

# **LRHSD Public Hearing on the 2024-2025 Budget**

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**May 7, 2024**

# LRHSD Highlights

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- Pursue academic tracks that meet their individual needs.
  - 236 Course Offerings
  - 24 Advanced Placement Courses
  - 70 College Acceleration Programs (CAP), partnering with Rowan College at Burlington County and Rowan University
  - High Quality In-District Special Education Programs
  - Option Two
- During the 2022-2023 school year, 928 LRHSD students took CAP courses earning 7,229 college credits, in addition to completing state required coursework for a high school diploma, at no additional cost to the district or taxpayers.
- Average graduation rate of 97% among its four high schools.

# LRHSD Highlights

- SAT scores at all four high schools are consistently above state and national averages and among the highest in the region.
- State and national awards for achievement in areas ranging from Television Broadcasting and Special Education to Performing Arts, Robotics, Fine Arts, Athletics and Community Service.
- Every Lenape District school is fully-accredited through the Middle States Association Commission on Secondary Schools. Middle States has acknowledged Lenape District schools as “worthy of emulation in public secondary education.”

# LRHSD FY25 Outlook

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- State Aid reduction of \$4.69 million
- Projected enrollment decrease of 80 students
  - Reduction of State Aid to Enrollment is not proportionate:
    - Enrollment decrease is 1.23% and State Aid decrease is 19.86%
- Projected increase in enrollment of students with disabilities (3.6% or 40 students)
  - Special Education (SE) enrollment is not fully funded:
    - State Aid provides for 15.9% of population
    - LRHSD SE enrollment is 19.1% of population
    - LRHSD SE underfunded by \$4,479,406

**Budget deficit in the millions of dollars, prior to notification of State Aid reduction**

# Brief History of NJ School Funding

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## School Funding Reform Act (SFRA)

*Drafted 2006-07, Implemented 2008*

- Funding Formula is 15 years old
- Designed to alleviate disparity between wealthy and poor districts
- Formula produced additional funding for poorer districts by determining **Local Fair Share (LFS)**
- Equalization Aid: aka “State Aid” is the main category of aid provided
- Operational Costs, in general, covered through State Aid and Local Tax Levy
- Not fully implemented - Adjustment Aid provided to districts set to lose funding



# Laws/Events which *Interfered* with the Funding Formula

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## **FY10 NJ Major Changes**

*(from the 2008 Financial Crisis, Banks Collapse)*

- ***Massive State Aid Reduction - LRHSD cut \$6.47M (20.9%)***  
Salaries frozen for all employees, eliminated some administrative and non-represented employees, cut programs, privatized food services
- ***2% Tax Levy Cap Begins - Budget Tax Cap Gap***  
LRHSD continued to make operational cuts: reduce services, cap salary increases for administration, reduce positions through attrition, etc.

# Laws/Events which *Interfered* with the Funding Formula

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## Consecutive Years of Flat Funding and 2% Tax Levy Cap

- NJ froze equalization aid and did not fund the formula
- Increasing cost of salaries, benefits, energy, school security, etc.
- Analogous to a reduction in funding

**SFRA statute never envisioned a statutory limit on local taxing ability!**

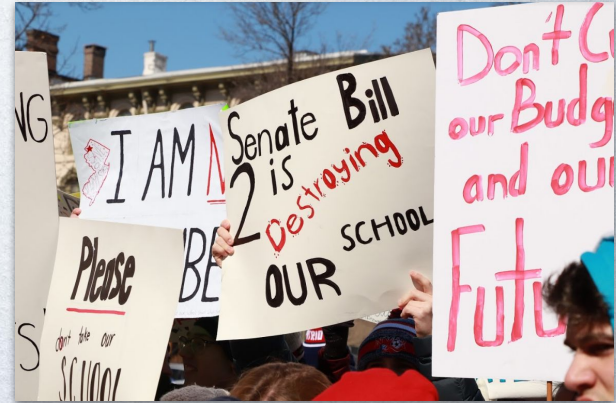
**“2% Tax Gap”**

# Laws/Events which *Interfered* with the Funding Formula

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## *S-2 Bill approved by Governor Murphy (2018-19)*

- 7-year plan to reduce State Aid for over 220 districts and use those funds to increase aid to over 300 districts... “Winners and Losers”
- No ability for districts (“Losers”) to increase taxes to make-up the difference
- Widening the “Two Percent Tax Gap”





# Projected Loss to Actual Loss

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- “LRHSD *projected* loss \$8.3 million (projected cumulative loss of **\$26M**)”
- NJDOE recently calculated the total S2 reductions should have been \$6.8 million
- LRHSD total SA reduction: \$10.32 million (\$3.52 million difference)
  
- Actual cumulative loss of State Aid as a result of S2 of \$30,580,925

# Laws/Events which *Interfered* with the Funding Formula

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## ***2020 Health Benefit Legislation***

- Law passed on the promise of savings for districts, taxpayers and employees
- Simply impossible to deliver on that promise
- Employees contribute significantly less, shifting the burden to the district budget (and the taxpayers)



# Decision Makers Acted Without Considering the System of Funding (**School Funding Reform Act**)!

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- **2% Cap on Tax Levies**
  - **Flat funding for 8 years**
  - **S-2**
  - **Healthcare Deals**
- *Each additional law became a new stress on districts.*
- *Stressor after stressor, these laws compounded the need for cuts in spending.*

# Decision Makers Acted Without Considering the System of Funding (**School Funding Reform Act**)!

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NJASBO comment on **only two** of the stressors (S-2 and the 2% Tax Levy Cap):

***“The cumulative effect of not increasing their levies over multiple school years and the consequences of a 2% levy cap prevented many districts from moving forward without making dire spending reductions.”***

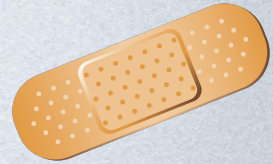
(NJASBO School Funding Reform Act & Fiscal Relief Recommendations, January 8, 2024)

# Other Events: Post-2006 or creation of SFRA

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## ***School Safety and Security***

- Monumental tragedies struck the educational world, creating need to spend more to ensure the safety of our students and staff
- SFRA only covers 35% of our actual Security Costs



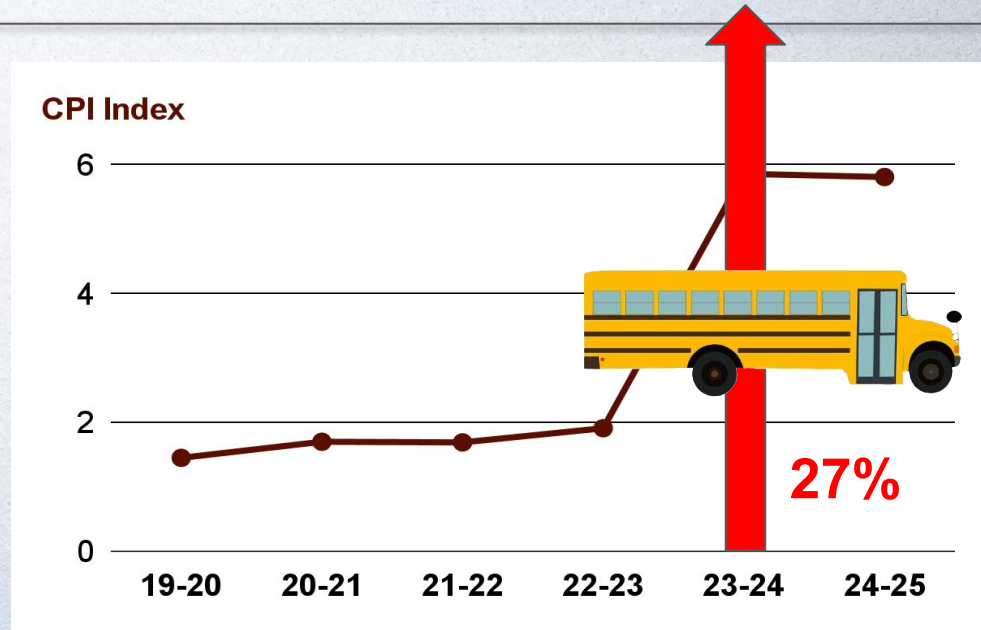
## ***COVID***

- Academic Support, Mental Health Programs, Credit Recovery Programs, Overtime pay, Delivering Lunches, Purchasing computers, software/communication services, cleaning supplies, filters, masks, etc.
- COVID Relief Money created a soft cushion, minimized cuts to school budgets (one-time revenue source, band-aid, not sustainable)

# Other Events: Post-2006 or creation of SFRA

## *Inflation*

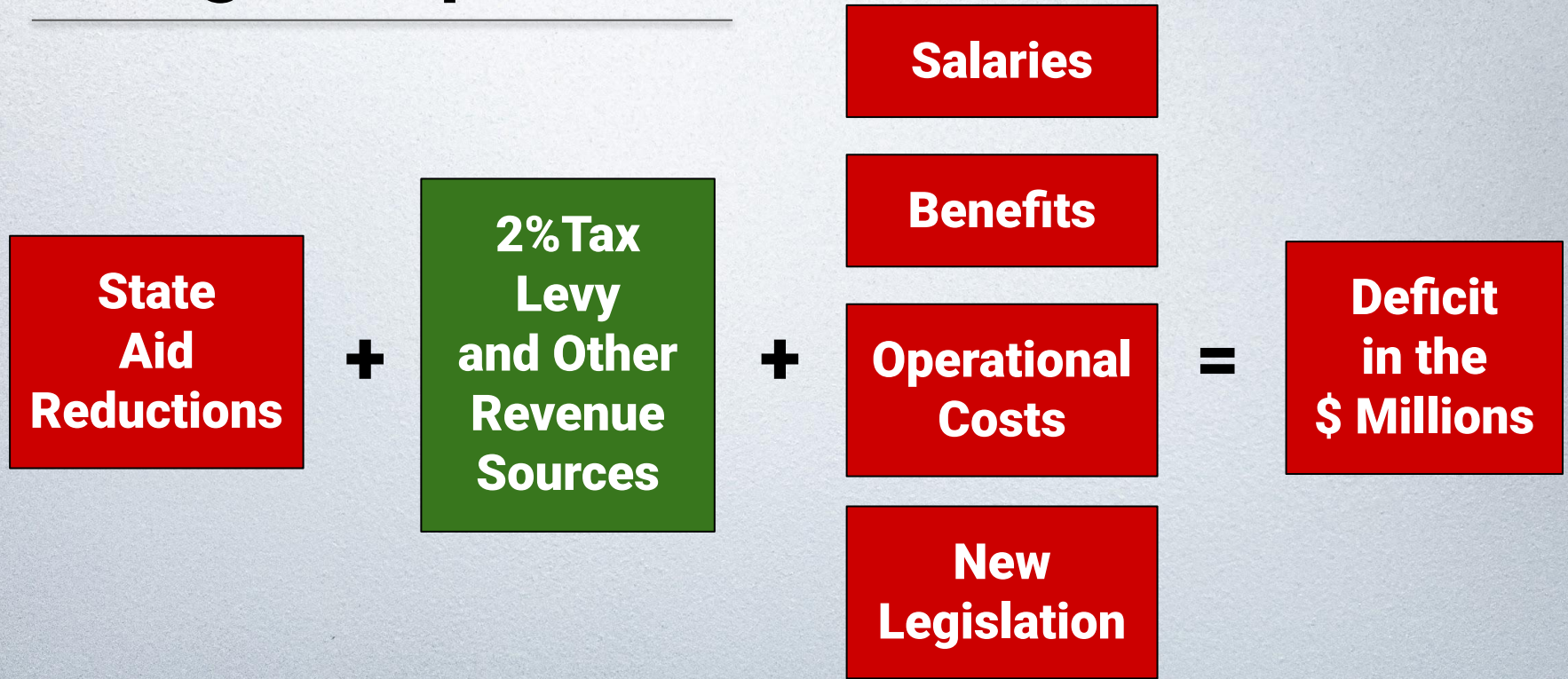
- **Drastic increase in CPI**
- **Energy costs**
- **Transportation**
- **Wage increases**
- **And more**



***All of these factors point to the need for an updated school funding formula!***

# Budget Equation

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# Methods Employed to Balance LRHSD Budget

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- **One-Time Revenue Sources**
- **Grants**
- **Community Support**
- **Efficiency**
- **Collaboration**
- **Cuts**





# We Apply For Grants Whenever We Can!

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## *Grants Received FY20 to Present*

<b>FISCAL YEAR</b>	<b>GRANT NAME</b>	<b>AMOUNT</b>
<b>2019-20</b>	<b>SECURITY GRANT</b>	<b>\$3.49 MILLION</b>
<b>2020</b>	<b>CARES</b>	<b>\$160,136</b>
<b>2021</b>	<b>CORONAVIRUS RELIEF FUND</b>	<b>\$275,444</b>
<b>2021</b>	<b>CRRSA - ESSER II</b>	<b>\$621,381</b>
<b>2021-22</b>	<b>SECURITY GRANT - ALYSSA'S LAW COMPLIANCE</b>	<b>\$1.27 MILLION</b>

# We Apply For Grants Whenever We Can!

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## *Grants Received FY20 to Present*

<b>FISCAL YEAR</b>	<b>GRANT NAME</b>	<b>AMOUNT</b>
<b>2022</b>	<b>ARP IDEA</b>	<b>\$299,699</b>
<b>2022</b>	<b>CRRSA - ESSER II</b>	<b>\$39,877</b>
<b>2022</b>	<b>ARP - ESSER III</b>	<b>\$539,463</b>
<b>2022</b>	<b>ACSERS AID</b>	<b>\$1.05 MILLION</b>
<b>2022</b>	<b>SDA EMERG NEEDS AND CAPITAL MAINTENANCE</b>	<b>\$186,277</b>
<b>2022</b>	<b>UNIFIED GRANT - CHEROKEE</b>	<b>\$5,345</b>

# We Apply For Grants Whenever We Can!

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## *Grants Received FY20 to Present*

<b>FISCAL YEAR</b>	<b>GRANT NAME</b>	<b>AMOUNT</b>
<b>2023</b>	<b>CRRSA - ESSER II</b>	<b>\$45,000</b>
<b>2023</b>	<b>ARP - ESSER III</b>	<b>\$45,000</b>
<b>2023</b>	<b>ACSERS AID</b>	<b>\$1.2 MILLION</b>
<b>2023</b>	<b>ARP HOMELESS</b>	<b>\$14,293</b>
<b>2023</b>	<b>SDA EMERG NEEDS AND CAPITAL MAINTENANCE</b>	<b>\$181,351</b>
<b>2023</b>	<b>UNIFIED - SHA, CHE, SEN</b>	<b>\$16,000</b>
<b>2023</b>	<b>DCA REC IMPROVEMENT</b>	<b>\$71,000</b>

# We Apply For Grants Whenever We Can!

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## *Grants Received FY20 to Present*

<b>FISCAL YEAR</b>	<b>GRANT NAME</b>	<b>AMOUNT</b>
<b>2024</b>	<b>ARP - ESSER III</b>	<b>\$1.4 MILLION</b>
<b>2024</b>	<b>LRHSD POST GRAD STUDENT SUCCESS PROGRAM</b>	<b>\$593,663</b>
<b>2024</b>	<b>ROD - CHE &amp; SEN BOILERS</b>	<b>\$1.85 MILLION</b>
<b>2024</b>	<b>SDA EMERG NEEDS AND CAPITAL MAINTENANCE</b>	<b>\$177,903</b>
<b>2024</b>	<b>ACSERS AID</b>	<b>\$1.94 MILLION</b>
<b>2024</b>	<b>UNIFIED - ALL SCHOOLS</b>	<b>\$16,500</b>
<b>2024</b>	<b>EMERGENCY CONNECTIVITY</b>	<b>\$417,698</b>

# We Apply For Grants Whenever We Can!

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**Grants Received FY20 to Present**

**TOTAL**

**\$15,867,243**

# Collaboration - How Does LRHSD Determine Cuts?

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***Five Committees formed in October 2020 with representatives from:***

- Academic Programs
- Athletic Programs
- Extra-Curricular Activities
- Student Support Services
- General Support Services



**Goal: Reduce Spending and Preserve Quality of Education**

# Budget Reductions Due to S2

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## Personnel

**Dozens** of full-time certificated and non-certificated staff (through attrition and elimination of positions) including but not limited to:

- Multiple Subject Area Teachers
- 2 Building Principals
- 2 Office Managers
- Several Administrative Assistants
- Asst. Transportation Director
- Warehouse Employee
- Treasurer of School Money
- District Printer and Mail Room Supervisor
- Utility Driver
- Reduced Healthcare for Paras to only Single Coverage for all new hires
- Elimination of at least 10 stipend positions, etc.

# Budget Reductions Due to S2

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## **Scheduling Efficiency to Cut Costs:** *Annual Review of Class Sizes, Sections & Courses Running (SY23-24: Honors/Accelerated Class Avg: 30 students)*

- Sharing of teachers (between different buildings)
- Combining upper level courses (many are AP and/or CAP)
- Overloads: Teachers taking additional sections to their regular schedule
- All year 1 and year 2 world language classes are unlevelled
- Opt out of PE for athletes or marching band members
- Offer some electives only odd/even years
- Review/reduce team taught support classes
- Eliminated double period classes to single periods to maintain advanced Art and Tech (AP Studio Art, Art Major, Woodworking 3)



# Budget Reductions Due to S2

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## Transportation Reductions

*(Other than staff)*

- Eliminate courtesy bus routes (2.5 miles)
- Consolidate to neighborhood stops
- Eliminate all late runs
- Single pick-up for students of sharing time in two homes as a result of divorce
- Eliminate Non-public routes – pay ALL
- Dispatch reduction in pay
- Four crossing guards (off budget)

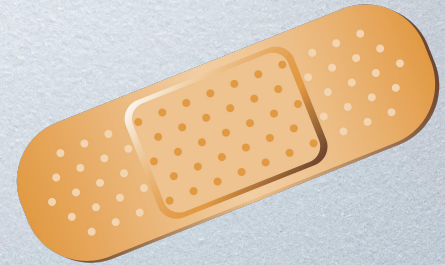
## Other Reductions, Fees and Efficiencies

- Reduction of two School Resource Officers
- Security Assts. reduced to 9.5 mos.
- Eliminate most substitutes (students go to Large Group study: “Cafe Class”)
- Eliminate buying textbooks and curriculum writing in certain years
- More centralized purchasing
- Parking, Club & Athletic Fees

# Every Little Bit Helps

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- **Athletic and Activity Fees**
- **Parking Fees**
- **Want v Need for extra team, band, play apparel parents pay**
- **Tuition Programs (Special Education and Seneca)**
- **Increased Athletic Fee (2023-2024)**



# Shiny New Facilities

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*Bond Referendum is not Operational Budget...two different buckets of money*

## **Bond Referendum**

- Renovated classrooms
- Air conditioning
- Career Pathway Programs
- Turf (Lenape & Seneca)

## **Operational Budget**

- Salaries
- Benefits
- Transportation
- Educational programs

# FY25 and Beyond Needs

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## 1. Short-term relief

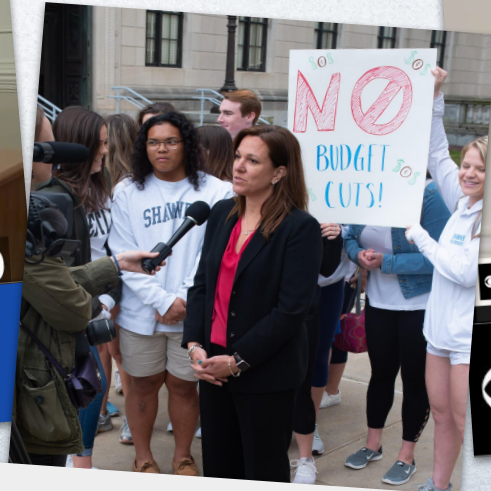
Recoup state aid now, to ensure repairable harm does not occur in over 140 school districts this year.

## 2. Long-term stability

Fix the flaws in SFRA by implementing guardrails, to ensure ALL school districts can continue to provide equitable services without burdening tax payers.

# What are we doing?

## *Advocating & Raising Awareness in the Media*

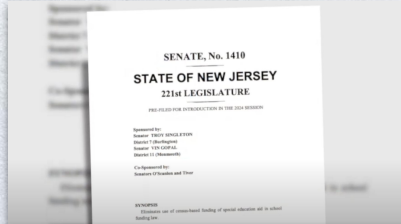


***Advocating!***

# What are we doing?

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## *Testifying Before the NJ Senate & Assembly*



**January 25, 2024  
Senate Hearing on Bill  
S1410 in Trenton**



**March 11, 2024  
Assembly Budget  
Hearing in Trenton**



**March 19, 2024  
Senate Budget Hearing  
at NJIT in Newark**



**March 14, 2024  
Senate Education  
Committee in Trenton**



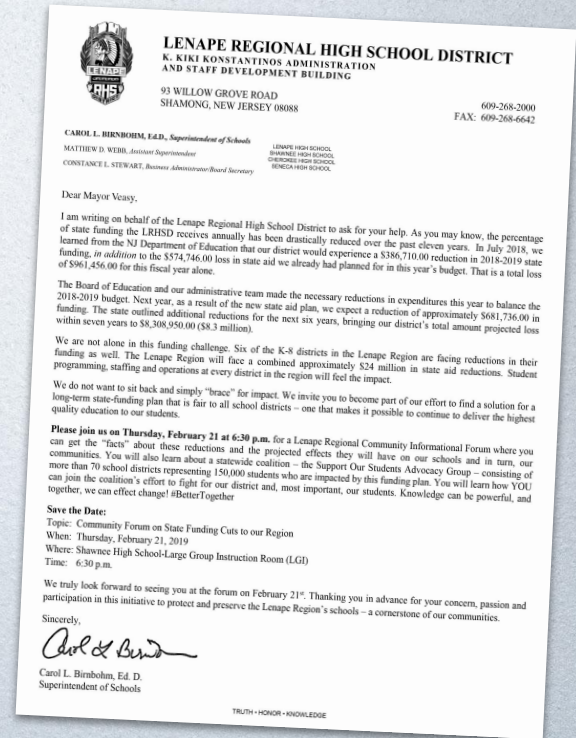
**April 11, 2024  
Assembly Hearing on  
Bill A4161 in Trenton**

To view all of the testimonies visit: [www.LRHSD.org/Advocacy](http://www.LRHSD.org/Advocacy)

# What are we doing?

## Appealing to Government Officials

- Department of Treasury
- Letter to district Mayors asking for help
- Students, staff & parents sent over 70,000 emails to the NJ legislature
- Meetings and conference calls with:
  - Senators Singleton and Tiver
  - Assembly members Murphy, Katz, Torrissi and others



# What have we done previously?

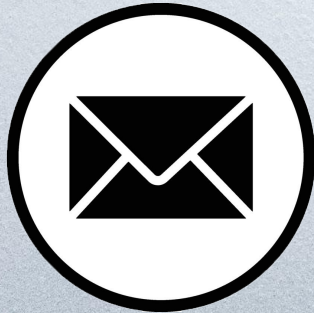
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**March 2019 - NJ  
State House Rally #1**



**April 2019 - NJ  
State House Rally #2**



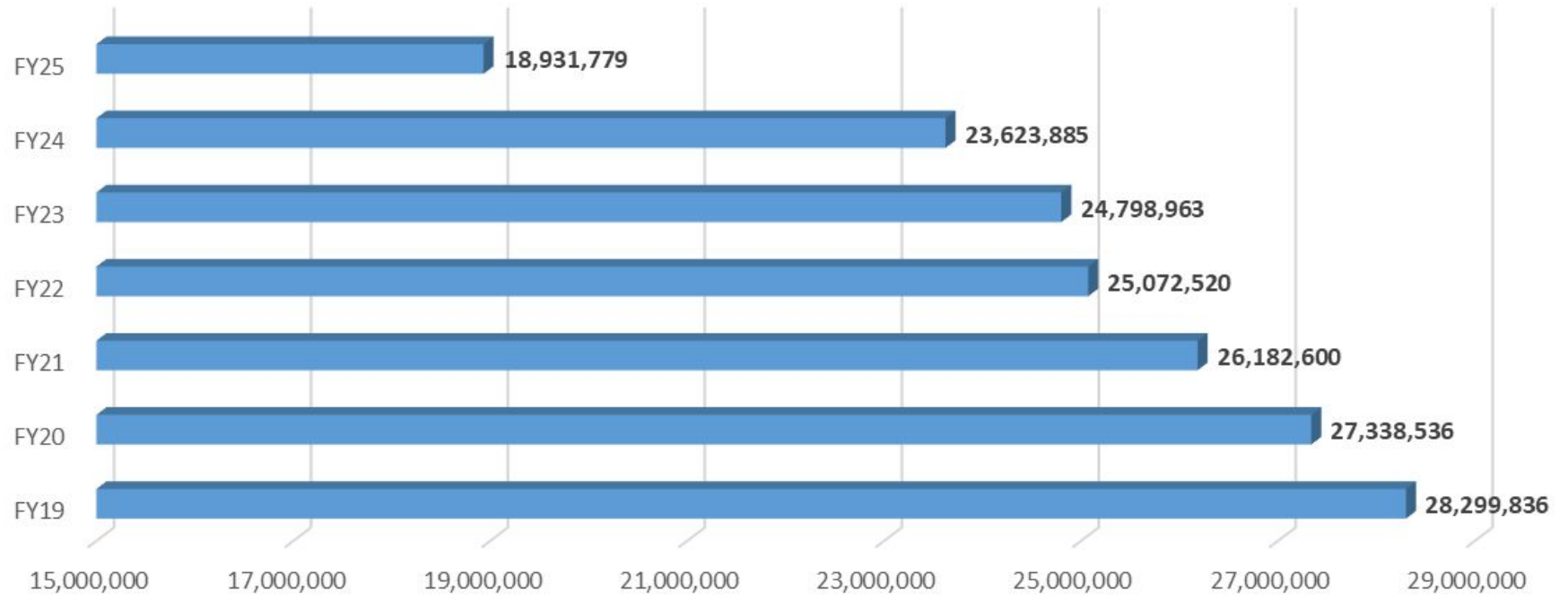
**March 2020 - Assembly  
Education Committee**



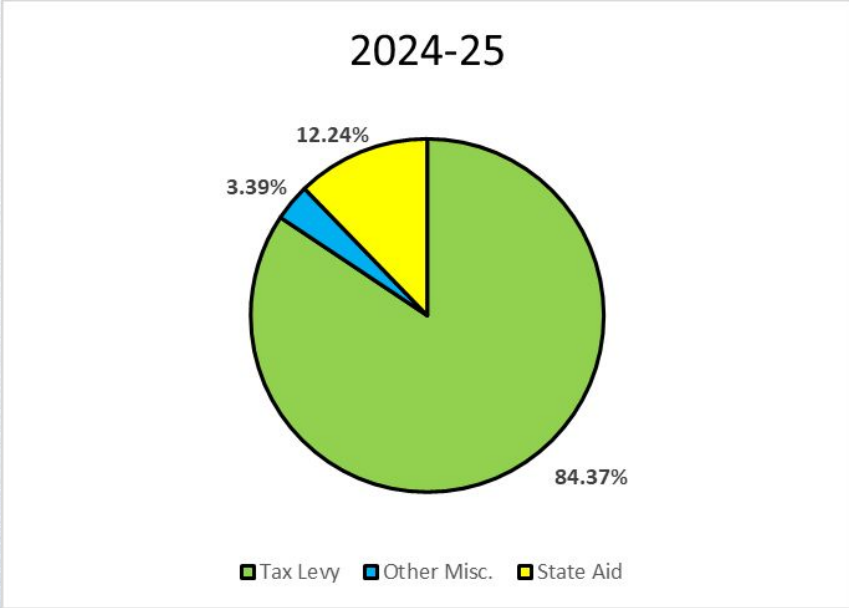
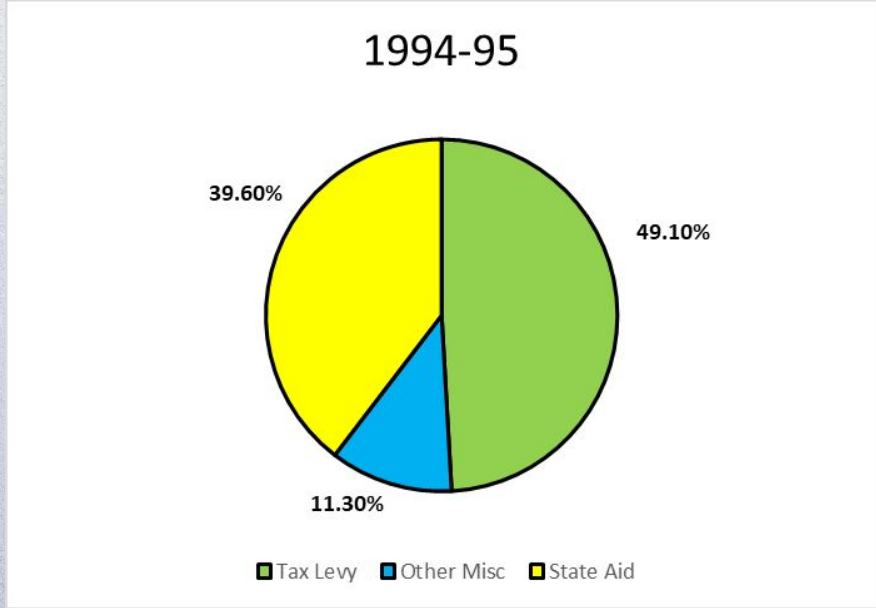


# What does New Jersey provide LRHSD?

SFRA - State Aid



# What does New Jersey provide LRHSD?



# The Budget at a Glance

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## LRHSD Total Budget FY25

General Fund	\$ 167,228,713
Debt Service	\$ 7,907,362
Total	\$ 175,136,075

# The Budget at a Glance

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<b>2024-2025 TAX LEVY</b>		
General Fund	\$130,519,186	+2.08%
Debt Service From 1998 & 2005 referendums	\$6,376,961	+0.00%
Total Tax Levy	\$136,896,147	+2.00%

# Health Benefit Costs

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Total Cost (Medical/RX/Dental)	\$25,318,715
Increase	\$791,790
Total Premium Percentage Increase	5.31%
Estimated Employee Contribution	\$4,600,000

# Administrative Costs

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## *NJDOE's Taxpayers' Guide to Education*

<b>LRHSD's RANKINGS</b>		
	<b>Per Pupil</b>	<b>Rank</b>
<b>Faculty to Admin.</b>	16.7 to 1	2/46
<b>Students to Admin.</b>	163.7 to 1	1/46
<b>Total Admin. Costs</b>	\$1,845	10/46

# FY25 Administrative Costs

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STATE MANDATED REGIONAL LIMIT IS:

**\$2,575**

LRHSD ADMINISTRATIVE COST PER PUPIL IS:

**\$1,874**

LRHSD is \$701 or 27% **BELOW** the Regional Limit

# FY25 Expectations and Reasoning

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**Prior to notice of \$4.69 reduction in state aid...**

## **Anticipating Hole in Budget in the Millions**

- Year after year cuts by S2 (this is year seven)
- Enrollment is decreasing, compounding state aid loss (over 400 students)
- Percent of our Special Education students exceed the rate of funding
- Transportation, Security and Healthcare costs exceed the rate of funding
- Local Fair Share calculation gives less state aid, cannot tax to rate needed
- Inability to tax to make up for losses due to LFS and State Aid



# **Budget FY25**

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## **\$12.8 million budget deficit**

Utilizing \$2 million in fund balance, resulting in the need to reduce the budget \$10.8 million in the following areas:

- **Items/Operations and new fees (other than staff)**
- **Student Programs & Stipend (extra-pay) Positions**
- **Staffing**

# **Budget FY25**

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## **Items/Operations and new fees (other than staff)**

Including but not limited to below:

- **Chancelight contract cancelled**
- **SRO Reduction at Cherokee (SLEO III officers instead)**
- **Elimination of some non-mandated special education programs & activities**
- **Textbook/supplies reduction**
- **Transportation, elimination of some activities at other locations**
- **Supervision at events (Guards v State Police, for example)**

# Budget FY25

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## Continued (Items/Operations and new fees (other than staff))

Including but not limited to below:

- **New Fees established:**
  - Graduation Cap/Gown Fees
  - Optional PSAT
  - Optional Seal of Biliteracy Test
  - Optional Chromebook Warranty

Hope to restore one-third of the non-staff cuts  
or fees if Aid Grant is available

# Budget FY25

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## Student Programs & Stipend (extra-pay) Positions

Including but not limited to below:

- Academic Program: Navy JROTC
- Sports: Gymnastics and Bowling
- Clubs: 20 (low participation, duplication of services)
- Reduction of over 20 Stipend Positions (academic, co-curricular, athletic)

More than half of these stipends or activities  
restored if Aid Grant is available

# Budget FY25

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## Staff Positions

*Years of cutting in all areas of operations, including aforementioned additional cuts this year in operations, student programs and stipend positions, a large portion of this year's budget cuts would need to come from salaries.*

### **Methods employed to save as many positions as possible:**

1. Reallocating funds that could have been used on facility related expenses, and
2. Instituting a hiring freeze (since December), creating additional fund balance.

**These two methods allowed the Board to save many staff positions, equaling \$2 million in salaries.**

# Budget FY25

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## **Staff cuts to budget** (administration, certificated, non-certificated)

- Elimination of Central Office Administration Position
- Over 40 Retirements or Resignations
- 2 Positions eliminated through a Reduction in Force
- 90 Non-renewals of non-tenured staff

**LRHSD looks to restore two-thirds of these positions with the Stabilization Aid Grant.**

# Budget FY25 (Programs Cut, no plan to restore)

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- **Chancelight:** Contracted Services which provided students opportunity to earn high school credit in an alternative educational setting; LRHSD will need to develop an inhouse opportunity for these students.
- **Navy JROTC at Cherokee:**
  - Program failed to maintain required enrollment for consecutive years (high cost per pupil)
  - Funding for this program by the Department of the Navy would be eliminated
  - Students have option to continue at other district JROTC programs
- **Gymnastics**
  - Low participation, high cost per pupil in LRHSD
  - All but one district (other than LRHSD) in South Jersey eliminated or never had gymnastics
  - Costly equipment replacement (LHS/CHS spring floors for floor-routines need replacing)
  - Gymnasts may still compete in the NJSIAA Individual Sectional and State Championship Events

# Summary: Tax Impact

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*Regional Apportionment  
Formula is set by NJ  
Statute 18A:13-23 and  
not by LRHSD BOE*

Municipality	Tax Levy Increase/Decrease in Cents	Impact on Average Home
Evesham	(1.05)	(26.97)
Medford	1.00	45.16
Medford Lakes	4.78	146.67
Mt. Laurel	1.41	37.38
Shamong	7.31	233.90
Southampton	3.46	32.46
Tabernacle	5.26	145.38
Woodland	1.00	17.82



# Summary

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<b><u>Decrease</u></b> in State Aid	- 19.86%
General Fund Tax Levy	2.08%
Debt Service Tax Levy	0%
Total Tax Levy Increase	2.00%
Taxes Increase in 7 of 8 Municipalities	

# Summary

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- Reduction in people (Administration, Certificated and Non-Certificated Staff)
- Reduction in programs (Athletics and Clubs)
- Elimination of many stipend positions

***The degree of these cuts will depend on pending legislation that looks to restore up to two-thirds of the aid cut and the ability to raise taxes above two percent.***

# What can you do?

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*Advocate and Let Your Voice Be Heard!*  
*(Literally, call key Senators and the Governor!)*

***LRHSD.org/BeHeard***

- **Thank those that helped us**
- **Encourage others to act now**
  - a. **Bill S3081 will restore jobs and programs in LRHSD**
  - b. **Funding Formula needs parity and predictability**



***Send Gratitude  
and  
Encourage***