

Board of Education Budget Hearing
Monday, September 9, 2024 5:30 PM

NPS Central Administration Office
512 West Phillip Avenue
Norfolk, NE 68701

Agenda

1. Date Public Notice Appeared in the Norfolk Daily News:
2. Call to Order
 - 2.1. Roll Call
 - 2.2. Declaration of a Legal Meeting
3. Annual Budget Hearing
4. Adjournment

NOTICE OF BUDGET HEARING AND BUDGET SUMMARY

Norfolk Public Schools (59-0002) in Madison County, Nebraska

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Sections 13-501 to 13-513, that the governing body will meet on the 9th day of September, 2024 at 5:30 o'clock, P.M., at Norfolk Public Schools Central Office Building 512 W. Phillip Ave. Norfolk NE 68701 for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the following proposed budget and to consider amendments relative thereto. The budget detail is available at the office of the Clerk/Secretary during regular business hours. For more information on statewide receipts and expenditures, and to compare cost per pupil and performance to other school districts, go to: <https://nep.education.ne.gov>

FUNDS	Actual Disbursements & Transfers	Actual/Estimated Disbursements & Transfers	Budgeted Disbursements & Transfers	Necessary Cash Reserve (4)	Total Available Resources Before Property Taxes (5)	Total Personal and Real Property Tax Requirement (7)
	2022-2023 (1)	2023-2024 (2)	2024-2025 (3)			
General	\$57,049,258.00	\$61,565,256.00	\$70,195,261.92	\$6,904,996.00	\$43,150,117.92	\$34,293,070.00
Depreciation	\$1,947,942.00	\$1,506,290.47	\$6,863,592.33		\$6,863,592.33	
Employee Benefit	\$ -	\$281.83	\$253,946.04	\$ -	\$253,946.04	
Contingency	\$ -	\$ -	\$ -		\$ -	
Activities	\$2,065,400.00	\$1,806,322.53	\$2,550,484.78	\$ -	\$2,550,484.78	
School Nutrition	\$3,350,260.00	\$3,496,848.81	\$4,048,998.03	\$ -	\$4,048,998.03	
Bond	\$ -	\$ -	\$1,172,005.63	\$ -	\$1,172,005.63	\$ -
Special Building	\$2,198,823.00	\$1,637,346.43	\$7,484,572.20		\$7,484,572.20	\$ -
Qualified Capital Purpose Undertak	\$1,843,508.00	\$840,838.05	\$2,546,387.34	\$ -	\$1,771,687.34	\$782,525.00
Cooperative	\$292,022.00	\$376,554.67	\$1,091,611.26	\$ -	\$1,091,611.26	
Student Fee	\$191,264.00	\$103,670.61	\$540,680.38	\$ -	\$540,680.38	
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTALS	\$68,938,477.00	\$71,333,409.40	\$96,747,539.91	\$6,904,996.00	\$68,927,695.91	\$35,075,595.00
				Bond Purposes	Non-Bond Purposes	Total
			Breakdown of Property Tax	\$782,525.00	\$34,293,070.00	\$35,075,595.00

Budget & Levy Options Considered at Budget and Tax Hearings 9-9-2024

Norfolk Public Schools' 2024-2025 estimated budget of expenditures contains a conservative 2.9% increase to cover increasing costs in the areas of staffing, transportation, & legal services. However, we are only estimating a revenue growth of \$30,345 (0.05%) due to a **5.23% reduction** in our Property Tax Authority, leaving us with a budget deficit of **\$3,671,198**. Thankfully, the NPS Board of Education approved a Property Tax Authority Limitation increase of up to 5% on 8-26-2024. The Board of Education now must decide between the following budget and tax levy options:

2023-2024		2024-2025 Options		
		2: No Staff Cuts – 5% Override	3: No Tax Increase – 3.29% Override	4: Published Budget – 4.23% Override
General Fund Levy	95 cents	91.52 cents	89 cents	90 cents
Special Building Fund Levy	5 cents	0 cents	0 cents	0 cents
QCPUF Levy	2.33 cents	2.06 cents	2.06 cents	2.06 cents
Total Levy	\$1.0246	93.57 cents	91.22 cents	92.51 cents
Levy Reduction	5.34 cents	8.89 cents LESS	11.24 cents LESS	9.95 cents LESS
Cash Reserves Used	\$2.1 Million	\$1 Million	\$1.9 Million	\$1.45 Million
Total Tax Asking (TTA)	\$33,800,191	\$34,697,112 (+2.65%)	\$33,800,191 (+0%)	\$34,293,070 (+1.46%)
TTA Compared to 23-24	n/a	\$896,921 more	\$0	\$492,879 more
Increase to Taxes on \$100,000 house with 12% valuation increase included (\$112,000)		\$24	\$0 (actually \$2 less)	\$12
Pros/Cons	n/a	Pros: Closes our funding gap and reduces our draw on cash reserves to \$1 million; No staffing cuts required.	Pros: No increase in taxes	Pros: A potential compromise that reduces our funding gap and draw on cash reserves (as compared to option 3)
		Cons: Slight increase to Property taxes	Cons: \$1.9 million draw on cash reserves; need to cut staff (spread over 2-3 years)	Cons: \$1.4 million draw on cash reserves; some staffing cuts likely in the next few years.

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The Budget and Tax Levy will not be voted upon/approved until 9/23/2024.**

Budget & Levy Options Considered at Budget and Tax Hearings 9-9-2024

Potential Strategy/Timeline to Remediate Deficit—Does Not Account For Changes in Reimbursements/Revenues/Legislation

	Option 2: 5% override	Option 3: 3.29% override	Option 4: 4.23% override
2024-2025 Deficit	\$1 million - cash reserves (\$4M left in CR)	\$1.9M - cash reserves (\$3.1M left in CR)	\$1.45M - cash reserves (\$3.55M left in CR)
2025-2026 Deficit	\$750K in CR/\$250K in cuts (\$3.75M left in CR)	\$1.4M in CR/\$500K in cuts (\$1.7M left in CR)	\$1.05M in CR/\$400K in cuts (\$2.5M left in CR)
2026-2027 Deficit	\$500K in CR/\$250K in cuts (\$3.5M left in CR)	\$900K in CR/\$500K in cuts (\$500K left in CR)	\$650K in CR/\$400K in cuts (\$2.1M left in CR)
2027-2028 Deficit	\$250K in CR/\$250K in cuts (\$3.25K left in CR)	\$400K in CR/\$500K in cuts (\$100K left in CR)	\$250K in CR/\$400K in cuts (\$1.7M left in CR)
2028-2029 Deficit	\$250K in cuts (\$3M left in CR) No remaining deficit *Non-staffing budget cuts	\$400K in cuts (\$100K left in CR) No remaining deficit *Numerous staffing cuts likely over the course of several years.	\$250K in cuts (\$1.7M left in CR) No remaining deficit Could extend use of CR further to reduce cuts. *Some staffing cuts <i>may</i> be necessary over the course of several years.

Disclaimers:

1. The Cash Reserves amounts listed above do not include the \$15 million necessary to cover district operating expenses (3 months' cash flow).
2. Anything beyond 2024-2025 is a huge generalization/estimate; a multitude of factors could impact actual results.

- Option Two places the district in the best position financially & protects staff from cuts, but does not result in tax savings for our patrons.
- Option Three depletes our cash reserves & results in significant staffing and program cuts, but does provide property tax savings for our patrons.
- Option Four is a potential compromise, but still results in staffing reductions and a significant reduction to our cash reserves.

It should be noted that if budget cuts are necessary:

- ALL options will be considered.
- ALL staffing positions will be looked at to determine level of necessity.
 - Certified staff includes administrators, teachers, counselors, instructional coaches, etc.
 - Classified staff includes paras, secretaries, custodians, bus drivers, etc.
- Programs, supplies, and equipment will be looked at first!
- We will do everything possible to reduce the number of staff cut.

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