



We face many challenges constructing our budget balancing, a fine line between the educational needs of the students and the tax payers.

It is our mission to provide a high quality education that is fiscally responsible to the taxpayers and within the fiscal parameters set by the state.

There has been a lot of uncertainty at the state level regarding local school funding. Districts throughout the state have been underfunded for several years.

The state has mandated a 2% CAP levy on property taxes. What is the 2% CAP and how does it work?

The 2% Tax Levy Cap is the way the way the State of New Jersey restricts the growth of local property taxes. This CAP restriction uses a 2% growth rate along with adjustments for certain fixed costs that are harder to control. Adjustments can include increased health care costs.

The combination of a 2% CAP and reduction in state aid means that replacing revenue from the reduction is almost impossible and creates a large budget gap.

To further burden our district, the state has imposed unfunded mandates such as PARCC, Lead Testing, HIB, Janet's Law, and Next Generation Science Standards to cite some examples.

The tuition rate from Phillipsburg is rising at a greater rate than can be generated with the imposition of the 2% CAP

Some of the primary components of the budget are:

- Tuition to Phillipsburg
- Health Benefits
- Contractual Salaries
- Special Education costs
- Debt Service
- Transportation
- Buildings and Grounds
- Curriculum
- Security Updates/Issues

Benchmark and compare expenditures from prior years. This process allows the finance committee to increase budget lines that are growing while reducing those that are shrinking.

With such uncertainty at the state level regarding funding levels, the school has been forced to explore a vast array of budget scenarios based on different levels of state funding. In addition, the finance committee makes multiple budgets based on differing assumptions and scenarios to allow the administration various options should the state aid figures come in lower than anticipated.

The Lopatcong School Board makes every effort to ensure fiscal responsibility. Efforts include co-op purchasing agreements ACES, MRESC, ERATE,& HCESC, to name a few.

Lopatcong School Budget Process

Current State and Issues

**BOE Meeting
April 11, 2017**

**Budget Presentation
April 25, 2017**

**Please attend and
feel free to ask
questions to the
school board
members**

LOPATCONG SCHOOL DISTRICT

321 Stonehenge Drive
Phillipsburg, NJ 08865

<http://www.lopatcong.org/>

April 11, 2017

April 25, 2017