

Budget Process

- The School Board and its District Administration set annual goals that were presented in the budget package. This budget reflects our best effort to assign costs to their goals and objectives.
- Administration did not exclude any teacher recommendations or costs developed by budget managers if the items support district goals. All costs were reviewed/defended multiple times and each represents needs, not wants. Detail budget items were provided to the School Board and to the Budget Committee to explain costs in a transparent manner.
- **The Administration and School Board cut \$127,284.67 at their 11/26/18 budget work session from the previous draft. The Board also proposes offsetting the overall budget increase of \$69,212.24 and the \$117,396 amount to be raised for a new teachers' contract by withdrawing \$150,000 from the Special Education expendable trust account and by withdrawing \$20,000 from the Building Maintenance expendable trust account. This would help defray cumulative loss of grants and state aid that previously paid for a greater portion of mandatory Special Education expenditures and the one-time expense of replacing a 50-year-old boiler at the High School. The net result would be a \$0.00 change to the tax rate components that support the schools.**
- The reports to be presented for the Budget Committee public hearing include:
 1. This overview
 2. 2019 MS27 Draft, 8 pages
 3. 2019-2020 Budget – Budget Committee – DRAFT 1.1, 23 page report
 4. Draft Warrant for the March meeting
 5. Estimated Tax Rate and Revenues

Explanation of Significant Cost Drivers (Overall increase \$69,212.24, 0.55%)

1. About 73% of total budget costs are personnel. Costs are governed by legal requirements to provide education services, union contracts, NH Retirement System required employer rates, and benefit contracts. Overall positions increased from 137 to 139 to accommodate students returned from out-of-district placements. Decreases in federal and state special education grants and aid required us to move a position into the operating budget that had been grant funded. These factors contributed to \$168k increased payroll costs while saving \$249k out-of-district and transportation costs, a net overall savings.
2. Benefit increases \$153k, 5.68% overall from a combination of health insurance open enrollment selections, guaranteed maximum rate increase 7.3%, and estimated dental insurance rate increase 2%. Employees pay 19% or 20% of health insurance cost depending on plan selection.
3. Year 3 of the 5 Year Tech Plan requires about \$10k increases for equipment/software.
4. Capital Improvement Plan includes \$50k High School boiler replacement in 2019-2020 budget.