Springfield Township Board of Education

Budget Presentation 2020-21

Springfield Township Board of Education

- **Andrew Eaton, President**
- **Joseph Bucs, Vice President**
- **Wade Hale**
- **Kristen Lippincott**
- **Ashleigh Murtaugh-Frey**
- **Tom Pantano**
- **Michael Ramalho**
- **Rodney Roberson**
- **Gary Walker**

Springfield Township
Board of Education

Budget & Finance Committee

- **Joseph Bucs, Chair**
- **Kristen Lippincott**
- **Tom Pantano**

Springfield Township Administrative Team

Craig Vaughn……………………	Superintendent of Schools/Principal
Bruce Benedetti …………………	Interim School Business Administrator
Kim Hannigan……………………	Supervisor Curriculum & Instruction
Joe Knewasser…………………..	Educational Facilities Manager

Our School

- PreK-6
- 249* Students (10/15/19)
- 44 Employees
- $5.1M Total Budget

***includes 18 tuition based preschool students**

Springfield Elementary School Faculty & Staff

- Teaching Staff
  - 24 faculty members (19 full-time & 5 part-time)
  - 3 CST members (social worker, LDTC, speech language specialist)
  - 1 school nurse
- Instructional Support Staff
  - 7 instructional assistants (1 full-time & 6 part-time)
- Facilities Staff
  - 1 facilities manager, 1 maintenance worker, 1 custodian (part-time)
- Administrative Staff
  - Superintendent / Principal / CST Director
  - Interim Business Administrator / Board Secretary
  - Supervisor of Curriculum (part-time)
  - 3 administrative support staff

*As of May 2020

Budget Approach & Goals

- The 2020-2021 budget has continued to drive towards a more detailed and open budget process.
- Utilize actual district spending as the basis for budgeting, not the prior year budget.
  – Goal: Propose a budget reflecting historical spending vs. historical budgeting
- Analyze historical surplus and reduce to a level which provides actual cash flow needed.
  – Goal: Reduce costs without impacting district operations
  – Continue to review annual surplus and adjust budgeting as necessary.
- Compare our overall per pupil costs to other districts.
  – Goal: Understand how we differ from similar districts
- Continue to align per pupil costs with county and state averages for our DFG & EG*.

* DFG = District Factor Group EG = Enrollment Group

Burlington County DFG = FG

DISTRICT	DFG	ENRGRP
BORDENTOWN REG	FG	6
BURLINGTON TWP	FG	7
CINNAMINSON	FG	6
DELRAN	FG	6
EASTAMPTON TWP	FG	3
HAINESPORT	FG	3
LUMBERTON	FG	4
SPRINGFIELD	FG	1

Burlington County Enrollment Group = 1

DISTRICT	ENRGRP	DFG
BASS RIVER	1	CD
CHESTERFIELD	1	GH
MANSFIELD	1	DE
NO HANOVER	1	DE
SPRINGFIELD	1	FG

Source: NJ User Friendly Budget 19-20 Pupil Costs

Cost Comparisons*

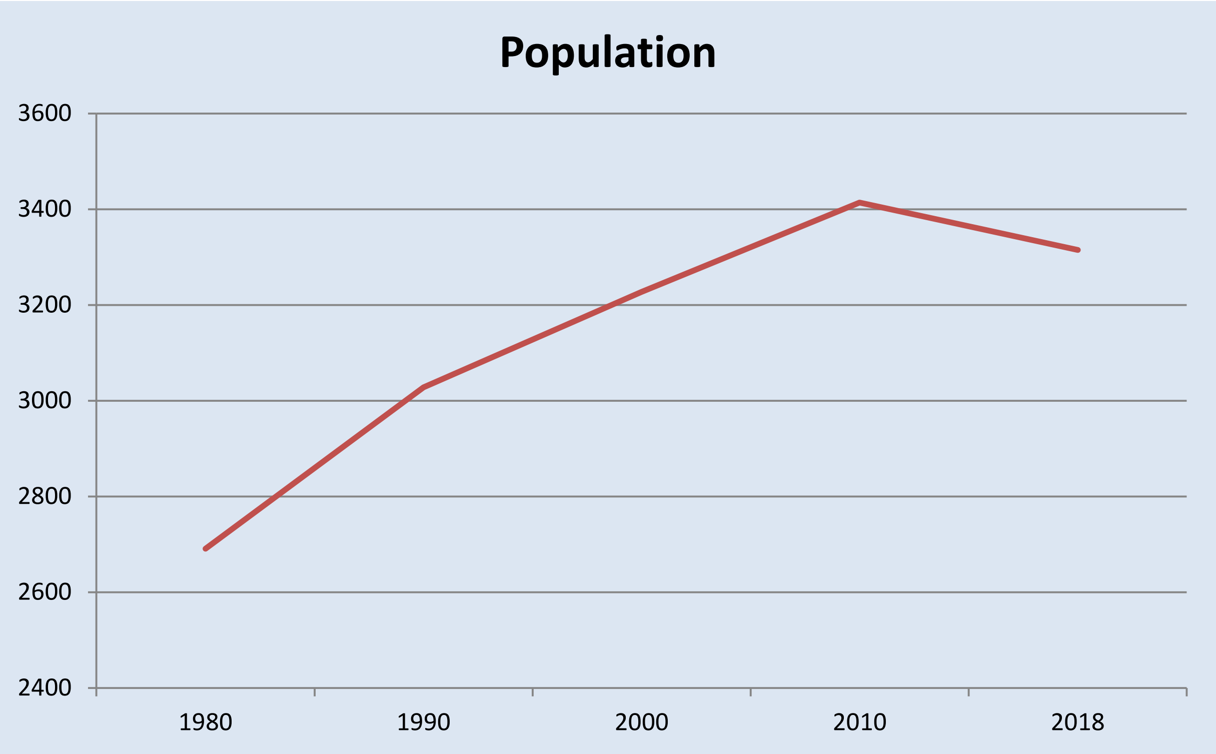
Category	State Average	County Average	Springfield
Classroom – Salaries & Benefits	$9,379.07 $9,117.85 (DFG) $9,460.48 (EG)	$9,042.88 $8274.38 (DFG) $9,728.60 (EG)	$11,317
Per Pupil Costs	$16,966.96 $16,518.28 (DFG) $16,679.14 (EG)	$16,536.03 $14,877.38 (DFG) $17,605 (EG)	$19,482

*2017-18 is the most recent audited data published by the state

DFG – District Factor Group
EG – Enrollment Group

Source: NJ User Friendly Budget 19-20 Per Pupil Costs

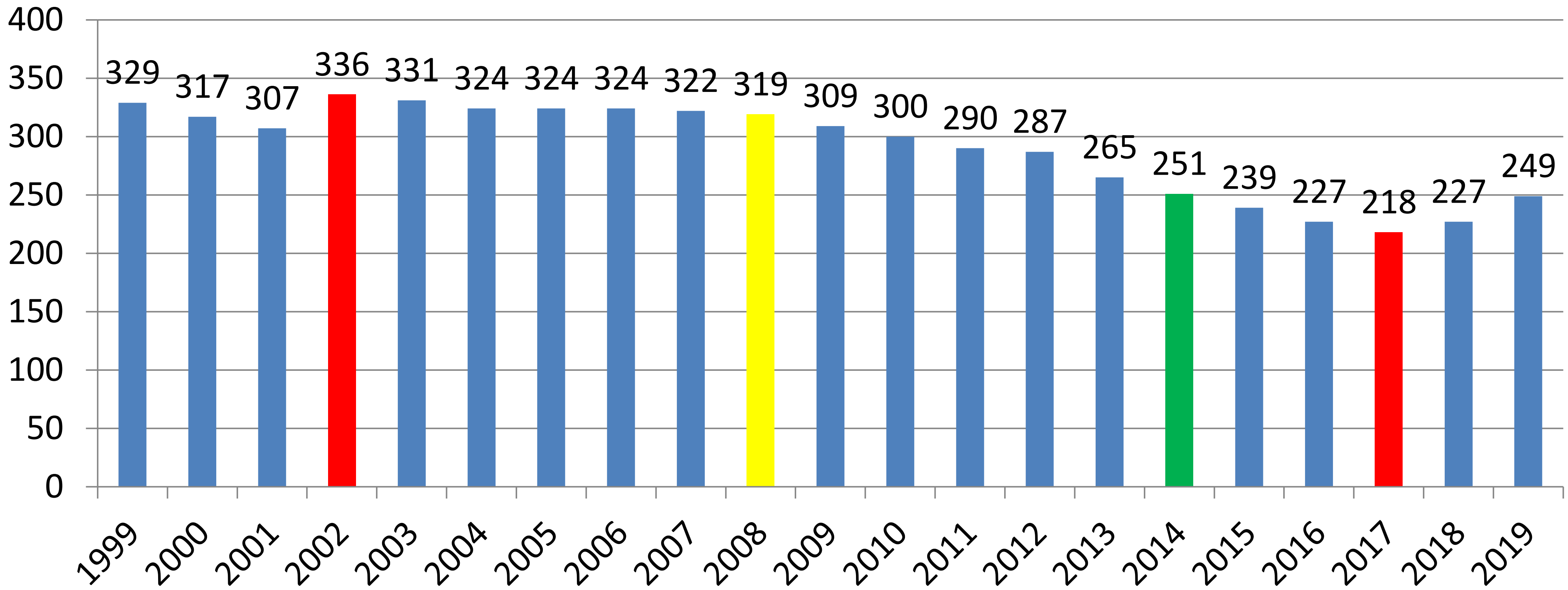
Springfield Township Population Growth



Year	Population
1980	2691
1990	3028
2000	3227
2010	3414
2018	3268

Est. based on 2016 US Census Data
Source - Wikipedia

Student Enrollment

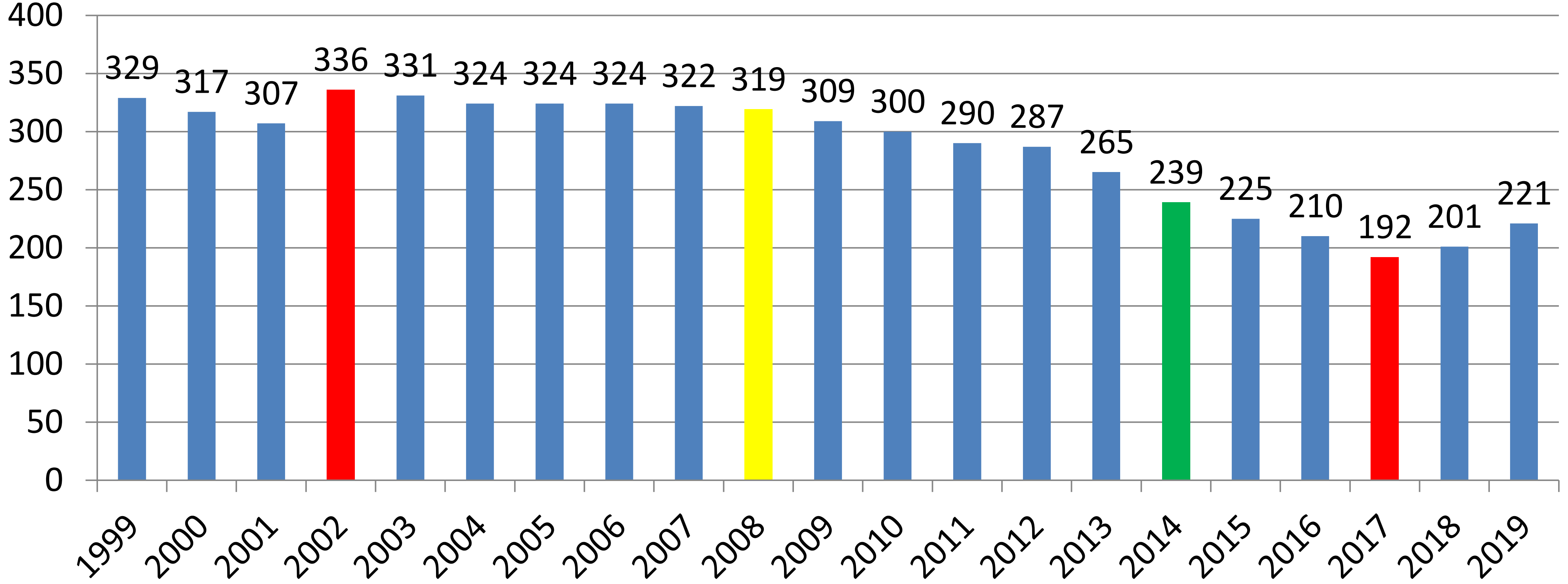


2002 – enrollment high
2008 – state funding frozen at this enrollment
2014 – district implements preschool program
2017 – enrollment low

Current enrollment (249) includes 18 tuition-based preschool students

Source: NJ CAFR

Enrollment without Preschool



2002 – enrollment high
2008 – state funding frozen at this enrollment
2014 – district implements preschool program
2017 – enrollment low

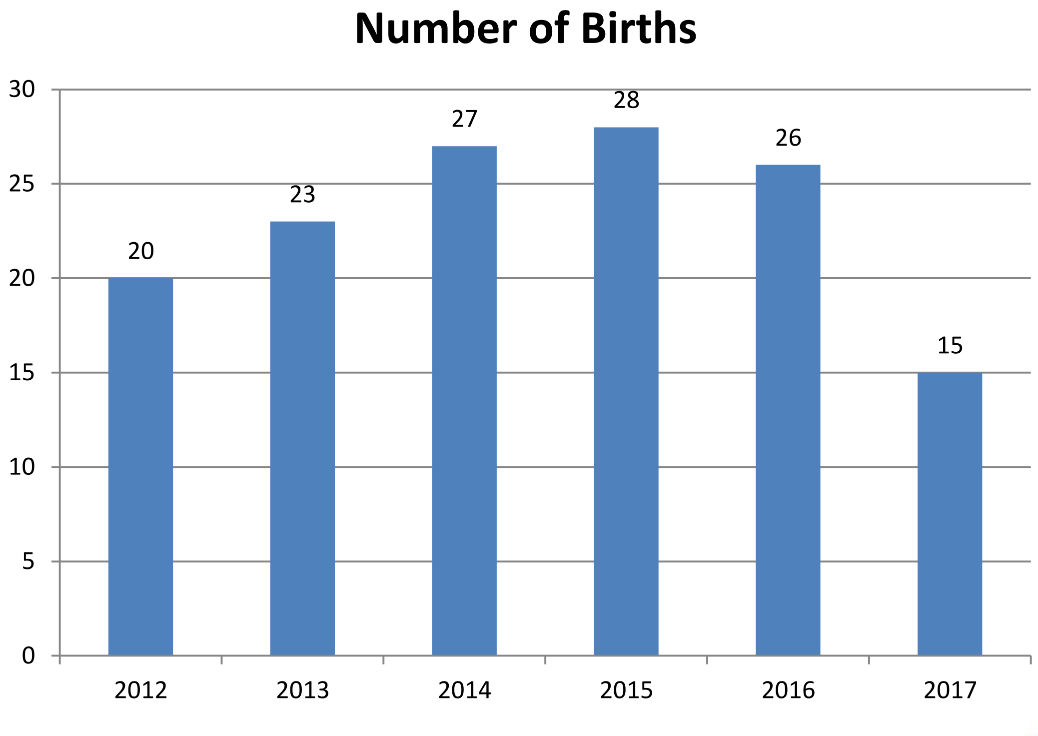
Preschool enrollment by year:
2014 = 12 students
2015 = 14 students
2016 = 17 students
2017 = 26 students
2018 = 26 students
2019 = 28 students

Source: NJ CAFR

Enrollment Projections

Year	Number of Births	Grade
2012	20	3rd
2013	23	2nd
2014	27	1st
2015	28	K
2016	26	Pre K (4)
2017	15	Pre K (3)

Source: NJ State Health Assessment Data



2019 To 2020
Total Assessed Value

2019 Assessed Value	2020 Assessed Value	Difference
$386,057,875	$385,732,559	($325,316)

Source: Burlington County Equalization Table

Budget History

Category	2016-17	2017-18	2018-19	2019-20	2020-21
Local Tax Levy	$3,240,838	$3,404,835	$3,262,213	$3,270,666	$3,303,373
Debt Service	$ 210,546*	$ 138,129 *	$ 288,569	$128,919 *	$141,504 *
TOTAL	$3,451,384	$3,542,964	$3,550,782	$3,399,585	$3,587,567
Difference	($20,865)	$91,580	$7,818	($151,197)	$187,982

* 2016-17 Debt Service offset by $76,583 of referendum surplus funds
* 2017-18 Debt Service offset by $149,000 of referendum surplus funds
- 2018-19 surplus funds were not utilized due to a delay in the audit & questions on how funds could be used
* 2019-20 Debt Service offset by $155,000 of referendum surplus funds
* 2020-21 Debt Service offset by $142,690 of referendum surplus funds; this is the final year of referendum surplus funds

Tax Rate Changes

2019-20 Tax Levy	2020-21 Tax Levy	Amount Difference	Percentage Difference
$3,270,666	**$3,303,373**	**$32,707**	**1%**

Springfield Township Average Assessed Value = $275,612 (1)

(1) 2019-2020

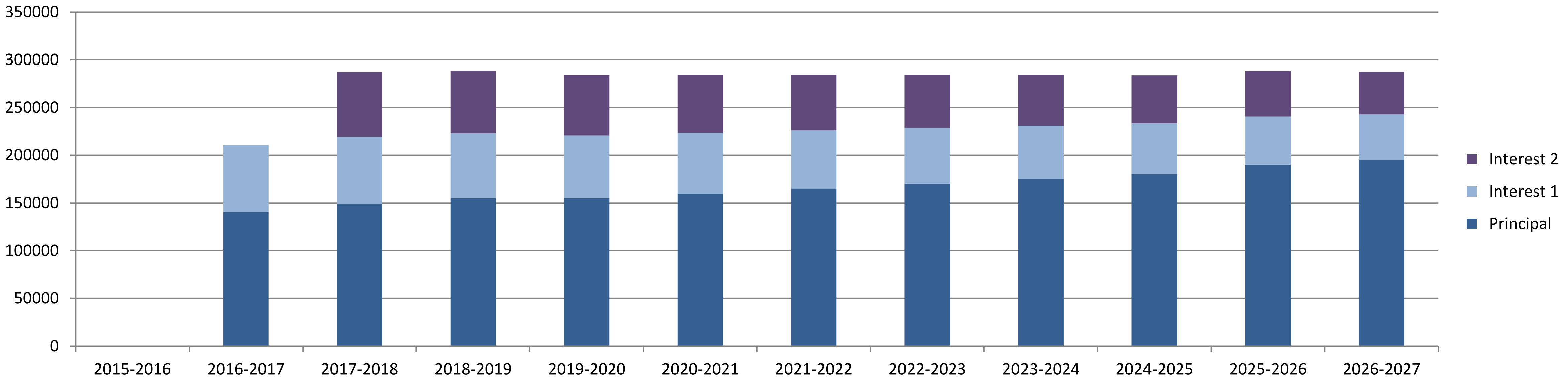
Dollar Tax Rate **Increase**/Decrease = **$0.0125** (includes debt service)

$3.45 increase on the average assessed value.

Debt Service Payments

Description	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Principal	**$0**	**$140,364**	**$149,000**	**$155,000**	**$155,000**	**$160,000**	**$165,000**	**$170,000**	**$175,000**	**$180,000**	**$190,000**	**$195,000**
Interest 1	**$0**	**$70,182**	**$70,182**	**$67,947**	**$65,622**	**$63,297**	**$60,897**	**$58,422**	**$55,872**	**$53,247**	**$50,547**	**$47,697**
Interest 2	**$0**	**$0**	**$67,947**	**$65,622**	**$63,297**	**$60,897**	**$58,422**	**$55,872**	**$53,247**	**$50,547**	**$47,697**	**$44,772**
TOTAL	**$0**	**$210,546**	**$287,129**	**$288,569**	**$283,919**	**$284,194**	**$284,319**	**$284,294**	**$284,119**	**$283,794**	**$288,244**	**$287,469**

Interest 1: payment 1 according to the amortization schedule & includes just interest (January payment)
Interest 2: payment 2 according to the amortization schedule & includes interest and principal (July payment)



District Financials

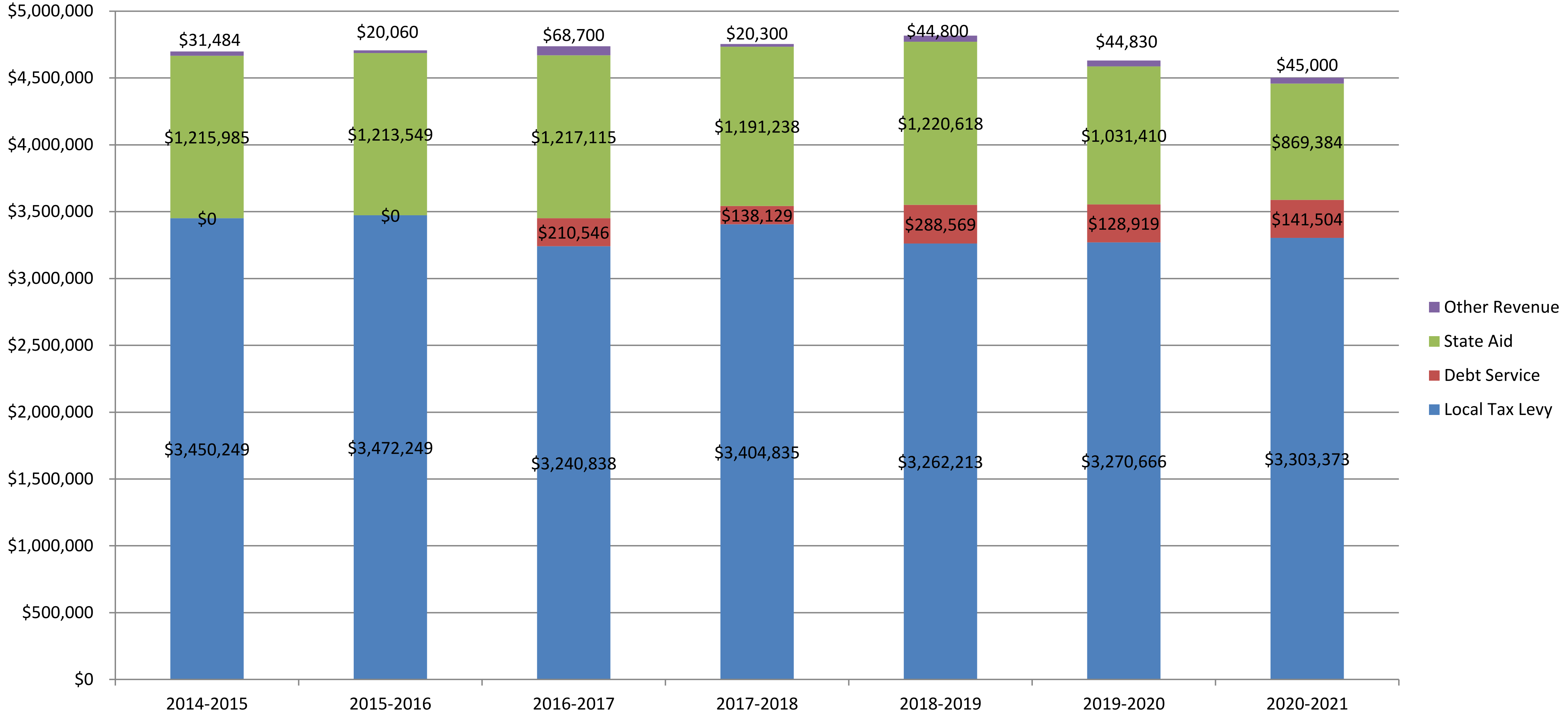
Reserve Balance Summary

Fund	Balance
Capital Reserves	$66,586
Maintenance Reserves	$206,449
Emergency Reserves	$100,030

Debt Summary

	Project Cost	Annual Avg. Cost	Repay Date
Referendum 2015	$5,977,284	$284,329	July 2036

Historical Revenue Comparison



State Aid Comparisons

Description	2019-2020	2020-2021	Change
Equalization Aid	$709,768	$547,742	($162,026)
Transportation Aid	$139,769	$139,769	$0
Special Education Aid	$159,516	$159,516	$0
Security Aid	$ 22,357	$ 22,357	$0
TOTAL	**$1,031,410**	**$869,384**	

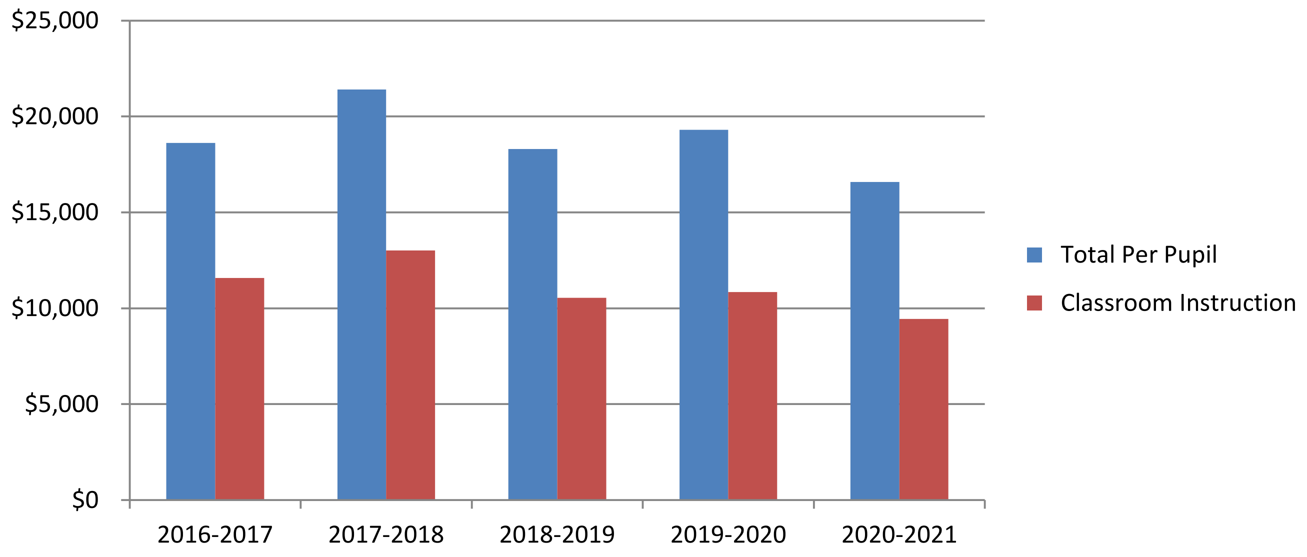
Reduction of $162,026 State Aid for 2020-21

District Expenses

Classroom Instruction	$1,766,201	38.24%
Personal Services – Benefits	$950,859	21.06%
Maintenance and Operations	$368,464	8.16%
Administrative Services	$309,489	6.86%
Student Support	$265,336	5.88%
Student Transportation	$244,315	5.41%
Child Study Team	$230,289	5.10%
Improvement Study and Staff	$210,144	4.66%
Instruction (Tuition)	$202,525	4.49%
Co-Curricular/Other Programs	$5,100	.11%
Capital Outlay/Interest on Reserves	$1,525	.03%
TOTAL	$4,514,247	100.00%

Total Per Pupil Costs

Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Percent
Total Per Pupil	$18,624	$21,402	$18,310	$19,299	$16,593	100.00%
Classroom Salaries/ Benefits	$11,578	$13,016	$10,540	$10,845	$9,449	59.30%



*Source: District Advertised Budget

Per Pupil Cost Calculations

Per Pupil Cost Calculations	**Revised Budget 19-20**	**Proposed Budget 20-21**	**% Change**
Total Budgetary Comparative Per Pupil Cost	$18,014	$16,593	-7.9%
Total Classroom Instruction	$10,102	$9,449	-6.5%
Classroom-Salaries and Benefits	$9,565	$9,028	-5.6%
Classroom-General Supplies and Textbooks	$367	$289	-21.3%
Classroom-Purchased Services	$170	$131	-22.9%
Total Support Services	$3,827	$3,649	-4.7%
Support Services-Salaries and Benefits	$3,247	$2,897	-10.8%
Total Administrative Costs	$1,875	$1,628	-13.2%
Administration Salaries and Benefits	$1,502	$1,370	-8.8%
Total Operations and Maintenance of Plant	$2,105	$1,792	-14.9%
Operations and Maintenance-Salaries and Benefits	$1,260	$1,082	-14.1%
Board Contribution to Food Services	$0	$0	0
Total Extracurricular Costs	$60	$20	-66.7%
Total Equipment Costs	$55	$ -	-100.0%
Legal Costs	$58	$51	-12.1%
Employee Benefits as a percentage of salaries	39.64%	36.23%	-0.08602422

*Source: District Advertised Budget

Cost Comparisons*

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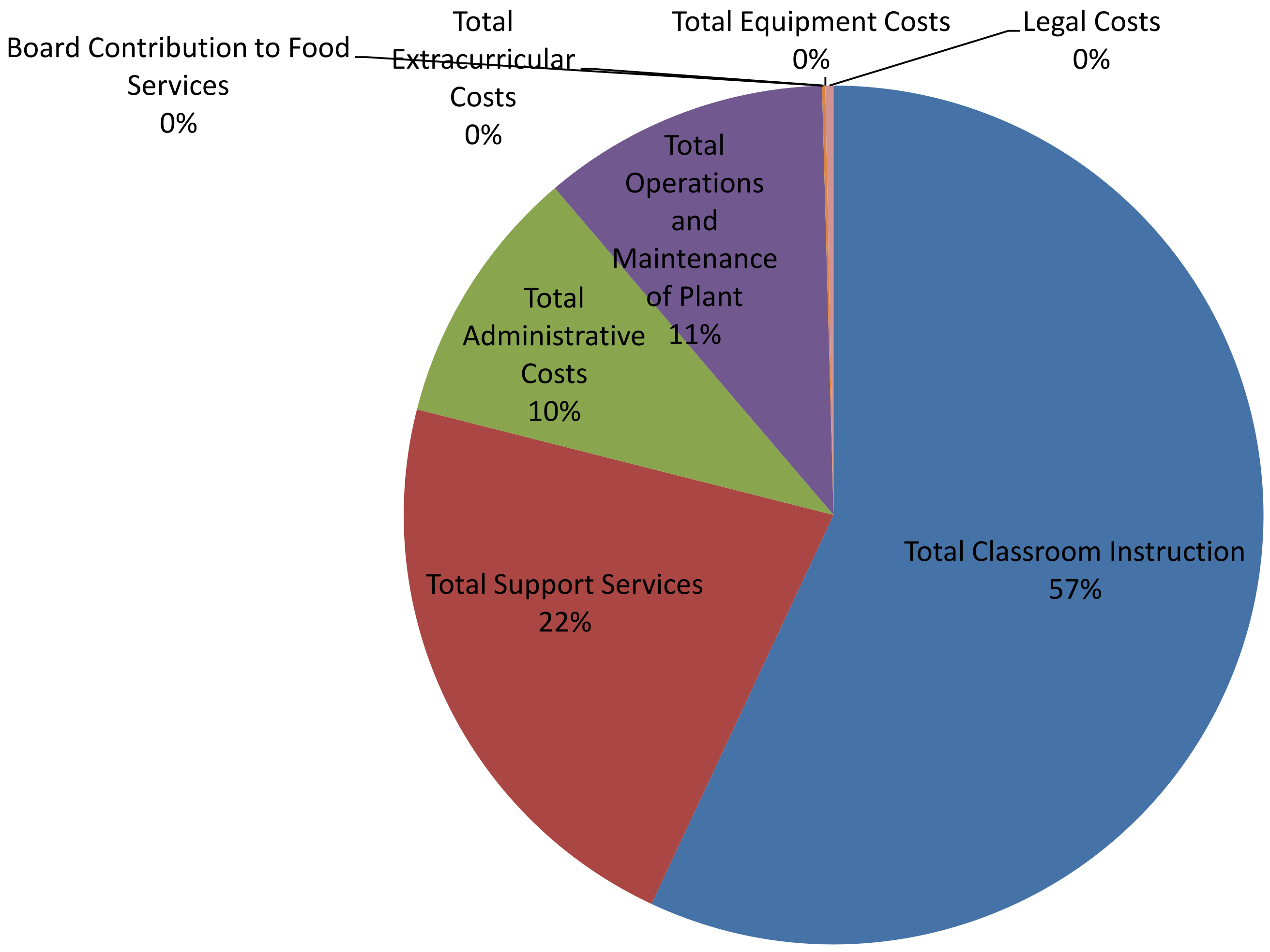
Per Pupil Costs	$16,966.96 $16,518.28 (DFG) $16,679.14 (EG)	$16,536.03 $14,877.38 (DFG) $17,605 (EG)	$19,482 **$16,593 (20-21)**

*2017-18 is the most recent audited data published by the state

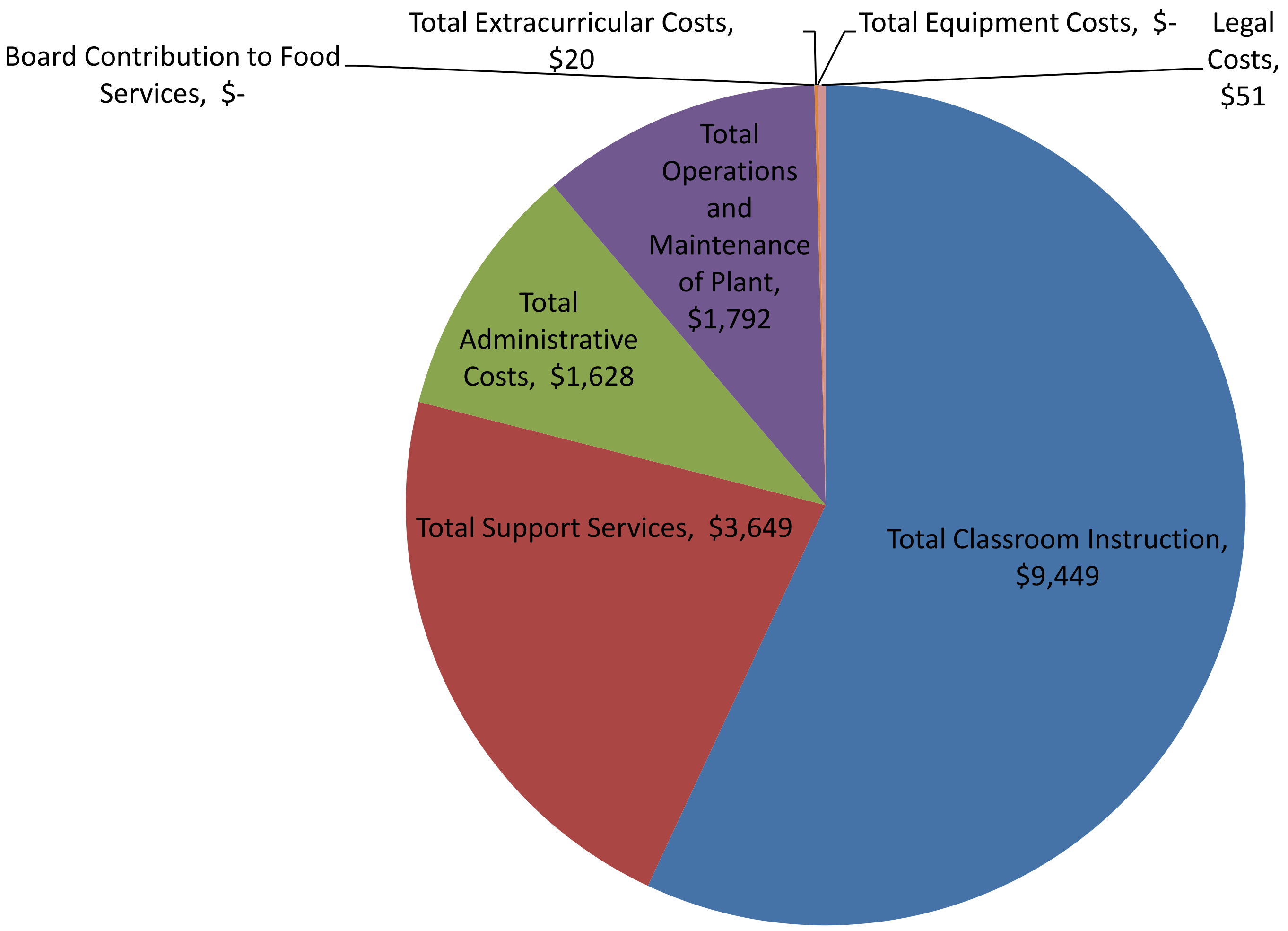
DFG – District Factor Group
EG – Enrollment Group

Source: NJ User Friendly Budget 19-20 Per Pupil Costs

Per Pupil Costs - Percent of Proposed Budget 20-21



Per Pupil Costs – $ of Proposed Budget 20-21



Banked Cap Explained

What Is Banked Cap

- A tax increase beyond the tax cap of 2%.
- Banked Cap is generated by not raising taxes by 2% in any of the three prior budget years.

What Banked Cap Does

- Allows the district to increase the tax levy beyond 2% without a ballot question and voter approval.

What Banked Cap Is Not

- It is not existing funds in a District account.
- It is not an alternative source of funds – it comes from the district taxpayers.

Banked Cap

	Generated	Used	Rolling Forward
2018-19	$210,719	$0	$210,719
2019-20	$349,311	$0	$560,030
2020-21	$331,460	$0	$891,490

Weighted Enrollment – *The commissioner shall determine, based on the standards established pursuant to section 4 of the School Funding Reform Act (SFRA), a base per pupil amount, and shall develop appropriate weights reflecting the differing costs of providing education at the kindergarten, elementary, middle school, and high school levels, which weights shall be applied in determining a district's base cost as set forth in section 8 of this act.*

2019-20 Local Tax Levy

- $3,270,666 x 2%
    - $65,413

2019-20 Weighted Enrollment Adjustment

- $292,896
    - + $3,270,666 (19-20 local tax levy)
        - $3,563,562 (adjusted base cost; this is not representative of money collected from the tax payer)

Weighted Enrollment Impact on Banked Cap
$3,563,562 X 2% = $71,271
Tax levy cap becomes $3,634,833
$3,634,833 - $3,303,373 = $331,460

Source: Adjusted Prebudget Year Tax Levy & Enrollment Adjustment per NJDOE

Forecasted Loss of State Funding

- Funding was reduced in 2019-20 and will be reduced over the next 5 years
- ***Estimated*** yearly reduction in funding as follows:

Fiscal Year	Reduction %	Springfield Reduction $
2020-21	23%	$178,528
2021-22	28%	$221,141
2022-23	51%	$207,096
2023-24	78%	$128,776
2024-25	100%	$ 40,666

Source: District Documents

Opportunities for Students

- Creator Lab
- School Gardens
- Music Engineering
- Supplementary Online Support
  - Reading A-Z / RAZ Kids
  - Newsela
  - Brain Pop
  - IXL
  - Mystery Science
  - Happy Numbers
- Chromebook Replacement
- Stipends for
  - Drama Club
  - Art Show
  - Talent Show
  - Student Council
  - Winter & Spring Concerts

Budget Summary

- Prioritizes current educational programs
- Supports spending plan without adding new debt
- 2020-21 Local Tax Levy is **$32,707 more** than 2019-20 **(1% increase)**
- $141,504 debt service payment
  - $284,194 original payment offset by $142,690 surplus
- Increase to the tax rate of **$0.0125**
- **$3.45 increase** on the average assessed home

Questions

?