

Howell Township Board of Education

**Public Budget Hearing
2020-2021**

**Budget Presentation
May 6, 2020**



Howell Township Board of Education

**This School District's Budget represents
the district's educational goals through
a financial perspective.**



Overview of Presentation

- **Priorities**
- **Accomplishments**
- **Current Legislative and State Budget Environment**
- **Successes**
- **Challenges**



Priorities For Developing The 2020-2021 Education Budget

- Support and Continue to Enhance Student and Staff Learning
- Reduce and Control Operational and Discretionary Costs
- Enhance Revenue Production

CURRENT LEGISLATIVE AND STATE BUDGET ENVIRONMENT



Accomplishments of this Budget

- Future Ready – Maintain High Level Certifications
- Curricular Demands
- Maintain Technological Advantage
- Maintenance and Upgrade of Facilities
- Tax Stability
- Fleet Update
- Expand Personalized Learning



**IN
NORMAL
TIMES**

Discussion of Business of Edu

Our Successes

*High Achievement
Honors & Awards
Model Programs
State Panels & Recognitions*



We can't lose sight of.....

- ***We provide more services to more of our citizens than any other organization or institution in town***
 - *Serve more meals than all restaurants in Howell*
 - *Transport 6,000 students to and from school*
 - *Care for more minors than any other institution*
 - *Largest employer in Howell*
 - *Employ more residents*
 - *Employ more total personnel*



Administrative Costs 2020-2021 School Year

- NJDOE Allowable Per Pupil \$2,197
- Howell Township Per Pupil \$1,922
- *Howell Township's total administrative cost was \$1,541,386 below the \$12,303,197 State-standard!*



Multi Year Strategy Maintained

Utilize a multi-year program of forecasting, leveraging assets and potentials, and planning to provide stability in operational expenses and allow for the acquisitions required to meet mandates and achieve initiatives while continuing prudent fiscal responsibility to support student success

HOWEVER...

* i.e. Foresight and planning to provide maintenance reserve allows for continued upgrading, repair of critical infrastructure and flexibility for the unforeseen such as COVID 19 costs, w/o tax levy impact.



COVID 19

We are monitoring all State and Federal guidance and documenting all costs related to our COVID 19 response for possible FEMA reimbursement



FEMA



Methodologies To Maintain Stability

- Continue to monitor debt
- Commission and monitor ESIP*
- Continue to enhance resource conservation beyond ESIP utilizing Sustainable NJ and other sources
- Expand shared services
- Transportation routing efficiencies
- Maximize revenue sources
- Continue streamlining operational functions
- Benefit claim auditing
- Enhance purchasing strategies

*Energy Savings Improvement Plan



Challenges Addressed in this Budget

- Announced funding cuts
- Un-funded governmental mandates and requirements
- Deferred capital needs
- Continued security initiatives to protect students and staff

Remaining Challenge

- Timing of the Budget Calendar
- Lack of clear legislative direction on funding
- Possible additional cuts



End Result of Current Tentative Budget Projection

2020-2021 Total GF Levy	\$77,991,335
2020-2021 Debt Levy	\$ 4,337,271
Total	\$82,328,606
2019-2020 Total GF Levy	\$75,998,435

**Based on Current State Aid
Notice.**

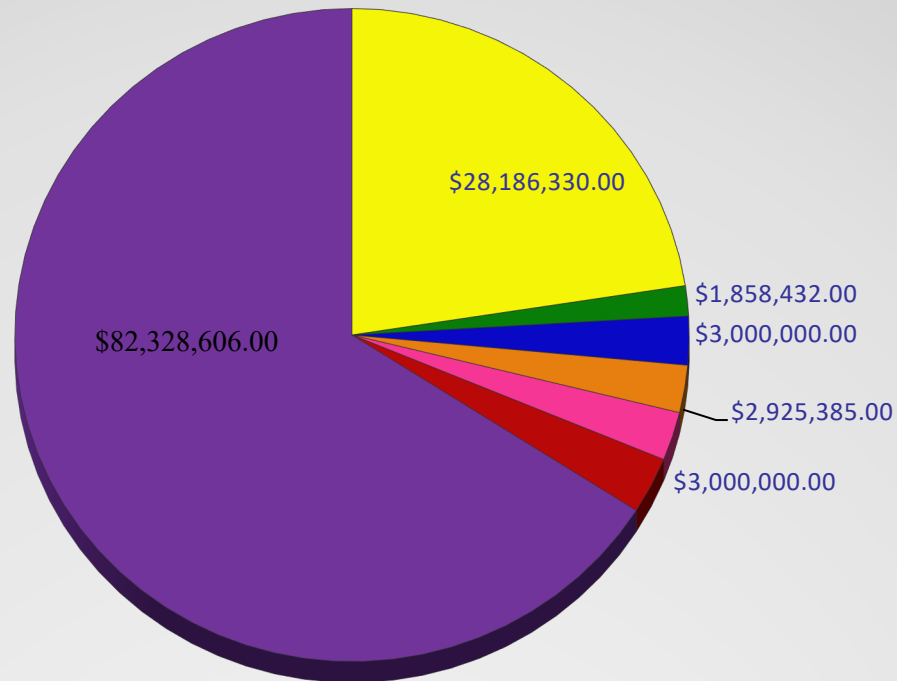
**On Total Local
TAX LEVY = 2.31%**



Sources of Revenue

2020-2021

Budget \$124,798,753



State Aid Federal Fund Balance Miscellaneous Capital Reserve Maintenance Reserve Tax Levy

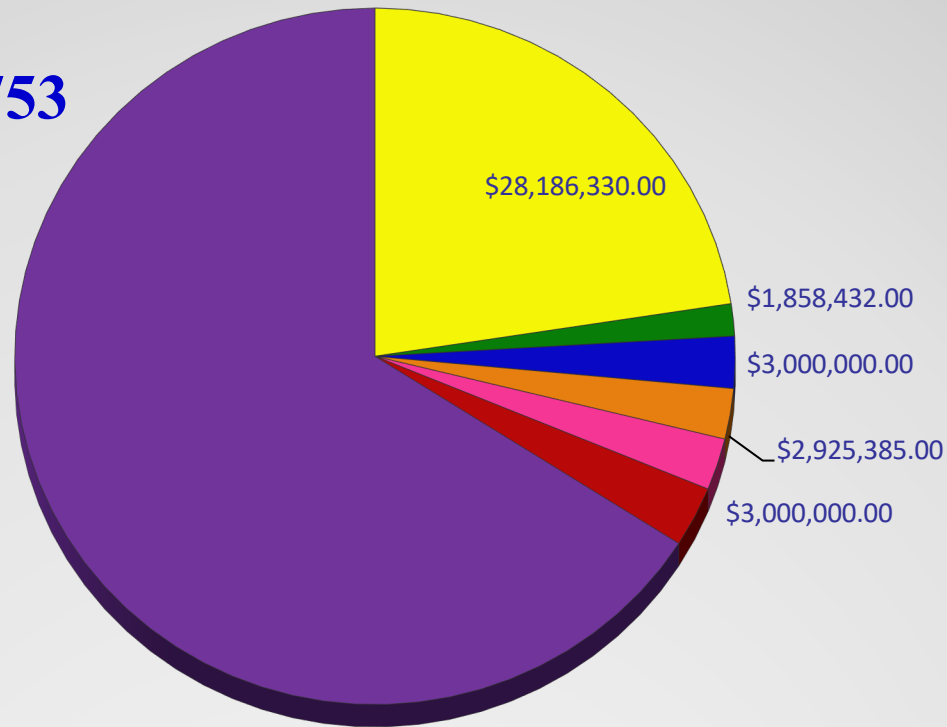
*Tax Levy Inc General Fund & Debt



Revenue Source Federal Aid

2020-2021

Budget \$124,798,753



■ State Aid ■ Federal ■ Fund Balance ■ Miscellaneous ■ Capital Reserve ■ Maintenance Reserve ■ Tax Levy

*Tax Levy Inc General Fund & Debt



Revenue Source

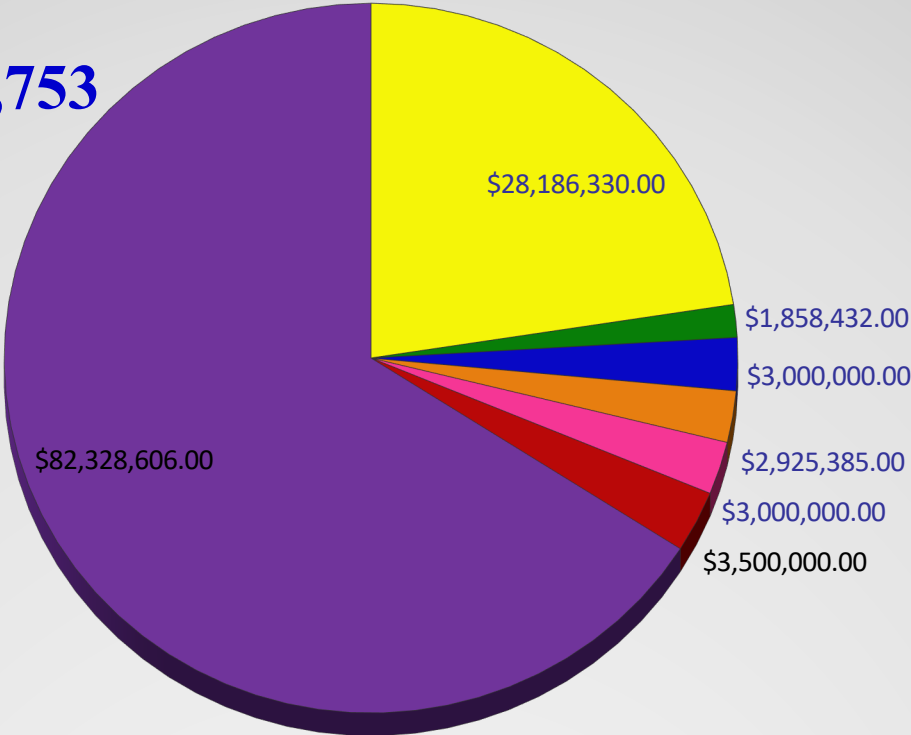
Federal Aid



Revenue Source Miscellaneous Revenue

2020-2021

Budget \$124,798,753



State Aid Federal Fund Balance Miscellaneous Capital Reserve Maintenance Reserve Tax Levy

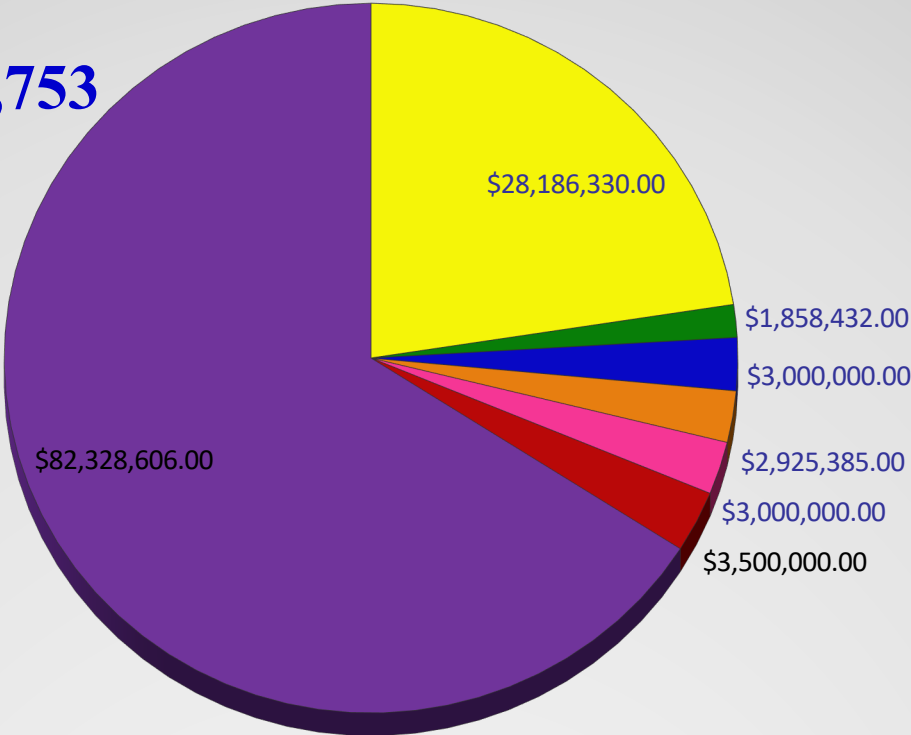
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Revenue Source Miscellaneous Revenue

2020-2021

Budget \$124,798,753



State Aid Federal Fund Balance Miscellaneous Capital Reserve Maintenance Reserve Tax Levy

*Tax Levy Inc General Fund & Debt



Revenue Source

Miscellaneous Revenue

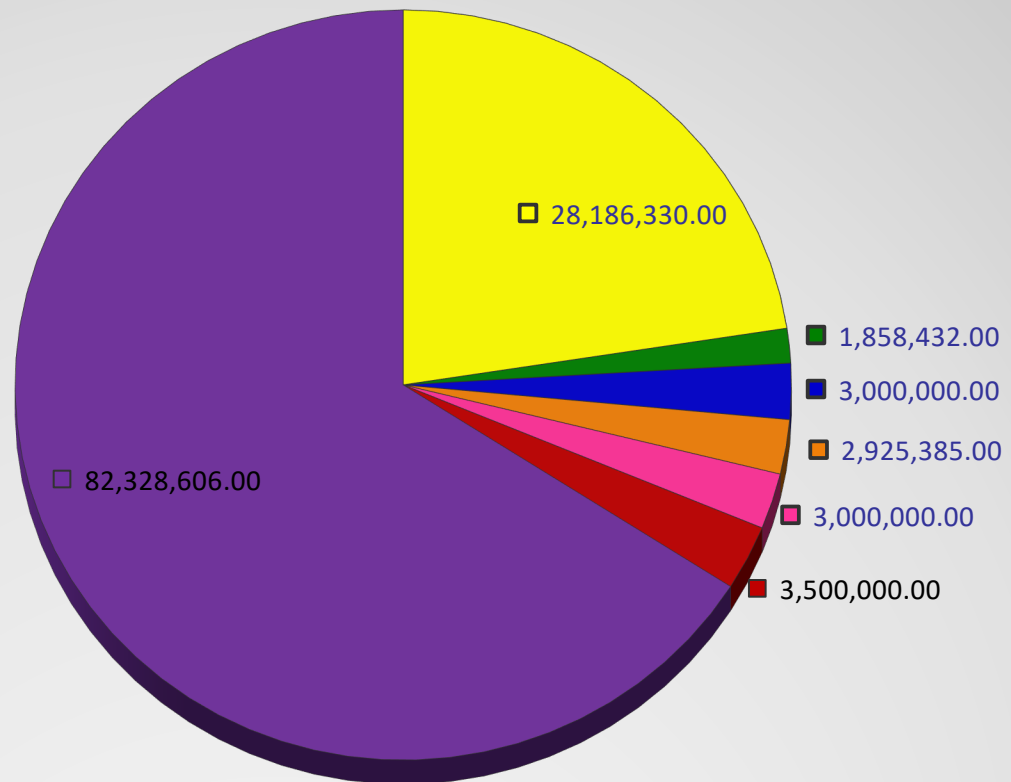
• SEMI	\$ 73,174
• Tuition	\$ 818,014
• Unrestricted Misc.	\$ 1,150,000
• Extraordinary Aid	\$ 700,000
• Debt Service Aid	\$ 184,197
	<hr/>
	\$ 2,925,385



Revenue Source NJ State Aid

2020-2021

Budget \$124,798,753



*Tax Levy Inc General Fund & Debt

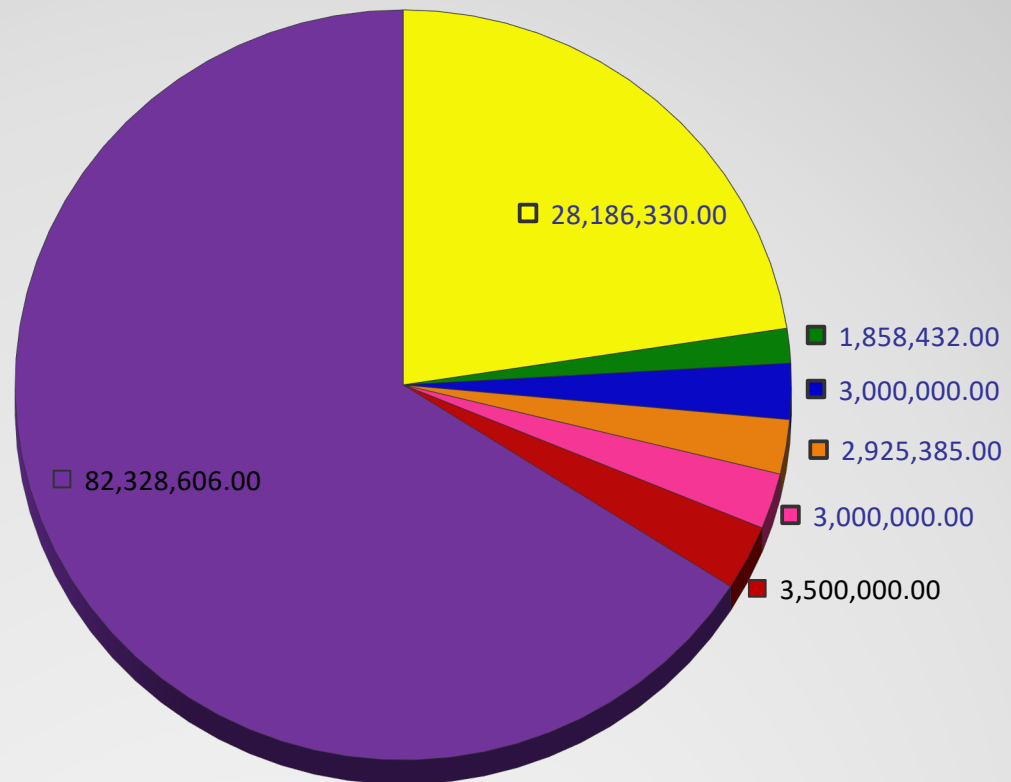
■ State Aid ■ Federal ■ Fund Balance ■ Miscellaneous ■ Capital Reserve ■ Maintenance Reserve ■ Tax Levy



Revenue Source NJ State Aid

2020-2021

Budget \$124,798,753



*Tax Levy Inc General Fund & Debt

■ State Aid ■ Federal ■ Fund Balance ■ Miscellaneous ■ Capital Reserve ■ Maintenance Reserve ■ Tax Levy



2020-2021 DOE State Aid Summary

COUNTY: 25-MONMOUTH
 DISTRICT: 2290-HOWELL TWP
 BUDGET: K-8

STATE OF NEW JERSEY - DEPARTMENT OF EDUCATION
 DIVISION OF FINANCE
 OFFICE OF SCHOOL FINANCE
 PROJECTED 2020-21 STATE SCHOOL AID
 UPDATED FEBRUARY 27, 2020 STATE AID NOTICE
 NET STATE AID SUMMARY

02/27/2020

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Page NET

GENERAL FUND AID:		SPECIAL REVENUE FUND AID:	
Equalization Aid [BUD (A-1) + CH67 (I-1)]	23,025,016 (A-1)	Preschool Education Aid [PEA (M) or (L) for Universal or (G) for ECPA/ELLI]	0 (B-1)
Educational Adequacy Aid [BUD (A-5)]	0 (A-2)	SUBTOTAL	\$0 (B)
School Choice Aid [CHOICE (N)]	0 (A-3)	LESS:	
Transportation Aid [BUD (A-4) + CH67 (I-4)]	903,761 (A-4)	Assessment for Debt Service on SDA funding*	\$137,481 (C)
Special Education Categorical Aid [BUD (A-2) + CH67 (I-2)]	3,740,074 (A-5)	SUBTOTAL ADJUSTED [Item(A) + (B) - (C)]	\$28,048,849 (D)
Security Aid [BUD (A-3) + CH67 (I-3)]	517,479 (A-6)	DEBT SERVICE FUND AID:	
Adjustment Aid [BUD (A-7) + CH67 (I-5)]	0 (A-7)	Debt Service Aid, Type 2	24,545 (E)
SUBTOTAL	\$28,186,330 (A)	ADDITIONAL AID PAYABLE ON BEHALF OF DISTRICT:	
		Debt Service Aid, Type 1	0 (F)
		GRAND TOTAL AID PAYABLE TO AND ON BEHALF OF DISTRICT:	
		Total Aid	\$28,073,394 (G)

* This assessment must be budgeted as Capital Outlay expenditure for Assessment for Debt Service on SDA Funding (line 76210) in FY21. It will be shown in your FY21 payment schedule as a deduction from FY21 revenue.



History of New Jersey State Aid

State Aid





's Deadline to Finalize



[Add Title or Event]

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29				

Notes

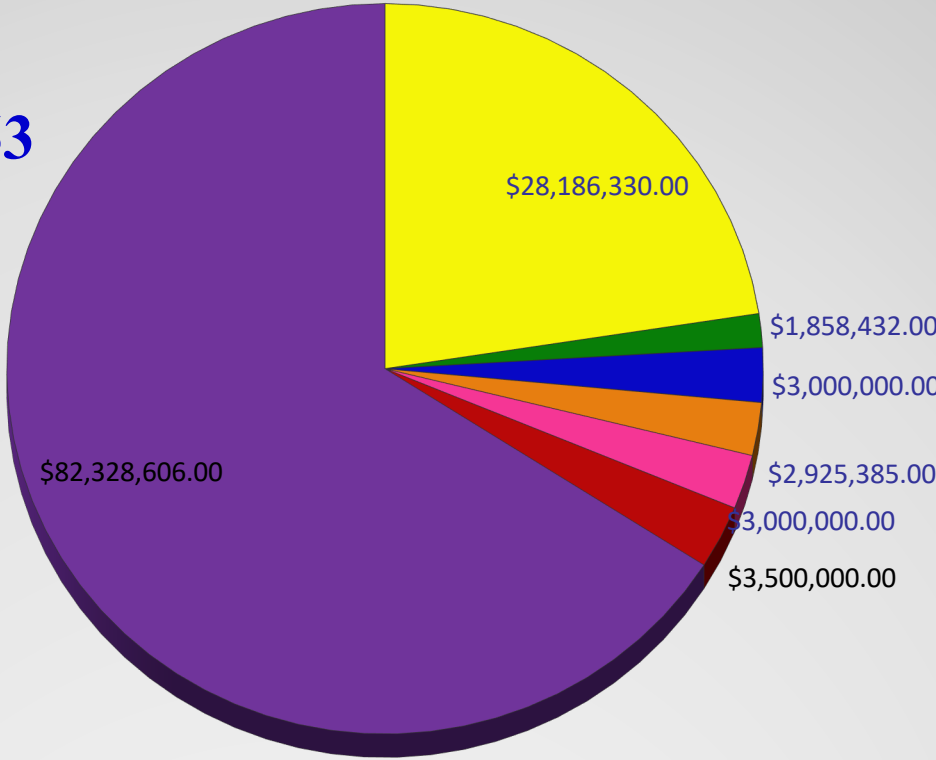
www.101CalendarTemplates.com



Revenue Source Local Tax Levy

2020-2021

Budget \$124,798,753



State Aid Federal Fund Balance Miscellaneous Capital Reserve Maintenance Reserve Tax Levy

*Tax Levy Inc General Fund & Debt



New Jersey Department of Education Tax Levy Funding Cap Guidelines

- 2019-2020 General Fund Levy \$75,998,435
+2% Cap without Waivers + Banked + \$1,992,900
- Final Allowable
 2020-2021 General Fund Levy \$77,991,335
- Board Proposed General Fund Levy \$77,991,335



Ten Year Tax Levy

Average Levy W/Debt Svc

Year	General Fund	Debt Svc	Total	Difference	% (+/-)
2010-2011	64,464,148	6,783,858	71,248,006	352,816	0.50%
2011-2012	64,464,148	6,830,168	71,294,316	46,310	0.06%
2012-2013	63,460,383	6,818,991	70,279,374	(1,014,942)	-1.44%
2013-2014	65,287,732	5,710,690	70,998,422	719,048	1.01%
2014-2015	67,540,789	5,586,449	73,127,238	2,128,816	2.91%
2015-2016	68,864,597	5,367,482	74,232,079	1,104,841	1.49%
2016-2017	71,157,372	5,465,795	76,623,167	2,391,088	3.12%
2017-2018	72,459,479	5,607,056	78,066,535	1,443,368	1.85%
2018-2019	73,908,669	4,609,831	78,518,500	451,965	0.58%
2019-2020	75,998,435	4,492,794	80,491,229	2,424,694	3.01%
2020-2021	77,991,335	4,337,271	82,328,606	1,837,377	2.23%
					1.39%

Average Levy W/O Debt Svc

Year	General Fund	Total	Difference	% (+/-)
2010-2011	64,464,148	64,464,148	352,816	0.55%
2011-2012	64,464,148	64,464,148	-	0.00%
2012-2013	63,460,383	63,460,383	(1,003,765)	-1.58%
2013-2014	65,287,732	65,287,732	1,827,349	2.80%
2014-2015	67,540,789	67,540,789	2,253,057	3.34%
2015-2016	68,864,597	68,864,597	1,323,808	1.92%
2016-2017	71,157,372	71,157,372	2,292,775	3.22%
2017-2018	72,459,479	72,459,479	1,302,107	1.80%
2018-2019	73,908,669	73,908,669	1,449,190	1.96%
2019-2020	75,998,435	75,998,435	3,538,956	4.66%
2020-2021	77,991,335	77,991,335	1,992,900	2.56%
				1.93%



Levy Growth Avoided

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
General Fund	64,464,148	64,464,148	63,460,383	65,287,732	67,540,789	68,864,597	71,157,372	72,459,479	73,908,669
Debt Service	6,783,858	6,830,168	6,818,991	5,710,690	5,586,449	5,367,482	5,465,795	5,607,059	4,609,831
Total									18,500
Allowable Debt Service									38,305
Hypothetical Pot									34,381
Annual Levy Avoided		1,289,283	3,608,117	3,122,138	2,237,278	2,309,031	138,661	1,524,059	1,204,186
								Cumulative	15,432,753

\$15,432,753



Calculation of Tax Rate for 2020

Tax Bills are based on the amount to be raised on a yearly basis between January and December

January 2020 Tax Year December

2019-2020 School Budget				2020-2021 School Budget			
<u>July</u>	<u>Dec.</u>	<u>Jan.</u>	<u>June</u>	<u>July</u>	<u>Dec.</u>	<u>Jan.</u>	<u>June</u>

2019-2020
Total to be raised for Local Schools.
\$XXXXXX
Jan 1 – Jun 30 = 1/2
\$XXXX

2020-2021
Total to be raised for Local Schools.
\$XXXXXX
Jul 1 – Dec 31 = 1/2
\$XXXX

Portion to be raised in 2020 for Local School Tax
\$XXXXXX



Calculation of Taxes

2020-2021 Budget Projections Preliminary Data from Howell Twp. Finance

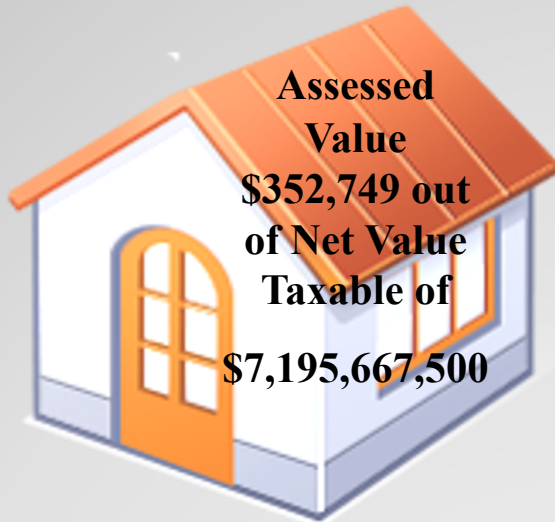
	2018-19	2019-20	2020-21
Levy	\$80,570,947	\$80,466,682	\$82,328,606
1/2 of Levy	\$40,285,474	\$40,233,341	\$41,164,303

	2019	2020
Jan. to June from Previous Budget	\$40,285,474	\$40,233,341
July to Dec. from Current Budget	\$40,233,341	\$41,164,303
Amount Raised for Calendar Year	\$80,518,815	\$81,397,644
Howell Township Tax Ratables	\$7,195,667,500	\$7,404,088,800
Amount Raised / Ratables	0.01119	0.01099
Rate/100	\$1.119	\$1.099
Net Increase in Tax Rate		-\$0.020
Average House Assessment	\$352,749	\$363,331
School Tax on Average House	\$3,947	\$3,994
Increase on Average House per year		\$47
Increase per month	Less than	\$2



Impact on Average Value Home

Tax Year 2019



**The Average Value of a House in Howell,
NJ 2019**

(Based on \$1.119 Tax Rate)

School Taxes: \$3,947

Tax Year 2020



**The Same Average Value House in Howell, NJ
2020**

(Based on \$1.099 Tax Rate)

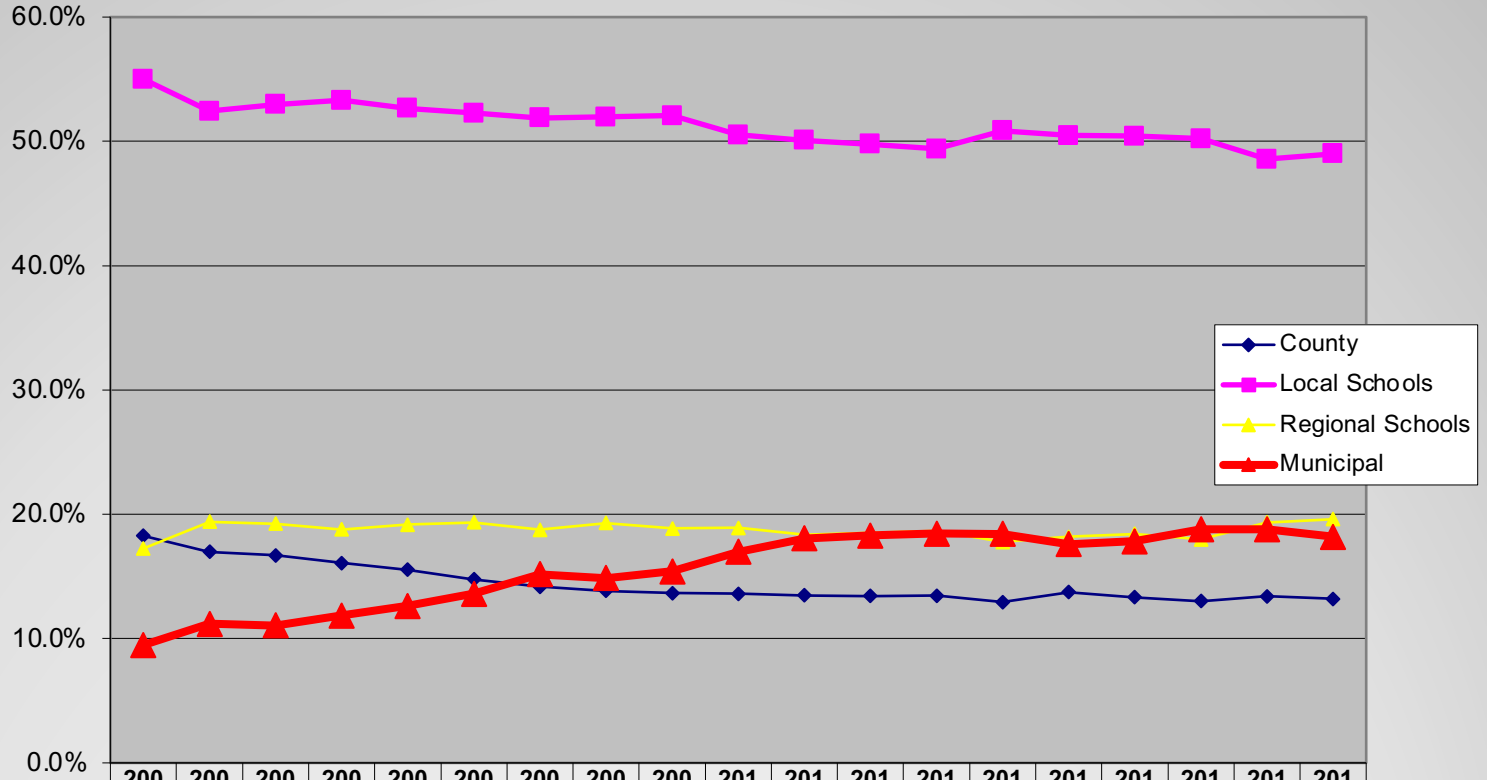
School Taxes: \$3,994

An increase of \$47/Year and < \$2/Month



Percent of Total Taxation

Source Data - Abstract of Ratables Monmouth County Board of Taxation



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
◆ County	18.3	17.0	16.7	16.1	15.5	14.8	14.2	13.8	13.7	13.6	13.5	13.4	13.5	12.9	13.7	13.3	13.0	13.4	13.2
■ Local Schools	55.0	52.4	53.0	53.3	52.7	52.3	51.9	52.0	52.1	50.5	50.1	49.8	49.4	50.9	50.5	50.4	50.2	48.6	49.0
▲ Regional Schools	17.2	19.4	19.2	18.8	19.2	19.4	18.7	19.3	18.9	18.9	18.4	18.5	18.7	17.8	18.2	18.4	18.0	19.4	19.6
▲ Municipal	9.5%	11.2	11.1	11.9	12.6	13.6	15.2	14.9	15.4	17.0	18.1	18.3	18.5	18.4	17.6	17.8	18.8	18.8	18.2



Current 2019-2020 Operating Procedures

- Scrutinizing Expenditures
- Continued Streamlining of all operational functions
- Implementing and Expanding Cost Saving Measures
 - Conserving Electric and Utilities
 - Purchasing Procedures
 - Utilization of Technology
 - Revenue Production
- **Savings become Revenue to 2020-2021 or Future Budgets**



Howell Township Public Schools

Great Students!

Great Staff!

Great Community!

Great Expectations!

#Howell Leads





Questions ?

