

Northumberland County Budget Perspectives

Discussion - Things that make ya go hmm

Northumberland County Budget Perspectives

Synopsis

.The people of Northumberland county face a historic property tax rate increase. What that means and more. A quick example

.A fresh assessment is coming.

-Compounding any rate increase

-We'll look at it with and without an updated assessment

.The numbers make it impossible to ignore the Education component of the proposed budget

.Answers to citizens questions on the Education budget have been elusive since at least FY21

.Those who can least afford this will be impacted the most.

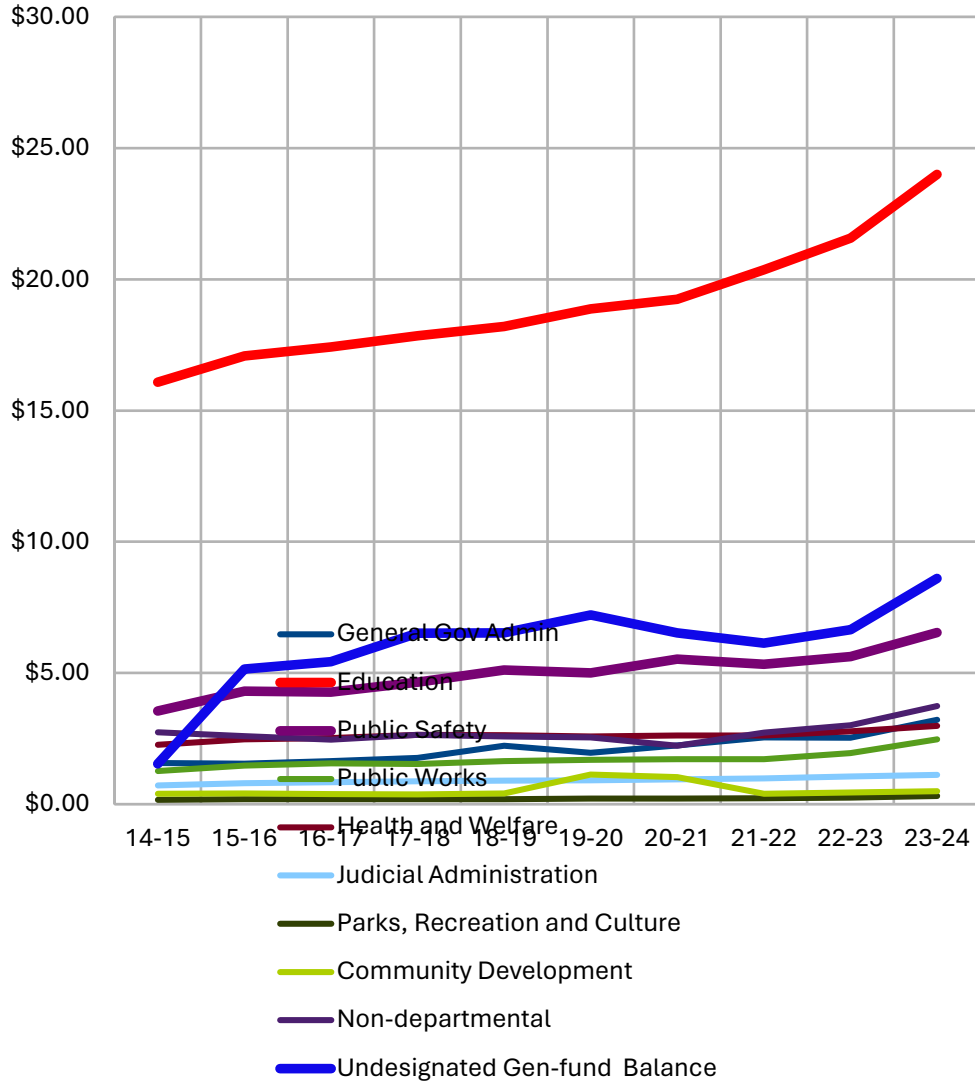
.Recommendations

.Closing Comments

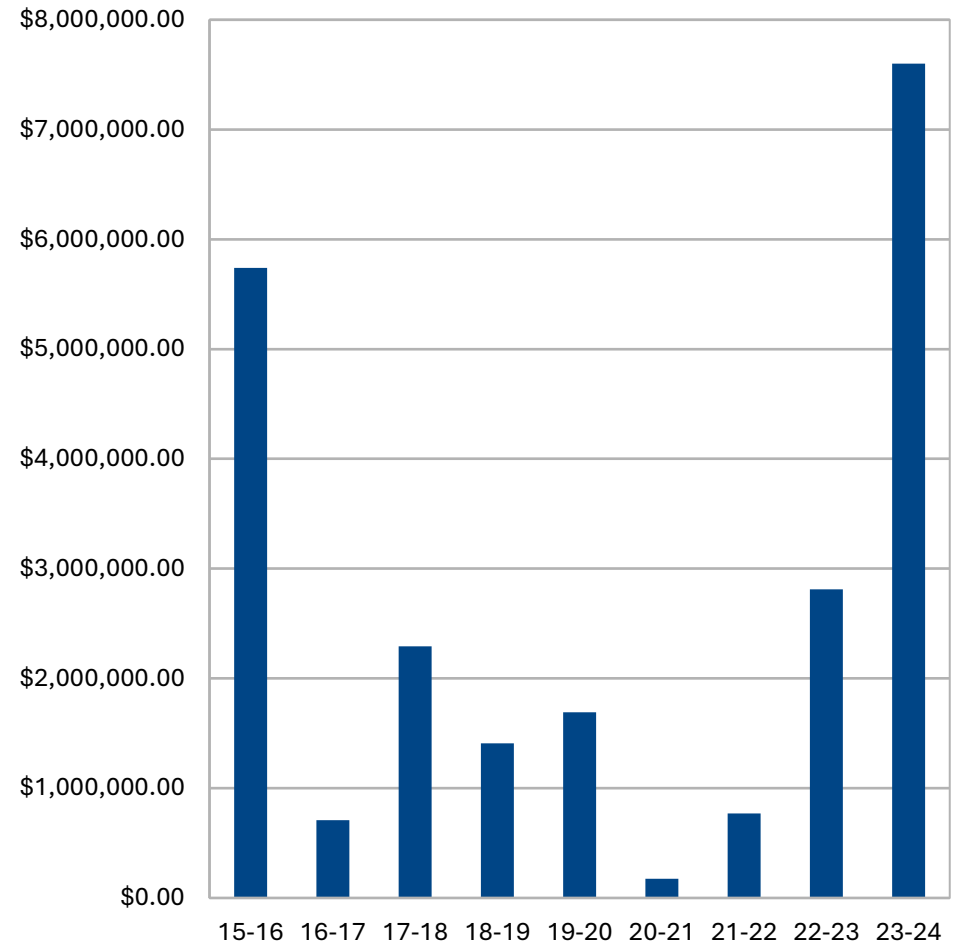
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Budget Trends since FY15 In millions



Year-Over-Year Change in Dollars (FY16 To Date)

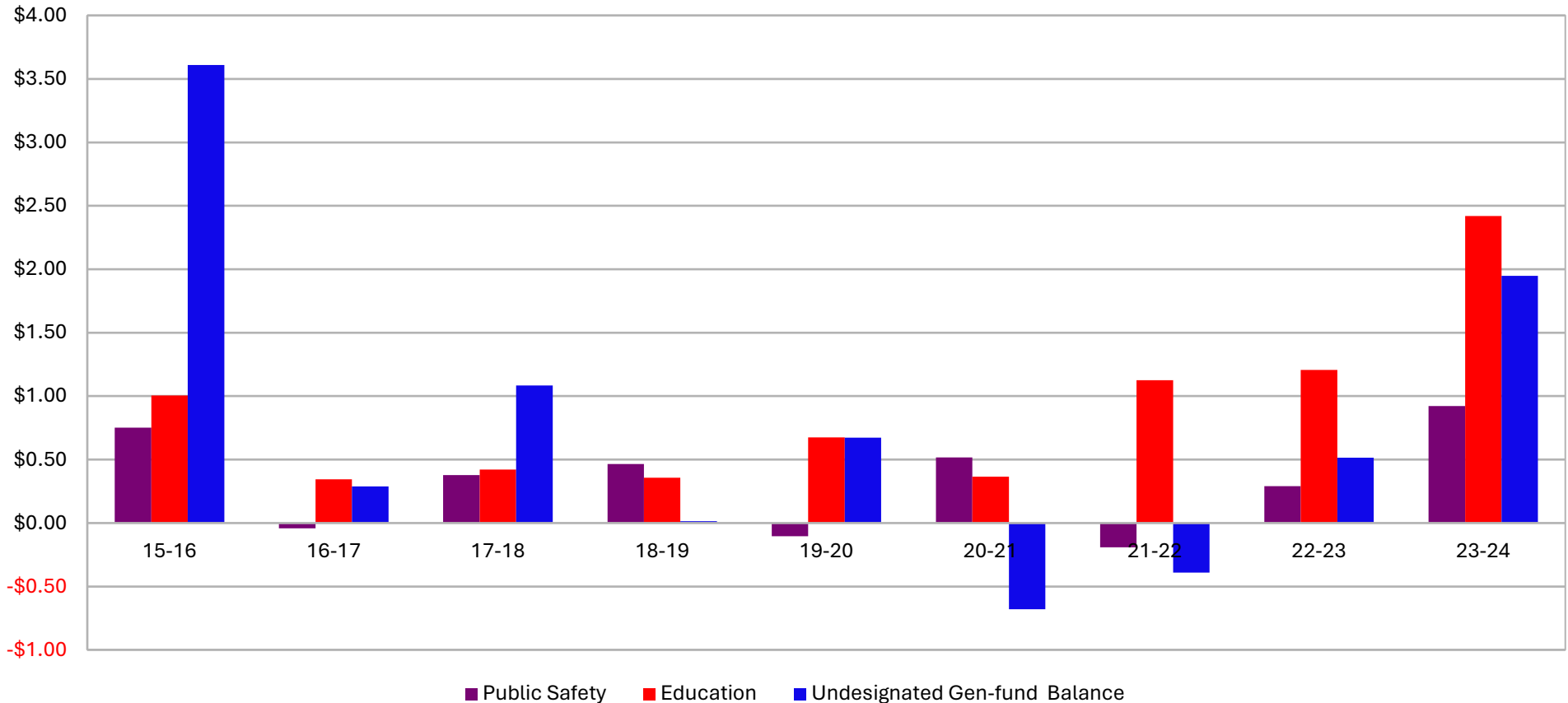


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The top three budget items including

Tracking Education - The Biggest Rocks Since FY16 Year-over Year Change in Millions



“Public Safety” (purple) and “Undesignated Funds” (blue) are coupled in support of EMS radio system

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•We face a historic property tax rate increase

-Nothing close to a 23% increase in tax rate is found in available records

-This increase is not a single source of impact

•An updated assessment is coming

-The four year process is expected to begin in March FY24 and complete FY27 (2026)

•Real Estate sources suggest a 50 – 75 % Jump in sales price since last assessment and will likely be more when assessment is complete

-Assessed values should jump similarly

-We'll use 55% in this discussion

Lets take a Look at what that means to the people of Northumberland county

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What does 23% increase in property tax rate mean, exactly?

.Let's say you own a house or trailer which has been assessed at \$150,000.

.That's a \$915 property tax at the current rate

.At the proposed rate, the bill is now \$1,100. \$185/year more

.But, a fresh assessment is due..

.A 55% bump yields a \$232,500 tax basis.

.What will it really be once assessment is complete?

.Total new tax bill will be \$1744/yr.

.You've added nothing and yet have \$829 a year increase in property taxes.

Stay with us here...

There's another scenario coming later. But first... Why indeed?

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- 1) We have deserving teachers and bus drivers seeking a raise that appears to have been achievable for 3 or more years.
- 2) It appears that NCPS has underspent in various student centric categories while overspending in capital outlay and administration – all with little or no carry-over in documentation (noted exception of Federal/Other Reimbursable money outstanding)
- 3) Gaining clarity is elusive.
- 4) Not only do we the people feel deceived, but teachers and bus drivers should as well.

We the People Demand Better!!!

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.NCPS stands out across the state

- Derives 64% of funding from the local tax payers as compared to 47% in communities across the state
- Spends less of its budget on instruction: 63.3% vs 67.4% statewide
- Proposed per-pupil expenditure? ~\$20K; ~\$15K (~75%) coming from local sources
- There is a Capital improvement component to the budget at around \$800K
- Yet, the number of students achieving “Proficient” level test scores is unacceptable.
- We have 29% long term absenteeism. And the test score bar for graduation has been lowered
- Expected student-teacher ratio is 11 to 1. Unheard of. Is that really necessary?

NOTE: Currently (We're in FY23), there appears to be about 5.6 million of Federal/Other Reimbursable money outstanding (Carryover). The County carries that until received. It's how the relevant systems works

In spite of the best efforts from talented and motivated teachers, value added in NCPS has been diminishing. Home schoolers achieve better outcomes...

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- 1) In a time when confidence in all levels of government are fading, any lack of transparency only increases the “credibility gap.”
- 2) Where there’s a credibility gap, there is suspicion.
- 3) The SB budget raises a disproportionate amount of suspicion
- 4) There is suspicion when a hamburger budget community is pushed by the few to provide caviar dreams. (and we’re not talking about pay raises)

So, who gets hurt worse?

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The people that get hurt the most when we increase the tax rate
AND re-assess property values (assumption for this discussion) in
the same year

A realistic review of a likely scenario

- .Take a teacher or anyone earning the median NoCo Salary of \$46,426/yr
- .Living in a home currently assessed at \$280,000 (NoCo mean value)
- .The current tax bill at .61/100 is \$1708.00/yr
- .With a 55% bump, \$280,000 becomes \$434000
-Non-trivial even if a couple years out
- .The new tax bill will be \$3255.00 (\$1547 more).
- .Teacher gets a 5% raise
- .That's \$2321/yr before taxes. Minus the additional \$1547 real tax increase
- .So, we've given a teacher, or anyone in that earning bracket, a raise only to

The impacts are much broader than presented here. We'll let others speak to those issues.

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Recommendations – NOT MUTUALLY

EXCLUSIVE:

- Freeze the Education budget at FY22 numbers
 - There appears to have been sufficient funds to provide raises
 - Certainly room for more students per teacher if necessary
- Perform and publicize a forensic examination of SB books and processes
 - There are multiple justifications to do so
 - This would help close any credibility gap with the SB
 - Establish a more accurate basis for future budgets
- Establish a task force to identify policy areas needing attention
 - Not all problems can be solved by throwing money at them

Increased spending never fixed any problem created by government – Prove me wrong

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Some closing thoughts

- .We have repeatedly requested clarity and fiscal constraint. Particularly from the SB
- .There is clearly a need for our elected officials including SB to remember their fiduciary responsibilities
- .It is long past time for the Schools and other parts of the county to seek cost savings across all areas of responsibility