

Harding Township School District Public Hearing on the Budget 2023-2024

Matthew A. Spelker, Ed.D. – Superintendent
John Jennings – Business Administrator
May 1, 2023

Board of Education

- ▶ Davor Gjivoje – President
- ▶ Alex Anastasiou – Vice President
- ▶ Abi Singh*
- ▶ Richard Bruno*
- ▶ Melissa Krikos

* Members – Facilities and Finance Committee

Public Hearing on the Budget

- ▶ The Public Hearing on the Budget is an annual presentation required by NJDOE.
- ▶ This Public Hearing was advertised by the district in the April 20th edition of the *Observer Tribune*.
- ▶ Tonight's presentation includes:
 - Budget highlights
 - Revenues
 - Expenses
 - Tax levy impact

Budget Highlights

- ▶ A fiscally conservative budget.
- ▶ Meets all 23 / 24 budget guidelines.
- ▶ Maintains staffing configuration, co-curricular activities, and small class size.
- ▶ Budgets money for professional development and curriculum writing.
- ▶ Inflation had a negative impact on this year's budget—Fuel costs (heating and transportation) employee benefits, and many more expense line items.

Budget Highlights – Inflationary Pressure

- ▶ Salaries – yearly increases far above the 2% cap number
- ▶ Transportation – busing increased 18.1% year over year
- ▶ Healthcare – 19.4% year over year
- ▶ Property Insurance – 10% increase year over year
- ▶ Energy – 12.5% increase year over year

Budget Highlights

- ▶ Money has been budgeted for facility maintenance and planning for capital projects—Elementary roof replacement, security upgrades, maintenance, HVAC—Middle School 2nd floor and Long-Range Facilities Plan projects.
- ▶ Provides adequate financial resources for yet-to-be named 23/24 district goals.
- ▶ This budget allows for HTS to maintain its position as one of the premier PK-8 public school districts in New Jersey.
- ▶ Inflation is expected to negatively affect this budget and the following year's budget as well.

Budget Timeline and Process

Timeline	Budget Process
Fall 2022	Facilities and Finance Committee meetings; Administrative meetings
2/28/23	State Aid Data Released
3/13/23	Tentative Budget unanimously approved by BOE
3/16/23	Tentative Budget submitted to ECS*
3/30/23	Tentative Budget approved by ECS*
5/1/23	Public Hearing on the Budget
7/1/23	School Fiscal year 23–24 begins

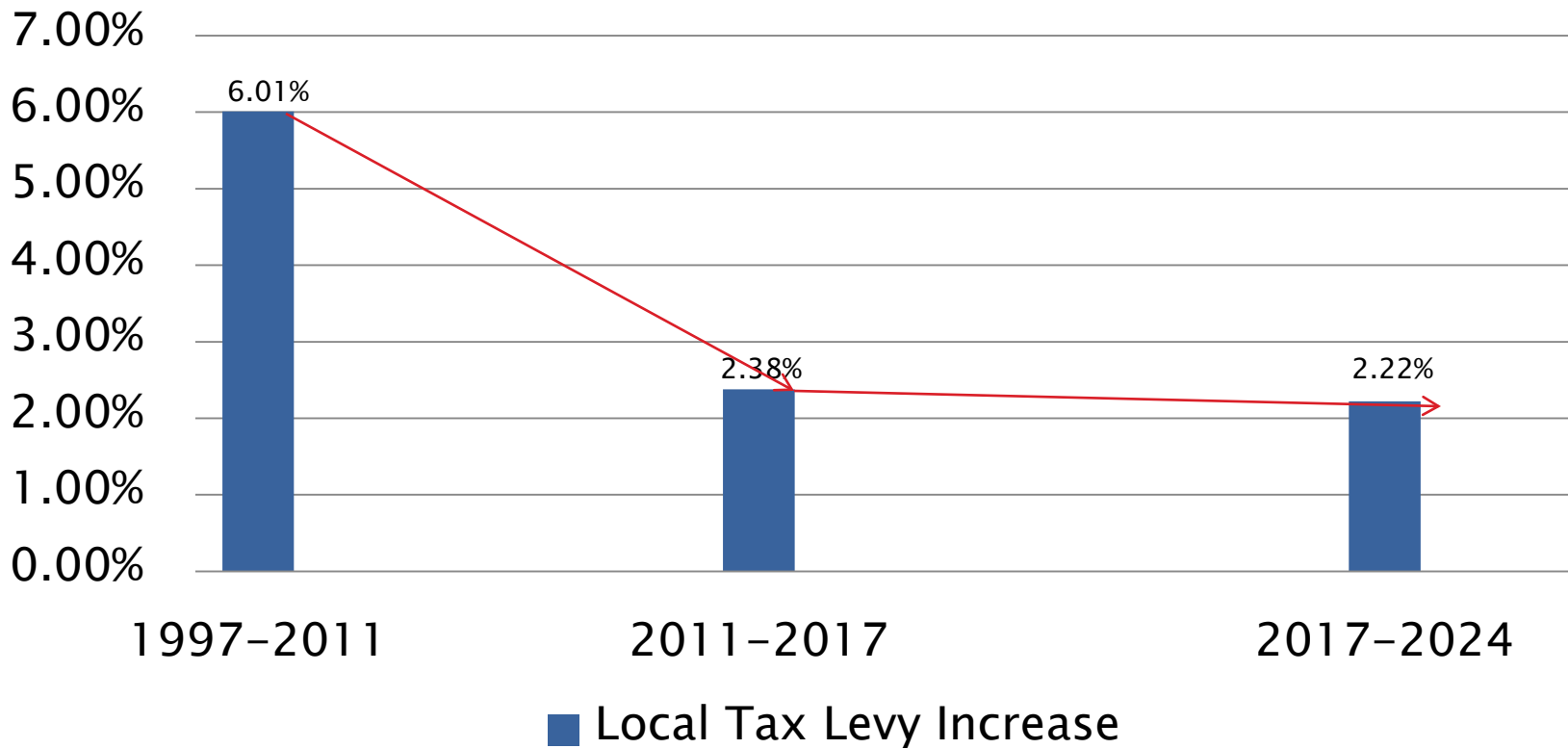
* Executive County Superintendent

Revenue-Local Tax Levy

Budget Year(s)	Local Tax Levy Increase
1997-2011 (average)* *14 year span	6.01% per year average
2011-2017	2.38% per year average
2017-2024	2.22% per year average

Local Tax Levy

1997-2022

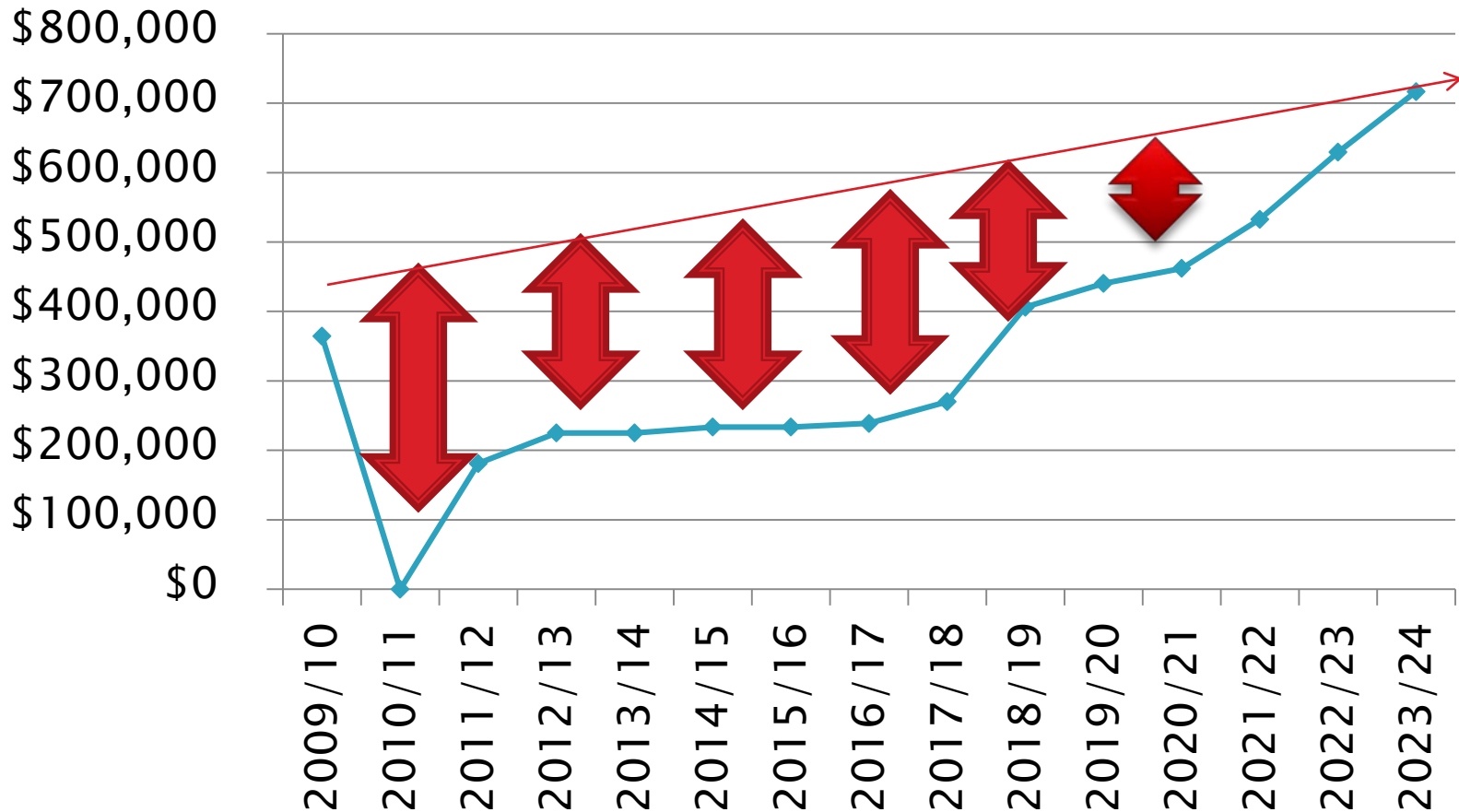


Categorical State Aid

	\$ State Aid	\$ Change	% Change
2009–2010	\$364,473	N/A	N/A
2010–2011	0	(\$364,473)	(100%)
2011–2012	\$181,191	\$181,191	N/A
2012–2013	\$225,137	\$43,946	24.3 %
2013–2014	\$225,137	\$0	0 %
2014–2015	\$233,677	\$8,540	3.8 %
2015–2016	\$233,677	\$0	0 %
2016–2017	\$238,834	\$5,157	2.2 %
2017–2018	\$272,118	\$33,284	14 %
2018–2019	\$406,173	\$134,055	49 %
2019–2020	\$440,532	\$34,359	8 %
2020–2021	\$462,201	\$21,669	5 %
2021–2022	\$532,750	\$70,549	15 %
2022–2023	\$629,410	\$96,660	18.1%
2023–2024	\$716,619	\$84,425	11.8%

Categorical State Aid

Over a Decade of Significant Shortfalls in Aid



State Aid – Total Budget

	2009–2010	2023–2024
Categorical State Aid	\$364,473	\$716,619
Categorical State Aid as a Percentage of the Budget	3.97%	5.45%

(Less than a 1.5% increase, as a percentage of the budget, over a 15 year span.)

Banked Cap

Year Saved	\$ Amount	Year Expires
2012-2013	\$82,496 Added to 15/16 budget	2015-2016
2013-2014	\$52,401 Added to 16/17 budget	2016-2017
2014-2017	\$0	N/A
2017-2018	\$51,437 Added to 20/21 Budget	2020-2021
2018-2019	\$275,249	2021-2022
2019-2020	\$20,000	2022-2023
2020-2022	\$0	N/A
2022-2023	\$87,151	2025-2026
2023-2024	\$144,755	\$98,126 used in 23-24 budget \$46,629 expires in 26-27.

Detailed Revenues

	2022-2023 (Revised)	\$ Changes	2023-2024
Local Tax Levy	\$11,278,768	\$323,701	\$11,602,469
Tuition PK-8	\$64,400	\$5,600	\$70,000
Transportation Fees	\$9,000	\$0	\$9,000
Building Usage Fees	\$9,000	\$4,000	\$13,000
Misc. Revenue	\$62,500	\$0	\$62,500
Prior-Year Deferred Rev.	\$7,758	\$(7,758)	\$0
State Aid (categorical)	\$632,194	\$84,425	\$716,619
Extraordinary Aid (SE)	\$250,700	\$0	\$250,700
Budgeted Fund Balance	\$361,022	\$19,526	\$380,548
Capital Reserve	\$250,000	(\$210,000)	\$40,000
Special Revenue	\$878,256	(\$731,819)	\$146,437
Debt Service (Tax Levy)	\$-0-	\$0	\$0
Debt Service Aid	\$-0-	\$0	\$0
Non-Public Transportation	\$-0-	\$0	\$0
TOTAL	\$13,803,598	(\$512,325)	\$13,291,273

Expenses – Operating Budget

	Revised Budget 2022–2023	\$ Changes	Budget 2023–2024
Gen. Ed. Instruction	\$ 2,530,693	(\$ 53,461)	\$2,477,232
Sp. Ed. Instruction	\$ 1,030,733	\$ 60,470	\$1,091,203
Other Instruction	\$ 277,008	\$ 10,617	\$ 287,625
Special Ed. Tuition & Madison Tuition	\$ 2,649,461	(\$192,050)	\$2,457,411
Support Services & Other	\$ 1,061,284	\$ 66,013	\$1,127,297
Imp. Instruction	\$ 191,645	\$ 13,020	\$ 204,665
Gen. Admin.	\$ 432,744	(\$ 16,512)	\$ 416,232
School Admin.	\$ 38,214	\$ 4,403	\$ 42,617
Central Services/IT	\$ 216,685	\$ 37,986	\$ 254,671
Operation/Plant	\$ 1,262,338	\$ 41,737	\$1,304,075
Transportation	\$ 1,356,211	\$ 195,813	\$1,552,024
Employee Benefits	\$ 1,566,686	\$ 282,814	\$1,849,500
TOTAL	\$12,613,702	\$ 450,850	\$13,064,552

Expenses - Funds 11,12,10,20,40

	Revised 2022-2023	\$ Changes	Budget 2023-2024
Total- Fund 11 Operating Budget	\$12,613,702	\$450,850	\$13,064,552
Total - Fund 12 Capital Outlay	\$311,640	(\$231,356)	\$80,284
Total - Fund 10 Charter School	-0-	-0-	-0-
Total - Fund 20 Special Revenue	\$878,256	(\$731,819)	\$146,437
Total - Fund 40 Debt Service	-0-	-0-	-0-
TOTAL	\$13,803,598	(\$512,325)	\$13,291,273

TAX LEVY HISTORY

▶ 1997–2011	+6.01% (<i>average across 15 years</i>)
▶ 2011–2012	+1.96%
▶ 2012–2013	+1.78%
▶ 2013–2014	+1.50%
▶ 2014–2015	+2.60%
▶ 2015–2016	+3.32%
▶ 2016–2017	+2.90%
▶ 2017–2018	+1.48%
▶ 2018–2019	+2.51%
▶ 2019–2020	+1.81%
▶ 2020–2022	+2.49% (<i>with use of banked cap</i>)
▶ 2021–2022	+3.52% (<i>use of banked cap, driven by covid expenses</i>)
▶ 2022–2023	+1.56%
▶ 2023–2024	+2.87% (<i>with use of healthcare adjustment</i>)

The 2023–2024 budget reflects diligent expense prudence and care to result in a reasonable figure in light of extraordinary inflationary pressures.

Historical Tax Levy

Year	Tax Levy *	YOY %	Ratable (000's)**	Average Home Value ***	Tax Rate	Per Avg. House Tax	YOY Annual Increase	YOY Monthly Increase
18-19	\$10,730,797	N/A	\$1,999,521	\$1,039,252	.53667	\$5,577	N/A	N/A
19-20	\$10,490,662	(\$240,135) ****	\$2,005,045	\$1,039,961	.52321	\$5,441	(\$136.12)	(\$11.34)
20-21	\$10,798,662	\$308,000	\$2,118,203	\$1,096,946	.50980	\$5,592	\$151.05	\$12.59
21-22	\$11,105,027	\$306,365	\$2,106,946	\$1,091,116	.52707	\$5,751	\$158.65	\$13.22
22-23	\$11,278,768	\$173,741	\$2,101,515	\$1,087,178	.53670	\$5,835	\$83.93	\$6.99
23-24	\$11,602,469	\$323,701	\$2,108,392	\$1,090,172	.55030	\$5,999	\$164.36	\$13.70

5 Year Average Annual Increase of 1.574%

* School Year Tax Levy

** Total Assessed Value Per Town

*** Average Assessed Home Value Per Town

**** Decease in 19-20 was the elimination of Local Tax Levy for Debt Service of \$426,226, partially offset by general tax levy increase of \$186,091

Budget Vote and Election

- ▶ In 2012, Gov. Christie signed legislation that eliminated the need for the public to vote on the school budget if it remains at or below the 2% tax levy cap, including specific exemptions such as banked cap, enrollment adjustment, or the health benefits waiver.
- ▶ On 2/13/12, the Harding BOE adopted a resolution to move the annual school election to November.
- ▶ Since the 23/24 budget is within the budgetary guidelines allowing for a 2% increase and use of banked cap, it will not be on the ballot in November.

Questions?

- ▶ Board member questions
- ▶ Public comment/questions