

North Hanover Township School District Proposed Budget 2022-2023

Presented by:

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Superintendent

Budget Considerations

- Renewed progress, with a focus on high quality, hands-on learning experiences like STEM, new mathematics program, specialized reading, positive behavior intervention and supports, staff development, technology infrastructure and hardware, Tier 2 and 3 behavioral intervention.
- Recovery and response to a variety of pandemic related needs, provide services for all students
- Increasing number of Special Education students with significant needs
- Increased need for technology, especially technology security

Budget Considerations

Fiscal Positioning:

- Monitor Impact Aid allocations
(appropriations strong for FY 19, 20,21, 22)
FY23 is more tenuous.
- Advocate vigorously for Impact Aid in an environment of competing funding priorities and recommended cuts.
- Maintain minimum 100% LOT (increasing LCRs may make this difficult and thus we may see a payment decrease)
- Position District to re-qualify for B2 funding?

Program Goals

- Improve student achievement with continued focus on literacy and mathematics (Year 2 of Math program—continued implementation)
- Implementation of systematic STEM/pre-engineering experiences (Project Lead the Way), including after school and summer opportunities.
- Foster standards-based, data rich instruction with high levels of classroom and intra-team differentiation and collaboration (Continue STAR progress monitoring; establish new math benchmarks)
- Continue enhanced Social-Emotional supports and learning opportunities
- Continue after school and evening events

Program Goals, continued

- Continue to identify and address learning needs from 21-22 by expanding the continuum of services available (tiered intervention, rich learning experiences)
- Provide for 21st Century skill development through authentic, active learning and functional, seamless use of technology resources (one-one device access with take home capability) and individualized learning platforms that track and adjust for student learning gaps
- Maintain infrastructure for learning (hardware, software, staff development)
- Ensure all facilities are updated, safe and secure and support current programs (Completion and closeout of CB Lamb and UES upgrades).

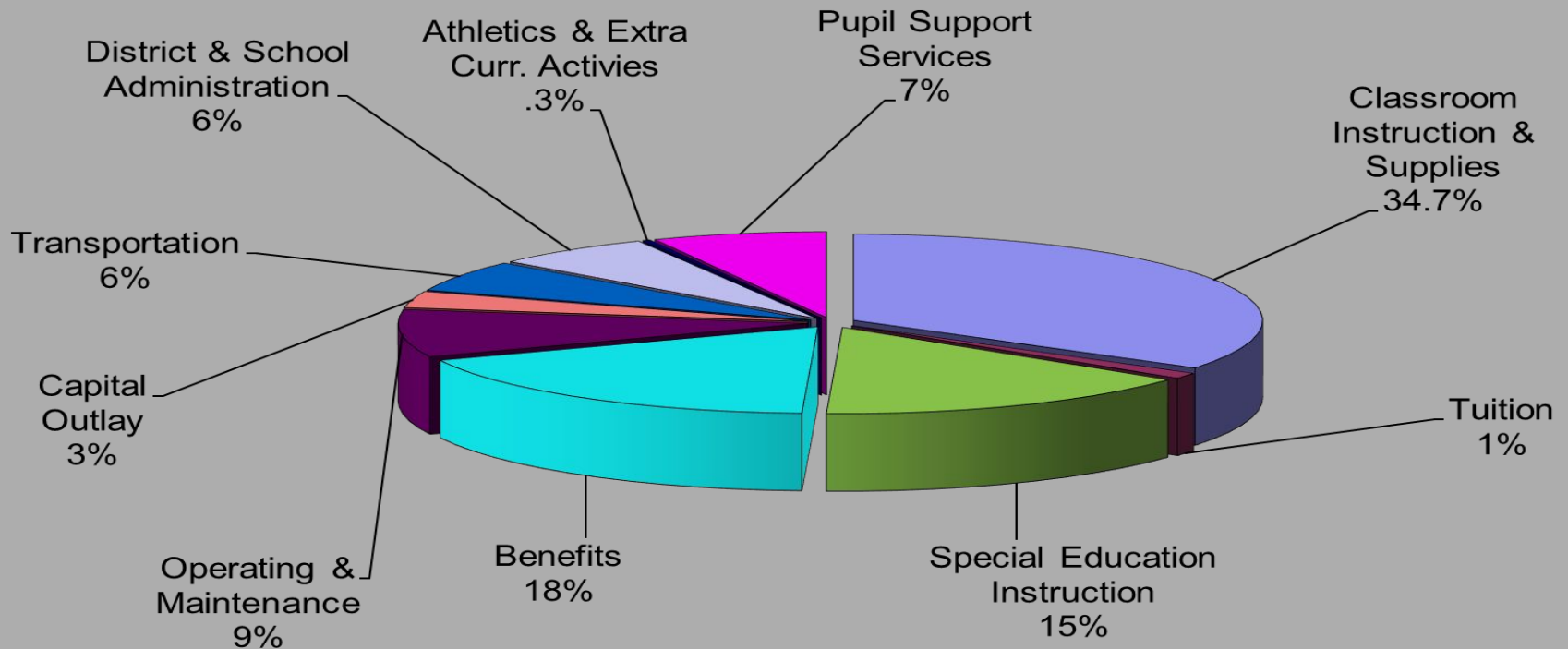
2022-2023 Budget Goals

The proposed budget represents the Administration and Board of Education's best recommendation that

1. Meets program goals
2. Maximizes funds gained from tax impact
3. Maintains Impact Aid in reserve to adjust/respond to future volatility and short and long-term facility needs
4. Continues the strong commitment to professional learning and student support

Where Do We Spend?

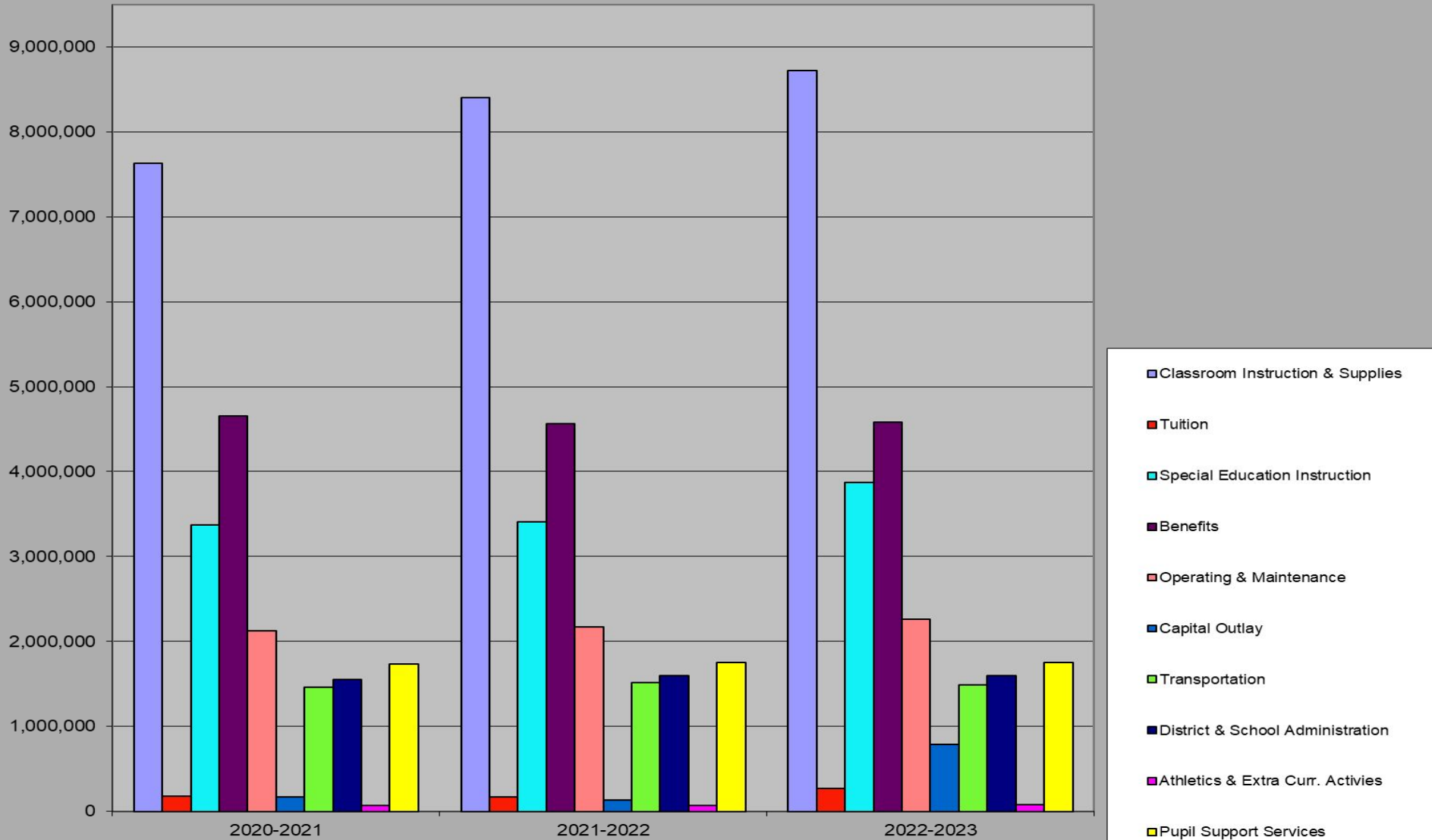
North Hanover Township Board of Education 2022-2023 School Budget Expenditures



- | | | | |
|--------------------------------------|--------------------------|---------------------------------|------------------------------------|
| ■ Classroom Instruction & Supplies | ■ Tuition | ■ Special Education Instruction | ■ Benefits |
| ■ Operating & Maintenance | ■ Capital Outlay | ■ Transportation | ■ District & School Administration |
| ■ Athletics & Extra Curr. Activities | ■ Pupil Support Services | | |

What is the trend?

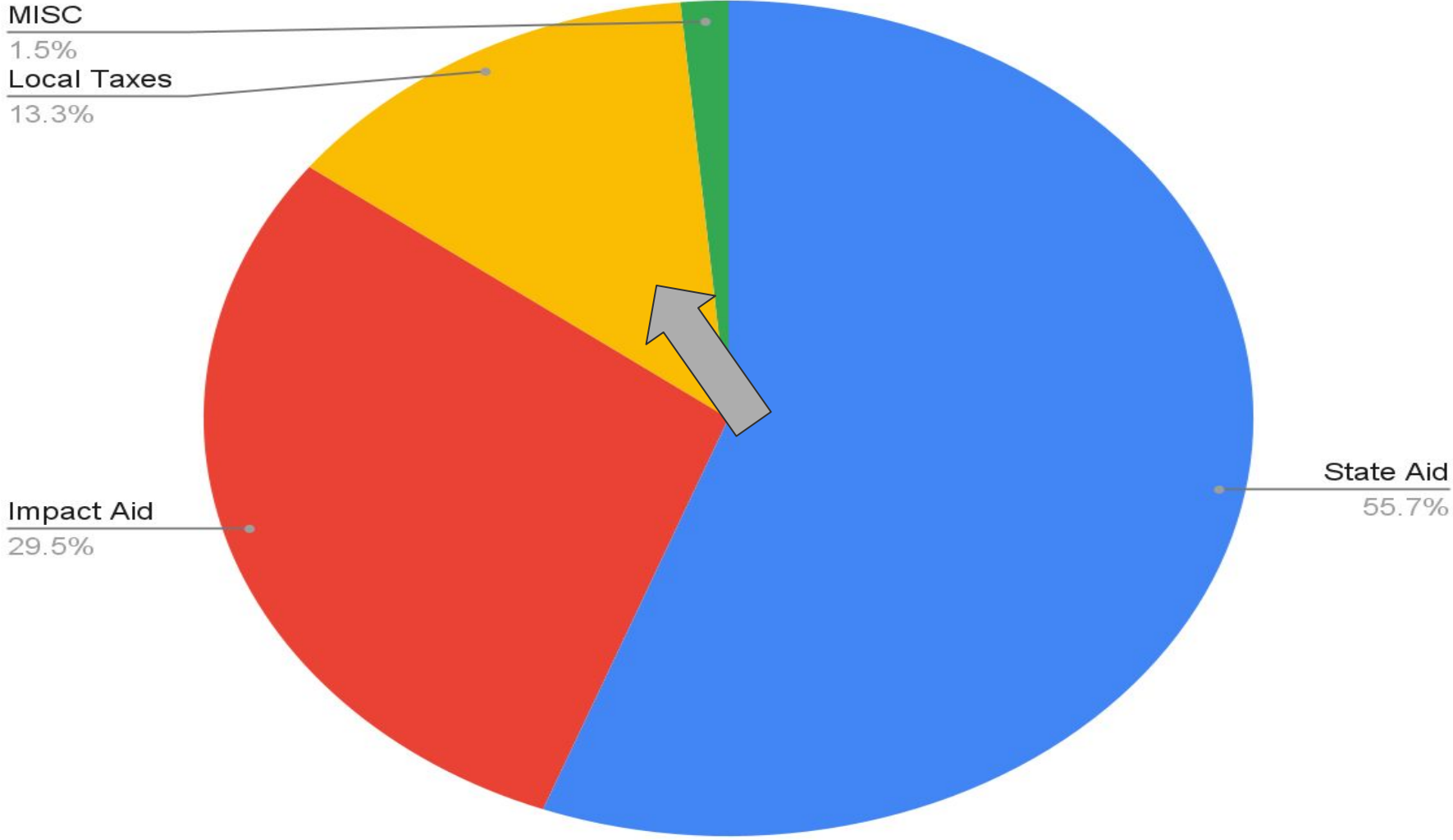
Budget Expenditures – 3 Years



Budget Summary

| | 21-22 Budget | 22-23 Budget |
|------------------------------------|---|---|
| Expenses: | \$23,772,010 | \$25,402,449 |
| • State Aid | \$12,283,330 | \$14,161,416 |
| • Projected Impact Aid | Projected: \$7,500,000 Basic Support | Projected: \$7,500,000 Basic Support |
| • Addl Misc | \$373,156 | \$371,228 |
| • Local Tax Levy | \$3,213,780 | \$3,368,055 |
| Tax Rate: | .736 | .769 |
| Total Shortfall as budgeted | \$401,744 (from Impact Aid Reserve if necessary) | \$0 |

Budget Revenue (2022-2023)



What Does 2% Really Mean?

The tax levy cap of 2% means you can increase the tax levy portion of the revenue **ONLY** by 2%.

- In North Hanover, this equates to @\$64,000
- \$64,000 is .27 of 1% of the total operating budget in North Hanover. This is comparatively small.
- This increase alone cannot cover annual increases in operating expenses
- Increases in other revenues are necessary

How do we maintain/ increase other revenues?

1. Continuous and persistent presence and rigorous advocacy efforts on Capitol Hill



2. Maintain voice and leadership in NAFIS, MISA and other national organizations



3. Targeted grant writing



- DODEA STEM Grant (\$750,000)
 - OEA Construction Grant (\$62,000,000)
 - DoDEA World Language Grant (\$1.7m)
 - Pending: DoDEA STEM Grant #2 (\$1,000,000); Preschool Grant, CARES, ESSERS, ESEA, ARP, etc.
4. Pursuit of shared services and partnerships

Estimated Tax Impact

| | | | | |
|---------------------------------|-----------------|-----------------|--------------------|----------------|
| Estimated Net Taxable Valuation | \$438,007,843 | | | |
| General Fund School Tax Levy | \$3,368,056 | | | |
| Estimated Gen. Fund Tax Rate | 0.769 | | | |
| | | | | |
| Property Assessment | Taxes 2021-2022 | Taxes 2022-2023 | Increase 2022-2023 | Increase/month |
| | | | | |
| \$121,000 | \$891 | \$930 | \$40 | \$3.33 |
| \$221,000 | \$1,627 | \$1,699 | \$73 | \$6.08 |
| \$315,602 | \$2,323 | \$2,427 | \$104 | \$8.68 |
| \$400,000 | \$2,944 | \$3,076 | \$132 | \$11.00 |
| \$500,000 | \$3,680 | \$3,845 | \$165 | \$13.75 |
| \$600,000 | \$4,416 | \$4,614 | \$198 | \$16.50 |
| | | | | |

Impact Aid Reserve Report

| | | |
|---|---------------------|---|
| Total Impact Aid Reserve as of July 2021 Audit | \$25,911,754 | NOTES: |
| | | |
| Regular IA Reserve Total | \$27,353,223 | |
| encumbered for 21-22 | \$405,244 | Budget Shortfall |
| Withdrawal - UES & CBL Projects | \$1,296,000 | Security, main entrances, doors, cameras, parking lots, HVAC |
| est add'l obligation to UES/CBL Project | \$1,000,000 | security, main entrances, doors, cameras, parking lots, HVAC |
| Minimum to reserve for cash flow and volatility | \$7,500,000 | One year's worth of Impact Aid |
| | | |
| Estimated uncommitted IA Reserve | \$17,151,979 | |
| | | |
| Impact Aid Capital Reserve | \$214,851 | |

Bottom Line

- All programs intact as budgeted
- Tax impact is small (\$ 104 for average home/year)
- FY19 Impact Aid was better than anticipated (98.13% of LOT)
- FY20 and FY21 IA paid out at 100% LOT
- FY22 is expected to pay out at 100% LOT
- FY23 proposed is not enough to maintain 100% LOT and we may see a reduction in IA
- COVID Relief (CARES/ESSERS/ARP expected to cover approximately 50% of 20-21 COVID expenses) COVID relief also supports additional interventions for students and some facilities work
- Taking advantage of grant opportunities for alternative revenue sources
- Adequate reserve for payment volatility and future facility needs

2% Tax Levy Cap: What does it mean?

Varies in value and impact from district to district:

| District | 21-22 Operating Budget | 21-22 Tax Levy | How much does 2% help? | 2% levy increase as % of budget |
|---------------------|-------------------------------|-----------------------|-------------------------------|--|
| North Hanover | 23,775,510 | 3,213,780 | +64,275 | .27% |
| Northern Burlington | 42,235,435 | 22,606,838 | +452,136 | 1.07% (4x) |
| Springfield | 4,418,797 | 3,336,407 | +66,728 | 1.51% (5.5x) |
| Chesterfield | 13,709,239 | 9,817,086 | +196,342 | 1.44% (5.5x) |
| Mantua | 21,013,422 | 14,402,658 | +288,053 | 1.37% (4x) |
| Harrison | 20,080,311 | 13,614,219 | +272,284 | 1.35% (4x) |