

The 2019-20 Budget

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Haddon Township Board of Education

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What We Already Know...

Despite our level of state funding, come September, we will open our doors and welcome our students to a new school year.

Budget Calendar

- ❑ *January 2019* – Meetings with individual administrators to address staffing needs and additional non-staffing requests
 - ❑ *February 21, 2019* – Budget update – awaiting receipt of state aid figures
 - ❑ *March 5, 2019* – Governor’s Budget Address
 - ❑ *March 7, 2019* – Special budget meeting
 - Release of State Aid figures
 - Review of preliminary budget details
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Budget History – Where It Began

- The Great Recession (2009-2010) – HT State Aid was reduced by over \$3 million, leading to the following horrific district cuts in positions:

- **Teachers**

- Special education (1)
 - Reading Recovery (2.5)
 - Literacy Facilitator (.5)
 - Response to Intervention (.4)
 - Elementary class size (1) ; Pre-K (3.5)
 - Elementary world language (1)
 - Elementary instrumental music (1.5)
 - Middle school class size (4)
 - Middle school 6th grade teams (2)
 - High school class size (10)
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Budget History Continued...

- **Educational Specialists**
 - CST (1)
 - School guidance counselors (2)
- **Administrators (1)**
- **Technology (2)**
- **Secretaries (3)**
- **Aides**
 - Middle school support aide (1)
 - High school office aides (2.5)
- **Custodians - All part-time staff**
- **Programs – SRO (1)**

□ **TOTAL - 40.9 FTEs (not including part-time custodians)**

Re-building since the Great Recession:

- Increased certificated staff by 26 FTEs
 - Re-hired part-time custodians
 - Eliminated student activity fees
 - Eliminated fees charged to PTAs for building use
 - Added HT Honor Society
 - Added elementary Student Ambassadors (formerly Safety Patrol)
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What allowed us to re-build:

- While our funding has never returned to pre-2010 levels, we have worked to re-build what we lost. What has allowed us to accomplish this?
 - The Chapter 78 phase-in (staff contributions to health care) created revenue each year over five years
 - A significant number of staff retirements (34% of the district is now comprised of newer staff members - 5 years or less). This has contributed a good deal of breakage over this period
 - Our Fund Balance
 - We have built our tax base with a 2% increase of tax levy each year
 - State Aid has increased slightly over the years, but with the last cut it is still **\$692,277** below 2009-2010 levels
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What Is Fund Balance?

- Also called Excess Surplus - must be utilized in the subsequent year's budget
 - 17/18 Excess Surplus/Fund Balance must be budgeted in the 19/20 budget
 - From year to year, Fund Balance is generated when budgeted funds are not spent
 - How/why?
 - Amounts for projects and/or materials budgeted came at a lower cost than expected.
 - Mid-year retirements create “breakage”
 - Retired teacher's salary is greater than new hire's
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Where Are We Now?

- Our State Aid was cut by \$359,627 (4% of our total approved budget) on July 13, 2018, taking us down to the SFRA (School Funding Reform Act of 2008).
 - Our Fund Balance is down by \$718,582 from last year's budget
 - We now have a \$880,000 budget gap if there is no further loss in our expected revenue:
 - State Aid
 - Federal IDEA grant
 - Federal ESSA grant
 - Extraordinary Aid (EXAID) – NJ state reimbursement
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SFRA Explained

- School Funding Reform Act
 - Enacted in 2008 to equalize school funding in order to give each student a thorough & efficient education.
 - Baseline is \$11,009 per student including various additional weights that may be added (low income, ELL, special education)
 - State calculates how much a district can afford to provide towards the adequacy budget (Local Share)
 - In 2008 the SFRA did not have enough votes to pass, so they included a provision that no district was to receive less aid than the previous year (Adjustment Aid)
 - Early 2010 the State did not have enough revenue to provide funds promised, districts were told to use their reserves.
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SFRA Explained (continued)

- ❑ This became the norm for State Aid (origin of flat State Aid)
 - ❑ Some districts were receiving small percentages of what the SFRA formula said they deserved.
 - ❑ In 2018 Senator Sweeney added \$100 million in State Aid for fiscal year 2018, as well as redistributed \$31 million in Adjustment Aid.
 - ❑ In July of 2018, Governor Murphy signed S-2.
 - Phased out “overfunding” of certain school districts
 - This law will be the basis for State Aid calculations for the next five years
 - ❑ HTSD was not phased out but was immediately brought down to the SFRA amount. (4% of our total approved budget)
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State Aid/Fund Balance/Tax Levy

	State Aid	Fund Balance	Tax Levy	Total General Fund Revenue
2017-2018	8,443,633	1,497,023	22,975,300	32,915,956
2018-2019	8,198,876	1,718,346	23,434,806	33,352,028
2019-2020	8,198,876	999,764	23,903,502	33,102,142

Budget Development Considerations: Expenditures

- Cost increases beyond district control
 - Salaries & benefits
 - Contracted services
 - Gas & electric
 - Diesel fuel for buses
 - Enrollment
 - Supplies
 - Buses

Ex: 2% tax levy=\$459,000 (slightly less than the increase in the cost of benefits)

Budget Development Considerations: Expenditures (continued)

- **Recent referendum projects completed**
 - More square footage
 - Community investment in upgrades to all district schools

 - **2017-2018 District Goal was to examine our contracted services to reduce costs & share services with other local districts**
 - CCESC - Out of district transportation
 - Out of district placements with local LEAs
 - Collingswood is used for IT on an as-needed basis
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Budget Development Considerations: Revenue

- 2019-2020 State Aid figures available March 7th
 - Chapter 78 is now at maximum with no additional projected revenue
 - Fewer staff retirements, resulting in little additional breakage
 - Banked cap of \$114,000 that will expire
 - What is banked cap?
 - Why would we include this in the 2019-20 budget?
 - Already reduced:
 - Another 8% in supplies district wide
 - Full time to part-time Data Secretary position
 - The only other way to bridge this gap is in a reduction of staff positions
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How Are We Going to Proceed?

- **Remain committed to a Haddon Township Education**

- Continued focus on:

- Enhancing student achievement and well-being
 - Supporting community core values
 - Providing a well-rounded student experience (academics; sports; visual and performing arts; clubs)
 - Preparing students for the 21st century world
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Advocacy Avenues

- Support Our Students (S.O.S.)
 - Superintendents' statewide advocacy group
 - Legislative District Educational Roundtable
 - Pamela Lampitt, Assemblywoman, 6th District
 - Bi-monthly meetings
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