

2020-21 Budget Presentation

Newton Public Schools

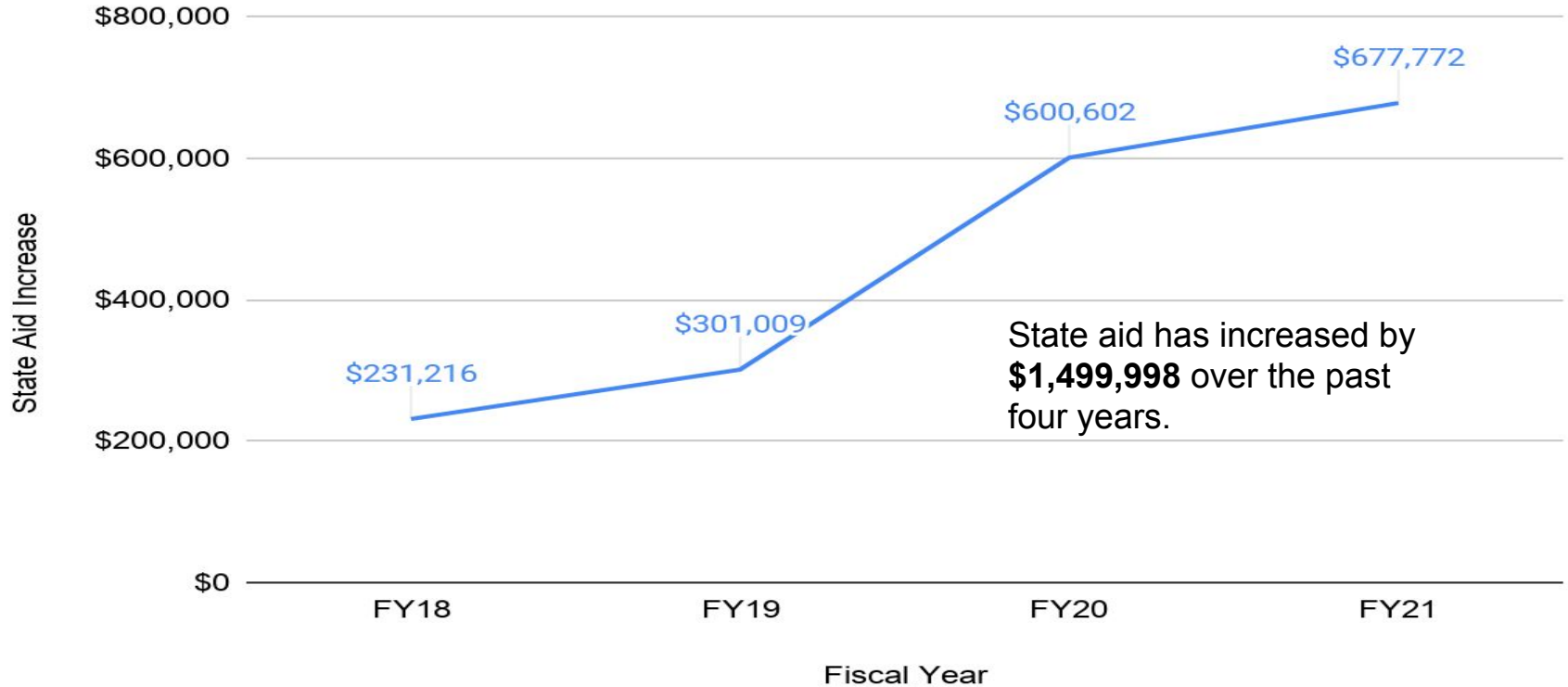
March 10, 2020



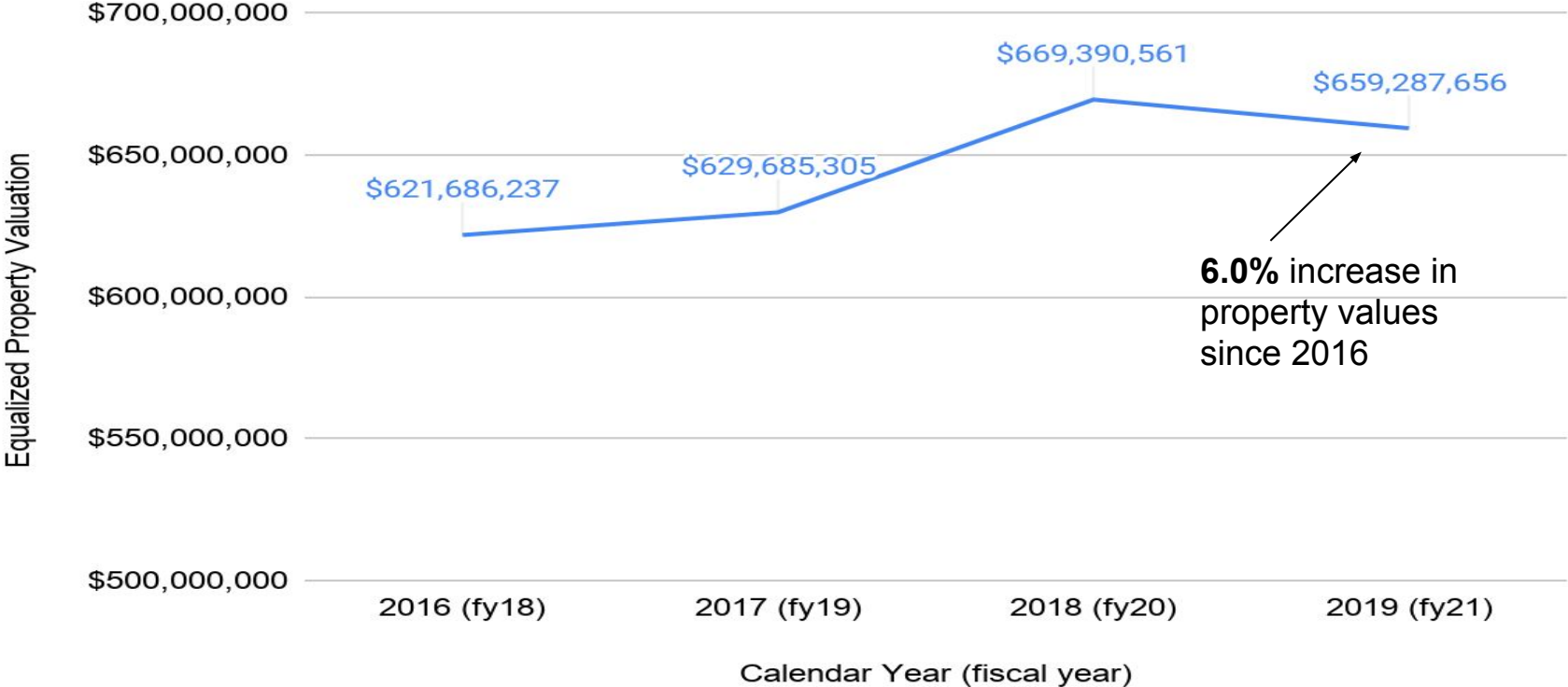
School Financial Indicators are Healthy

- Due to our advocacy, **state aid is up \$1.5M** over the past four years.
- **Property values have increased 6.0%** since 2016.
- **Local income grew 49.7%** from 2014 to 2017.
- **The school tax levy gap has closed to \$638K** from \$4.3M in FY18.

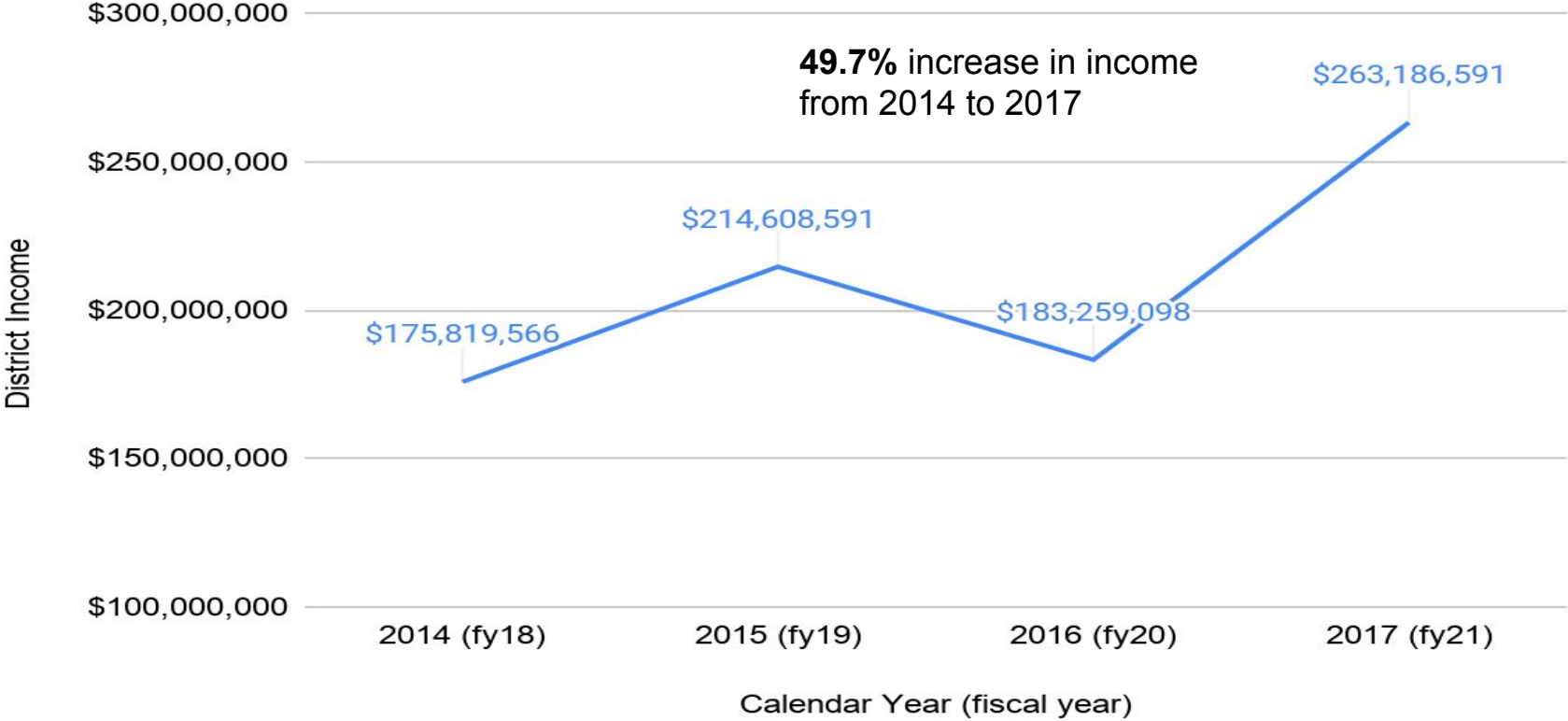
State Aid Has Increased Due To Our Advocacy



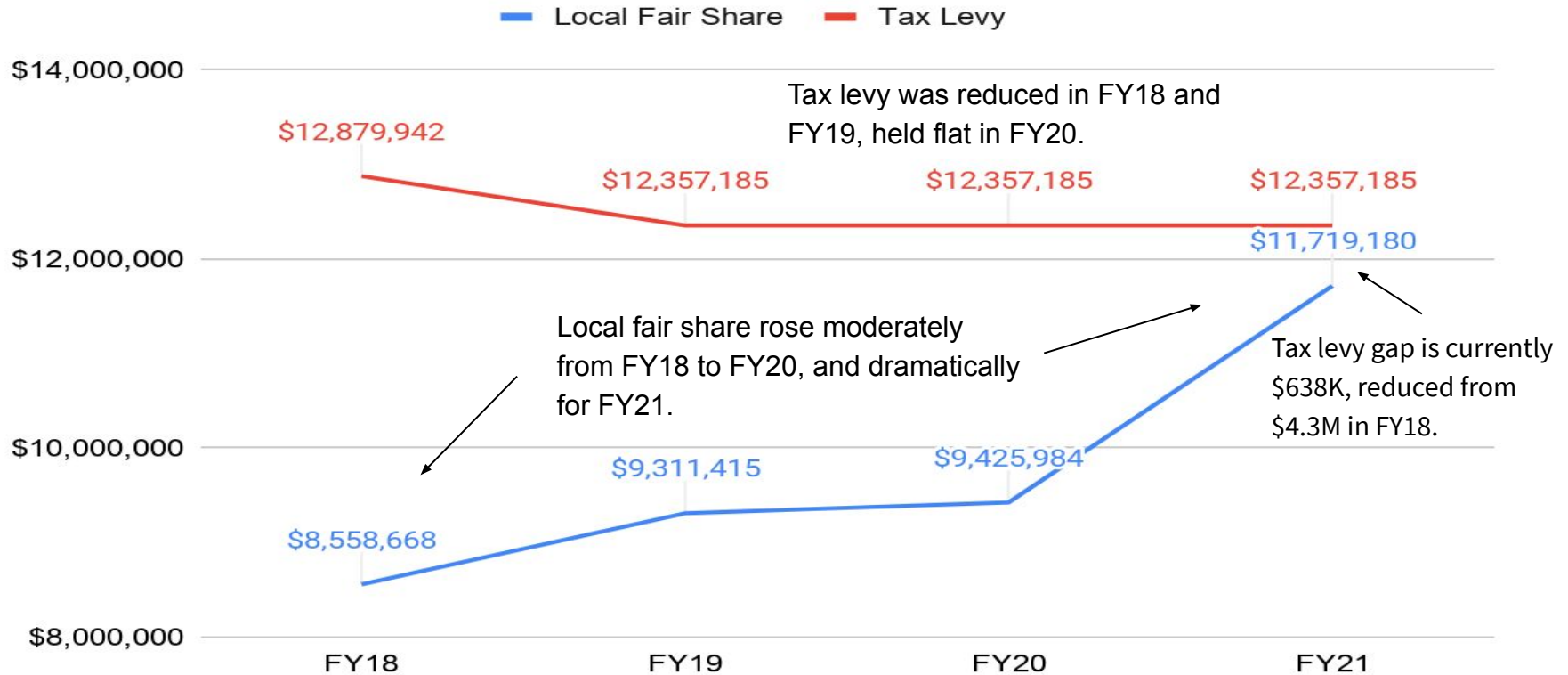
Property Values Have Grown Steadily



District Income Is Growing Rapidly



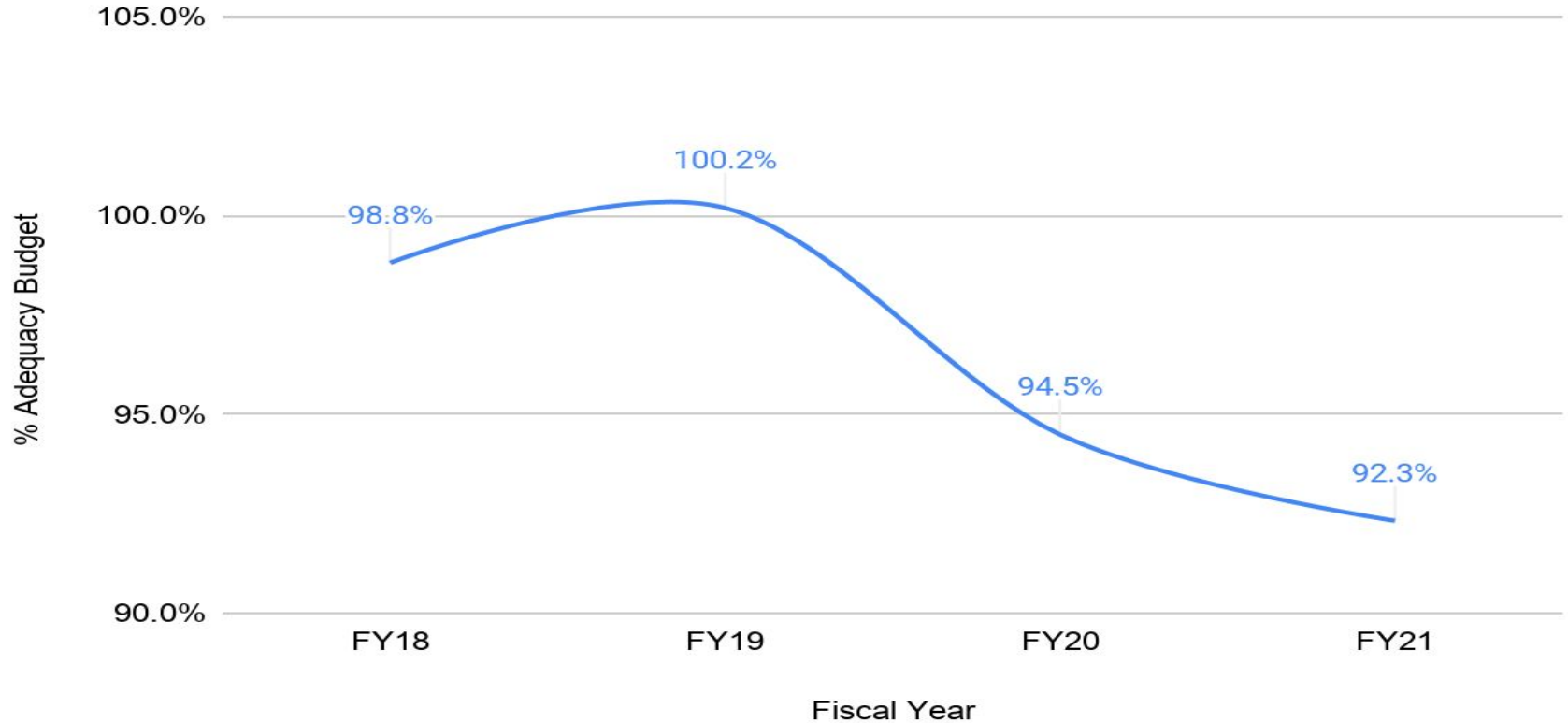
School Tax Levy Gap Has Closed Significantly



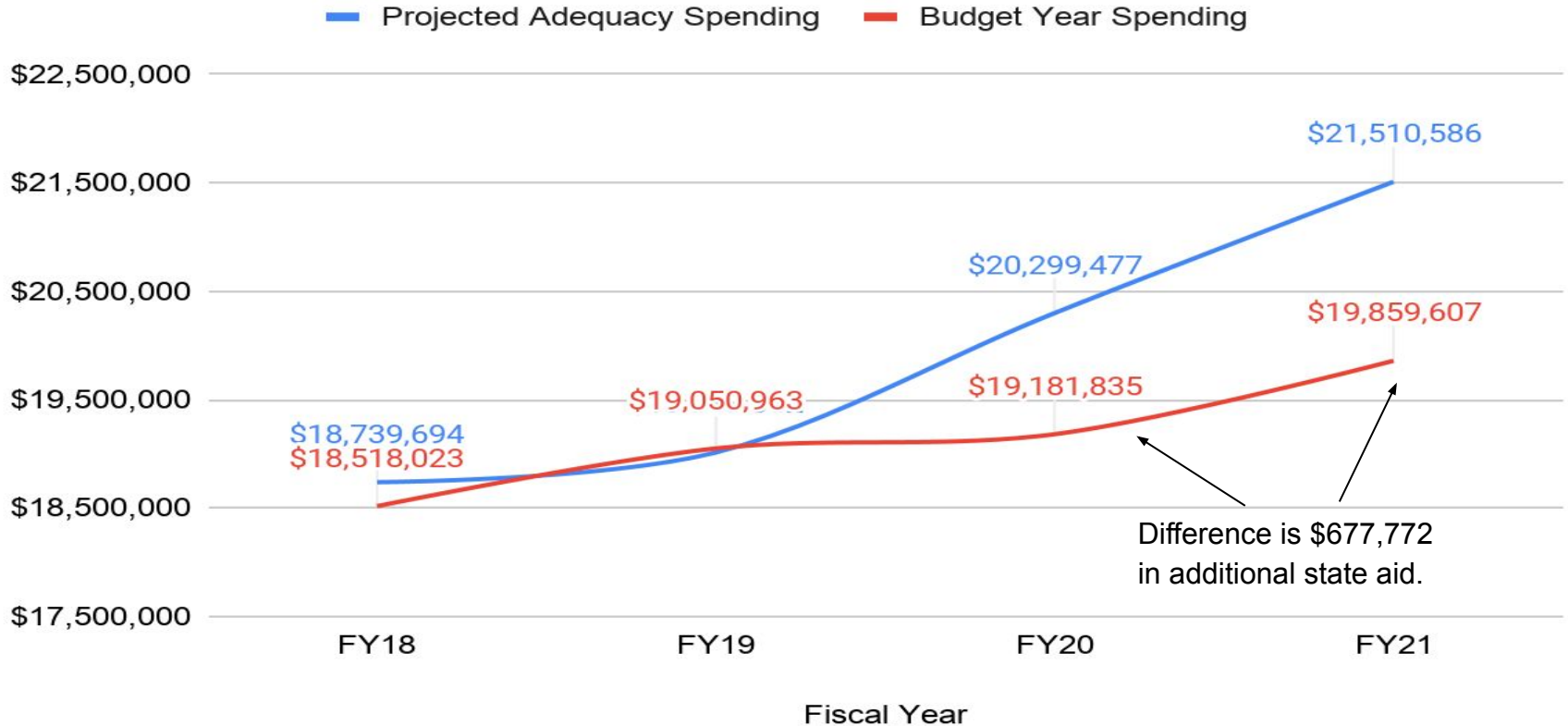
Student Needs Continue to Change

- Our economically disadvantaged population **approaches 50%**.
- Our English language learner population has nearly **quadrupled in two years**.
- Sending district enrollment at Newton HS is projected to **decrease for the sixth straight year**.
- Initial estimates show us **spending only 92.3%** of what the State considers *adequate for a “thorough and efficient education.”* (In 2018-19, our budget was at 100% adequacy).

Adequacy Spending Gap is Increasing



Adequacy Spending Gap is Increasing



Revenues down by \$1.2 million

- **We were faced with a significant revenue shortfall** even with a \$677,772 state aid increase. The main causes are: (1) reduced regular ed tuition of -\$761,579 based on estimated enrollments from Andover and Green; and (2) adjusted FY19 tuition of -\$571,514.
- Recent trends in sending district enrollment at Newton High School

	FY19 projected	FY19 actual	FY20 projected	FY20 actual	FY21 projected
Andover	215	203	201	183	186
Green	200	200	199	195	177
Total	415	403	400	376	363

Expenditures up by \$1.2 million

- Initial FY21 regular operating expense requests came in at **\$1.8M over FY20**.
- Administrative review on non-personnel items brought that **down to \$1.2M**.

Initial Budget Projection

Revenues down	\$1,191,661
Expenditures up	<u>\$1,208,822</u>
Budget gap*	\$2,400,483

* includes Fund 12 non-cap reserve items

Increase Revenues to \$598,745 above FY20

- 1. Defer FY19 adjusted tuition payment of \$571,514 to FY22. This request has already been made to the sending district administrations for consideration by their boards of education.
- 2. Budget \$250,000 in fund balance from FY20.
- 3. Raise tax levy by \$247,144 to 2% cap
- 4. Use \$721,748 in banked cap. (total banked cap available = \$1,459,216)

-	\$1,191,661
+	\$571,514
+	\$250,000
+	\$247,144
+	<u>\$721,748</u>
+	\$598,745

Some Built-In Expenses

1. Increased insurance costs (\$18,597)
2. Security Monitor position (\$18,780) *hired but not budgeted in FY20*
3. Increased OT/PT/Speech services (\$24,857)
4. Increased substitute costs (\$29,430)
5. Replace aged-out bus (\$50,000)
6. Increased FICA, PERS, Workers Comp costs (\$59,580)
7. Increased software license costs (\$59,891)
8. PSD Teacher position (\$73,816) *hired but not budgeted in FY20*
9. Increased salaries (\$431,597) *2.44% overall, TBD estimated at 2%*
10. Increased health benefit costs (\$533,743) *estimated at 15% on medical*

Reduce Expenses to \$598,745 above FY20

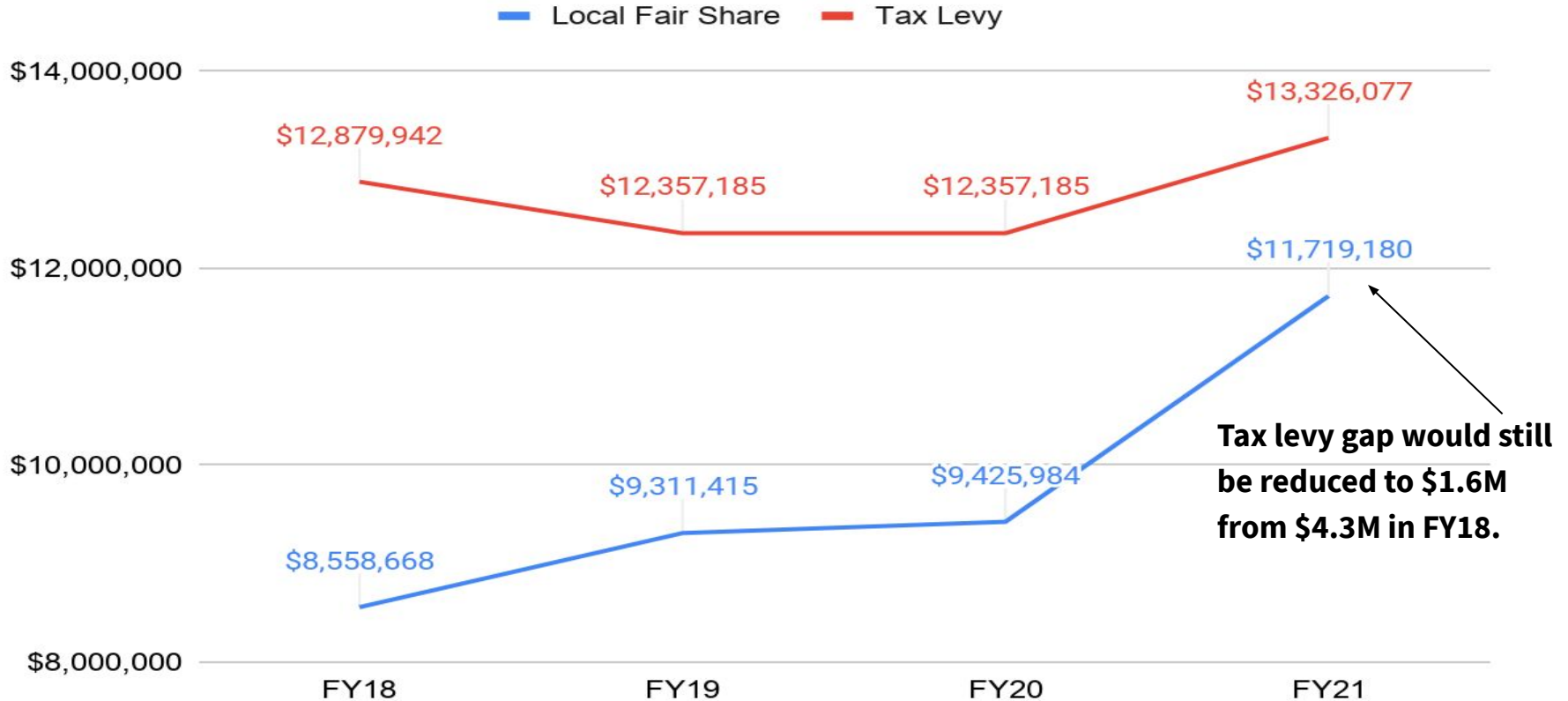
- 1. Laptop & chromebook replacements \$113,375
- 2. Non-personnel cuts (above initial \$600,000) \$58,702
- 3. New position for ESL teacher \$100,000
- 4. Three teaching positions (2 NHS, 1 MAS) \$300,000
- 5. Two teacher assistant positions \$38,000

+ \$1,208,822
- \$113,375
- \$58,702
- \$100,000
- \$300,000
- <u>\$38,000</u>
+ \$598,745

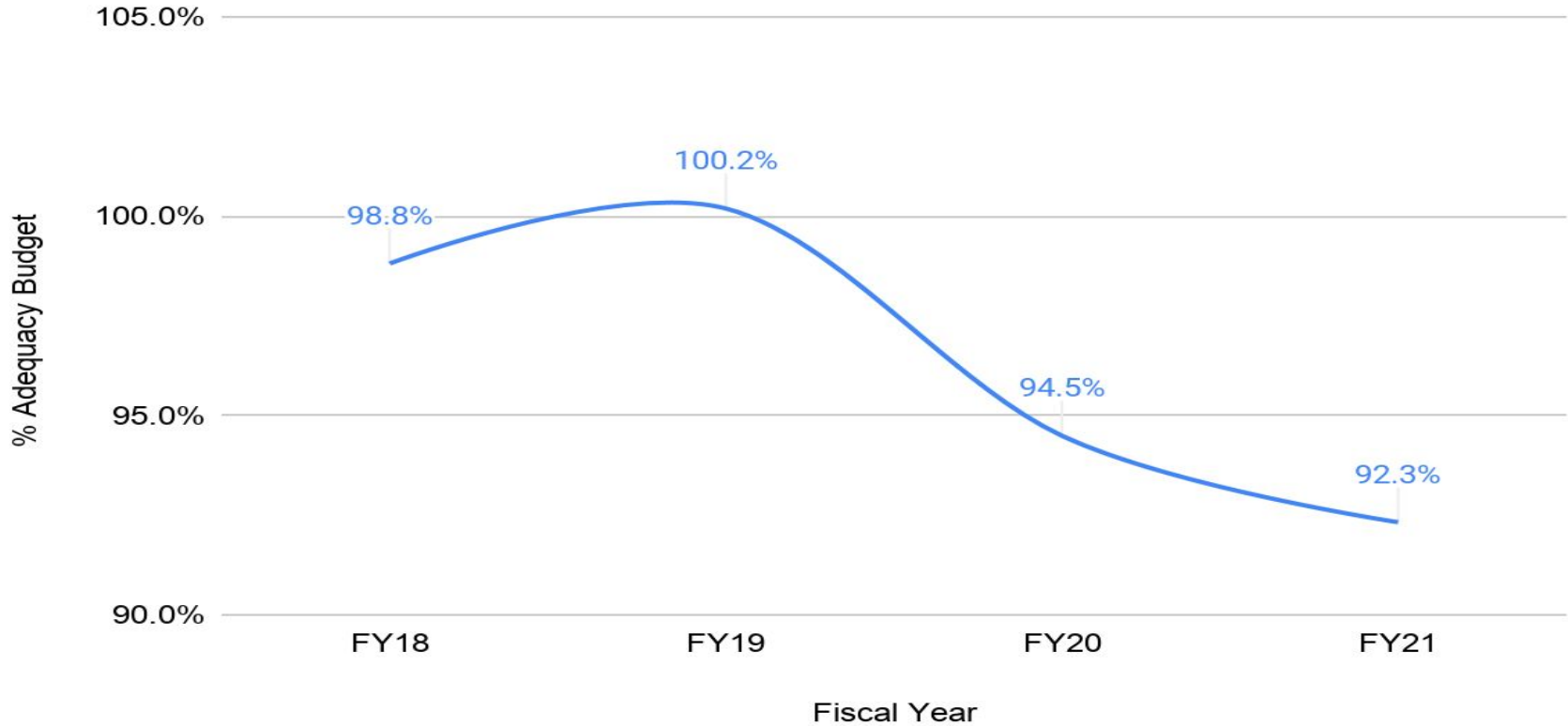
Tax Impact and Budget Adequacy

- \$968,982 in additional tax levy
- \$68 increase per \$100,000 in assessed property value (average property value is \$185,150; \$126 increase on average property)
- **Tax levy gap will still close significantly** -- from \$4.3M in FY18 to \$1.6M in FY21
- **School budget moves back toward adequacy** -- 96.8% vs 92.3%

Tax Gap Would STILL CLOSE SIGNIFICANTLY



Spending Gap WAS GOING TO GET WORSE



Budget MOVES BACK TOWARD ADEQUACY



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