

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

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**June 26, 2024**



# LRHSD FY25 Outlook: Recap

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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 reductions**



# 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





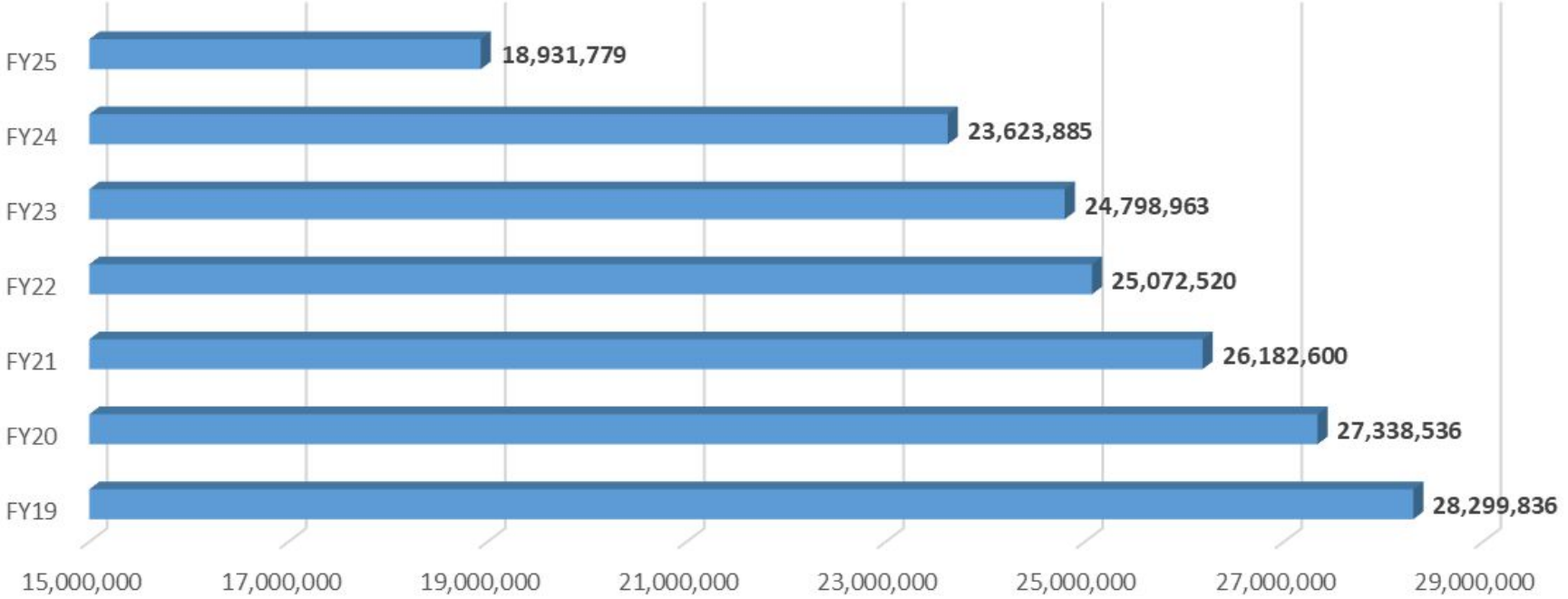
# Decision Makers Acted Without Considering the System of Funding (**School Funding Reform Act**)!

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- **2% Cap on Tax Levies**
  - **Flat funding for 8 years**
  - **S-2 (2018)**
  - **Healthcare Deals and other stressors**
- *Each additional law became a new stress on districts.*
- *Stressor after stressor, these laws compounded the need for cuts in spending.*

# State Aid: year by year reductions due to S2

SFRA - State Aid





# 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 AIL
- 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



# **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.



# Short-term Relief Provided!

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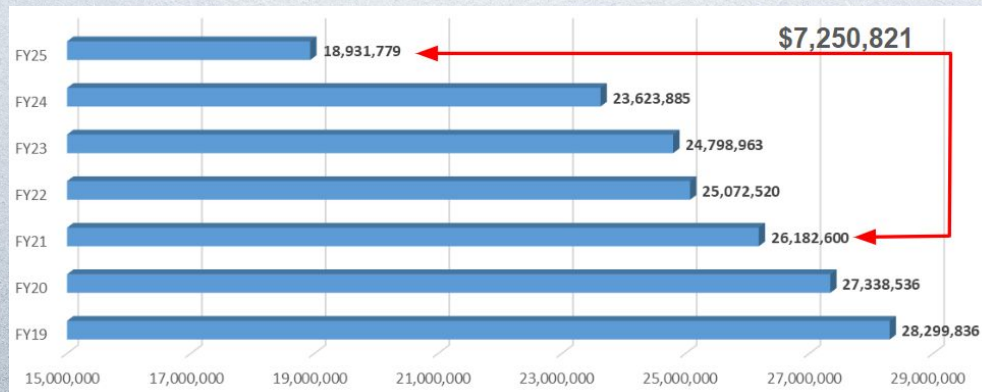
**May 14, 2024 new law enacted: P.L.2024, c.13**

1. Provides School Budget Aid Grant equal to 45% of the amount of the school district's State Aid reduction
2. Increases Tax Levy Cap for certain districts by a certain amount
3. Extends budget procedure calendar for certain districts



# LRHSD Short-term Relief

1. 45% of the amount of the LRHSD State Aid reduction (\$4.69 million) = \$2.11 million (still a loss of \$2.58 million)
2. Increases Tax Levy Cap a certain amount (S2 reductions from FY25 to FY21 up to 9.9%) = \$7.25 million (5.7%)



# Short-term Relief Rules

1. Legislation includes the **one-time ability** to increase taxes above 2%.
2. Districts **not increasing taxes this year will lose the available funds** (it does not fall into banked cap to use in future years).
3. The 45% State Aid is a **grant**, and LRHSD will need to plan the **FY26 budget minus \$2.11 million**.



# The Revised Budget at a Glance

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## LRHSD Total Budget FY25

General Fund	\$ 174,561,286
Debt Service	\$ 7,907,362 ( <i>unchanged</i> )

# The Revised Budget at a Glance

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<b>2024-2025 TAX LEVY</b>		
General Fund	\$137,770,007	+7.7%
Debt Service From 1998 & 2005 referendums	\$6,376,961	+0.0%
Total Tax Levy	\$144,146,968	+7.4%



# Previous Budget FY25

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**\$12.8 million budget deficit**

Reductions and Operational Efficiencies for the following:

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



# **Revised 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

# Budget FY25

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

Including but not limited to below:

- Navy JROTC
- Sports: Gymnastics and Bowling (*with modifications/decreases in costs*)
- Clubs: Approximately 20 (low participation, duplication of services)
- Stipend Positions: Approximately 20 (academic, co-curricular, athletic)



# Budget FY25

## Staff Positions

### 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.**

**Restore Fund Balance, reallocate facility related expenses,**

**maintain previously saved positions.**

# Budget FY25

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

- Elimination of Central Office Administration Position
- Not replacing Over 40 Retirements or Resignations
- 2 Positions eliminated through a Reduction in Force
- ~~90~~ Non-renewals of non-tenured staff

**Rehire approximately 65 non-tenured staff**



# 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	3.03	\$84.30
Medford	5.19	\$183.80
Medford Lakes	9.60	\$286.48
Mt. Laurel	5.47	\$134.33
Shamong	11.89	\$376.25
Southampton	8.3	\$124.07
Tabernacle	9.75	\$268.47
Woodland	2.93	\$67.08

# 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

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