May 7, 2019

Hoboken Public Schools

District Public Budget Hearing

2019-2020

Adoption of the Budget

- The preliminary district budget was submitted to and approved by the New Jersey Department of Education – Hudson County Office.
- The Hudson County Office approval allows the district to advertise and present budget information at today's budget hearing.
- The Hoboken Board of Education will take action on adopting the 2019-2020 district budget at our May 14, 2019 regular meeting.

Macro Level: Budget Strategy

- Budgets need to be viewed as a series of priorities related to where and how we spend our finite resources
- The District is primarily concerned with continuing to increase quality of education and equitable opportunities
- Increased focus has been placed on creating hyper-accurate budgeting in light of certain "knowns" each year
- The district must project and forecast reasonable estimates of "unknowns" each year
- There are a number of challenges that directly effect the budget & facilities

Macro Level: 5 Major Challenges

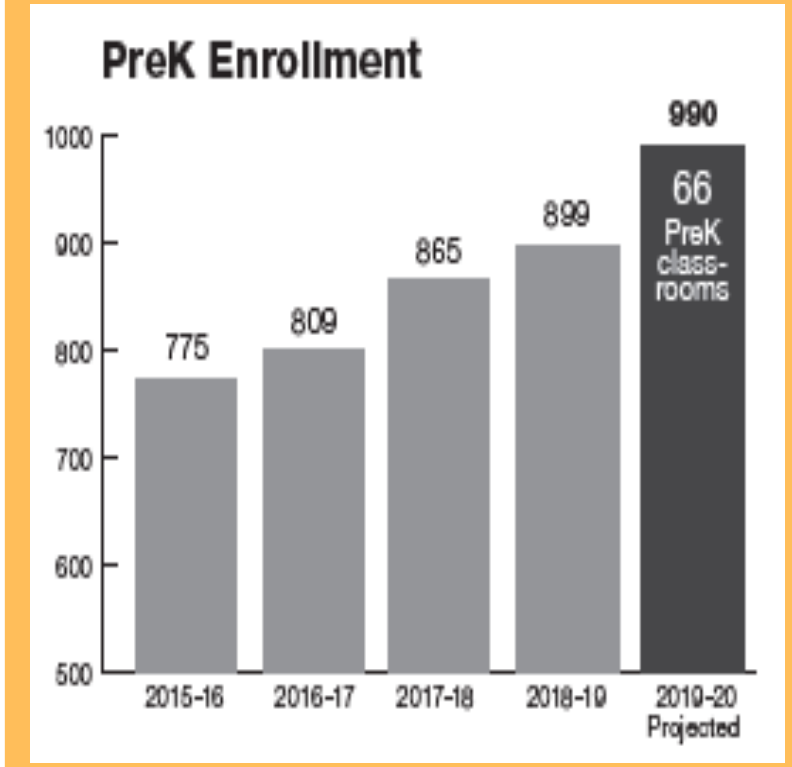
- Increasing Enrollment
- Preschool Expansion
- Facilities Usage
- Rising Non-discretionary Items
  - ✓Health Benefits
  - ✓Salaries
  - ✓Charter School Tuition
  - ✓Special Education
- Decreasing State Aid

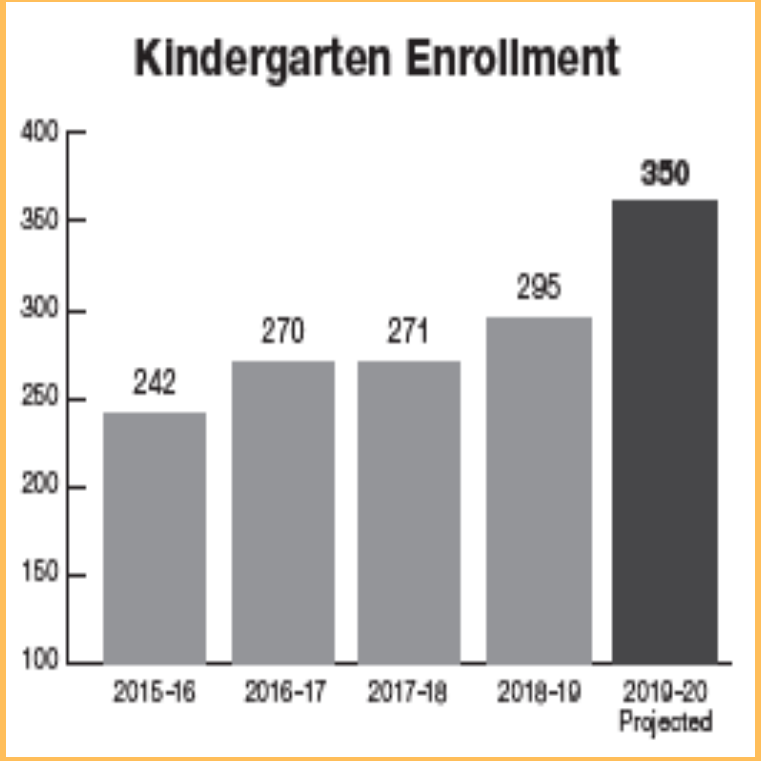
What Do We Know?

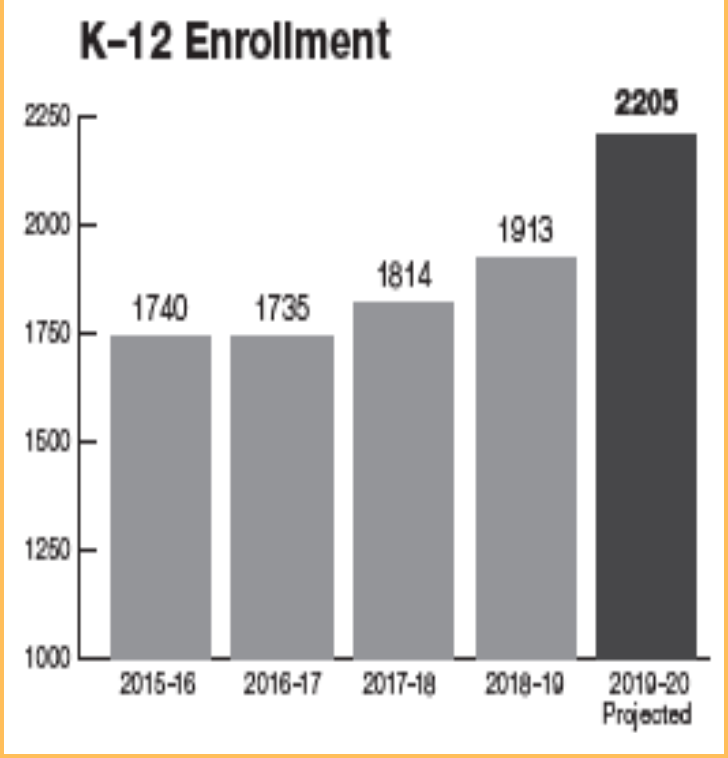
1. WE KNOW THAT OUR TOTAL BUDGET FOR 2019 - 2020 IS $78,518,071
2. WE KNOW THAT $14,508,824 IS TO BE UTILIZED FOR OUR MANDATED ABBOTT PRESCHOOL PROGRAM
3. WE KNOW THAT $53,623,763 IS TO BE UTILIZED FOR OUR KINDERGARTEN THROUGH GRADE 12 PROGRAM and $10,385,484 IS TO BE UTILIZED FOR THE CHARTER SCHOOLS
4. WE KNOW THAT OUR 2019 – 2020 MAXIMUM ALLOWABLE TAX LEVY INCREASE IS $2,477,641 FOR OUR K-12 PROGRAM
5. WE KNOW THAT OUR NON-DISCRETIONARY COST INCREASES TOTAL $3,175,605
6. **WE KNOW THAT WE NEED TO CUT A MINIUM OF $697,964 TO BALANCE THE BUDGET FOR OUR KINDERGARTEN THROUGH GRADE 12 PROGRAM**

Macro Level: Challenge #1

- The district is continuously monitoring enrollment growth







Macro Level: Challenge #2

- **The district is continuously tracking preschool enrollment growth & retention, and looking for alternative space for classrooms**

- **History of Preschool Classrooms**
  - 2012 = 44 Classrooms
  - 2013 = 47 Classrooms
  - 2014 = 48 Classrooms
  - 2015 = 51 Classrooms
  - 2016 = 52 Classrooms
  - 2017 = 57 Classrooms
  - 2018 = 59 Classrooms
  - 2019 = 66 Classrooms

Macro Level: Challenge #3

- The district is continuously assessing and reassessing our school buildings, potential rental space, and our long range facilities plan

Challenges 1-3: Relocate Grade 6 to Hoboken Middle School & PK Classrooms from Brandt into Wallace & Connors

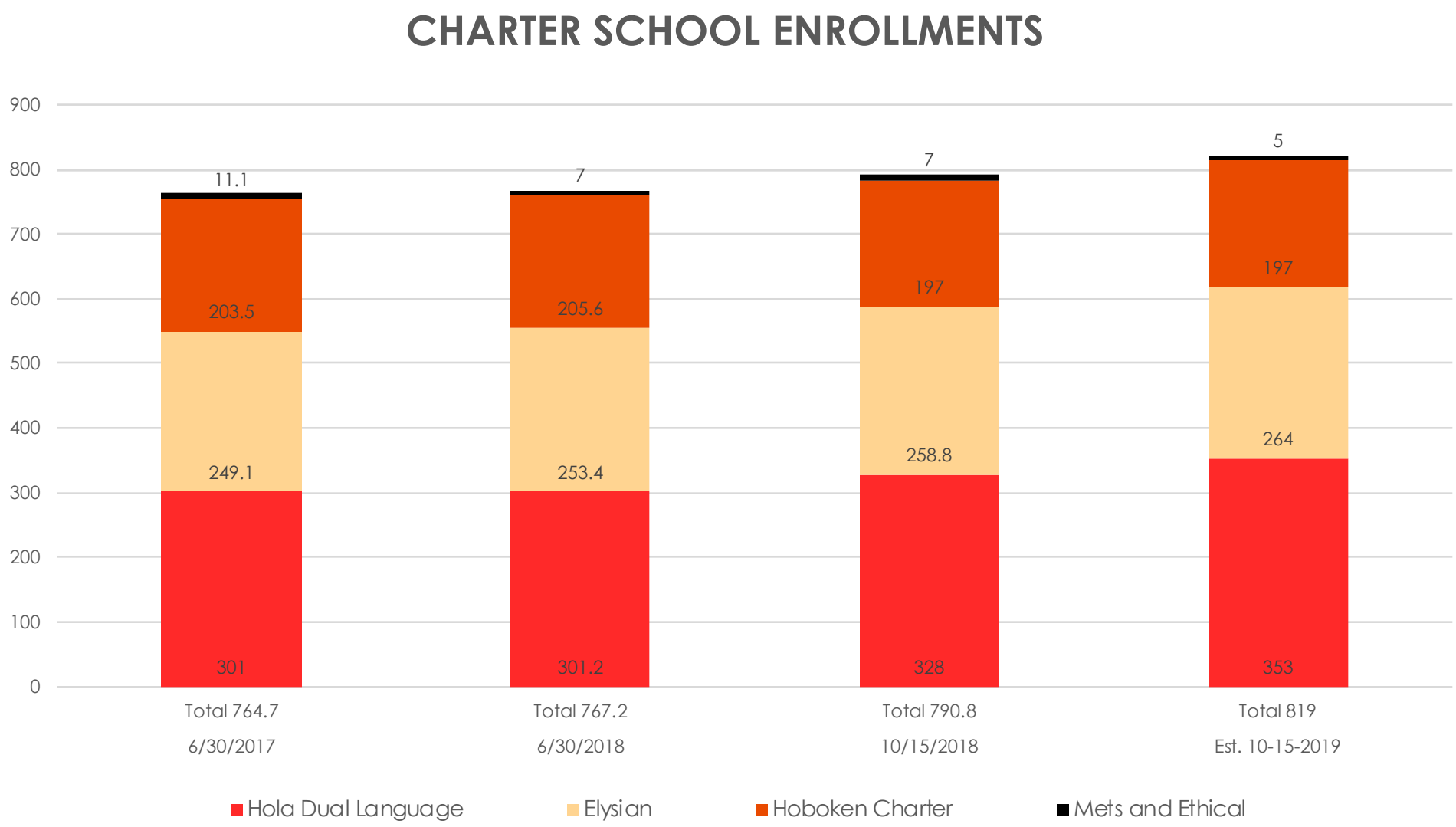
- Move 6th Grade classrooms to Hoboken Middle School.
- Connors School will pick up 2 additional PK classrooms & up to 2 additional K classrooms. Rooms will be repurposed.
- Wallace will pick up 5 additional PK classrooms & up to 2 additional K classrooms. Rooms will be repurposed.
- Demarest will pick up 1 additional PK classroom. A Mile Square Office will be repurposed.
- This gives Brandt 8 additional classrooms to grow up to either 4th or 5th Grade and to add 2 additional K's.
- Essential Question: Where will the 7 new PK classes go to & 3 PSD classes?

Macro Level: Challenge #4

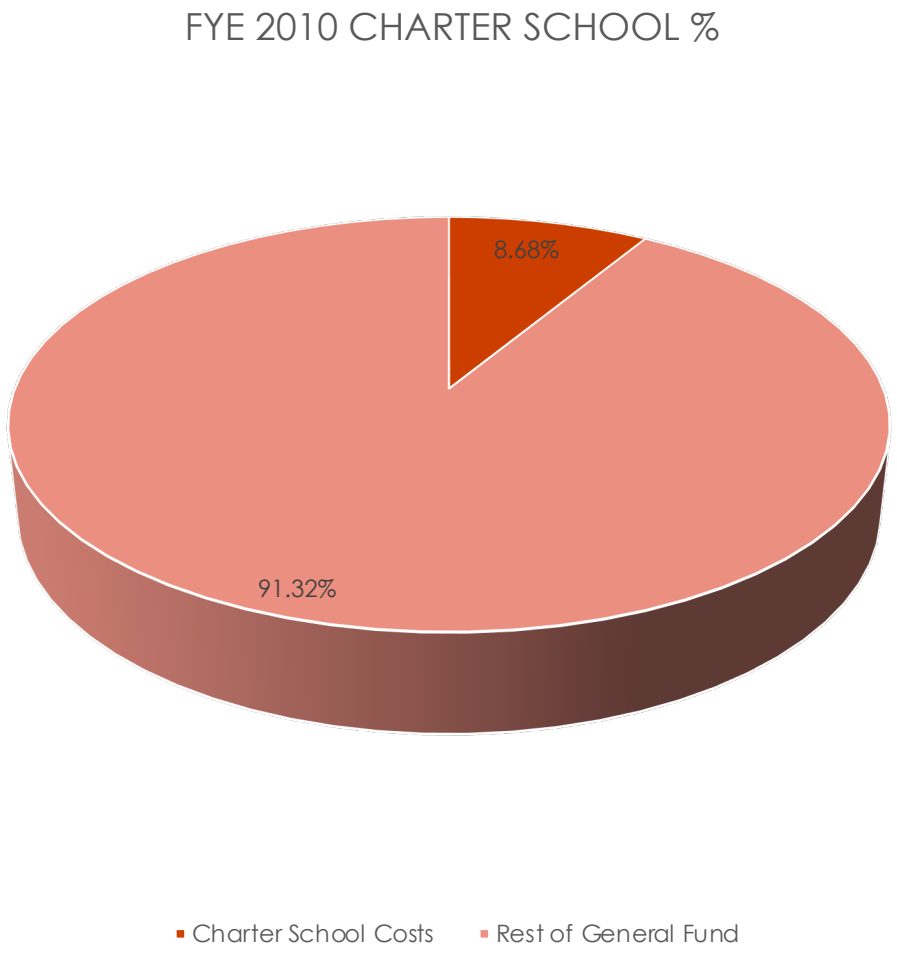
- The district is continuously projecting rises in non-discretionary budget items such as health benefits & salaries, charter school tuition, and special education costs to name a few of the largest drivers

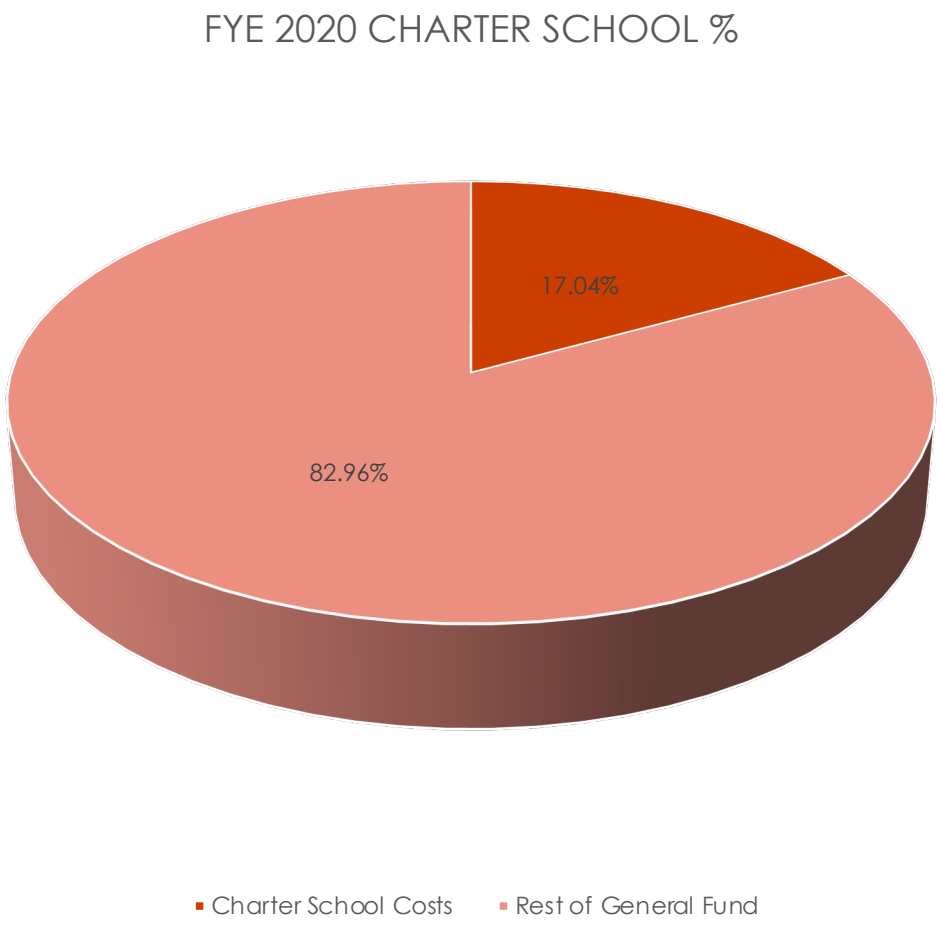
Health Benefits & Salary Increases

Charter School Enrollment



10 Yr. Charter School Comparison





Charter Schools Appropriations

- Charter School payments have increased 9.55% a year over the last ten years, while the rest of the general fund spending (local tax levy and aid) has only increased 1.4% a year.

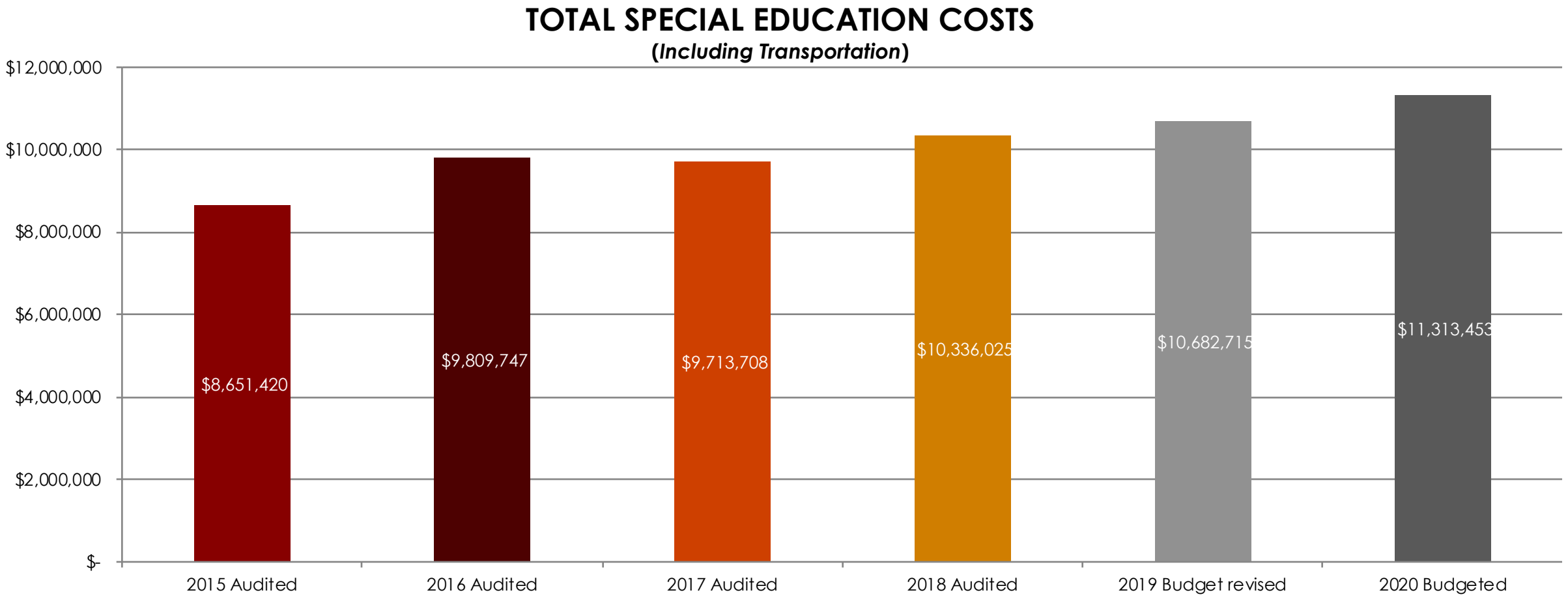
- Looking at the year over year story, the base tuition amount paid to charter schools rose 6% from 17-18 to 18-19. The total appropriation amount is based on weights for at risk and special ed. population and actual enrollments. This rose 6.8% over the last two years.

	6/30/2010	6/30/2017	6/30/2018	FYE 18-19 Orig. Budget 10/15/2018	FYE 18-19 Budget 10/15/2018	FYE 19-20 Estimated 10/15/2019
HOB DUAL LANGUAGE	-	3,420,413	3,387,798	3,845,867	4,022,690	4,381,532
ELYSIAN	2,211,539	3,166,491	3,169,334	3,186,215	3,525,002	3,507,258
HOBOKEN CS	1,949,195	2,530,043	2,417,950	2,576,353	2,437,031	2,431,577
METS and ETHICAL	20,148	119,353	120,696	124,681	115,984	65,117
	4,180,882	9,236,300	9,095,778	9,733,116	10,100,707	10,385,484

Special Education Costs

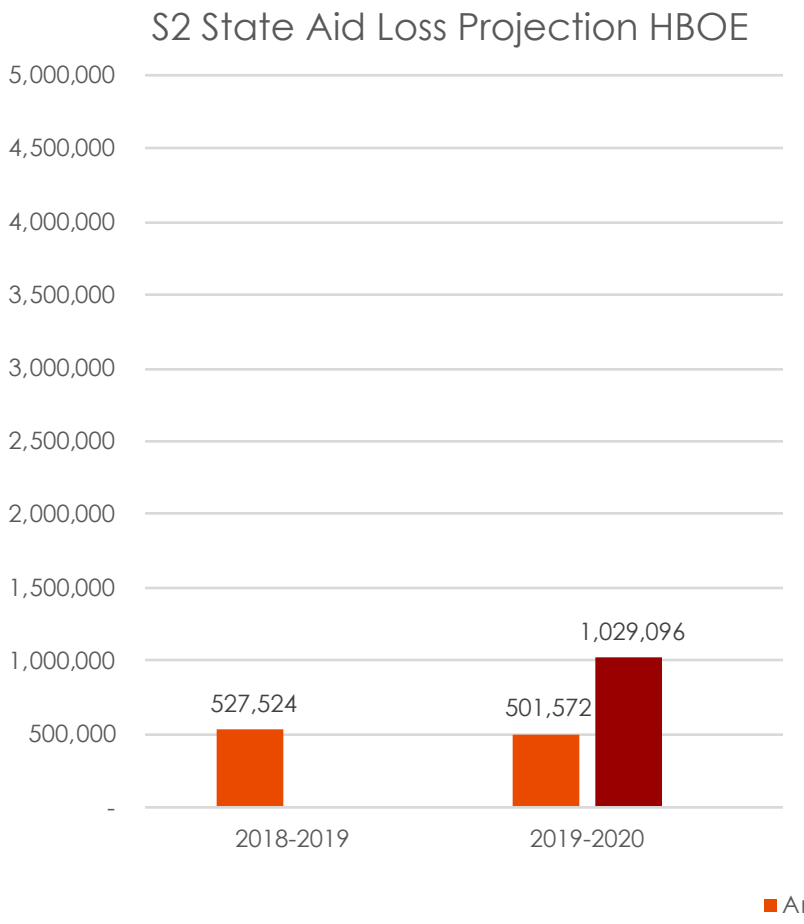
Costs have risen 5.48% a year over the last five years.

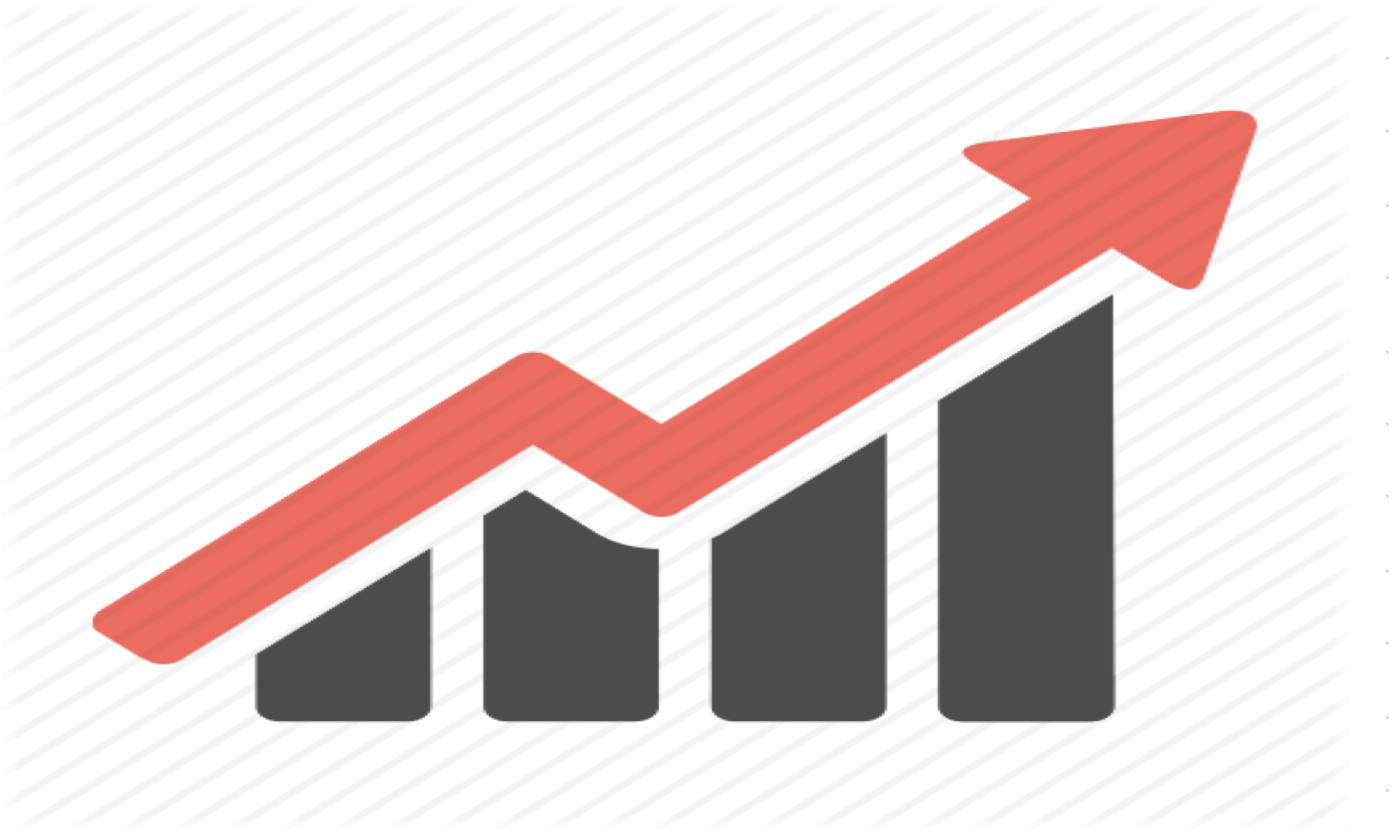
IEP's are matters of law and districts are required to follow them.



Macro Level: Challenge #5

- The district is working hard to maintain services in the face of potential **declining State Aid** over the next six budget years





Calabro School Information at a Glance

- Calabro School is currently operating with 125 students (26 are in 5th and 6th Grades)
- Removing this current school year's 5th & 6th Grade students that leaves 99 children in the school without addition K for September.
- There are 7 families in Calabro School that also have PK 4 siblings.
- Calabro School's special education population is 2%. There is a dedicated special education teacher to this 2% population.
- Calabro School has a full time principal, full time clerk, full time nurse, and full time PE teacher.
- Calabro School shares music, art, world languages, and RTI/GT teachers, as well as a guidance counselor.
- Calabro School has security and custodial personnel.
- Calabro runs a cafeteria program.
- Calabro runs a Passport to Learning After School Program.

N.J.A.C. 6A:23A-2.3 outlines the requirement by the executive County superintendent of schools to review administrative expenses and the sharing of administrative personnel if the administrative costs exceed 125% of the county average.

Administrative cost per pupil

- Calabro School = $2,671
- Connors School = $1,576
- Brandt School = $1,239
- Wallace School = $795

Calabro School

- Calabro has the highest per pupil administrative cost in county.
- Calabro is operating at 278.78% above the County Average.

*One full time special education teacher + paraprofessional service the needs of 3 children.

*Calabro class sizes are as follows 30 in 2 sections of K, 18 in Gr. 1, 18 in Gr. 2, 16 in Gr. 3, 17 in Gr. 4, 14 in Gr. 5 and 12 in Gr. 6

OPTIONS TO BALANCE THE BUDGET

OPTION #1	OPTION #2	OPTION #3
Operate the Salvatore R. Calabro School as a Grades 1 - 5 Elementary School, keeping all administrative and nursing services intact for the 2019-2020 school year but eliminating the **$697,964** deficit via alternative cuts in programming and staffing.	Operate the Salvatore R. Calabro School as a Grades 1 -5 Elementary School for just the 2019-2020 school year, sharing administrative and nursing services.	Re-purpose the Salvatore R. Calabro School as an Early Childhood Learning Center and reassign current Grades K-4 Calabro students to the Joseph F. Brandt School thereby absorbing the full deficit.
Considerations for Elimination ✓ Passport to Learning ✓ Summer Theatre Camp ✓ Summer Instrumental Program ✓ Summer LEAP Program ✓ Elementary World Language Program by Teachers ✓ Harvard Model Congress Travel Program ✓ Identified Technology Purchases ✓ Middle School Theatre Program ✓ Freshman and/or JV Athletics	**Qualitative** ✓ No Related Arts Spaces ✓ No Passport to Learning Program ✓ No Nurse or Principal on Site **Quantitative** ✓ 750+ lost instructional periods in related arts travel time ✓ Percentage of custodians and security would need to be charged to general fund ✓ Uncertainty of class sizes ✓ Special Education Costs Remain	**Administrative Recommendation** ✓ Eliminates Entire Deficit ✓ Maintain all Current Programs ✓ Reduce Staff Reductions ✓ Increase Staff & Program Efficiencies **Savings** ✓ Savings in salary costs = $487,000 ✓ Increased rent revenue = $137,000 ✓ Passport to Learning = $92,000 ✓ Total Savings = $716,000

2019-2020 Hoboken Public School District

Appropriations: 2019-20 Increases and major budget increases

$58,445,613		General Fund Appropriations 2018-2019 as budgeted
60,958,382		General Fund Appropriations 2019-2020 Proposed
2,512,769	4.30%	**General Fund Increase $ and %**
(450,418)		Loss in State Aid
(288,251)		Increase in budgeted fund balance
(652,638)		Increse in charter schools
(630,738)		Increase in total special education costs incl. transportation
(452,000)		Estimated benefit increases
(38,724)		Other increases
-		

Summary of General Fund Appropriations

	Actual 2017-18	Adopted 2018-19	Proposed 2019-20	Diff. $	Diff. %	% of Total Budget
TOTAL REGULAR PROGRAMS - INSTRUCTION	14,718,615	15,545,296	15,179,442	(365,854)	-2.35%	24.90%
TOTAL SPECIAL EDUCATION AND BILINGUAL - INSTRUCTION	3,324,170	3,400,694	3,190,260	(210,434)	-6.19%	5.23%
TOTAL SCHOOL SPONSORED CO-CURRICULAR/ATHLETICS	1,316,123	1,380,247	1,268,112	(112,135)	-8.12%	2.08%
TOTAL SUMMER SCHOOL	234,367	269,457	269,212	(245)	-0.09%	0.44%
TOTAL UNDIST. EXPEND (SPECIAL ED TUITION)	2,156,460	2,596,179	2,924,139	327,960	12.63%	4.80%
TOTAL UNDIST. EXPEND ATTENDANCE AND SOCIAL WORK	455,906	580,656	540,208	(40,448)	-6.97%	0.89%
TOTAL UNDIST. EXPEND HEALTH SERVICES	452,982	503,670	455,052	(48,618)	-9.65%	0.75%
TOTAL UNDIST. EXPEND SPEECH, OT, PT AND RELATED SVCS	972,102	795,706	884,569	88,863	11.17%	1.45%
TOTAL UNDIST. EXPEND OTH SUPP SERV STD-EXTRA SERV	1,185,202	1,272,770	1,256,151	(16,619)	-1.31%	2.06%
TOTAL UNDIST. EXPEND GUIDANCE	630,420	673,618	677,268	3,650	0.54%	1.11%
TOTAL UNDIST. EXPEND CHILD STUDY TEAMS	1,288,285	1,471,363	1,576,071	104,708	7.12%	2.59%
TOTAL UNDIST. EXPEND IMPROVEMENT OF INSTRUCTION	437,656	548,642	596,366	47,724	8.70%	0.98%
TOTAL UNDIST. EXPEND EDUCATIONAL MEDIA AND LIBRARY	613,890	650,891	569,586	(81,305)	-12.49%	0.93%
TOTAL UNDIST. EXPEND GENERAL ADMINISTRATION	823,377	1,014,915	1,042,604	27,689	2.73%	1.71%
TOTAL UNDIST. EXPEND SCHOOL ADMINSTRATION	1,595,063	1,629,149	1,557,708	(71,441)	-4.39%	2.56%
TOTAL UNDIST. EXPEND CENTRAL SERVICES	733,847	762,791	710,227	(52,564)	-6.89%	1.17%
TOTAL UNDIST. EXPEND ADMIN. INFO TECHNOLOGY	107,892	108,535	142,212	33,677	31.03%	0.23%
TOTAL UNDIST. EXPEND OPER. AND MAINT. OF PLANT SERV.	5,166,076	4,870,641	4,987,330	116,689	2.40%	8.18%
TOTAL UNDIST. EXPEND STUDENT TRANSPORTATION SERV.	1,780,627	1,547,024	1,848,268	301,244	19.47%	3.03%
TOTAL PERSONAL SERVICES EMPLOYEE BENEFITS	8,181,667	8,609,342	10,146,015	1,536,673	17.85%	16.64%
TOTAL UNDISTRIBUTED EXPENDITURES ENTERPRISE FUNDS	548,770	50,000	250,000	200,000	400.00%	0.41%
INTEREST ON RESERVES	2,700	3,900	2,000	(1,900)	-48.72%	0.00%
TOTAL CAPITAL OUTLAY	2,111,230	713,785	1,023,900	310,115	43.45%	1.68%
TRANSFER OF FUNDS TO CHARTER SCHOOLS	9,095,778	9,970,144	10,385,484	415,340	4.17%	17.04%
CONTRIBUTION FROM SPEC REV FUND SBB	(540,024)	(523,802)	(523,802)	-	0.00%	-0.86%
	57,393,181	58,445,613	60,958,382	2,512,769	4.30%	100.00%

ADVERTISED APPROPRIATIONS

Budget Category	2017-18 Actual	2018-19 Revised	2019-20 Proposed	% Change
GENERAL CURRENT EXPENSE				
INSTRUCTION				
Regular Programs - Instruction	$ 1,754,667	$ 960,053	$ 825,053	-14%
Special Education - Instruction	87,300	38,113	21,000	-45%
School-Spon. Co/Extra Curr. Actvts. - Inst	93,680	134,809	122,739	-9%
Summer School	177,614	208,526	212,227	2%
SUPPORT SERVICES				
Undistributed Expenditures - Instruction (Tuition)	$ 2,156,460	$ 2,596,179	$ 2,924,139	13%
Undist. Expend.-Attendance And Social Work	174,066	168,290	181,773	8%
Undist. Expenditures - Health Services	22,345	32,413	54,763	69%
Undist. Expend.-Speech, OT, PT And Related Svcs	972,102	795,706	884,569	11%
Undist Expend-Oth Supp Serv Std-Extra Serv	1,185,202	1,272,770	1,256,151	-1%
Undist. Expenditures - Child Study Teams	1,288,285	1,471,363	1,576,071	7%
Undist. Expend.-Improv. Of Inst. Serv.	391,396	394,077	466,791	18%
Undist. Expend.-Edu. Media Serv./Library	483,466	513,374	428,944	-16%
Undist. Expend.-Instr. Staff Training Serv.	7,808	10,800	7,300	-32%
Undist. Expend.-Support Serv.-Gen. Admin.	823,377	1,014,915	1,042,604	3%
Undist. Expend.-Support Serv.-School Admin.	6,125	3,225	3,225	0%
Undist. Expend. - Central Services	733,847	762,791	710,227	-7%
Undist. Expend. - Admin. Info Technology	107,892	108,535	142,212	31%
Undist. Expend.-Oper. And Maint. Of Plant Serv.	5,157,199	4,862,526	4,983,315	2%
Undist. Expend.-Student Transportation Serv.	1,719,982	1,520,159	1,808,322	19%
Personal Services - Employee Benefits	2,911,231	2,788,546	3,619,693	30%
Undistributed Expenditures-Food Services	548,770	50,000	250,000	400%
Total Undistributed Expenditures	**$ 18,689,553**	**$ 18,365,669**	**$ 20,340,099**	**11%**
Interest Earned On Maintenance Reserve	$ 2,700	$ 2,700	$ 1,800	-33%
Interest Earned On Current Expense Emergency Res	0	1,200	200	-83%
Total General Current Expense	**$ 20,805,514**	**$ 19,711,070**	**$ 21,523,118**	**9%**

ADVERTISED APPROPRIATIONS

Budget Category	2017-18 Actual	2018-19 Revised	2019-20 Proposed	% Change
CAPITAL EXPENDITURES				
Equipment	$ 6,463	$ -	$ 25,000	
Facilities Acquisition And Const. Serv.	586,498	1,652,574	992,500	*-40%*
Increase In Capital Reserve	1,511,869	0	0	
Interest Deposit To Capital Reserve	6,400	6,400	6,400	*0%*
Total Capital Outlay	2,111,230	1,658,974	1,023,900	*-38%*
Transfer Of Funds To Charter Schools	9,095,778	9,970,144	10,385,484	*4%*
General Fund Contribution To SBB	25,380,659	27,833,795	28,025,880	*1%*
General Fund Grand Total	**$ 57,393,181**	**$ 59,173,983**	**$ 60,958,382**	***3%***
SPECIAL GRANTS AND ENTITLEMENTS				
Total Preschool Education Aid	**$ 13,103,441**	**$ 12,844,295**	**$ 14,853,644**	***16%***
Total Other State Projects	**$ 784,945**	**$ 977,543**	**$ 830,913**	***-15%***
Total State Projects	**$ 13,888,386**	**$ 13,821,838**	**$ 15,684,557**	***13%***
Total Federal Projects	**$ 1,881,958**	**$ 2,197,920**	**$ 1,868,232**	***-15%***
Total Special Revenue Funds	**$ 15,778,749**	**$ 16,026,658**	**$ 17,559,689**	***10%***
Total Expenditures/Appropriations	**$ 73,171,930**	**$ 75,200,641**	**$ 78,518,071**	***4%***
Deduct Transfer-Local Contrib. - Trans To Special Rev- Regular	*344,820*	*344,820*	*344,820*	*0%*
Total Expenditures Net of Transfers	**$ 72,827,110**	**$ 74,855,821**	**$ 78,173,251**	***4%***

Types of Revenue

- Local Taxes - General Fund Tax Levy
- Formula Based Aid – General Fund
  - ✓ Special Education
  - ✓ Extraordinary Aid (Special Education)
  - ✓ School Choice
- Restricted Aid – State
  - ✓ Pre-School Aid
  - ✓ Non Public (Textbooks, Security, Nursing, 192/193, Technology)
- Restricted Aid – Federal
  - ✓ ESSA
  - ✓ IDEA
  - ✓ Non-Public (Grant Portions)

General Fund Revenues

REVENUE SOURCE	18-19 AMOUNT	% of Total	19-20 AMOUNT	% of Total	19-20 % Chnge.
Local Tax Levy	$ 45,829,191	78.41%	$ 48,306,832	78.41%	5.41%
Tuition	164,179	0.28%	130,000	0.28%	-20.82%
Rent	507,449	0.87%	1,025,000	0.87%	101.99%
Miscellaneous Revenue	229,325	0.39%	368,400	0.39%	60.65%
State Aid (Unrestricted)*	**10,662,683**	18.24%	**9,790,928**	18.24%	-8.18%
Federal Aid (Unrestricted)	173,815	0.30%	170,000	0.30%	-2.19%
Budgeted Fund Balance	878,971	1.50%	1,167,222	1.50%	32.79%
TOTAL GENERAL FUND REVENUE	**$58,445,613**	**100%**	**$60,958,382**	**100%**	4.30%

* in 18-19 this was as adopted amount, however this was reduced in July of 2018 as part of State Leg. S2

ADVERTISED REVENUES

Budget Category	2017-18 Actual	2018-19 Revised	2019-20 Proposed	% Change
OPERATING BUDGET				
REVENUES FROM LOCAL SOURCES				
Local Tax Levy	$ 43,857,211	$ 45,829,191	$ 48,306,832	5%
Total Tuition	137,414	164,179	130,000	-21%
Transportation Fees From Other LEAs	23,280	28,316	0	-100%
Rents And Royalties	515,350	507,449	1,025,000	102%
Unrestricted Miscellaneous Revenues	479,476	190,709	360,000	89%
Interest Earned On Current Expense Emergency Res	0	1,200	200	-83%
Interest Earned On Maintenance Reserve	2,700	2,700	1,800	-33%
Interest Earned On Capital Reserve Funds	6,400	6,400	6,400	0%
Subtotal - Revenues From Local Sources	**$ 45,021,831**	**$ 46,730,144**	**$ 49,830,232**	**7%**
REVENUES FROM STATE SOURCES				
School Choice Aid	$ 2,645,874.00	$ 2,357,767.00	$ 2,408,621.00	2%
Categorical Transportation Aid	124,453	124,453	124,453	0%
Extraordinary Aid	270,204	193,813	300,000	55%
Categorical Special Education Aid	1,492,059	1,604,666	1,604,666	0%
Categorical Security Aid	727,825	750,149	750,149	0%
Adjustment Aid	5,403,479	5,104,311	4,603,039	-10%
Subtotal - Revenues From State Sources	**$ 10,746,974**	**$ 10,135,159**	**$ 9,790,928**	**-3%**
REVENUES FROM FEDERAL SOURCES				
Impact Aid - 8002 Or 8003 General	$ 46,809	$ 104,456	$ 80,000	-23%
Medicaid Reimbursement	85,801	69,359	90,000	30%
Subtotal - Revenues From Federal Sources	**$ 132,610**	**$ 173,815**	**$ 170,000**	**-2%**
Budgeted Fund Balance - Operating Budget	$ -	$ 878,971	$ 1,167,222	33%
Withdrawal From Maint. Reserve	0	497,200	0	-100%
Withdrawal From Current Expense Emergency Rsv	0	527,524	0	-100%
Withdrawal From Emergency Rsv For Excess	16,236	0	0	
Transfers From Other Funds	1,554,027	0	0	
Adjustment For Prior Year Encumbrances	0	231,170	0	-100%
Actual Revenues (Over)/Under Expenditures	-78,497	0	0	
Total Operating Budget	**$ 57,393,181**	**$ 59,173,983**	**$ 60,958,382**	**3%**

ADVERTISED REVENUES

Budget Category	2017-18 Actual	2018-19 Revised	2019-20 Proposed	% Change
Grants and Entitlements:				
Other Revenue From Local Sources	**$ 8,405**	**$ 6,900**	**$ 6,900**	***0%***
Total Revenues From Local Sources	**$ 8,405**	**$ 6,900**	**$ 6,900**	***0%***
REVENUES FROM STATE SOURCES				
Preschool Education Aid - Pr Yr Carryover	1,122,148	94,001	456,041	*385%*
Preschool Education Aid	11,636,473	12,405,474	14,052,783	*13%*
Other Restricted Entitlements	784,945	977,543	830,913	*-15%*
Total Revenues From State Sources	**$ 13,543,566**	**$ 13,477,018**	**$ 15,339,737**	***14%***
REVENUES FROM FEDERAL SOURCES				
Title I	$ 777,942	$ 990,716	$ 842,109	*-15%*
Title II	123,971	76,852	65,324	*-15%*
Title III	5,070	7,115	6,048	*-15%*
Title IV	5,664	47,871	40,690	*-15%*
I.D.E.A. Part B (Handicapped)	897,186	1,075,366	914,061	*-15%*
Other	72,125	0	0	
Total Revenues From Federal Sources	**$ 1,881,958**	**$ 2,197,920**	**$ 1,868,232**	***-15%***
Transfers From Operating Budget-Prek	**$ 344,820**	**$ 344,820**	**$ 344,820**	***0%***
Total Grants And Entitlements	**$ 15,778,749**	**$ 16,026,658**	**$ 17,559,689**	***10%***
Total Revenues/Sources	**$ 73,171,930**	**$ 75,200,641**	**$ 78,518,071**	***4%***
Deduct Transfer-Transfers From Operating Budget-Prek	*344,820*	*344,820*	*344,820*	*0%*
Total Revenues/Sources Net of Transfers	**$ 72,827,110**	**$ 74,855,821**	**$ 78,173,251**	***4%***

Tax Impact

The 2019-2020 school district budget is estimated to increase property taxes by an **$125.09 per year on a home assessed at $521,200** – Your overall property tax bill may increase or decrease due to the City of Hoboken and Hudson County budgets, as well as the overall of assessed value for the City of Hoboken. Estimates for other assessed values are as follows:

Assessed Value	Estimated Increase
$400,000	$96.00
$500,000	$120.00
$521,200	**$125.09**
$600,000	$144.00

Assessed Value	Estimated Increase
$700,000	$ 168.00
$800,000	$192.00
$1,000,000	$240.00

Note: The above information is $24.00 per $100,000 of assessed value. Above estimates are based on current tax information and is subject to change.

What's Next?

- If Option 3 is voted upon by the Board of Education then it will be adopted on May 14, 2019, the 2019-2020 will be finalized with the New Jersey Department of Education - Hudson County Office.
- Information will be sent to the City of Hoboken for use in the collection of real estate taxes.
- In mid-late May 2019 the final budget will be open for use.

- If Option 1 or 2 is voted upon by the Board of Education then this budget will be modified within the next few days and sent to the New Jersey Department of Education - Hudson County Office for approval.
- Once the County Office approves, it will be adopted on May 14, 2019, the 2019-2020 will be finalized with the New Jersey Department of Education - Hudson County Office.
- Information will be sent to the City of Hoboken for use in the collection of real estate taxes.
- In mid-late May 2019 the final budget will be open for use.

Question & Answer Session

Budget Public Hearing
2019-2020