



**Hopewell Valley Regional School District  
2018-19 Budget**

# The Budget Process


**Fall:** District begins discussion of priorities, evaluates existing programs, and sets parameters/goals to guide budget development.




**Mid-Winter:** The district adopts its budget calendar and reviews its guidelines for budget development, including anticipated costs of new district initiatives and anticipated savings from eliminating programs and/ or retirements. This discussion will include estimates of salary/benefit increases and adjustments. This is when the preliminary budget document is created.



**Early Spring:** Governor submits proposed state budget including projects for state and district funding. Health benefits renewals are available. District staff uses this information to evaluate and revised the preliminary budget.



**Late Spring:** Final review and public hearings precede the adoption of the district budget.



**Mid-Summer:** The State budget is adopted and signed into law and funds become available to districts for the upcoming year.

# What do we value?

## For Students and Staff

- Providing academic opportunities for all students
- Providing extra and co-curricular opportunities for all students
- Developing the whole child with socio-emotional supports
- Supporting and developing staff for excellence

## For the District

- Long-term planning for academics
- Long-term planning for staff
- Long-term planning to address aging facilities
- Better, more consistent messaging to all


# Thoughts to Consider

- When building the 2018-19 budget, we also look at the impact on 2019-20 budget.
- The current budget expenditures were frozen to generate surplus to apply to the 2018-19 budget and reduce the tax impact.
- Enrollment has stabilized, so no staff reductions are anticipated for next year and minimal retirements (no breakage).
- Health benefits market remains volatile; increases are over 10%.
- Home values (ratables) in two towns have decreased.

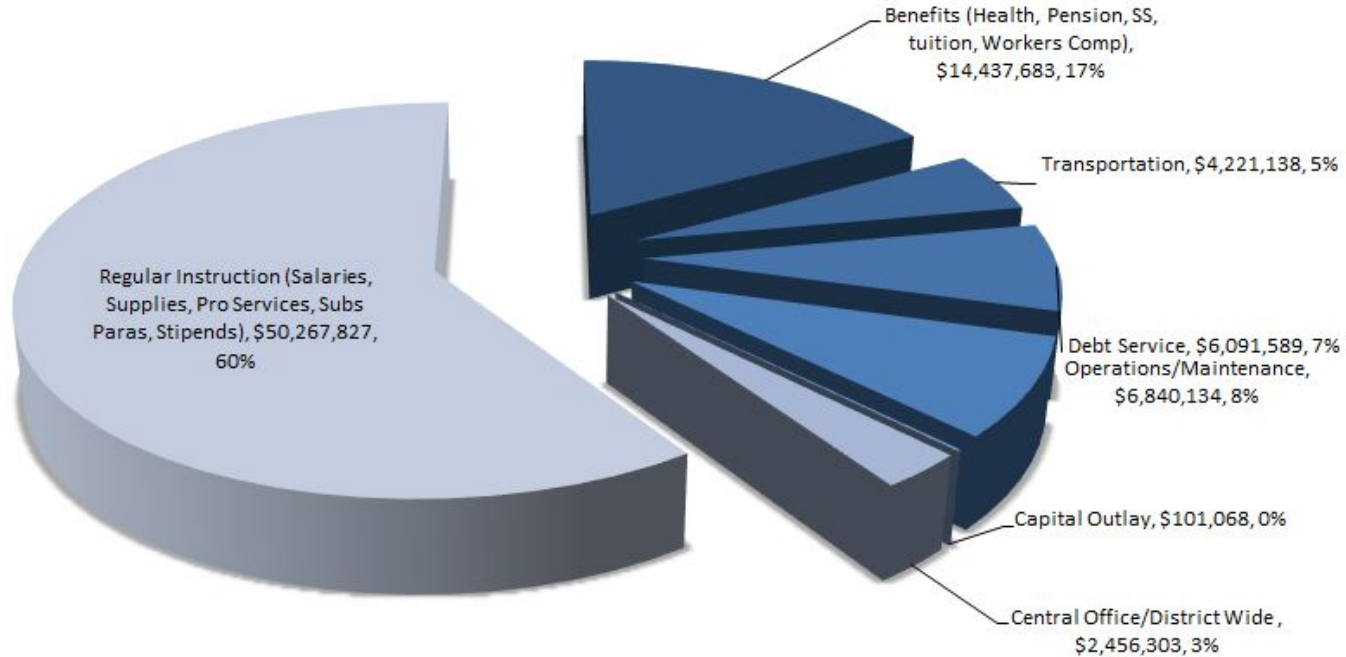
# Return On Your Investment

- A District-wide commitment to developing the whole child
- #18 School District in New Jersey - Niche Ranking (586 District)
- AP Honor Roll
- #33 SAT Scores Statewide
- Numerous awards for our athletic program (A+ Niche rating)
- Numerous awards for our arts and music program (Rated one of the best districts for music education)
- Dedication to practical skills development with Auto Shop, Wood Shop, Engineering Lab @ CHS
- Business Office recognized by Association of School Business Officials (ASBO) International — for meeting or exceeding ASBO's standards for financial reporting and accountability
- More opportunities for students to take advance level classes
- Over 100 extra/co-curricular/club/enrichment opportunities for students in grades 6-12
- Excellent class sizes PreK-12
- Addressing our facility needs with the passage of our referendum by an almost 2:1 margin

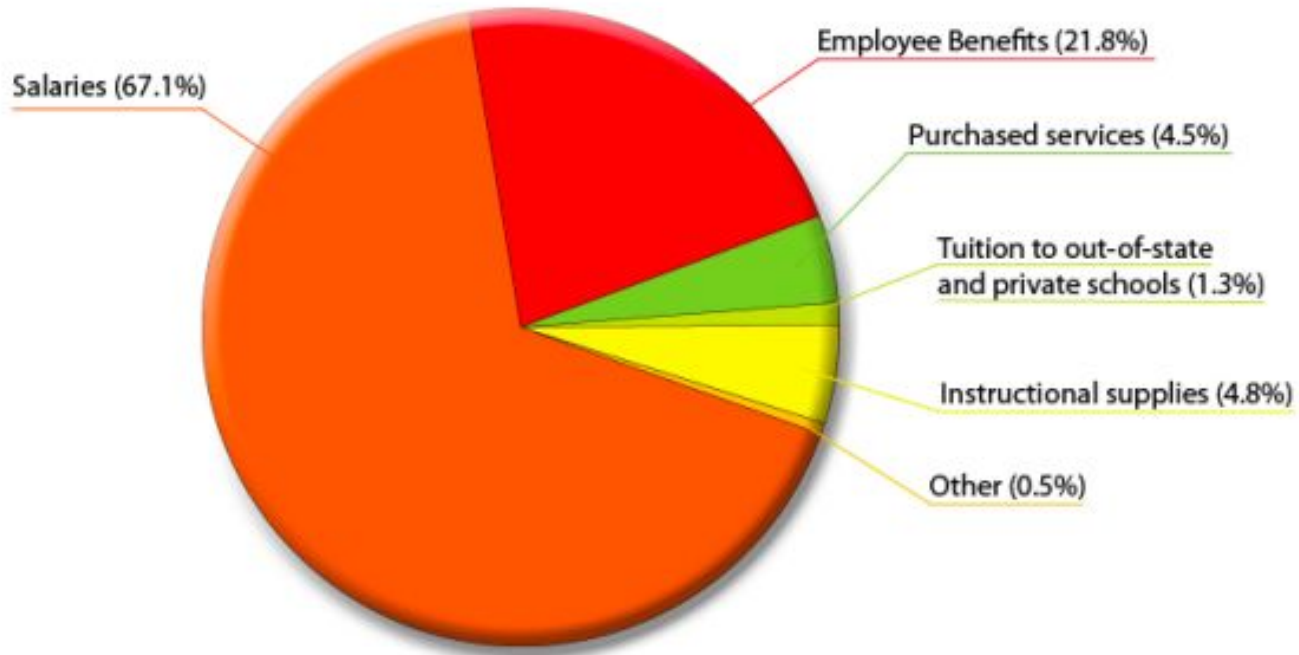
# What are the Biggest Budget Drivers?

- Fixed costs
    - Staffing
    - Benefits
-  **75% of the budget has increased over 2%**
- Special Education
  - Extra / Co-Curricular activities
  - Maintenance and Operations
  - Transportation

# 2018-19 Hopewell Budget Breakdown



# National Average Public School Budget Breakdown





# **Included In This Year's Budget:**

- **Salary increases for all existing staffing**
- **Health benefit increases**
- **All existing programs, services and supports**
- **Flat or decreased discretionary spending budget lines**
- **Additional .40 Chinese teacher**
- **Additional .40 Athletic Trainer**
- **Bussing for those students without safe walking travel to school (65 students)**
- **After-school (late bus) run from TMS and CHS @ 5:30**

# If we were to make additional reductions, where/what would be the impact?

Maximum reductions have been made over the past two years including the lowest budget increases in history. Further reductions *will* impact programming and facilities.

## **This includes the following possibilities:**

- Increased class sizes
  - Larger student-to-teacher ratio
- Reduction in special / elective offerings K-5: Art, Music, and/or World Language
- Elimination of Auto Shop and/or Woodshop programs
- Reductions in co-curricular activities / athletic programs - Eliminate froshman teams and 1 TMS
- Administration / support staff
  - Impacts our efforts toward academic consistency K-5  
and improvements K-12

# Potential Annual Expenditure Reductions

- District-Wide - \$500,000
  - Reduction in maintenance and custodial staff - Investigate privatizing evening staff\*
    - Electrician, HVAC, Grounds
  - Summer work reduction 20% \*
    - Guidance, CST, Nurses, Library, technology, curriculum writing
  - Reduce/eliminate trips requiring non-district buses
- K-5 \$250,000
  - Multiage grouping to balance class sizes and reduce sections
  - Redistricting
  - Reductions in Art, Music and/or world language staff
- TMS - \$250,000 - \$400,000
  - Elimination of teaming
  - Elimination of free after-school enrichments
- CHS - \$75,000 (last year \$131k)
  - Elimination of 50% daily substitute teachers at CHS\*

# Proposed Budget 2018-19

<b>Expenses</b>	<b>2017-18 Proposed Budget</b>	<b>2018-19 Proposed Budget</b>	<b>Percentage Difference</b>
<b>Total Operating Expenses</b>	\$77,389,229	\$80,456,715	4.0%
<b>Capital Outlay</b>	\$101,068	\$202,500	100.4%
<b>Total General Fund</b>	\$77,490,297	\$80,659,215	4.1%
<b>Grants and Entitlements</b>	\$833,856	\$825,326	-1.0%
<b>Debt Service</b>	\$6,091,589	\$6,115,000	0.4%
<b>Total Expenditure Budget</b>	<b>84,415,742</b>	<b>87,599,541</b>	<b>3.8%</b>
<b>General Fund Tax levy</b>	<b>\$70,710,312</b>	<b>\$71,947,742</b>	<b>1.75%</b>

# Proposed Budget 2018-19 (Selected Cost Centers)

<b>Expenses</b>	<b>2017-18 Approved Budget</b>	<b>2018-19 Proposed Budget</b>	<b>Percentage Difference</b>
<b>Regular Instruction</b>	\$36,736,760	\$38,033,759	3.5%
<b>Special Education</b>	\$13,531,067	\$14,291,755	5.6%
<b>Benefits</b>	\$14,437,683	\$15,307,747	6.0%
<b>Central Office/District Services</b>	\$2,456,303	\$2,546,296	3.7%
<b>Transportation</b>	\$4,221,138	\$4,471,697	5.9%
<b>Operations / Maintenance</b>	\$6,840,134	\$6,630,787	-3.1%
<b>Capital Outlay</b>	\$101,068	\$202,500	100.4%
<b>Debt Service</b>	\$6,091,589	\$6,115,000	0.4%
<b>Total</b>	84,415,742	\$87,599,541	3.8%

# A General Fund Tax Levy History

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>General Fund</b>	\$ 68,227,094	\$ 68,841,138	\$ 69,391,867	70,710,312	<b>71,947,742</b>
<b>% Increase</b>	3.4%	0.9%	0.8%	1.9%	<b>1.75%</b>
<b>Debt Service</b>	\$ 3,847,443	\$ 4,760,126	\$ 4,758,384	\$5,742,494	<b>\$5,438,888</b>
<b>% Increase</b>	-18.9%	23.7%	0.0%	20.68%	<b>-5.29%</b>
<b>Total Tax Levy</b>	\$ 72,074,537	\$ 73,601,264	\$ 74,150,251	\$76,452,806	<b>\$77,386,630</b>
<b>% Increase</b>	1.9%	2.1%	0.7%	3.11%	<b>1.22%</b>

# A Review of State Aid Around the County

<b>District</b>	<b>Enrollment</b>	<b>2018/19 State Aid</b>	<b>Aid per student</b>
<b>Hopewell Valley</b>	3,518	<b>\$3,239,777</b>	\$920
<b>Princeton</b>	3,754	<b>\$4,023,203</b>	\$1,072
<b>Lawrence</b>	3,831	<b>\$3,948,118</b>	\$1,030
<b>Ewing</b>	3,542	<b>\$10,535,747</b>	\$2,975

- Direct State Aid to school districts is supposed to be allocated according to S.F.R.A. (School Funding Reform Act of 2008)
- S.F.R.A. bases aid on student demographics and student enrollment

S.F.R.A. has not been applied since 2009/2010

# Debt Service Payment Plan

2018-19 - \$6,115,000.00

2019-20 - \$6,147,112.50

2020-21 - \$5,701,962.50

2021-22 - \$5,764,962.50

2022-23 - \$4,199,462.50

2023-24 - \$4,182,287.50

2024-25 - \$4,167,512.50

2025-26 - \$4,149,975.00

2026-27- \$4,134,675.00

2027-28 - \$4,108,125.00

2028-29 - \$4,083,425.00

2029-30 - \$4,055,400.00

2030-31 - \$4,011,000.00

2031-32 - \$3,967,600.00



# Tax Rate Summary

<b>Municipality</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Hopewell Borough</b>	.07	.04	.13	.01	.00	.03
<b>Hopewell Township</b>	.04	.03	.04	.03	.03	.04
<b>Pennington Borough</b>	.03	.08	.06	.00	.00	(.02)




## Calculating Your School Taxes

**Assessed Value ÷ 100 x School Tax**

**Information in this slide is based on the Municipal Tax Assessors Report**




# The Ratables\*

\*The overall value of all taxable properties in the town (determined by the Mercer County Tax Assessor)

Municipality	2017-18	2018-19	Difference
<b>Hopewell Borough</b>	\$318,271,655	\$317,835,055	(\$436,600) 
<b>Hopewell Township</b>	\$3,971,029,988	\$3,966,384,055	(\$4,645,933) 
<b>Pennington Borough</b>	\$496,694,101	\$496,927,100	\$232,999 

# The Percentage Share\*

\*How the school tax is distributed between the towns we serve (determined by the Mercer County Tax Assessor)

Municipality	2016-17 Budget Share	2016-17 Enrollment	2017-18 Budget Share	2017-18 Enrollment	2018-19 Budget Share	2018-19 Enrollment
<b>Hopewell Borough</b>	6.5843100	8.98%	6.3816625	8.89%	6.5514121 	8.55%
<b>Hopewell Township</b>	82.9758876	78.78%	83.5872414	78.87%	83.7082886 	79.48%
<b>Pennington Borough</b>	10.4398024	12.24%	10.0310961	12.24%	9.7402993 	11.97%