

FAIR HAVEN PUBLIC SCHOOLS

2024-2025 Public Budget Hearing Presentation

April 24, 2024



BOARD OF EDUCATION OF THE BOROUGH OF FAIR HAVEN

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Budget Timeline

Review Budget Process with BOE Finance Committee	October 16
Initial Meeting with Leadership Team	Week of October 9
Distribute Instructions	Early October
Budgets due to Business Office	December 8
Staff Meetings – Budget Overview	February 7
Personnel Review	Ongoing
Finance Committee Meetings	December - April
State Aid	February 29
Finance Committee Meeting	March 4

Special Budget Workshop - Adoption of Preliminary Budget	March 13
Budget Discussion-If necessary	March 20
Budget due to County Office	March 20
Special Finance Committee Meeting	April 12
County Approval of Preliminary Budget	April 12
Adoption of Final Budget Window	April 24 - May 7
Notice of Public Hearing	Late April
Adoption of Final Budget	April 24
User-Friendly Budget posted on Website	Within 2 days of Budget Hearing

Our approach to the 2024-2025 Budget

- Align budget initiatives with current strategic plan
- Maintain & nurture successful initiatives and programming for students
- Utilize a zero-based budgeting approach
- Opportunities for increased efficiency in 2024-2025
- We analyzed expenditure history in all of our accounts
- Revenue- Local levy cap, State Aid
- Recurring expenses must align with recurring revenues



Revenue

	2023-2024	2024-2025	Difference	% Increase	% of Total
Local Tax Levy	15,760,394	16,389,640	629,246	3.99%	85.92%
Tuition - Individuals	120,000	87,500	(32,500)	-27.08%	0.46%
Tuition - other LEAs	63,000	-	(63,000)	-100.00%	0.00%
Miscellaneous	35,003	55,005	20,002	57.14%	0.29%
State Aid	1,099,538	1,232,597	133,059	12.10%	6.46%
Extraordinary Aid	138,575	185,000	46,425	33.50%	0.97%
FundBalance	910,185	900,000	(10,185)	-1.12%	4.72%
Use of Reserves	200,000	225,000	25,000	12.50%	1.18%
	18,326,695	19,074,742	748,047	4.08%	1.00

2% Municipal Cap & State Aid Notes

2% Municipal Cap:

School District can only raise its tax levy up to 2% above what it was the year prior

Tax Base is irrelevant - every home in Fair Haven could double in taxes and it would not matter

State Aid:

24-25 is final year of 7 year “fix” - days of 12%-15% increases are over following 24-25

We do not know what 25-26 will bring - historically we used to receive \$20k-\$40k increases when we were in the \$450k-\$500k range prior to this 7 year State Aid reset

Budget Revenues vs. Expenditures Reality

REVENUES:

2% Municipal Cap on prior year tax levy = \$315,208

12% Increase in prior year State Aide = \$133,059

1 Year Healthcare Adjustment = \$138,635

Last Year of Banked Cap = \$175,403

Total Allowable Revenue increase = \$762,305

(Without Banked Cap, Revenue = \$586,902)

EXPENDITURES:

3.5% Increase in Staff Salaries = \$400,000

6% Increase in Healthcare Costs = \$225,639

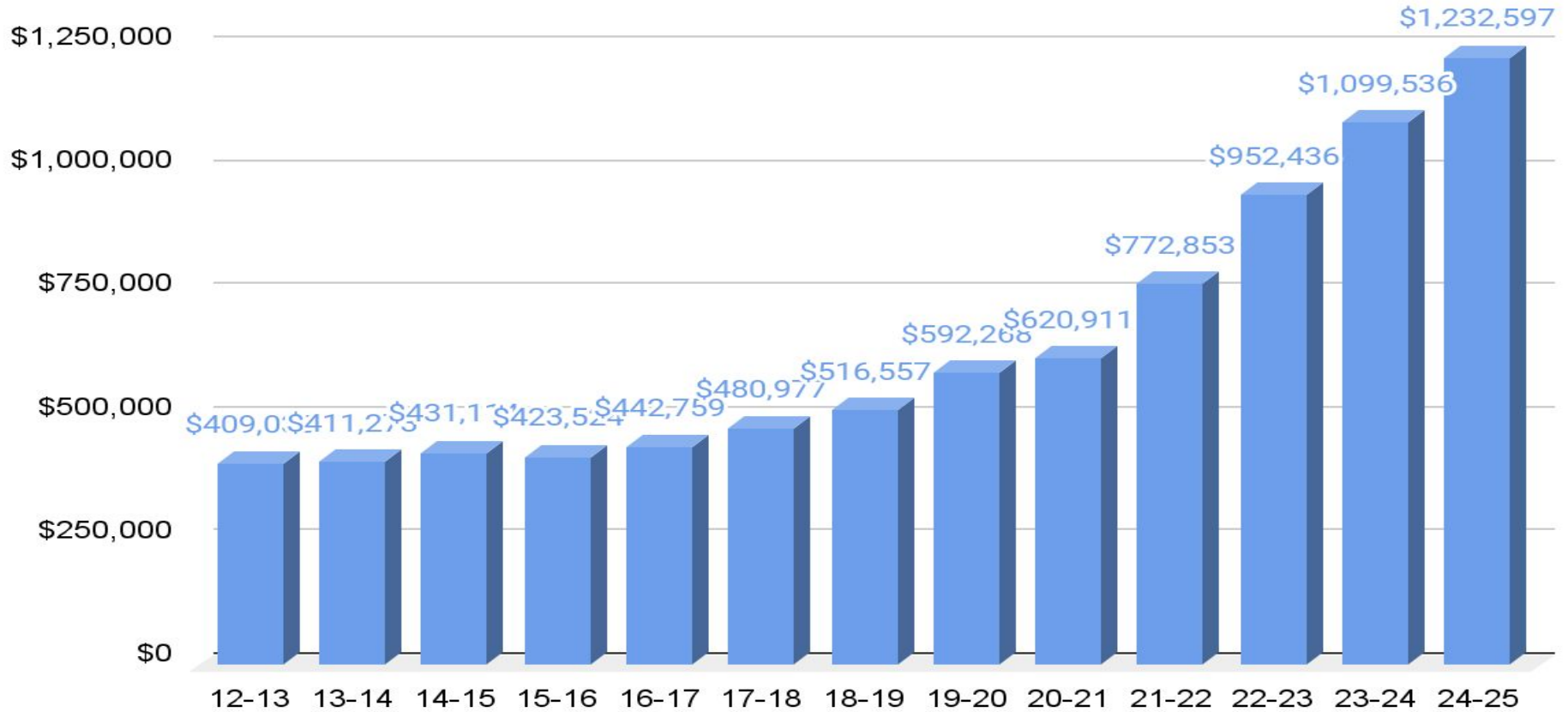
4% Avg Increase in miscellaneous costs = \$125,083

Including KG Aides in operating budget = \$45,000

Total Expenditure Increase = \$790,722

(Without Banked Cap, Budget = in the negative in the amount of \$203,820)

State Aid History



State Aid 2024-2025

- Governor's Proposed Budget calls for a \$133,059 increase in state aid.
- Continuing on the path to full funding under the S2 legislation. 2025 is the target year.
- Still a very small percentage of our overall budget (6.46%)



Tax Impact

	2022-2023	2023-2024	2024-2025
Tax Levy	15,142,528	15,760,394	16,389,640
Net Valuation Taxable	1,883,417,523	2,104,659,552	2,357,990,059
Percentage Increase or Decrease	2.00%	4.08%	3.99%
	2.66%	11.75%	12.04%

	Tax Impact	Tax Impact	
Home Value	2023-2024	2024-2025	Difference
100,000	794	748	(46)
350,000	2,778	2,617	(162)
500,000	3,969	3,738	(231)
750,000	5,954	5,607	(347)
1,000,000	7,938	7,476	(462)
1,500,000	11,907	11,214	(693)
2,000,000	15,876	14,952	(924)
2,500,000	19,845	18,690	(1,155)

What's in this budget?

- Investment in our students & staff:
 - Keeping staff on scale for salaries/benefits
 - Maintaining Kindergarten Aides (Formerly ARP/ESSER Funded)
 - Maintaining Special Law Enforcement Officers
 - Increase in support of permanent and daily substitute staff members
 - Increased professional development
 - Multisensory literacy instruction at the elementary level
 - Science
 - Support, professional development, and resources for social emotional learning and mental health



What's in this budget?

- Support for Extended School Year and Summer Learning Academy - IDEA and Federal Title Grants
- Technology - Security upgrades, software, hardware and end user equipment
- Continue to provide a level of education and opportunities that support outstanding student outcomes for the children of Fair Haven



What savings are in this budget?

- Reduction in staffing where appropriate (3.5 positions):
 - Reduction of a full time co-teaching position at the elementary level based on need
 - Reduction of a full time teaching position by reducing class section for rising 3rd grade
 - Reduction of a full time special education position due to need
 - Full time Spanish position reduced to part time based on student world language enrollment
- Non-Public Transportation
- Changes to Pay to Participate
- No contingencies with Transportation and Out of District Tuition
- Staff Health benefit contributions



Rationale for Recommendation:

- Administration and FHBOE made a proactive choice to add this section coming out of the pandemic following their KG year based on higher than typical numbers of students postponing enrollment into KG
- Moving the rising 3rd grade sections from 6 to 5 creates class sizes of 23 & 24
 - FHBOE Class Size Regulation seeks class sizes of 18-23 at this grade, with flexibility given for financial reasons or other extenuating circumstances (*Recent classes including the class of '23 and the class of '22 had class sizes of 23/24 & 24/25*)
- This decision allows the district to maintain all programming, as opposed to smaller class sizes in one grade that results in the discontinuation of services impacting multiple grade levels and hundreds of students
- We have always stated the need for an additional section for this class would be reviewed each year and would likely not be necessary to continue as the students grew older - and have engaged in these conversations each of the past two years

Rationale for Recommendation (continued):

- After reviewing student performance and student presentation, it was determined that the grade level could responsibly be moved to 5 sections
- Doing so for their 3rd grade year allows for the class size transition to occur while they are still known well to all of the support staff in their school
- Doing so now allows them to experience this transition without compounding that transition with the transition to Knollwood where the students would be new to nearly all of our support staff

Expenditure Responsibilities

- Anything considered essential to providing primary instruction must be the responsibility of the Local Education Agency (District)
- Referendum dollars can only be spent in areas identified as part of the public question put forth to voters (construction of the new facilities, site work, HVAC, security systems, etc.) These funds cannot be used for Educational Resources or Personnel
- Recurring expenses must align with recurring revenues

Taxpayer's Guide to Education Funding

- <https://www.nj.gov/education/guide/2023/>
- Fair Haven consistently has one of the lowest per pupil costs for total education spending in the County and the State.
3rd lowest in the County (54 districts)
- Admin costs: One of the lowest admin costs per pupil in the County
- Other TGES categories are favorable as well



Thank you!
Any questions or comments?



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