs. prior year due to the implementation of S2
 - Adjustment Aid decreased by \$1,183,454
 - Choice Aid increased slightly as the State fully funded it

	2016/17	2017/18	2018/19	2019/20	2020/21
School Choice	924,399	983,091	1,227,303	1,216,728	1,250,964
Transportation	1,178,704	1,178,704	1,178,704	1,178,704	1,178,704
Extraordinary	23,267	17,715	--	--	--
Special Educ.	862,052	862,052	862,052	862,052	862,052
Equalization	95,936	95,936	95,936	95,936	95,936
Security	350,566	350,566	350,566	350,566	350,566
Adjustment	6,528,949	6,328,122	5,814,051	5,037,595	3,854,141
Other	42,070	42,070	--	--	--
Debt Service	--	98,835	68,922	68,162	67,403
Total	10,005,943	9,957,091	9,597,534	8,809,743	7,659,766

District Capital Improvements

- In 2016, completed the \$2.8 million Energy Savings Improvement Project, which will to reduce costs by \$3.5 million over a 15-year period.
Upgrades included:
 - LED-powered indoor/outdoor lighting & Occupancy sensors
 - High-efficiency heating and cooling equipment
 - Building management system to integrate the HVAC
- In 2017, completed a \$6.37 million bond project
 - New Security Vestibules at the HS and RMT
 - Replace HS Roof on S-Wing, Media Center and Band Room
 - Replace RMT Science Rooms roof and replaced windows at RMT
 - Improved Drainage & Resurfaced HS and RMT Parking Lots
 - Renovated HS Locker Rooms & completed a 11,300 sq. ft. Field House
- In 2018, used \$2.6 million of Capital Reserve for HS roof re-coating, HS weight room expansion, replacing RMT generator, RMT canopy and replace four HVAC units
- In 2019, used \$1.2 million of Capital Reserve to renovate four HS and four RMT bathrooms & replaced/upgraded the theater lights with LED lighting

Appropriations

- Capital Expenses include using \$1.8 million in Capital Reserve to renovate RMT bathrooms and replace/upgrade front-of-house theater lights
- Continue to reduce staffing through attrition and analyze expenses to decrease costs

	2020-2021	2019-2020	% Var.
Instruction	13,267,098	13,109,203	1.2%
Tuition	2,739,252	2,758,572	(0.1%)
Support Services	4,960,622	4,937,769	(0.1%)
Facilities/Maintenance	3,329,061	3,348,394	(0.6%)
Transportation	1,662,914	1,685,395	(1.3%)
Employee Benefits	5,345,750	5,692,633	(6.1%)
Capital Expenditures	2,852,948	2,699,748	5.7%
Federal Grants	663,490	884,652	(25.0%)
Debt Service	1,143,010	1,241,410	(7.9%)
Total Appropriations	35,964,145	36,379,145	(1.1%)

Equalized Valuation Allocation

- For regional school districts, the state calculates the share a municipality is to contribute to funding of the district based on property values and resident students
- This amount of the Local Tax Levy a municipality contributes fluctuates from year-to-year as shown in the table below

	2016/17	2017/18	2018/19	2019/20	2020/21
Cape May City	23.97%	27.59%	31.63%	34.13%	30.42%
Lower Twp	67.33%	64.43%	59.96%	58.27%	61.17%
West Cape May	8.70%	7.98%	8.41%	7.60%	8.41%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

School Tax Rate

- The tax rate increases for Lower Township and West Cape May is mainly due to a higher Equalization Valuation Allocation, while Cape May residents will see a decrease in regional school taxes

	2016/17	2017/18	2018/19	2019/20	2020/21
Cape May City	\$0.178	\$0.210	\$0.243	\$0.275	\$0.248
Lower Twp	\$0.389	\$0.381	\$0.360	\$0.368	\$0.391
West Cape May	\$0.397	\$0.365	\$0.382	\$0.356	\$0.399

School Tax Rate

- The average tax bill for a house assessed at \$250,000 is:

	2016/17	2017/18	2018/19	2019/20	2020/21
Cape May City	\$445	\$525	\$608	\$688	\$620
Lower Twp	\$973	\$953	\$900	\$920	\$979
West Cape May	\$993	\$913	\$955	\$890	\$998

District Adequacy Spending

- The amount raised through the local tax is \$371,682 below what the State considers adequate

	2020/21
2019-2020 General Fund Levy	22,228,740
Equalization Aide	95,936
Total Budgeted Adequacy Spending	22,324,676
DOE Adequacy Budget	22,696,358
Budget Below Expected Tax Levy	(371,682)

QUESTIONS