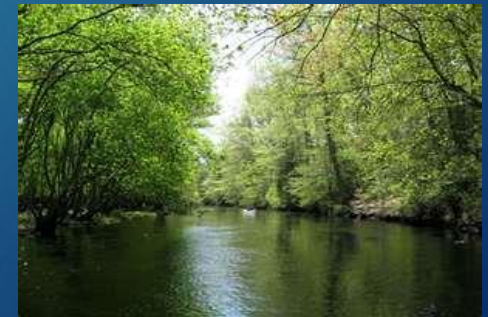




The Ocean Township School District



2025 – 2026
PRELIMINARY
BUDGET PRESENTATION



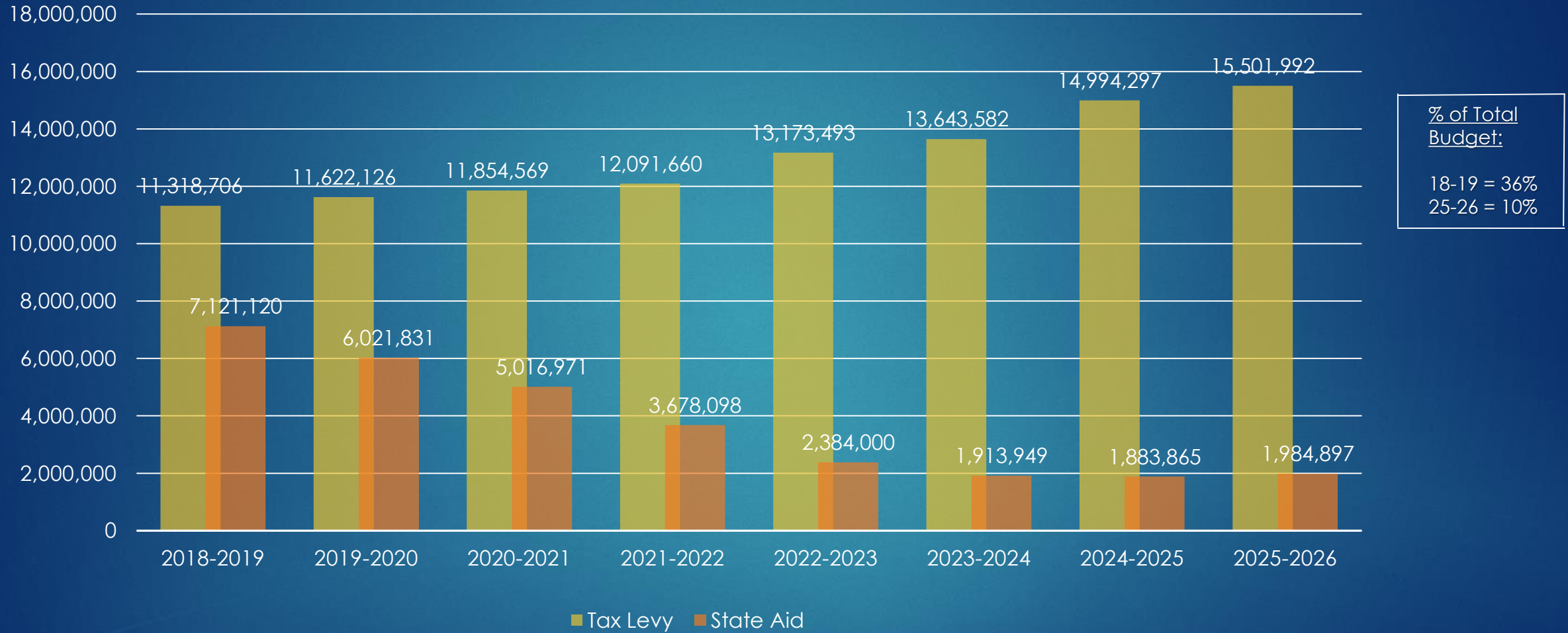
ABOUT OCEAN TOWNSHIP SCHOOL DISTRICT

- ▶ Ocean Township School District educates students from preschool through 6th grade.
- ▶ Our resident student population is 856.
- ▶ The preschool student population is 110.
- ▶ 40% of our students participate in the Free and Reduced Lunch Program.
- ▶ 25% of our students are engaged in our Special Education program.
- ▶ Enrollment has stabilized after some years of declining enrollment
- ▶ Accumulated S2 decrease in State Aid: \$5,426,363

On-Roll / Resident Enrollment Comparison:

CALCULATION YEAR	STATE AID YEAR	ON-ROLL / RESIDENT
October 2024	2025-2026 ASSA	557 / 856
October 2023	2024-2025 ASSA	578 / 857
October 2022	2023-2024 ASSA	541 / 828
October 2021	2022-2023 ASSA	512 / 818
October 2020	2021-2022 ASSA	504 / 864
October 2019	2020-2021 ASSA	525 / 876
October 2018	2019-2020 ASSA	507 / 892
October 2017	2018-2019 ASSA	488 / 875

Tax Levy vs State Aid



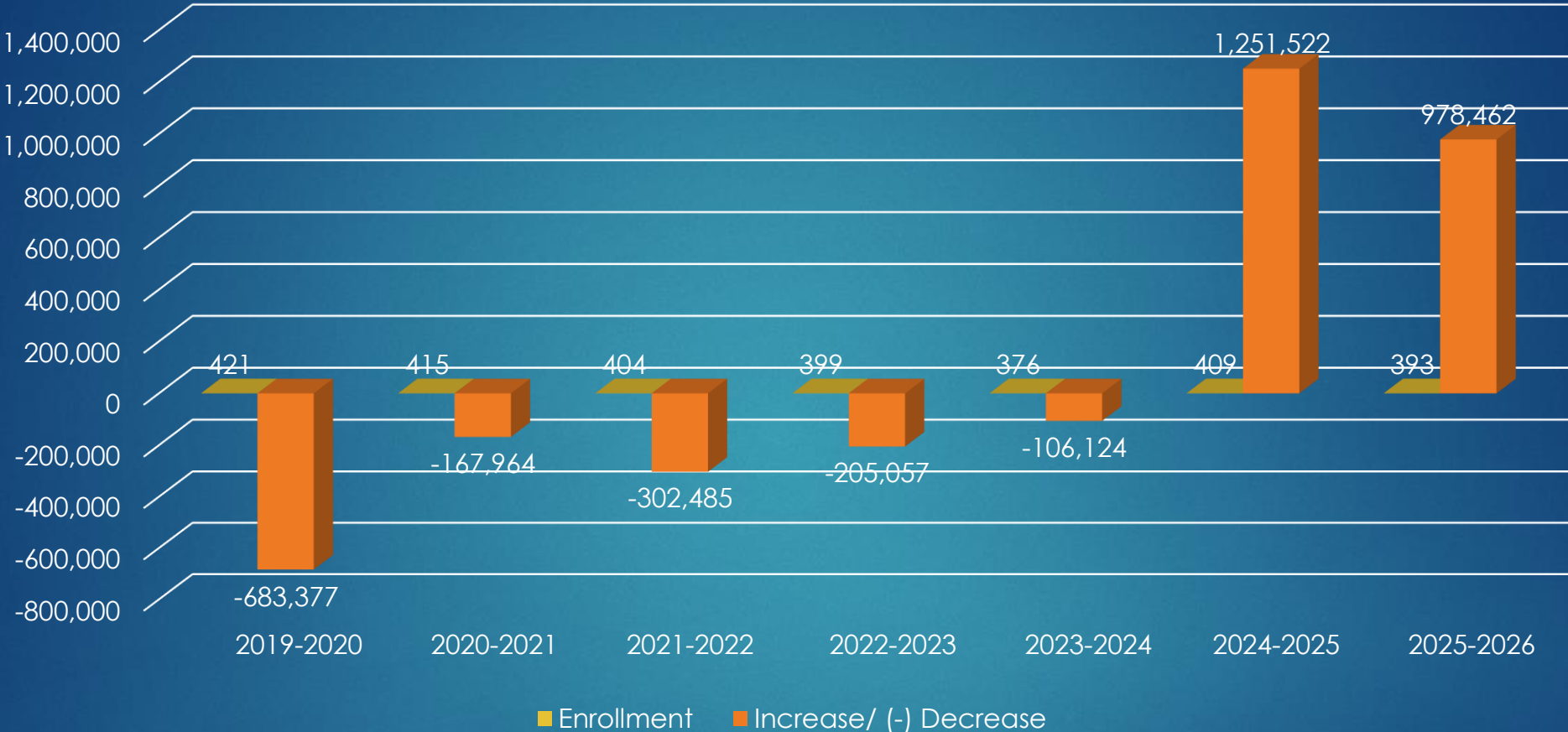
Note: Since S2 was implemented, the district has lost 76% of its aid over a seven year period.

Adequacy Budget as Calculated Pursuant to N.J.S.A. 18A:7F-51

- ▶ The adequacy budget is an estimate of the financial resources a school district needs to provide educational programs and services to its students consistent with State standards.
- ▶ The calculation is based on the district's overall enrollment, with adjustments (or weights) for grade level, number of low-income and bilingual students, and a portion of estimated special education costs.

A. 2025-2026 G.F. Levy (proposed)	\$15,501,992
B. District Adequacy Budget (LFS)	<u>19,051,669</u>
Shortfall Amount (A-B)	\$(3,549,677)

Send/Receive Tuition History

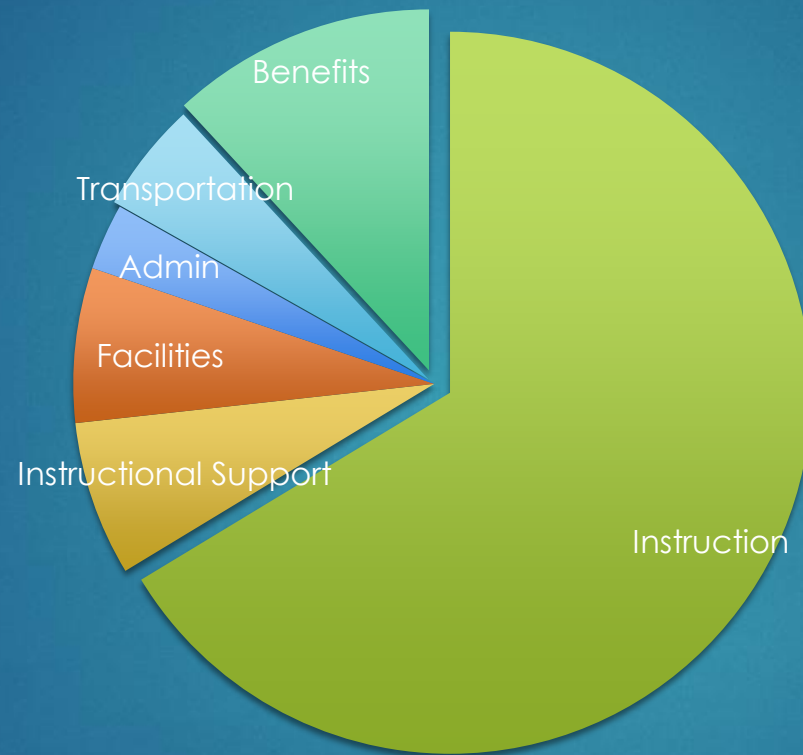


District has received significant tuition adjustment for the last two years, which will continue to present a significant budgeting challenge going forward with the possibility of an additional adjustment next year.

District Budgeted Revenues:

	<u>2024-2025</u>	<u>2025-2026</u>	<u>Diff.</u>	<u>Increase</u>
Local Tax Levy	\$ 14,994,297	\$ 15,501,992	\$ 507,695	3.39%
Interest Income	50,000	177,452	127,452	254.9%
Misc. Income	115,750	72,750	(43,000)	-37.1%
Medicaid	50,000	12,519	(37,481)	-75.0%
State Aid	1,713,153	1,784,897	71,744	4.2%
Extraordinary Aid	200,000	300,000	100,000	50.0%
Budgeted Fund Balance	1,720,865	1,781,506	60,641	3.5%
Tuition Reserve	640,688	-	(640,688)	-100.0%
Maintenance Reserve	<u>200,000</u>	<u>200,000</u>	-	0.0%
Sub-total	<u>\$ 19,684,753</u>	<u>\$ 19,831,116</u>	146,363	0.74%
<u>Budget Shortfall:</u>	<u>\$ 1,282,658</u>			
Tuition adjustment (due 25/26)	486,947			
Tuition increase (25/26)	213,103			
Tuition Reserve (Used in 24/25)	432,905			
Otr. Increases (OOD, utilities, prof svcs, extraordinary svcs.)	<u>149,703</u>			
	<u>\$ 1,282,658</u>			

Budget Appropriations by Category



Percentages:

Instruction/support – 73%

Benefits – 14%

Transportation/facilities – 10%

Administration – 3%

■ Instruction ■ Instructional Support ■ Facilities ■ Admin ■ Transportation ■ Benefits

Capital Needs:

- WES Roof Replacement
- FAP/WES restroom repairs
- Replace WES Boilers #1 & #2
- Emergency Generator repairs
- FAP AP room floor to be replaced
- WES Fire Panel upgrades
- Address LED lighting systems
- Replace siding at WES Gymnasium
- Chillers replaced at both schools (end of life)
- Replace classroom unit ventilators



Capital Needs – Roof Repair :

- ▶ District is in need of roof repairs at the Waretown Elementary School.
- ▶ Roof is approx. 30+ years old
- ▶ Cost for roof repairs:
 - ▶ Estimate: \$600,000 (awaiting official quote)
- ▶ District was hoping not to have to use its limited reserves for this project, but it cannot wait anymore.
- ▶ Repair work has been discussed and will be weighed in conjunction with the official quote.
- ▶ Capital reserve will be used to fund this project.



CALCULATING YOUR PROPOSED SCHOOL TAX

School Year	2024-2025	2025-2026
Example using average residential assessment: (Assessed Value/100) X School Tax Rate	$(\$466,300/100) \times .672$	$(\$467,000/100) \times .675$
General Fund Tax Levy	9.9%	3.39%
Ratables (Assessed Value Real Property)	\$2,292,331,200	\$2,295,797,000
Annual School Tax	\$3,133.54	\$3,152.25
Represents an increase		\$18.71/ year or \$1.56/ month

* Ratables and Average Home value Information provided by the Township of Ocean.

Debt Service Budget

Principal	Interest	Total
\$660,000	\$47,075	\$707,075

- ▶ Debt from prior capital projects
- ▶ Debt expires on 06/30/2027
- ▶ Debt Service Levy - \$408,318
- ▶ Debt Service Aid - \$298,757

Obstacles Facing the District:

- ▶ Tuition Adjustments – The district has requested that SRSD put OTSD on a two year payment plan for the 2023-2024 \$973,894 tuition adjustment. This will require a payment this year of \$486,947, as well as next year. The district is also anticipating another adjustment for the 2024-2025 school year that will also need to be addressed in the 2026-2027 budget.
- ▶ Rising Costs - While the District continues to recover from S2, the rising costs of health insurance, utilities, special education, transportation and many other costs are increasing at a rate greater than the allowable 2% levy increase.
- ▶ Reserve Accounts – Going into the next budget cycle, the district will need to find savings to pay for the reduction in maintenance reserve that has been used to support our required maintenance budget (approximately \$200,000).
- ▶ Future Budgets – In planning for 2026-2027, the District will begin the budgeting process with a need to generate revenue or take additional cost cutting measures to address the lack of maintenance reserve, as well as any funds lost in the current 2024-2025 budget. In addition, we could see changes to the funding formula or categorically specific increases in aid through legislative changes.

Thank You for your continued support of the Students!



MORE DETAILED BUDGET INFORMATION CAN BE FOUND ON THE DISTRICT'S WEBSITE AT:

WWW.OTSDK6.ORG