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# Hamilton Township School District



**Mr. Eric Aiken**

Board President

**Dr. Maryann Banks**

Interim Superintendent

**Mr. Mark A. Ritter**

Interim Business  
Administrator

## **2016-2017 Public Hearing Budget Presentation**

April 25, 2016

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# Budget Development

- **DECEMBER/JANUARY** – Meeting with principals and department heads to prepare draft budgets.
  - **JANUARY/FEBRUARY** – Budget development by the Administration and Finance Committee.
  - **FEBRUARY 16<sup>th</sup>** – Governor’s address on status of the state budget and state aid.
  - **FEBRUARY 18<sup>th</sup>** – State aid figures received from NJDOE.
  - **MARCH 12<sup>th</sup>** – Special Board of Education meeting - discuss preliminary budget.
  - **MARCH 14<sup>th</sup>** – Board of Education adopts the preliminary budget for submission to the County Office.
  - **MARCH/APRIL** – Continue budget development with Administration and Finance Committee (if necessary.)
  - **April 25<sup>th</sup>** – Public Hearing - the budget is presented for final approval from the Board of Education.
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# Change in Total Budget

2015-2016	2016-2017	Change
48,409,630	48,359,456	-50,174



# State Aid

Account	15-16 Budget	16-17 Budget	Change	% Change
CATEGORICAL TRANSPORTATION AID	728,399	764,014	35,615	4.66%
CATEGORICAL SPECIAL EDUC AID	1,746,258	1,768,740	22,482	1.27%
EQUALIZATION AID	19,321,187	19,424,564	103,377	0.53%
CATEGORICAL SECURITY AID	764,626	767,425	2,799	0.36%
UNDER ADEQUACY AID	135,379	135,379	0	0.00%
PARCC Readiness Aid	29,645	29,645	0	0.00%
Per Pupil Growth Aid	29,645	29,645	0	0.00%
Professional Learning Community Aid	0	29,100	29,100	100.00%
PreSchool Aid	171,074	171,074	0	0.00%
	22,926,213	23,119,586	193,373	0.84%

# State Aid

- It is worth noting that a calculation of full funding of the State's formula done for the 2015-16 budget would have generated more than \$4 million in additional state aid for Hamilton Twp.
- This calculation was not released for the 2016-17 budget

# 2016-2017 Revenue

GENERAL FUND – FUND 10				
Account	15-16 Budget	16-17 Budget	Change	
BUDGETED FUND BALANCE	771,403	1,397,131	625,728	
BUD WITHDRAWAL FROM MAINT RES	450,000	0	(450,000)	
LOCAL TAX LEVY	17,183,705	17,727,379	543,674	
TUITION FROM INDIVIDUALS	10,000	12,750	2,750	
INTEREST ON MAINTENANCE AND CAPITAL RESERVE	2,750	2,750	0	
MISCELLANEOUS	29,675	29,676	1	
EXTRAORDINARY AID	50,500	50,500	0	
STATE AID	22,755,139	22,948,512	193,373	
SPEC ED MEDICAID INITIATIVE	64,264	60,602	(3,662)	
SUBTOTAL - GENERAL FUND	41,317,436	42,229,300	911,864	
SPECIAL REVENUE- FUND 20				
TRANSFER FROM GEN FUND - PREK	101,311	0	(101,311)	
SUBTOTAL - LOCAL SOURCES	101,311	0	(101,311)	
PRESCHOOL EDUCATION AID	171,074	171,074	0	
NON-PUBLIC SOURCES	125,034	125,034	0	
SUBTOTAL - STATE SOURCES	296,108	296,108	0	

# 2016-2017 Revenue

SPECIAL REVENUE (CONT.)				
TITLE I		552,453	469,585	(82,868)
TITLE II		70,736	60,126	(10,610)
TITLE III		16,492	14,018	(2,474)
IDEA		814,240	692,104	(122,136)
PRESCHOOL EXPANSION		1,287,383	1,287,383	0
SUBTOTAL - FEDERAL SOURCES		2,741,304	2,523,216	(218,088)
SPECIAL REVENUE TOTAL		3,037,412	2,819,324	(218,088)
DEBT SERVICE – FUND 40				
LOCAL TAX LEVY		2,932,768	2,816,081	(116,687)
BUDGETED FUND BALANCE		159	0	(159)
TRANSFERS FROM OTHER FUNDS		188,807	188,807	0
DEBT SERVICE AID - TYPE II		831,737	305,944	(525,793)
SUBTOTAL - DEBT SERVICE		3,953,471	3,310,832	(642,639)
GRAND TOTAL		48,409,630	48,359,456	(50,174)

# 2016-2017 Revenue

Hamilton Township is utilizing \$1,397,131 in surplus funds in the 2016-17 budget (as is required from the 2014-15 audit.) It is highly unlikely that the district will be able to generate anywhere close to this amount in the 2015-16 budget year. This will make the 2017-18 budget preparation very difficult due to the decreased revenue.



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# Budget Appropriations

- Department and school budgets were submitted including only necessary items
  - As is typical, after all budgets were combined and compared to revenues, the district faced a shortfall
  - Budgets were reviewed by the Interim Business Administrator and Interim Superintendent, and various reductions were made
  - Even after these reductions, significant work remained
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# Budget Appropriations

- All budget areas and all personnel were then discussed by district administrators to determine possible budget reductions
  - The goal was to reduce costs, more specifically positions, due to the magnitude of the cuts necessary, that had the least impact on both education in the district as well as the impact on staff
  - Reductions and reallocations were then done to reduce the amount over revenues
  - Part of the budget deficit was offset by utilizing \$200,000 in banked tax levy cap
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# Budget Appropriations – Major Budget Changes

- Recoding of personnel in certain budget accounts (mainly special education staff)
- Major increases in transportation and health benefits
- Significant decreases in out of district tuition, legal services

# Budget Reductions/Changes – Positions

Davies		One Resource Center teaching position	
Davies		1 Regular Ed Paraprofessional position	
TBD		4 Special Education Paraprofessional positions	
Hess		One Grade 1 - 5 elementary teacher	
Davies		One Grade 6-8 teacher	
Hess		One Resource Center position eliminated, replaced by a new position for an additional Autism class	

# Budget Appropriations- Major Categories

		2014-15 Audit	2015-16 Current	2016-17 Proposed	INC/DEC
10-000-100-XXX	Charter School Tuition	\$ 23,420	\$ 31,853	\$ 30,384	\$ (1,469)
11-000-100-XXX	Out of District Tuition	\$ 810,923	\$ 886,721	\$ 800,722	\$ (85,999)
11-000-211-XXX	Attendance Office	\$ 137,303	\$ 140,079	\$ 141,090	\$ 1,011
11-000-213-XXX	HEALTH SERVICES	\$ 365,205	\$ 378,038	\$ 384,020	\$ 5,982
11-000-216-XXX	RELATED SERVICES	\$ 652,655	\$ 629,187	\$ 588,131	\$ (41,056)
11-000-217-XXX	EXTRAORDINARY SERVICES	\$ 845,356	\$ 1,136,831	\$ 502,461	\$ (634,370)
11-000-218-XXX	SUPPORT SERVICES-REGULAR	\$ 461,134	\$ 466,214	\$ 441,656	\$ (24,558)
11-000-219-XXX	SUPPORT SERVICES-SPECIAL	\$ 960,836	\$ 963,221	\$ 963,386	\$ 165
11-000-221-XXX	IMPROVEMENT OF INSTRUCTION	\$ 333,521	\$ 312,064	\$ 348,013	\$ 35,949
11-000-222-XXX	MEDIA/LIBRARY	\$ 446,904	\$ 456,408	\$ 465,276	\$ 8,868
11-000-223-XXX	INSTRUCTIONAL STAFF TRAINING	\$ 51,865	\$ 58,854	\$ 82,804	\$ 23,950

# Budget Appropriations- Major Categories

		2014-15 Audit	2015-16 Current	2016-17 Proposed	INC/DEC
11-000-230-XXX	GENERAL ADMINISTRATION	\$ 767,482	\$ 897,043	\$ 812,198	\$ (84,845)
11-000-240-XXX	SCHOOL ADMINISTRATION	\$ 1,439,605	\$ 1,473,219	\$ 1,536,253	\$ 63,034
11-000-251-XXX	BUSINESS ACTIVITIES	\$ 331,687	\$ 350,935	\$ 364,257	\$ 13,322
11-000-252-XXX	TECHNOLOGY	\$ 324,642	\$ 318,433	\$ 304,323	\$ (14,110)
11-000-261-XXX	REQUIRED MAINTENANCE	\$ 563,848	\$ 619,356	\$ 633,491	\$ 14,135
11-000-262-XXX	OTHER CUSTODIAL/MAINT	\$ 2,803,349	\$ 2,826,446	\$ 2,871,300	\$ 44,854
11-000-263-XXX	CARE/UPKEEP OF GROUNDS	\$ 92,477	\$ 96,548	\$ 83,097	\$ (3,451)
11-000-266-XXX	SECURITY	\$ -	\$ -	\$ 10,000	\$ 10,000
11-000-270-XXX	TRANSPORTATION	\$ 2,900,401	\$ 2,743,058	\$ 2,985,610	\$ 242,552
11-000-291-XXX	EMPLOYEE BENEFITS	\$ 8,078,270	\$ 8,340,196	\$ 9,094,570	\$ 754,374

# Budget Appropriations- Major Categories

11-105-100-XXX	TEACHER SALARIES-PRESCHOOL	\$ 103,796	\$ 102,161	\$ 2,540	\$ (99,621)
11-110-100-1XX	TEACHER SALARIES-KINDERGARTEN	\$ 770,906	\$ 807,846	\$ 786,690	\$ (21,156)
11-120-100-1XX	TEACHER SALARIES-GRADES 1-5	\$ 5,890,889	\$ 5,664,132	\$ 5,803,941	\$ 139,809
11-130-100-1XX	TEACHER SALARIES-GRADES 6-8	\$ 3,745,509	\$ 3,970,930	\$ 3,957,021	\$ (13,909)
11-150-100-XXX	HOMEBOUND INSTRUCTION-REGULAR	\$ 24,635	\$ 10,000	\$ 20,000	\$ 10,000
11-190-100-XXX	UNDISTRIBUTED INSTRUCTION-REG.	\$ 1,221,269	\$ 1,453,284	\$ 1,279,110	\$ (174,174)
11-212-100-XXX	MULTIPLY DISABLED	\$ 1,033,374	\$ 1,036,102	\$ 1,359,516	\$ 323,414
11-213-100-XXX	RESOURCE ROOM	\$ 2,757,844	\$ 2,823,621	\$ 3,045,273	\$ 221,652
11-214-100-XXX	AUTISM	\$ 133,003	\$ 130,393	\$ 267,891	\$ 137,498
11-215-100-XXX	PRESCHOOL DISABLED	\$ 283,322	\$ 299,183	\$ 381,144	\$ 81,961
11-219-100-XXX	HOMEBOUND INSTRUCTION-SPECIAL	\$ 20,844	\$ 21,900	\$ 12,000	\$ (9,900)
11-230-100-XXX	BASIC SKILLS	\$ 1,114,725	\$ 1,066,440	\$ 983,264	\$ (83,176)
11-240-100-XXX	BILINGUAL INSTRUCTION	\$ 467,529	\$ 435,479	\$ 442,281	\$ 6,802

# Budget Appropriations- Major Categories

11-401-100-XXX	COCURRICULAR ACTIVITIES	\$ 85,921	\$ 69,067	\$ 67,521	\$ (1,546)
11-402-100-XXX	ATHLETICS	\$ 64,911	\$ 65,084	\$ 65,014	\$ (70)
11-424-100-XXX	OTHER INSTRUCTIONAL PROGRAMS	\$ -	\$ 8,136	\$ 7,700	\$ (436)
12-XXX-XXX-XXX	CAPITAL OUTLAY	\$ 1,126,771	\$ 324,337	\$ 302,602	\$ (21,735)
				\$ 42,226,550	
	Interest for Maintenance and Capital Reserves			\$ 2,750	
				\$ 42,229,300	



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# Tax Levy Cap

The State allows school districts to increase the tax levy through 3 functions:

- Board approval to increase the levy up to 2%;
  - Statutory Adjustments (health benefits and enrollment among others) and
  - Utilizing banked cap
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# Banked Tax Levy Cap

- Banked Cap can be used without voter approval
  - Any percentage of banked cap can be used by the Board
  - The utilization of banked cap is a PERMANENT increase to the tax levy
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# Banked Tax Levy Cap

Banked cap is created when districts do not budget the allowable 2% tax levy increase in previous budgets:

Hamilton Township has banked cap available from the following budgets

<b>2013-14</b>	<b>\$562,022</b>
<b>2014-15</b>	<b>\$332,422</b>
<b>2015-16</b>	<b>\$0</b>



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# Banked Tax Levy Cap

- **Banked Cap is valid for three years and any banked cap not used “disappears” and is no longer available after the third year.**
- **The balance of the \$562,022 from 2013-14 not used for the 2016-17 budget (\$362,022) will not be available in the 2017-18 budget.**



# Tax Levy at 2% Increase

	Original Budget		Increase/(Decrease)	
	2015-2016	2016-2017	2016-2017	
General Fund Tax Levy	\$ 17,183,705	\$ 17,527,379	\$ 343,674	2.00%
Debt Service Fund Tax Levy	2,932,768	2,816,081	(116,687)	(3.98%)
Total Tax Levy	20,116,473	20,343,460	226,987	1.13%
Ratables	\$ 2,091,888,767	\$ 2,096,725,699	\$ 4,836,932	0.23%
School Tax Rate	\$ 0.962	\$ 0.970	\$ 0.008	0.83%
Tax Increase on Property				
Assessed @ \$100,000			\$ 8.00	
Assessed @ \$160,701			\$ 12.86	
Assessed @ \$250,000			\$ 20.00	
Amount Raised by .01¢	\$ 209,188.88	\$ 209,672.57		

# Tax Levy Using \$200,000 Banked Cap

	Original Budget		Increase/(Decrease)	
	2015-2016	2016-2017	2016-2017	

General Fund Tax Levy	\$ 17,183,705	\$ 17,727,379	\$ 543,674	3.16%
Debt Service Fund Tax Levy	2,932,768	2,816,081	(116,687)	(3.98%)
Total Tax Levy	20,116,473	20,543,460	426,987	2.12%
Ratables	\$ 2,091,888,767	\$ 2,096,725,699	\$ 4,836,932	0.23%
School Tax Rate	\$ 0.962	\$ 0.980	\$ 0.018	1.87%
Tax Increase on Property				
Assessed @ \$100,000			\$ 18.00	
Assessed @ \$160,701			\$ 28.93	
Assessed @ \$250,000			\$ 45.00	
Amount Raised by .01¢	\$ 209,188.88	\$ 209,672.57		

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# Tax Levy & Rate - History

Year	Levy	Increase	% Increase	Tax Rate	Increase	% Increase
2009-2010	19,121,023	\$ 420,970	2.25%	1.450	0.000	0.00%
2010-2011	19,390,321	269,298	1.41%	1.475	0.025	1.72% (A)
2011-2012	19,608,987	218,666	1.13%	0.817	**	** (B)
2012-2013	19,290,197	(318,790)	-1.63%	0.808	(0.009)	-1.10%
2013-2014	19,676,001	385,804	2.00%	0.833	0.025	3.09%
2014-2015	19,625,352	(50,649)	-0.25%	0.863	0.030	3.60%
2015-2016	20,116,473	491,121	2.50%	0.962	0.099	11.47%
2016-2017	20,543,460	426,987	2.12%	0.980	0.018	1.87%

(A) The district raised taxes 2.5¢ while also cutting \$2.1 million from the budget.

(B) A revaluation was completed in the Township. The tax rate did not change.

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# District Ratios & Indicators

## Indicator 1: Budgetary Per Pupil Cost

Source: 2015 NJ Taxpayers' Guide to Education Spending

				Ranked
	Hamilton Twp	Rank	Total Group	Lower Than
2012-2013	\$ 11,327	13	82	84.2%
2013-2014	\$ 11,893	15	82	81.7%
2014-2015	\$ 11,893	11	82	86.6%

Comparison of costs related to servicing students in the district. The costs are considered comparable across districts.

The district spent less per pupil than 86.6% of similar districts.

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# District Ratios & Indicators

## Indicator 8: Total Administration (per pupil)

Source: 2015 NJ Taxpayers' Guide to Education Spending

	Hamilton Twp	Rank	Total Group	Ranked Higher Than
2012-2013	\$ 1,177	8	82	90.3%
2013-2014	\$ 1,184	9	82	89.1%
2014-2015	\$ 1,146	3	82	96.4%

Includes all expenditures associated with general admin, school admin, business functions, support services, and central services.

The district spent less on total administration in 2014-15 than 96.4% of similar districts.

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**QUESTIONS????**

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