

Tax Levy Increase Application

April 9, 2025

How did we get here?

State Aid Cuts

- **Over \$1 million worth of cuts from state aid.**
- **We have reduced and eliminated positions, increased class sizes, and reduced spending, all while the cost of everything has gone up.**
- **Healthcare went up \$202K (a 19% increase) this year, and is projected to go up similiarly next year.**
- **High School tuition has gone up \$333K**
- **We are unsure whether or not federal programs will be funded going forward: IDEA, Title I, Title II and anticipate a 30% reduction in funding.**
- **Tax Levy Revenue have gone up \$164K at the 2% cap, with a \$108K adjustment for healthcare increase.**

How have we tried to save?

We have cut, downsized or non-renewed 6-7 positions last year and another 3-5 this year.

As funding has been cut, there is less money for every incidental cost, including classroom supplies, class trips, extra curriculars, sports & supplies etc..

Cost Per Pupil			
District	22-23	23-24	24-25
Bradley Beach	26,379	30,488	31,622
Neptune Township	19,846	21,988	22,380
Asbury Park	32,102	37,192	33,392
Belmar	20,511	23,526	22,484
Neptune City	23,625	19,824	21,984

The District is audited every year by an outside agency. At the last board meeting, we had the accountant there to discuss.

Administrative Cost Per Pupil			
District	21-22	22-23	23-24
Bradley Beach	\$2,484	\$2,715	\$2,463
Neptune Township	\$1,898	\$2,036	\$1,959
Asbury Park	\$2,664	\$2,602	\$2,585
Belmar	\$2,231	2,623	\$2,448
Neptune City	\$2,729	\$2,145	\$1,569

This Year's Budget and Future Budgets

- **Historically Neptune City has used approximately \$1.1m in recurring fund reserve to balance its budget. With the reductions in state aid that is not possible anymore, the district has exhausted its reserve balance and is not able to generate anymore.**
- **The district balanced its budget last year through Tax Levy Increase, Staff Reductions and the Remaining Reserves and in the current year primarily through Staff Reductions.**

The Future

- **The increasing costs of tuition (12% incr), salaries (8.5% incr), healthcare (19% incr) all averaging much higher than the 2% maximum we are allowed to raise the tax levy has put the district into a fiscally unstable situation that will lead to a deficit unless addressed proactively.**
- **When faced with a deficit, our options would be:**
 - **More staff and program cuts which would hurt our students.**
 - **Regionalizing with another district which would take away our high school options, give our town limited control of our future *and* not avert a tax levy increase anyway since all of our potential partners are fiscally distressed as well.**

Regionalization

Anticipated costs of regionalization:

Regional transportation to bus students to different schools

Salary adjustments to match the highest paid district salary levels

Loss of representation on the new regionalized board of education which is based upon enrollment.

Debt from other districts would be shared.

Why can we increase?

The state has identified Neptune City as 1 of 300 districts statewide and 1 of 20 districts in Monmouth County who qualify to apply to the Commissioner of Education to increase expenditures, including an allocation of Tax Levy Incentive Aid, in order to satisfy the thoroughness and efficiency standards established pursuant to N.J.S.A 18A:7F-46. Neptune City is Below Spending Adequacy and Below Local Fair Share and is therefore eligible to participate in this program.

The State is allowing Neptune City to apply for a one-time tax levy increase of \$1.45 million in addition to the usual tax levy increase (2% cap and adjustments for healthcare). This proposed tax levy increase reflects the Local Fair Share increase calculated by the state, which is the amount that the government believes our community should be taxed based on the property assessments and income of our town.

The District planned to raise the tax levy to the 2% cap as they do every year as well as the allowable adjustment for health benefit, total costs (\$272K).

The District is able to take an additional \$1.45 million on top of that for a total of \$1.72 million from taxpayers. However, the Board does not want to place this kind of burden on the community members.

Instead, the Board is deliberating tonight about a lesser amount from taxpayers sufficient to alleviate the current projected deficit and set the district on a course to satisfy the thoroughness and efficiency standards established by the State.

What does it mean for the taxpayers?

\$250,000	\$217/Year	\$18/Month
\$300,000	\$261/Year	\$22/Month
\$350,000	\$304/Year	\$25/Month
\$400,000	\$348/Year	\$29/Month
\$450,000	\$391/Year	\$33/Month
\$500,000	\$435/Year	\$36/Month
\$600,000	\$522/Year	\$43/Month
\$700,000	\$608/Year	\$51/Month

Use of Funds

Maintaining small class sizes

Expanding programs: Intervention programs, Gifted and Talented Program, Visual and Performing Arts Program

Increasing Supplies and Services: Classroom supplies, consumables, professional development

Improving mental health and social emotional learning programs: CST services, counseling services, SEL programs/clubs

More questions?

Please email or call the Board Office to speak to Pedro Garrido, Superintendent or George Gahles, Business Administrator.

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