



# High Bridge School District 2022-2023 Tentative Budget

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# Evolution of School Budgets

Before 2010	2011	2012-2021	2022-2023
Districts' budget voted on annually by communities	State of NJ reduces School Aid by 65% as a result of the financial crisis and large shortfall in the NJ State Budget	State places 2% cap, with eligible waivers, on tax levy increases for Districts opting out of community vote on budget	High Bridge District is not eligible for waivers thus maximum budget increase is limited to 2%
Average tax levy increases were 4-5% annually	Led to reductions in District operating budget (pay to play as an example)	Districts able to submit budgets at cap due to changes in state mandated employee contributions (Chapter 78) to health insurance as well as other operating efficiencies	Expenditures (Health Insurance (Chapter 44), Property Insurance, Labor, Utilities) are outpacing revenues

A District's budget is an evolving record of past decisions and a spending plan for its future.

# Budget Objectives

- Maintains programs and supports student achievement.
  - Supports current a wellness and safety needs.
  - Minimizes tax impact on residents
- \* The challenge of building a budget: Identifying a fiscally responsible way to fund the goals above.

# Explanation of Funds

- General Fund – Operating budget Revenue and Expenditures – Fund 10
- Special Revenue Fund – Title, IDEA, PEA Expansion and other Grants – Fund 20
- Debt Service – Principal and Interest payments on Bonds Outstanding – Fund 40

# 2022-2023 Tentative Budget Appropriations

- General Fund \$8,529,629
- Special Revenue \$1,257,375
- Debt Service \$ 536,000
- TOTAL 2022-2023 Budget: \$10,323,004
- Difference from 21-22 Budget (\$ 588,022)\*

\*Lower state aid and Fund Balance/Capital reserve partially offset by increase in 22-23 tax levy.

# 2022-2023 Tentative Budget Revenue Sources:

<b>Total Tax Levy *</b>	<b>\$7,290,071</b>
State Aid incl. debt service	\$1,252,332
Budgeted Fund Balance	\$ 362,026
PEA Expansion Aid (preschool)	\$ 842,340
PEA Carryover (preschool)	\$ 185,931
Grants	\$ 144,870
Capital Reserve Withdrawal	\$ 150,000
Other misc.	<u>\$ 95,434</u>
Total Revenues	\$10,323,004

**\* Includes debt service tax levy**

# State Aid Comparison 22-23

Town	21-22 Levy	22-23 Levy	Difference	Percentage
High Bridge	\$1,408,435	\$1,098,420	(\$310,015)	-22.01%
Bethlehem Twp.	\$976,108	\$788,299	(\$187,809)	-19.24%
Califon Boro.	\$198,615	\$117,054	(\$81,561)	-41.06%
Lebanon Twp.	\$1,670,220	\$1,431,746	(\$238,474)	-14.28%
Lebanon Boro.	\$202,490	\$148,963	(\$53,527)	-26.43%
Tewksbury Twp.	1,034,116	\$1,207,371	173,255	16.75%
N Hunt/Voorh	\$4,398,706	\$3,929,228	(\$469,478)	-10.67%

Amounts exclude debt service aid

# Capital Project

- Middle School Paving Project \*
  - Basketball/play area plus parking lot
  - Blacktop in need of repaving
  - Project could be broken into segments if energy costs are at present level
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- Estimated Cost to repair
    - Paving Costs                      \$150,000

\* Project will be funded from a withdrawal from capital reserve



# Equipment

- Technology Switches and Firewall
  - Existing switches are at end of life and not replaceable by manufacturer
  - Firewall in need of upgrade given increased cyber-security threats
  - Insurance Coverage is encouraging enhanced firewall security
  - Will utilize E-Rate funding to mitigate costs
- Estimated Costs
  - Total Estimated Cost                      \$25,000

# 2022-2023 TAX LEVY Tentative

2021-2022 Tax Levy	2022-2023 Tax Levy	\$ Difference	% Difference
\$6,699,003	\$6,832,983	\$133,980	2.00%
2021-2022 Debt Service*	2022-2023 Debt Service*	\$ Difference	% Difference
\$453,463	\$457,088	\$ 3,625	0.799%

**TOTAL TAX LEVY = \$7,290,071**

**OVERALL INCREASE = 1.92%**

\*Tax levy previously approved by the community through a referendum (1997). Debt Service payments are mandatory, District has no discretion in the amount.

# 2022-2023 Tentative TAX LEVY

School Year	Average Property Value *	Calendar Year Tax Rate	Property Tax (HB schools portion)
22-23	\$232,656	.021153	\$4,921

Annual Tax Increase on Average Home = \$33.26  
Or Monthly Increase on Average Home = \$2.77



\* Provided by High Bridge Borough

# 2022-2023 Tentative Budget

## Historical Tax Rate % Increases

School Year	Total Tax Levy Incl .Debt Service	YOY Inc. %	Average Home Value	Per Home Monthly Increase
16-17 Audit	\$5,937,817	N/A	\$228,501	N/A
17-18 Audit	\$6,254,228	5.33%	\$228,221	\$18.56
18-19 Audit	\$6,565,706	4.98%	\$227,040	\$16.36
19-20 Audit	\$6,832,760	4.07%	\$227,380	\$15.45
20-21 Audit	\$7,020,901	2.75%	\$227,737	\$7.07
21-22 Budget	\$7,152,466	1.87%	\$229,605	\$7.57
22-23 Budget	\$7,290,071	1.92%	\$232,656	\$2.77

# Board Questions?