

STATE AID REDUCTION



LENAPE REGIONAL FORUM: Recap
Impact on LRHSD



Community Forum: February 21



Fiscal Impact on Lenape Region



School District	Estimated State Aid Reduction Through 2024-25
Evesham Township	9,003,394
Lenape Regional	8,356,073
Medford Township	1,603,435
Shamong Township	1,155,459
Southampton Township	1,141,089
Tabernacle Township	2,752,887
Woodland Township	186,164
Total Estimated State Aid Reduction	\$24,198,501

Year-by-Year* Impact to LRHSD



Budget Year	Reduction Percentage	Estimated Reduction
2018-19	5% of overfunding plus “promised” aid	\$961,456
2019-20	13%	\$961,300
2020-21	23%	\$1,479,663
2021-22	37%	\$1,832,852
2022-23	55%	\$1,716,441
2023-24	76%	\$1,067,314
2024-25	100%	\$337,047
Total		\$8,356,073*

*Estimate



Fiscal Impact on Lenape Region

State Aid - What Happened?

- S-2/A-2 signed by the governor in July 2018
- Implements provisions in the School Funding Reform Act (SFRA) from 2008
- SFRA driven by student Enrollment, and Local Fair Share (municipal property wealth (ratables) plus personal wealth of residents)
- School districts held harmless since 2008
- State Aid reduction scheduled from 2018-19 through 2024-25 for held harmless school districts
- Final Result - reduced state aid of approximately \$24 million to Region

Enrollment



S2 is Called the Fair Funding Formula:

- Fair to think if Enrollment increases or decreases, state aid should also increase or decrease.
- Fair to think this should be proportionate.

Is this Fair?

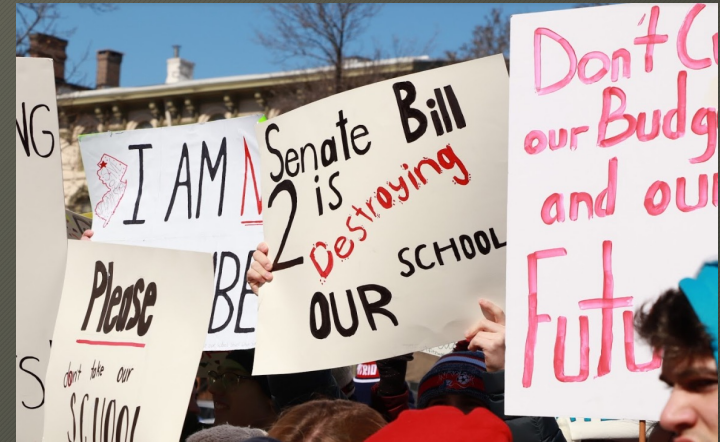
From 2009-10 to now:

- LRHSD Enrollment decreased by 12%.
- Uncapped SFRA Aid decreased by 32%

Local Fair Share



- Local Fair Share (LFS) = Ability to pay taxes
 - Equalized Valuation (municipal property)
 - District Income (personal wealth of residents)
- The *greater* the LFS the *greater* the ability to pay taxes
- HOWEVER: NJ continuously changes the multipliers in calculating LFS
- Requests for explanation unanswered
- Increasing the multipliers inflates LFS and decreases State's obligation to pay for education
- Increasing the multipliers shifts the cost of education to the taxpayers





Local Fair Share: Multiplier Effect

From 2009-10 to 2019-20:

- NJ Increased the Multipliers - inflating “ability to pay taxes”
- For example, Multiplier applied to Equalized Valuation Increased by 56%
- LRHSD Equalized Valuation decreased BUT ability to pay taxes increased!

LRHSD Equalized Valuation DECREASE of \$493.8 million BUT...

NJ determines ability to pay taxes INCREASE from \$30.5 million to \$44 million.

Total LFS increase of \$69.7 million to \$99 million; lowering Equalization Aid to LRHSD.

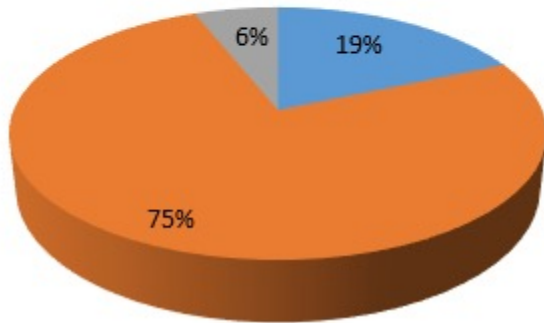
If Multipliers did not change, Total Equalization Aid to LRHSD would increase!

Fiscal Impact on LRHSD



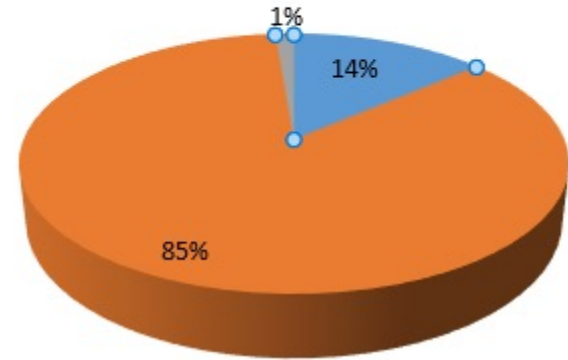
2018-19 Lenape Regional Funding Sources

■ State Aid ■ Tax Levy ■ Other Misc.

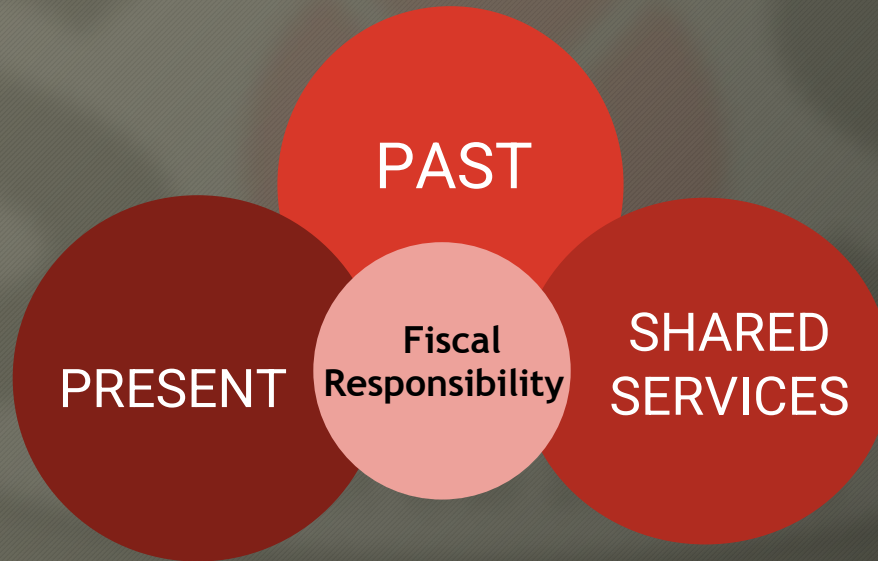


2024-25 Lenape Regional Funding Sources

■ State Aid ■ Tax Levy ■ Other Misc.



LRHSD Efficiencies



LRHSD Previous Cuts Prior to 2010



- Late Bus Runs Cancelled and Limited
- Tuition-Free Summer School Eliminated
- Adult Evening High School
- Bridges Program Eliminated
- Community Education Program
- Behind the Wheel Driver's Ed Program
- Public Relations Department
- Summer Musical Workshop Eliminated
- Professional Development Limited
- District-Funded Field Trips Limited

PAST

**Fiscal
Responsibility**

LRHSD Cuts after 2010 and Cost to Parents



- Privatization (Cafeteria, Busing)
- Reduction of Administration/Support Staff
- Reduction of Custodial and Maintenance
- Replacement of Retired Teachers, Counselors Diminished
- 100% of Employees (rep and non-rep) one year salary freeze
- Activity Fee for Sports, Band and non-volunteer Clubs
- Parking Fee
- Increased Cost to use Property and Facilities

PAST

Fiscal
Responsibility

LRHSD Efficiencies



- Healthcare Contributions by all Employees
- Low Cost/High Deductible Healthcare plans
- Energy Efficiency Programs (LED Lighting, ESIP, etc.)
- Reverse Auction for all Electricity
- Refinance Bonds
- Efficiency Model for Scheduling

PRESENT

Fiscal
Responsibility

LRHSD Efficiencies



- Copier Lease Programs
- Consolidation of Textbook Purchasing
- Want versus Need Attitude to Purchasing
- Reduction of non-certificated staff hours
- Part-time Paraprofessionals replacing Full-time
- Grants, Donations and Business Partnerships
- No new programs added without Grants/Donations
 - STEM program, Project Lead the Way, for example

PRESENT

Fiscal
Responsibility

Shared Services: Lenape Region, Municipalities and Beyond



- Professional Development
- Peer-peer Student Training
- Transportation
- Banking

Fiscal
Responsibility

SHARED
SERVICES

Shared Services: Lenape Region, Municipalities and Beyond



- Purchasing: Ed Data and Educational Services Commissions
- Technical Services: E Rate
- Insurance: JIF-BCIP
- Trash & Recycling Services

Fiscal
Responsibility

SHARED
SERVICES

Reductions + Costs Surpass Revenue



State Aid
Reductions

+

Revenue
2% Tax Levy
and other sources

+

Salary

Benefits

Operational Costs

=

Deficit in
the
\$millions

What's at Stake for Our Children?



Academic Programming Will
be Adversely Affected

Social & Emotional Learning,
and Support Will be
Adversely Affected

Personnel Will be
Adversely Affected

School Facilities Will be
Adversely Affected



Negative Impact On Academic Programming

Academic Program Eliminations/Reductions

limit Program of Studies options, for example

Schools' Abilities to Prepare Children for Life in the 21st Century (College and Career Readiness) will be Greatly Compromised

curriculum revision delay, for example

Textbook Adoptions/Student Resources will be Compromised



Negative Impact On Academic Programming

Increases in Class-size due to Reduction of Staff

Inability to Realize Technology Replacement Schedules

Inability to Maintain Technology/Expand Infrastructure

Increase in Activity Fees for Clubs/Sports/Extracurricular Activities

Elimination of Certain Clubs/Sports/Extracurricular Activities

Academic Programming

Negative Impact On Social & Emotional Support



Outside Counseling Services Limited

Character Education Programs will be Limited in Scope

Peer Social Development and Support Groups Limited

Educational Service Announcement Programs/Materials for Parents Diminished

Substance Abuse, Vaping, Internet Safety, Suicide, etc.

Negative Impact On Personnel



Teaching Positions may be Eliminated

Support Staff Positions may be Eliminated

Custodial and Maintenance Positions may be Eliminated

Administration Positions may be Eliminated

Professional Development Opportunities Diminished

Negative Impact On Facilities



Districts' Long-Range Facilities Plans will be Greatly Compromised

Inability to Pay for Necessary Facilities Projects (Roof, Boiler, HVAC)

Inability to Fund Capital Improvement Accounts

Reduction in Community's Use of Schools After Hours or Increased Cost to Community Groups for Usage

Facilities

Other Critical Concerns



Inability to Offer Tax Relief Due to Minimal Budget Fund Balance at Year's End

Longer Bus Routes for Students

Elimination of "Courtesy Busing" (within a 2 ½ mile radius of school)

Other Critical Concerns



Elimination of All Late Bus Routes

Failure to Pass the NJDOE QSAC Monitoring Process due to Districts' Inabilities to Realize State Benchmarks in Finance and Facilities, Curriculum/Instruction, Personnel, and Operations

The Continuation of High Quality Programs and Services Supporting the Cognitive, Emotional, and Social Development of Children will be Greatly Jeopardized

SOS Advocacy Main Goal



Request a PAUSE on State Aid cuts in order to:

- Inform legislators about the catastrophic effects of the State Aid cuts
- Request the establishment of a Joint Committee to review the existing funding formula, not limited to:
 - Local Fair Share
 - Special Education Funding
 - Adequacy

Establishment of a social media platform to convey the SOS message



@nj_sos

Call to Action - WHAT can YOU do?



We asked community to email/call Governor Murphy & Legislatures: IT'S WORKING!!



March 1, 2019

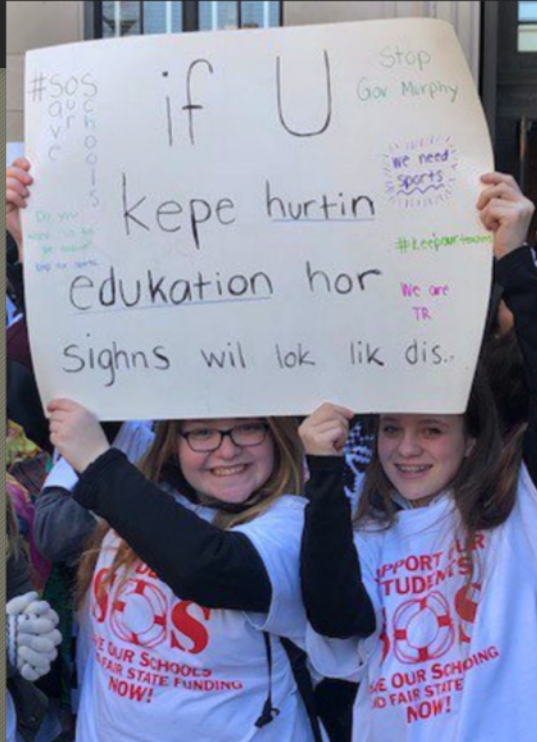
SOS Reps (pictured to the left) met with Deputy Chief of Staff, Ed Policy Chief and Director of Intergovernmental Affairs (not pictured)

SOS Advocacy: March 5th Rally





Better Together!



NJ Senate
and
Assembly
Budget
Hearings

NJEA – done!
NJSBA – done!

April 11th @ NJEA:
NJSBA, NJASA, NJPSA,
NJ PTA, NJASBO,
Education Law Center



OUR STUDENTS NEED YOU!



- Over \$24 Million in State Aid Leaving our Region
- Catastrophic Impacts on all Districts' Operations
- We need parents, staff and students to tell our story!



Visit www.lrhdsd.org look for

