



North Hanover Township School District Proposed Budget 2020-2021

Presented by:

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Superintendent

Uncertainty: Questions without answers

1. What will school look like in September 2020? Bricks and mortar? Online? PPE required? Class size restrictions? Transportation?
2. What will happen with State Aid ? How can we adjust if there is a significant loss of state aid?
3. Will federal aid be affected?
4. What will our students need after this extended closure?
5. What PPE/cleaning supplies and staff will we need and where will we find them?
6. How does our current enrollment reflect next year's reality?

These are just a few. But, the bottom line is we fear that our students will need a lot and our revenue will simultaneously be severely cut. We will need to be flexible to provide core and essential services if this happens.

Budget Considerations

BIG IDEA: Provide high quality, flexible program for uncertain times

Agility:

- Be prepared to deliver as much of the program as possible in a virtual or bricks and mortar setting; pivot if necessary
- Be cognizant that change to State Aid is probable, and significant reductions may be necessary
- Hold off on some purchases and hiring decisions until more information

Support:

- Maintain high quality learning experiences like STEM, specialized reading, positive behavior intervention and supports, staff development needs, technology infrastructure and hardware
- Prepare for enhanced online learning options
- Anticipate and respond to learning gaps

Budget Considerations

Response: Re-opening needs

- Safety and Health guidelines (schedule, class size, PPE?)
- Compensatory learning
- Services for all students, including special education, gifted and talented, students needing intervention and English Language Learners, food insecure
- Social-Emotional needs
- Transportation changes

Fiscal Positioning:

- A future without B2 (Heavily Impacted funding)
- Reallocation of resources to meet prevailing conditions

Program Goals

- Improve student achievement with continued focus on literacy and mathematics (Math program)
- Prepare for sustained distance learning (hardware, software, staff development)
- Implement systematic STEM/pre-engineering experiences (Project Lead the Way).
- Foster standards-based, data rich instruction with high levels of classroom and intra-team differentiation and collaboration
- Enhance Social-Emotional supports and learning opportunities
- Identify and address learning gaps from extended closure

Program Goals, continued

- Maintain “living,” hands-on, teacher developed, tightly aligned curriculum, instruction and assessment (ELA, Math, Special Areas)
- Improve systemic intervention program for struggling and excelling learners by expanding the continuum of services available
- 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
- Ensure all facilities are updated, safe and secure and support current programs (Completion and closeout of Endeavour School, completion of CB Lamb School, planning for UES upgrades).

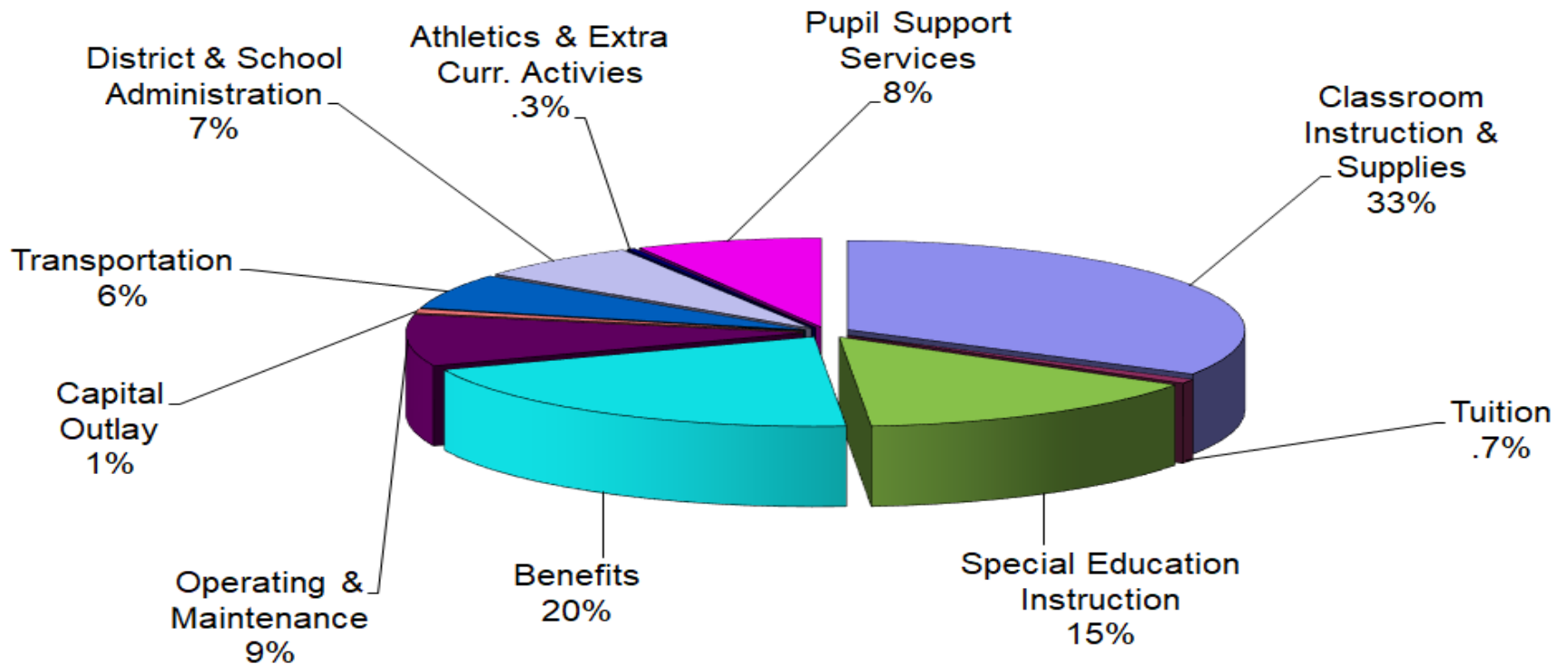
2020-2021 Budget Goals

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

1. Meets program goals
2. Controls spending to address declining revenue and possible reductions
3. Minimizes tax impact due to current economic crisis
4. Maintains enough Impact Aid in reserve to adjust/respond to future volatility and short and long-term facility needs
5. Continues the commitment to professional development and student support

Where Do We Spend?

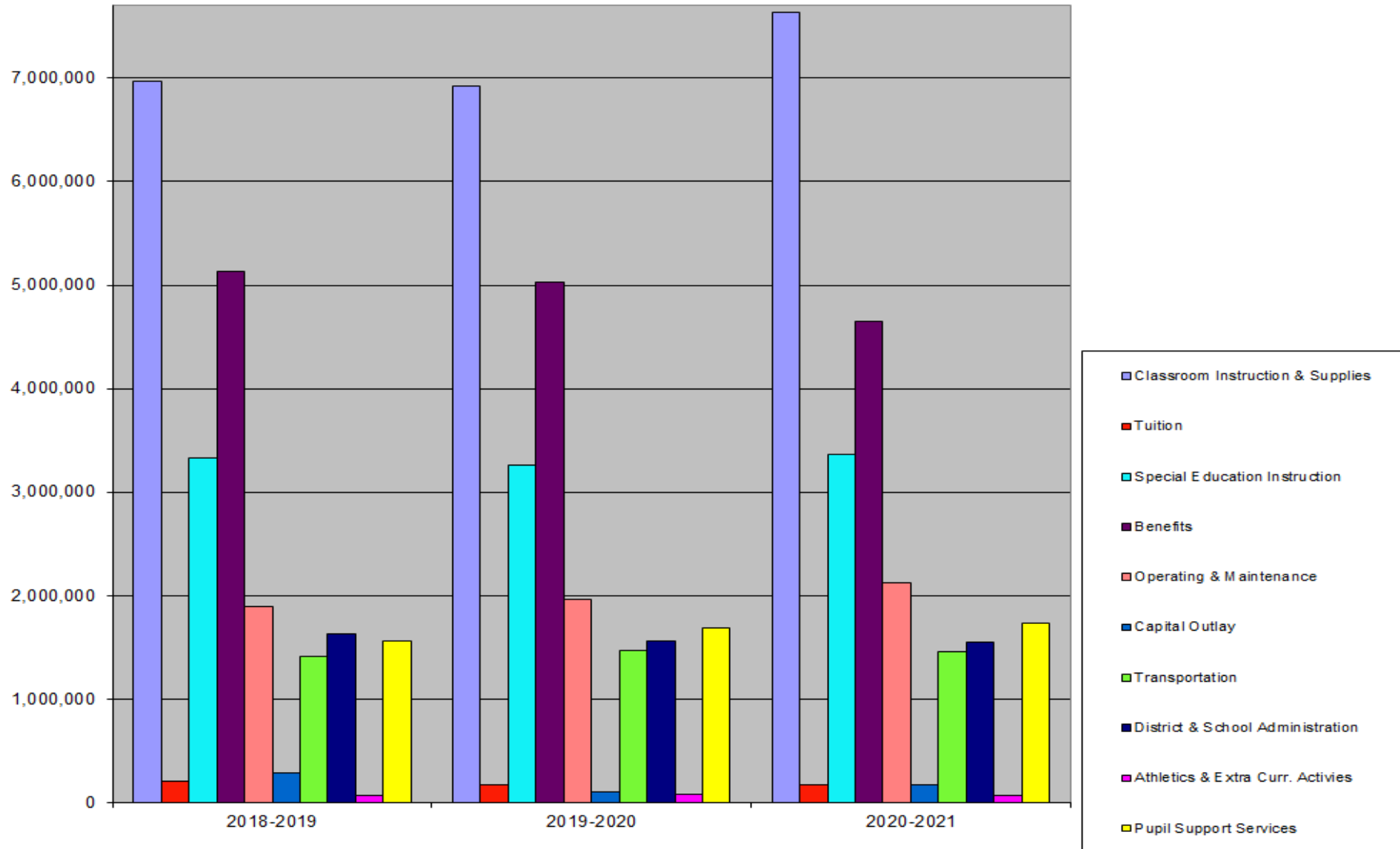
North Hanover Township Board of Education 2020-2021 School Budget Expenditures



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

	19-20 Budget	20-21 Budget - 2%: AS ADOPTED	20-21 Budget As Advertised NOT ADOPTED
Expenses:	\$22,253,027	\$22,770,622	\$22,770,622
Revenues			
• State Aid	\$11,817,391	\$12,080,487	\$12,080,487
• Projected Impact Aid	Projected: \$7,000,000 Basic Support	Projected: \$7,100,000 Basic Support	Projected: \$7,100,000 Basic Support
• Addl Misc	\$346,651	\$397,053	\$397,053
• 2019-2020 surplus	0	\$210,726	0
• Local Tax Levy	\$3,088,985	\$3,150,765	\$3,361,491 (included use of some banked cap)
Tax Rate:	.717	.727	.775
Total Shortfall as budgeted	\$0	\$0	\$0

Estimated Tax Impact: 2% Only

Estimated Net Taxable Valuation	\$433,306,910			2% only
General Fund School Tax Levy	\$3,150,765			
Estimated Gen. Fund Tax Rate	0.727			
Property Assessment	Taxes 2019-2020	Taxes 2020-2021	Increase 2020-2021	Increase/month
\$121,000	\$868	\$880	\$12	\$1.01
\$221,000	\$1,585	\$1,607	\$22	\$1.84
\$315,602	\$2,263	\$2,294	\$31	\$2.63
\$400,000	\$2,868	\$2,908	\$40	\$3.33
\$500,000	\$3,585	\$3,635	\$50	\$4.17
\$600,000	\$4,302	\$4,362	\$60	\$5.00

Impact Aid Reserve Report

Total Impact Aid Reserve as of July 2019 Audit	\$31,677,152	NOTES:
Regular IA Reserve Total	\$31,156,811	
encumbered for 19-20	\$0	Balanced budget
Withdrawal - 7/2019	\$435,710	4 new buses to replace 12 year old current buses
est. obligation to CBLProject	\$10,000,000	Preschool, HVAC, security, lighting, main entrance, doors, cameras, etc
est obligation to UES Project	\$7,000,000	security, main entrance, doors, cameras
Minimum to reserve for cash flow and volatility	\$7,200,000	One year's worth of Impact Aid
Estimated uncommitted IA Reserve	\$6,521,101	No longer B2 eligible so we should receive about what we budget each year
Impact Aid Capital Reserve	\$520,341	

Good News/ Bad News

Good News

- All programs intact as budgeted
- Tax impact is small 2% increase only (\$ 31 for average home/year)
- FY19 Impact Aid was better than anticipated (98.13% of LOT)
- FY20 IA Basic Support appropriations are up \$39m program-wide
- FY21 IA request +50m (long way to go in budget process) This would again bring payments above 95% LOT
- Taking advantage of grant opportunities for alternative revenue sources
- Adequate reserve for payment volatility and future facility needs

Bad news

- State Aid could change-much uncertainty
- Hold Harmless payments ended with FY20
- Banked Cap and enrollment growth adjustment totaling \$282,418 is not being used and expires this year. Will not be available after budget is struck.
- Operating Budget is balanced this year based on \$7.1m IA payment. This is about the maximum we can safely budget.
- Uncertain about federal payment for 21-22 school year. This could mean a multi-year impact.

Bottom Line

- This allocations in this budget are expected to change. We budgeted to continue program goals, but may have to shift depending on circumstances.
- Impact Aid is always a moving target. Property taxes support a very small portion of the budget. State Aid is volatile due to COVID19.
- Any significant change to State Aid would require significant adjustment.
- We have reduced expenditures @\$2 million in 8 years to cope with declining revenue.
- We no longer qualify for B2 or Hold Harmless. We qualify for Basic Support only.
- We must hold the line at approx \$7m in IA or less going forward. (lowest in past 9 years was \$6.8m)

2% Tax Levy Cap: What does it mean?

Varies in value and impact from district to district:

District	19-20 Operating Budget	19-20 Tax Levy	How much does 2% help?	2% levy increase as % of budget (impact)
North Hanover	22,253,047	3,088,905	61,780	.28%
Northern Burlington	38,609,310	21,392,577	427,852	1.11% (4x)
Springfield	4,670,614	3,270,666	65,413	1.50% (5.5x)
Chesterfield	12,478,474	9,624,595	192,492	1.54% (5.5x)
Mantua	23,289,348	13,331,002	266,620	1.14% (4x)
Harrison	22,485,901	12,987,833	259,757	1.16% (4x)