

Financial Consideration #1 - 2% General Fund Tax Levy CAP

- Can you explain the 2% General Fund Tax Levy CAP and how it impacts the District's budget and negotiations?

Definition of the 2% General Fund Tax Levy CAP

- The Clinton Township School District operates under a 2% General Fund Tax Levy CAP. Thus, the District's budget cannot increase over 2% in the General Fund Tax Levy category in the following year.
 - For example:
 - The 2017-18 Total General Fund Tax Levy was \$23,145,143.
 - Therefore, 2018-19 General Fund Tax Levy cannot increase more than **\$462,902** over the 2017-18 budget of \$23,145,143.
 - Therefore, the 2018-19 General Fund Tax Levy cannot exceed \$23,608,045, in order to remain under the 2% CAP.

Impact of 2% General Fund Tax Levy CAP on District Budget

- Under the constraints of the 2% General Fund Tax Levy CAP the Board's biggest challenge is the need to balance the following needs:
 - the social, emotional and education needs of our children
 - along with the skyrocketing costs of employee benefits
 - continued improvement to the security of our buildings
 - managing the cost of implementing and complying with unfunded New Jersey State mandates
 - maintaining our buildings and grounds
 - budgeting and implementing capital improvements, such as air conditioning
 - paying our monthly expenses, including payroll, utilities, insurance, professional service
 - the financial needs of our staff.
- **If the District projected budget exceeds the 2% General Fund Tax Levy then reductions in the following categories will take place:**
 - Security upgrades
 - Staff size forcing higher class sizes above the State average
 - Curriculum development and needs for the classroom
 - Keeping pace with technology
 - Capital projects – for example, air conditioning and new windows
 - Professional development programs
 - Extra curricula funding – Pay-to-Play
 - Funding Reserve accounts
 - Facility upgrades and maintenance