

**IS THE STATE PAYING FOR 34% OR 40%
OF THE OCEANPORT SCHOOL DISTRICT'S
DECEMBER 10, 2019 BOND REFERENDUM PROJECT?**

40% FUNDING (the legal structure)

The State has provided a letter to the School District providing that the project will receive 40% State funding for eligible costs. The financial breakdown as required by law to be in the formal ballot proposal is as follows:

Total Project Costs:	\$33,154,890
"Eligible Costs"	\$25,424,571
State Share (40%):	\$10,170,000 (calculated at 40% of \$25,424,571 of eligible costs per State letter)
District Share (60%)	\$22,980,000

34% FUNDING (the reality structure)

While the scenario above is required, by law, to be provided to the voters on the ballot, since 2009, the state has not been fully funding its 40%. This is how the confusion arises. Instead it has been funding 85% of the 40% so in effect, they are providing 34% of eligible cost.

In its voter education material, in order to be as transparent and realistic as possible, the district is providing the tax impact based upon the reality of State funding (*which calculates at 34% of eligible costs*) as opposed to the "best case scenario" of 40% (*which has not been paid since 2009.*)

The reality of the breakdown is set forth below:

Total Project Costs:	\$33,154,890
"Eligible Costs"	\$25,424,571
State Share (34%):	\$8,644,354 (calculated at 34% of \$25,424,571 of eligible costs per reality)
District Share (66%)	\$24,510,536

Questions that might arise

Could the State fully fund Debt Service Aid back to 40%? Yes, but we cannot assume that.

What percentage of State Debt Service Aid is used in the tax impact numbers provided to the public? 34%

Could the State lower the funding of the Debt Service Aid? Possibly, but there has been no discussion at the State level of any decrease. In addition, since the Debt Service Aid law was passed in 2000, the State has never funded at a rate lower than 85%.