

# Freehold Borough Board of Education

Budget Discussion

March 4, 2024



Freehold Borough School District

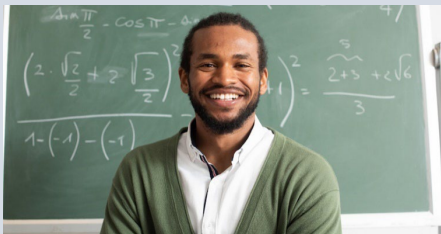
# Budget Development Timeline

- 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

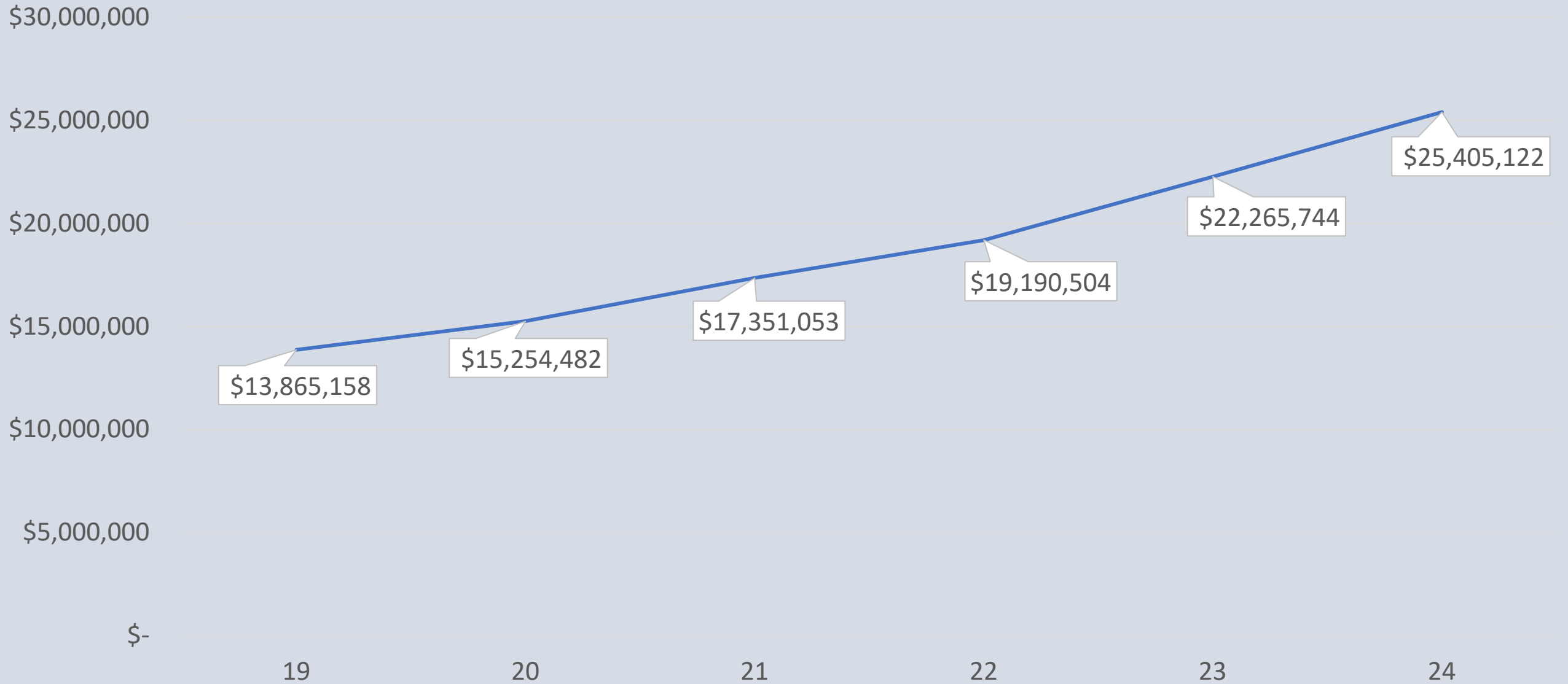
## Collective Bargaining Units

- 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



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# History of Budget



Freehold Borough School District

# Summary – 6 Years of State Aid, Tax Levy & Budget

## State Aid

- FY19 – FY24, Total Increase \$11,539,964
- FY19 – FY24, 83% increase
- Average increase each year, \$1,923,327
- FY25 is the last year of “S2” Funding

## Tax Levy

- FY 19 – FY24, Total Increase \$47,970
- FY19 – FY24, .47% increase
- Average increase each year, \$7,995

## Overall Budget

- FY19 – FY24, Total Increase \$12,945,942
- FY19 – FY24, 54% increase
- Average increase each year, \$2,157,657



Freehold Borough School District

# What Does The Budget Look Like Today?

## February 24, 2024

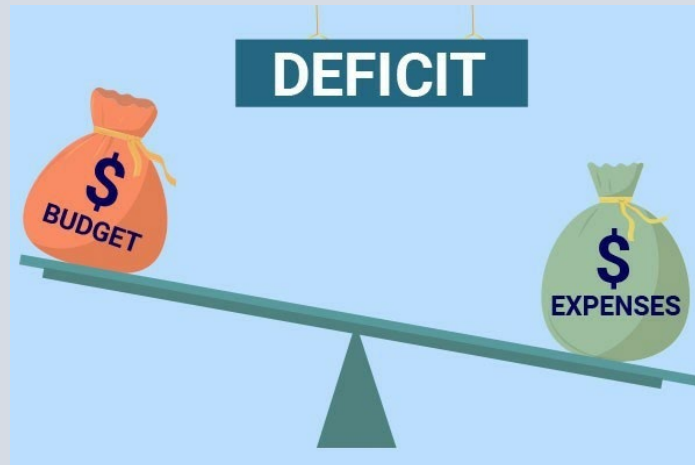
- Revenue, \$37,146,654
- Expenses, \$38,427,569
- Deficit (\$1,280,915)

## February 27, 2024

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

## February 29, 2024

- Revenue, \$39,136,732
- Expenses, \$39,136,732
- **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?

## Cap Banking Eligibility

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
	<b>Cap Adjustments:</b>				
B	Increase in Health Care Costs	0	0	628,465	271,438
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	10,760,339
G	Tax Levy	10,081,604	10,081,604	10,283,236	10,488,901
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	271,438
I	Requested Use of Banked Cap in Prior Years	0	0		
J	Requested Use of Banked Cap in Current Year	\$0	\$0	\$0	
K	Amount Expiring 2024-25	260,014			
L	Available Banked Cap Carried Forward to Following Year	0	201,632	674,904	271,438
M	Banked Cap Available for 2025-26				1,147,974

**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  
 DIVISION OF FINANCE AND BUSINESS SERVICES  
 OFFICE OF SCHOOL FINANCE  
 PROJECTED 2024-25 STATE SCHOOL AID  
 EQUALIZATION AID

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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)	<b>Local Fair Share : Item (P-1) + Item (P-2)</b>	<b>11,132,778 (P)</b>

# Strategic Plan FY 25

Freehold Borough School District								
5-Year Strategic Plan								
<i>Vision: Building Outstanding Results &amp; Opportunities</i>								
<b>Focus Area: Fiscal Capacity</b>								
<b>Belief Statement: We believe in investing in our schools while understanding our obligation to be fiscally accountable by balancing efficiency and flexibility.</b>								
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	Monitor Borough development plans and construction projects with 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

# 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
- Banked Cap Expiring  
\$260,014

## FY25

- FY25 Tax Levy  
\$11,020,353 (includes 2%, Health Care cost and expiring Banked Cap)
- Local Fair Share  
\$11,132,778
- Proposed Local Fair Share  
\$11,020,353  
98.99%
- Deposit Into Capital Reserve  
\$510,000



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# Facility Usage Rates

## Freehold Borough BOE

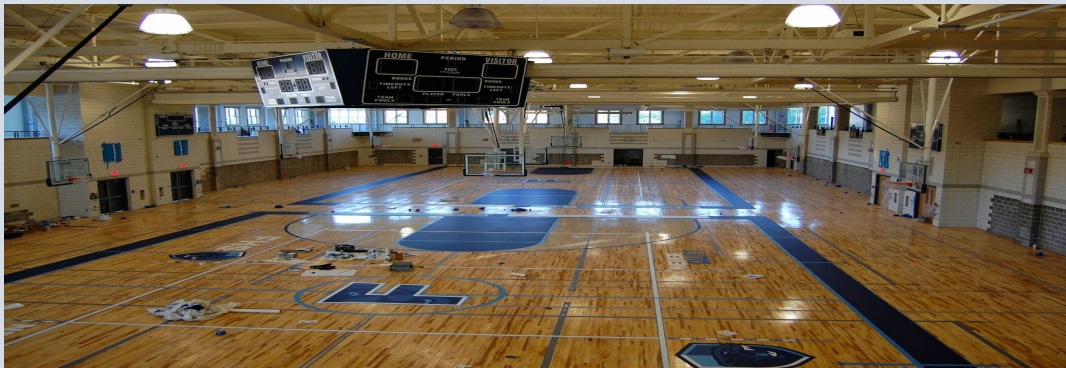
	For Profit	Non-Profit Outside Boro	Non-Profit In Boro
<b>Gym</b>			
with bleachers	\$250	\$125	\$50
without bleachers	\$150	\$75	\$25
<b>Classrooms</b>	\$25	\$10	\$5
<b>Library</b>	\$20	\$10	\$5
<b>Fields</b>			
Single Use	\$200	\$100	\$100
Season(max 6 mos)	\$250	\$150	\$150
	Per Month	Per Month	Per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

## Avg Rates of Neighboring Districts

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

## FY25 Proposal

	For Profit	Non-Profit Outside Boro	Non-Profit In Boro
<b>Gym</b>			
with bleachers	\$275	\$150	\$75
without bleachers	\$175	\$100	\$50
<b>Classrooms</b>	\$50	\$25	\$10
<b>Library</b>	\$50	\$25	\$10
<b>Fields</b>			
Single Use	\$225	\$125	\$100
Season(max 6 mos)	\$275	\$175	\$175
	Per Month	Per Month	Per Month
<b>Custodial</b> -- \$45.00 per hour per custodian outside regular operating hours			



Freehold Borough School District

# 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

Questions?

