

BUDGET AND FUNDING

Cherry Hill School District
Town Hall Meeting
February 16, 2021 ~ 7:00 p.m.

The General Fund Budget

- Accounts for the day to day operations of the school district
- This budget is approved annually by the Board
- The revenues supporting this budget include:

Tax Levy – property taxes paid by residential and commercial entities in Cherry Hill.

State Aid – funds provided by the State of New Jersey

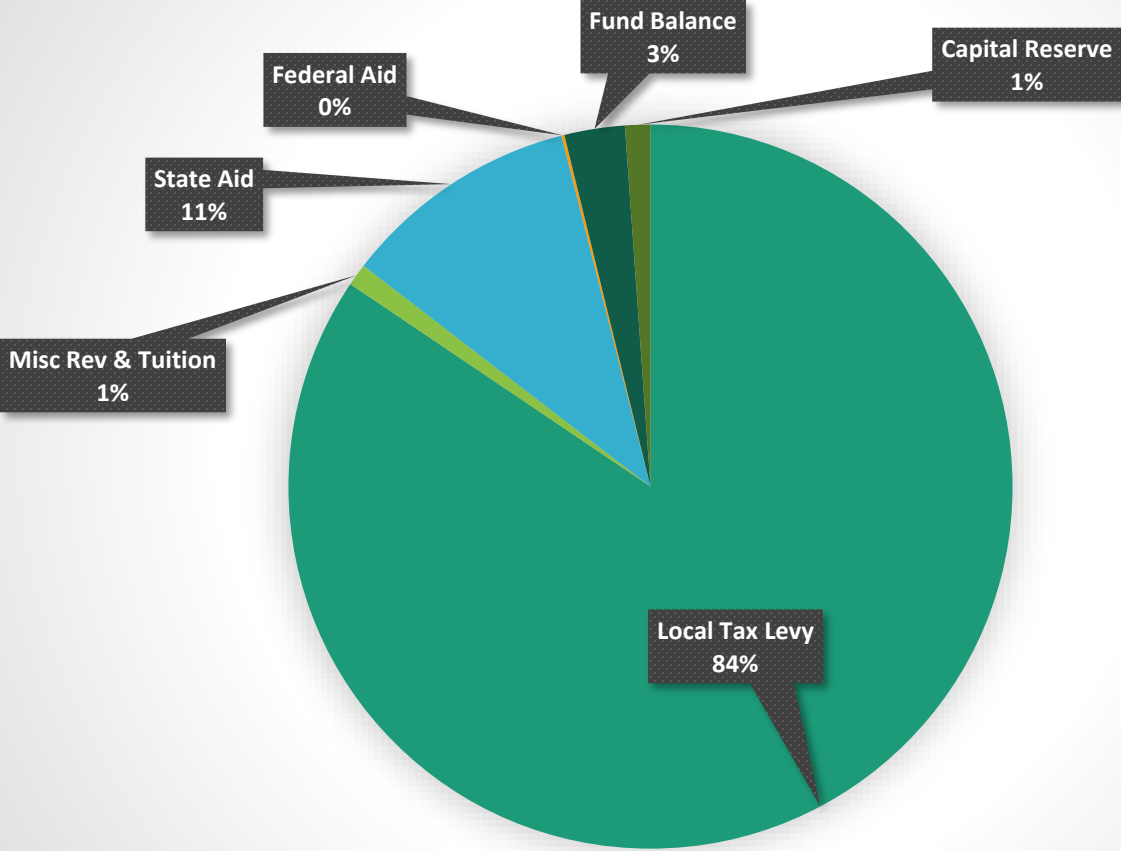
Fund Balance – funds from the School District

Capital Reserve – funds from the capital reserve account to be used for capital projects only

Miscellaneous Revenues – various funding from items such as tuition, interest earnings and student activity fees

Federal Aid - SEMI – Medicare reimbursement from the Federal government for services provided by the School District

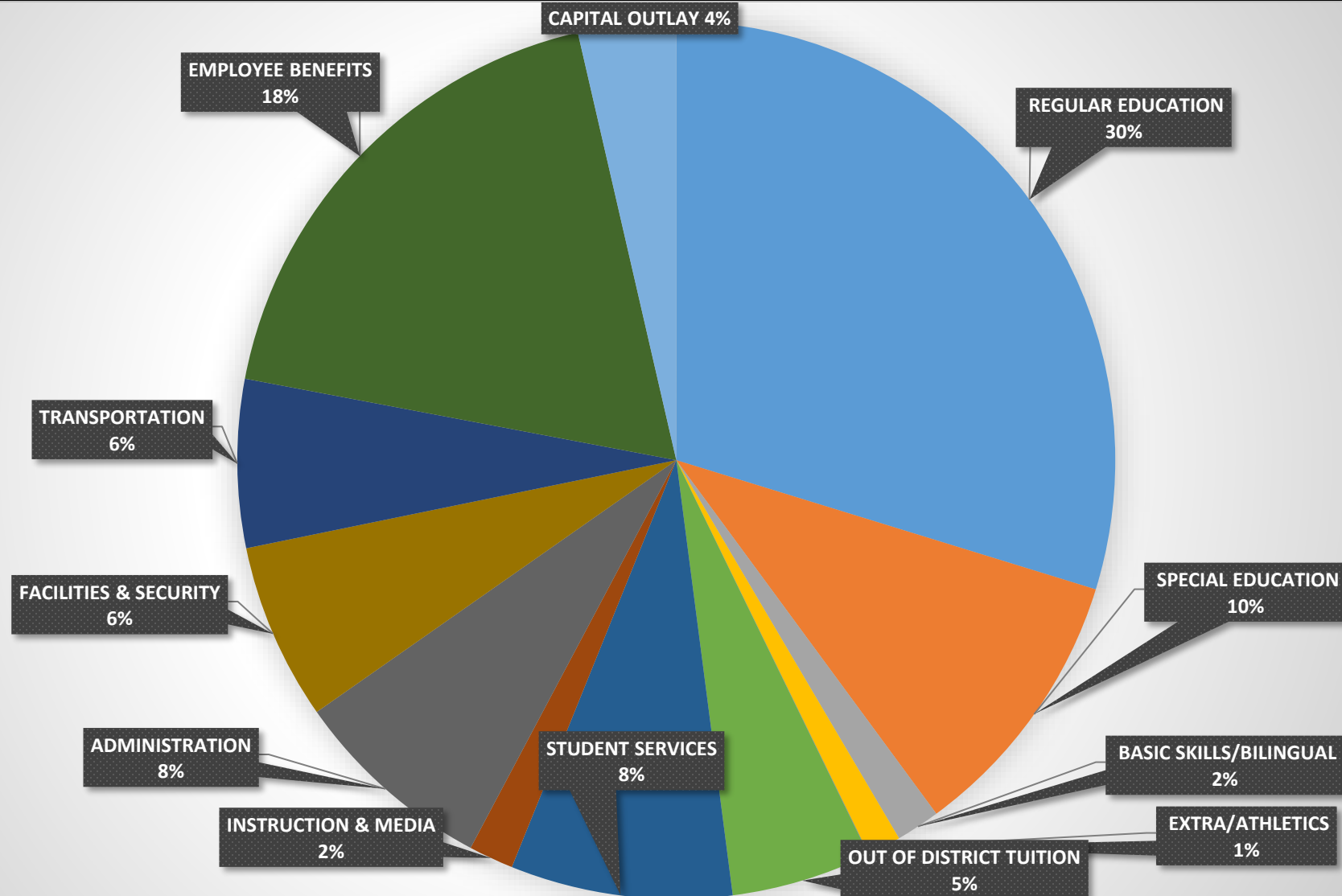
General Fund Budget Revenue Breakdown



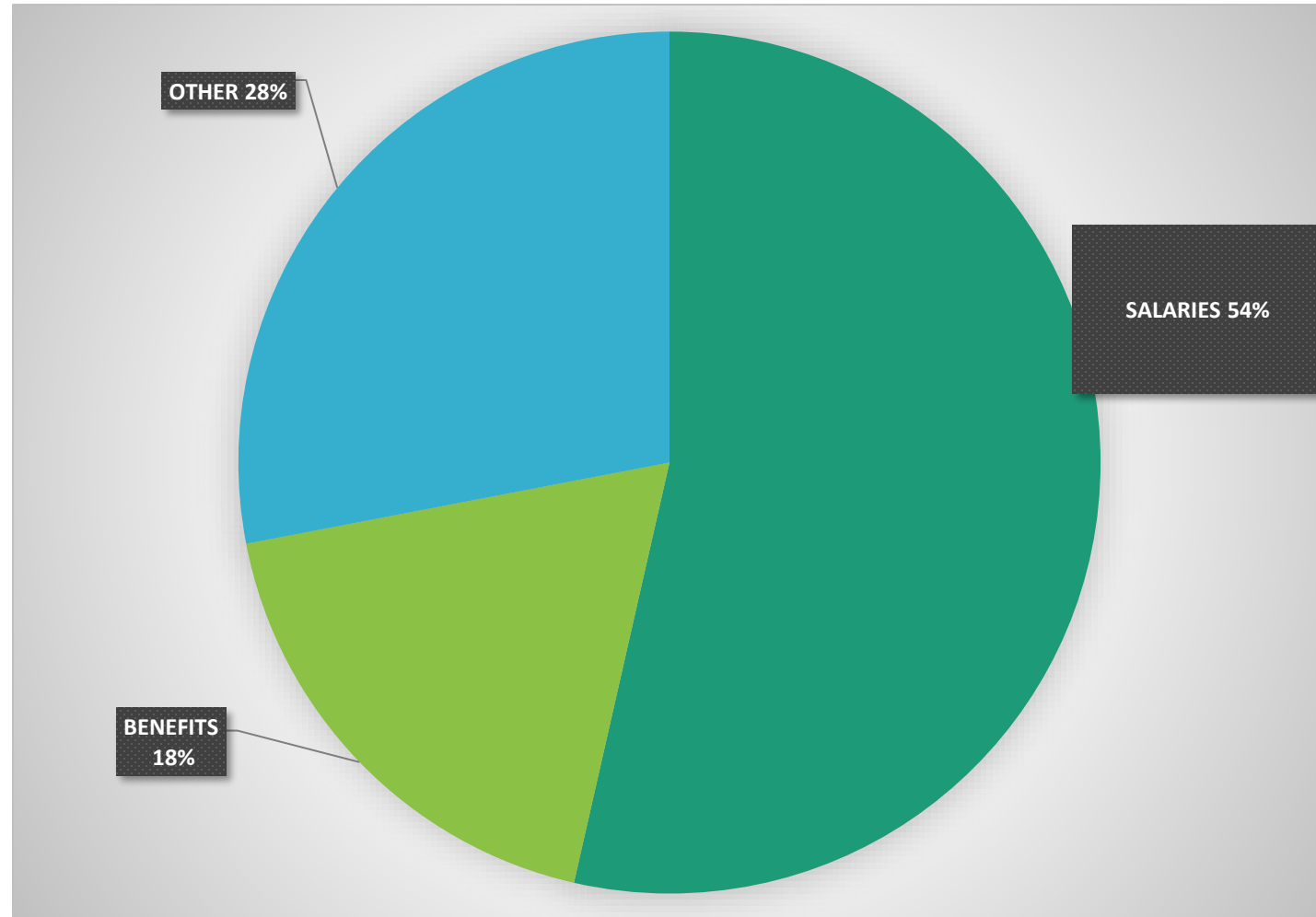
State Aid - 2017 to 2021

	2017-2018	2018-2019	2019-2020	2020-2021
<u>Category</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Equalization Aid	6,691,777	6,691,777	7,821,405	8,925,352
Transportation	555,448	2,884,053	2,884,053	2,884,053
Special Education	6,294,933	6,480,802	6,480,802	6,480,802
Security Aid	264,597	1,238,638	1,238,638	1,238,638
Other	290,434	168,372	62,577	
Prof. Learn Comm Aid	107,620			
PARCC Readiness Aid	108,570			
Per Pupil Growth Aid	108,570			
Total State Aid	14,421,949	17,463,642	18,487,475	19,528,845
Extraordinary Aid	1,814,949	2,480,904	2,731,958	1,000,000
Total General Fund State Aid	16,236,898	19,944,546	21,219,433	20,528,845
Debt Service Aid	1,015,290	1,040,931		
Total State Aid	17,252,188	20,985,477	21,219,433	20,528,845
SDA Assessment (due to State)	(67,659)	(67,659)	(67,659)	(67,659)
Total Aid net of SDA Assessment	17,184,529	20,917,818	21,151,774	20,461,186
On Behalf Payments:				
Medical		6,960,797	6,323,607	
Social Security	5,825,835	5,990,053	6,196,146	
TPAF Pension	18,710,515	15,321,909	17,019,279	
Total	24,536,350	28,272,759	29,539,032	

General Fund Budget Expense Breakdown



General Fund Budget Expense Breakdown



WHY CAN'T THE
DISTRICT PAY FOR
CAPITAL PROJECTS OUT
OF THE ANNUAL
BUDGET?

	Total "Other" in the 2020-2021 Budget	\$ 60,523,082.00
Student Services	Out of District Placements	(11,469,588.00)
	Transportation	(13,185,650.00)
Services provided by Outside Contractors	Substitute Teachers	(1,500,000.00)
	Special Education Therapeutical Services/ABA Services	(1,409,300.00)
	OT/PT/Child Study Team Services	(1,700,000.00)
	Homebound Instruction Services	(200,000.00)
	Speech Services	(127,500.00)
	Augmetative Communication & Assistive Technology Services	(324,900.00)
	Job Coaching Services	(101,000.00)
	InSchool Nursing Services	(722,330.00)
District Professionals	School Physician	(20,000.00)
	Auditor	(95,000.00)
	Legal Fees	(315,000.00)
	Architect	(290,000.00)
Facility Management	Utilities/Water/Sewer/Telephone/Internet Access	(3,798,518.00)
	Waste Removal	(234,960.00)
Operating Expenses	Property/Liability /Student Accident Insurance	(1,147,528.00)
	State Assessment Fee	(67,659.00)
	Copier Leases	(452,000.00)
	Postage	(32,000.00)
	New Jersey School Boards Association Dues	(26,663.00)
Operational Software	Genesis/Blackboard/Board Docs/IEP Direct/Firewall/School Dude	(601,530.00)
		<hr/>
		\$ 22,701,956.00

All District Supplies - classroom, offices, programs (4,757,443.00)

All District Textbooks (384,450.00)

District Misc Expenses - dues, memberships, fees (521,960.00)

All District Maintenance and Repairs (1,729,350.00)

**Extracurricular/Athletic Expenses such as officials and
entrance fees (279,050.00)**

(After deducting these expenses, 6.96% of the budget is left) \$ 15,029,703.00

Annual amount available for Capital Projects	8,000,000.00
Estimated Amount of Projects Referendum 2018	210,772,600.00
Years to complete projects	26.346575

Disadvantages of funding through annual budget:

Prioritization of projects/schools

Economies of scale

No State Funding for eligible projects

- State share of 2018 Referendum - \$76,257,529
- District share of 2018 Referendum - \$134,515,078

Completion of projects not funded by referendum

CAPITAL PROJECT FUNDING



BOND REFERENDUM PROCESS

**DETERMINE SCOPE
AND COST OF WORK**

**SUBMIT PROJECT
APPLICATIONS TO
THE STATE**

SPECIAL ELECTION

**AUTHORIZATION OF
BONDS**

**BONDS SOLD –
PROJECT FUNDING**

**PROJECTS
COMPLETED**

**PAYMENT OF
PRINCIPAL AND
INTEREST OVER
USEFUL LIFE**

**STATE AID FOR
PRINCIPAL AND
INTEREST REPAYMENT**

SCHOOL AID FOR CAPITAL PROJECTS



*DEBT SERVICE AID FOR THE
PAYMENT OF *PRINCIPAL AND
INTEREST ON BONDS* FOR THE
LENGTH OF THE RE PAYMENT*



*BASED ON ELIGIBLE COSTS – 40%
FUNDING*

ELIGIBLE COSTS

RENOVATIONS (40% FUNDING)

Building renovation necessary for compliance with the Uniform Construction Code, health and safety, and/or educational adequacy as determined by facilities efficiency standards. The district is entitled to state aid on the estimated actual costs of the renovation project.

NEW CONSTRUCTION (BASED ON SQUARE FOOTAGE)

New construction to accommodate increased enrollment. The law provides a cost allowance of \$138 per square foot. This figure covers construction and "soft costs," such as site acquisition and site development; services of design professionals, including architects, engineers and construction managers; legal fees; and the costs associated with financing the project.

HIGH SCHOOL EAST

369,017 SF 1967, 1991, 2000, 2001, 2004, 2006, 2020

RENOVATION OPTION

High School East	Total Estimated Cost	<u>ESTIMATED State Share</u>	Local Share
Site Work	\$62,500	\$0	\$62,500
Athletic Facilities	\$2,875,000	\$0	\$2,875,000
Exterior Renovations	\$24,806,681	(\$9,922,672)	\$14,884,009
Interior Renovations	\$17,687,823	(\$7,075,129)	\$10,612,694
HVAC Construction	\$13,136,778	(\$5,254,711)	\$7,882,067
Electrical Construction	\$7,408,920	(\$2,963,568)	\$4,445,352
Plumbing Construction	\$31,250	(\$12,500)	\$18,750
New Construction - K Wing	\$15,000,000	(\$1,716,000)	\$13,284,000
Total Renovations	\$81,008,952	(\$26,944,580)	\$54,064,372
		33%	67%

Renovations = Architect's Estimate @ 40% State Aid

New Construction – Eligible Square Footage x \$143/SF @ 40% State Aid

NEW CONSTRUCTION OPTION

	Qty	Unit Cost	Cost Estimate	<u>ESTIMATED State Share</u>	Local Share
<u>New Construction</u>					
Demolish Existing - 369,017 SF Building/Site Work, etc.	369,017 SF @	\$20	\$7,380,340		
New Building - 3-Story with Site Work (Projected Enrollment 2024-2025 2,066 Students)	311,966 SF @	\$475	\$148,183,850		
Total Construction Cost			\$155,564,190	(\$17,844,455) **	\$137,719,735
				11%	89%

** Estimated State Share - 2,066 Students x 151 G/SF/Student = 311,966 SF x \$143/SF @ 40%

ADVANTAGES/DISADVANTAGES

- BONDS CAN BE SOLD AS NEEDED
 - CONTROL TAX IMPACT
 - INTEREST RATES CAN INFLUENCE
- DOES NOT AFFECT ANNUAL BUDGET
- NOT SUBJECTED TO THE 2% TAX LEVY CAP

- REFERENDUM PROCESS