

Freehold Borough Board of Education

2024-2025 Tentative Budget

March 18, 2024

Freehold Borough School District

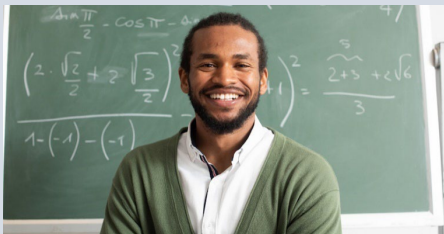
Budget Development Timeline

- December – Budget process begins with administration
- December – Mid-Year Budget Review with county office
- February 27 – Governor’s Budget address
- February 29 – release of state aid numbers. District on track to full funding under current “S2” law
- March 4 – BOE budget discussions
- March 18 – Adoption of tentative proposed budget

Salaries

Collective Bargaining Units

- FBEA - 244 Employees. Represents teachers, teacher assistants, secretaries, custodians, and maintenance employees.
 - FBAA - 8 Employees. Represents principals, directors, supervisor, and vice principal.
 - MOESC - 21 Paraprofessionals.
 - Non – unit – 20 Employees. Represents Confidential secretaries, technology staff, security staff, facilities supervisor, business office staff, superintendent.
-
- Fiscal Year 14: 224 Employees
 - Fiscal Year 24: 272 Employees



Freehold Borough School District

History of State Aid



Freehold Borough School District

History of Tax Levy



Freehold Borough School District

History of Budget

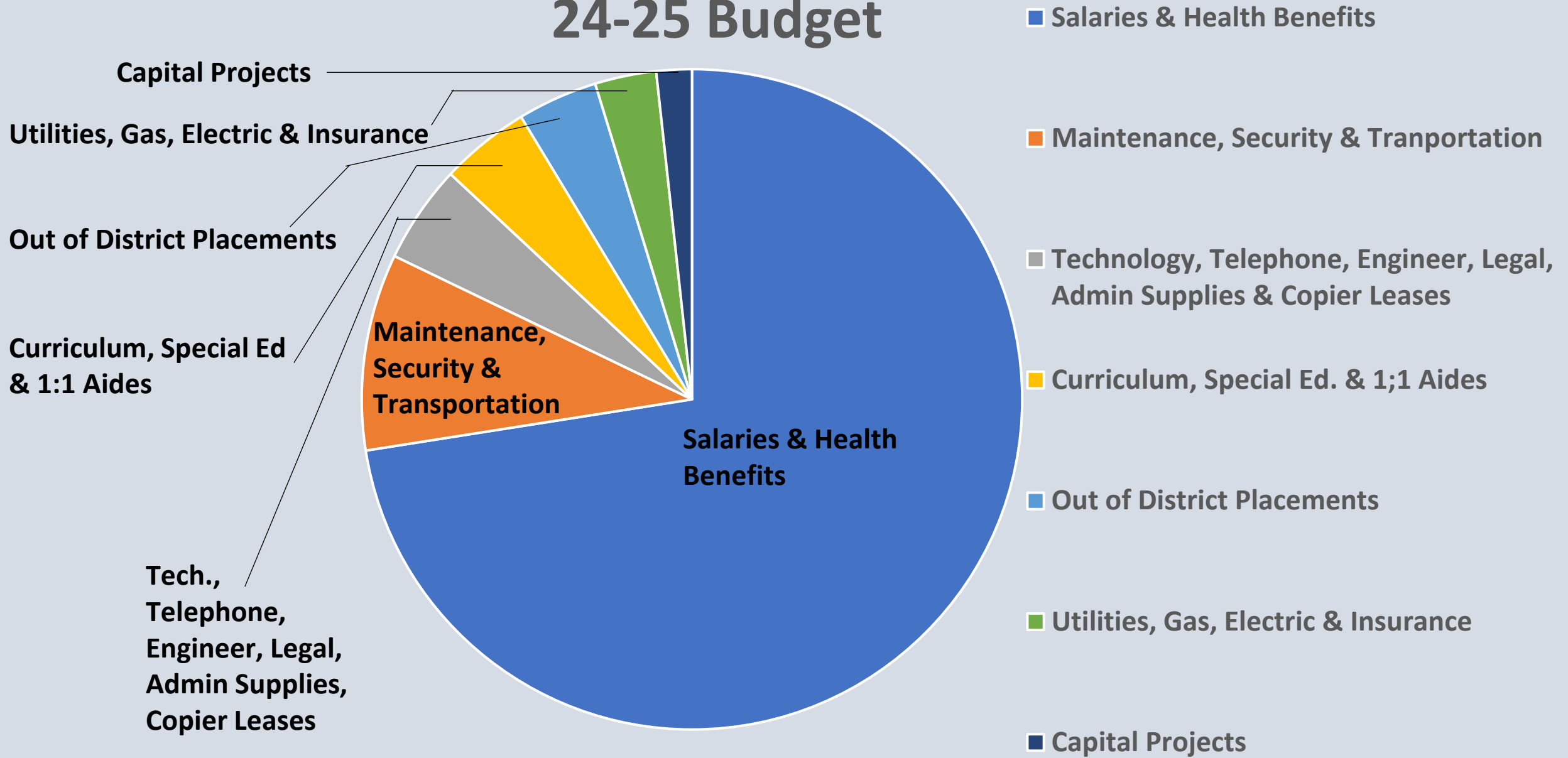


Freehold Borough School District

Revenue Source	2024 – 2025	% of Budget
State Aid	\$26,863,748	68.6%
Tax Levy	\$11,011,692	28.2%
Fund Balance	\$918,287	2.3%
SEMI	\$160,087	.4%
Extra-ordinary Aid	\$139,225	.4%
Misc. Rev. / Bank Interest / Facility Rental	\$43,733	.1%
Total Revenue:	\$39,136,772	100%

Annual Operating Expenses	2024 – 2025	% of Budget
Salaries and Health Benefits	\$28,381,628	72.5%
Maintenance, Security & Transportation	\$3,767,341	9.6%
Technology, Telephone, Engineer, Legal, Admin. Supplies & Copier Leases	\$1,881,471	4.8%
Curriculum, Special Education & 1:1 Aides	\$1,718,129	4.4%
Out of District Placements	\$1,535,264	3.9%
Utilities / Gas / Electric & Insurance P&C	\$1,175,040	3%
Capital Projects	\$677,899	1.7%
Total Expenses:	\$39,136,772	100%

24-25 Budget



Summary – 5 Years of State Aid, Tax Levy & Budget

State Aid

- FY21 – FY25, Total Increase \$10,943,004
- FY21 – FY25, 69% increase
- Average increase each year, \$2,188,601
- FY25 is the last year of “S2” Funding

Tax Levy

- FY21 – FY25, Total Increase \$872,851
- F21 – FY25, 8.61% increase
- Average increase each year, \$174,570

Overall Budget

- FY21– FY25, Total Increase \$10,479,068
- FY21 – FY25, 37% increase
- Average increase each year, \$2,095,814



Freehold Borough School District

What Does The Budget Look Like Today?

February 24, 2024

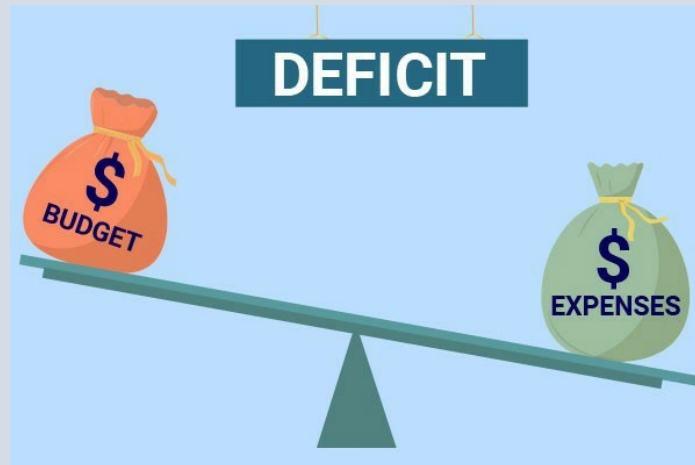
- Revenue, \$37,146,654
- Expenses, \$38,427,569
- Deficit (\$1,280,915)

February 27, 2024

- Revenue, \$37,146,654
- Expenses, \$38,146,654
- Deficit (\$953,833)

February 29, 2024

- Revenue, \$39,136,772
- Expenses, \$39,136,772
- **Balanced Budget**



Freehold Borough School District

What Causes Budget to Fluctuate Year to Year?

FY24

- Salaries → \$18,929,629
- Health Benefits → \$5,796,379
- Technology/Infrastructure → \$0
- Transportation → \$929,407
- Retirement Payouts → \$30,000
- Substitute Teachers → \$105,000

FY25

- Salaries → \$20,082,171
- Health Benefits → \$6,353,170
- Technology/Infrastructure → \$145,000
- Transportation → \$1,029,710
- Retirement Payouts → \$65,445
- Substitute Teachers → \$225,000



Banked Cap / Health Benefit Waiver?

District ID : 1640

District Name : FREEHOLD BORO

Line	Name	Generated in 2021-22	Generated in 2022-23	Generated in 2023-24	Generated in 2024-25
A	Prebudget Year Adjusted Tax Levy, including Weighted Increases for Enrollment, Inflated by 2%	10,341,618	10,283,236	10,329,675	10,488,901
	Cap Adjustments:				
B	Increase in Health Care Costs	0	0	628,465	262,777
C	Increase in Normal and Accrued Pension Contribution (Deferred Pension)	0	0	0	0
D	Increase for Responsibility Assumed by District	0	0	0	0
E	Decrease for Responsibility Shifted to Another District or Entity	0	0	0	0
E1	Other Adjustments	0	0	0	0
E2	Increase in SDA District Local Share	0	0	0	0
F	Tax Levy Cap	10,341,618	10,283,236	10,958,140	10,751,678
G	Tax Levy	10,081,604	10,081,604	10,283,236	11,011,692
G1	Adjustments to Levy	0	0	0	0
H	Banked Cap Available for Use in Next Three Years (Line F less Lines G and G1)	260,014	201,632	674,904	0
I	Requested Use of Banked Cap in Prior Years	0	0		
J	Requested Use of Banked Cap in Current Year	260,014	\$0	\$0	
K	Amount Expiring 2024-25	0			
L	Available Banked Cap Carried Forward to Following Year	0	201,632	674,904	0
M	Banked Cap Available for 2025-26				876,536

Total Available
\$260,014
\$201,632
\$674,904

\$1,136,550

Freehold Borough School District

Local Fair Share For FY 25

STATE OF NEW JERSEY - DEPARTMENT OF EDUCATION		02/29/2024	3
DIVISION OF FINANCE AND BUSINESS SERVICES			
OFFICE OF SCHOOL FINANCE			
PROJECTED 2024-25 STATE SCHOOL AID		Page EQA	
EQUALIZATION AID			
LOCAL SHARE CALCULATION - REGULAR DISTRICT			
	Equalized Valuation (10/1/2023)	968,400,495	(N)
1,527 (A)	District Income (2021)	196,815,222	(O)
	Equalized Val. x 0.012707978 / 2	6,153,206	(P-1)
21,195,453 (B)	District Income x 0.050601493 / 2	4,979,572	(P-2)
507 (C)	Local Fair Share : Item (P-1) + Item (P-2)	11,132,778	(P)

Strategic Plan FY 25

Freehold Borough School District

5-Year Strategic Plan

Vision: Building Outstanding Results & Opportunities

Focus Area: Fiscal Capacity

Belief Statement: We believe in investing in our schools while understanding our obligation to be fiscally accountable by balancing efficiency and flexibility.

Goal #2	Utilize available funding for additional capital improvements and program expansion.	2023 2024	2024 2025	2025 2026	2026 2027	2027 2028	Responsibility: (Persons responsible for coordinating)	Indicators of Success: (Metrics that can be used to measure progress)
Action Step 1	Contract a Bond Attorney to present options to the BOE for the use of remaining 2017 Bond Referendum funds.	X					Business administrator	BOE Presentation
Action Step 2	Develop a plan to access Banked CAP within the next two years prior to funds expiring.	X	X				Superintendent, Business Administrator	Budget Proposal
Action Step 3	Develop a plan to access Banked CAP within the next two years prior to funds expiring M additional residential units that may impact school enrollment.	X	X	X	X	X	Superintendent, Business Administrator	Planning Board/Zoning Board minutes
Action Step 4	Develop plans for increased school enrollment that utilize all available funding to increase classroom space.	X	X	X	X	X	Superintendent, Business Administrator	Long Range Facilities Plan (LRFP); Budget Proposals
Action Step 5	Solicit funding from Borough PILOT programs for any development projects that have direct impact on student enrollement.	X	X	X	X	X	Superintendent, Business Administrator	MOA with Borough for impact funding

Freehold Borough School District

Summary Of Tax Levy Proposal

FY24

- FY24 Tax Levy
\$10,283,236
- 2% Cap on Levy
\$205,665
- FY25 Tax Levy
\$10,488,901

Available Resources

- Health Care Allowance
~~\$271,438~~
\$262,777
- Banked Cap Expiring
\$260,014

FY25

- FY25 Tax Levy
\$11,011,692 (includes 2%, Health Care cost and expiring Banked Cap)
- Local Fair Share
\$11,132,778
- Proposed Local Fair Share
\$11,011,692
98.91%
- Deposit Into Capital Reserve
\$510,000



Freehold Borough School District

Facility Usage Rates

Freehold Borough BOE

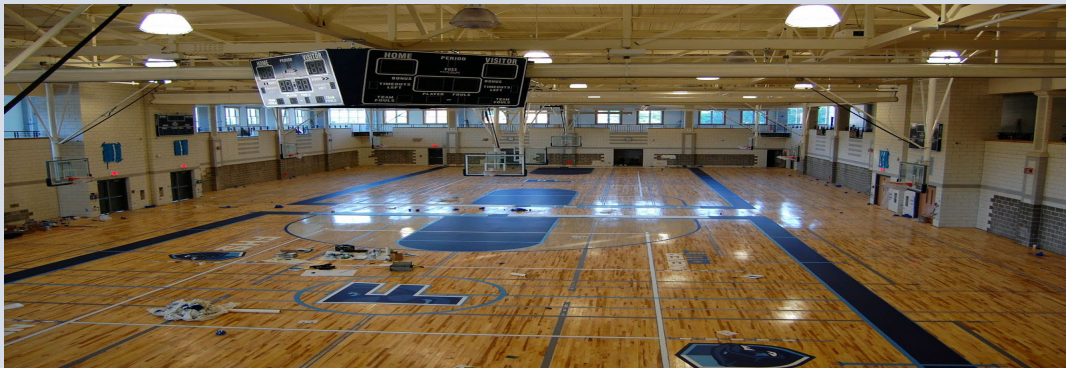
	For Profit	Non-Profit Outside Boro	Non-Profit In Boro
Gym			
with bleachers	\$250	\$125	\$50
without bleachers	\$150	\$75	\$25
Classrooms	\$25	\$10	\$5
Library	\$20	\$10	\$5
Fields			
Single Use	\$200	\$100	\$100
Season(max 6 mos)	\$250	\$150	\$150
	Per Month	Per Month	Per Month
Custodial -- \$35.00 per hour per custodian outside regular operating hours			

Avg Rates of Neighboring Districts

	For Profit	Non-Profit
Gym	\$1,291	\$170
Classrooms	\$61	\$20
Library	\$135	\$135
Fields		
Single Use	\$250	\$129 (\$2,500 Commercial)
Custodial -- \$45.00 per hour per custodian outside regular operating hours		

FY25 Proposal

	For Profit	Non-Profit Outside Boro	Non-Profit In Boro
Gym			
with bleachers	\$300	\$150	\$75
without bleachers	\$200	\$100	\$50
Classrooms	\$50	\$25	\$10
Library	\$50	\$25	\$10
Fields			
Single Use	\$250	\$125	\$100
Season(max 6 mos)	\$300	\$175	\$175
	Per Month	Per Month	Per Month
Custodial -- \$45.00 per hour per custodian outside regular operating hours			



March 7, 2024
Facilities Committee made a
\$25.00 adjustment

Facilities

PAE & FIS replace 6 boilers.

- Approved ROD Grant \$1,264,089
- Contribution from state \$877,572
- Contribution from district \$386,517 (Capital Reserve) W/D



Freehold Borough School District

General Fund & Debt Service Tax Levy Year Over Year

Tax Levy	2023 - 2024	2024 – 2025
General Fund	\$10,283,236	\$11,011,692
Debt Service	\$315,169	\$0
Total	\$10,598,405	\$11,011,692

2% increase in the General Fund tax levy, Health care cost adjustment, and Banked cap expiring

The district will be applying \$524,651 towards bond payments

Freehold Borough School District

2017 Bond Referendum

2017 Bond Referendum July 19, 2017

\$15,605,000

2017 Bond Referendum Balance June 30, 2023

\$5,450,991

2024-2025

Bond Payment

Principal \$855,000

Interest \$360,938

Future Principal Payments

25-26 \$875,000

26-27 \$900,000

27-28 \$900,000

28-29 \$900,000

29-28 \$900,000

29-30 \$900,000

30-31 \$75,991

Next Steps

- **March 18, 2024 – FY25 tentative budget on the agenda for adoption. After approval by the Board, the tentative budget goes to the County Superintendent for compliance checks, review and approval.**
- **After County Superintendent approves our budget, district advertises budget for the public hearing.**
- **May 6, 2024 – Public Hearing and adoption of the FY25 budget. The budget can be modified any time between tonight (March 18th) and the Public Hearing on May 8th.**
- **48 hours after Public Hearing – User friendly budget is posted to the district website.**
- **July 1, 2024 – New fiscal year begins. Deadline for legislature to adopt FY25 State budget for state aid numbers to be locked in.**