

2020-2021 Budget Overview

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KEY TAKEAWAYS ON BUDGET

1. **State education aid will increase \$620,683 for 2020-2021.** Included in FY21 Adequacy Aid are adjustments for Free & Reduced \$90,112.86 and for Fiscal Capacity Disparity \$530,570.03
2. Expense budget increases of \$874k (see discussion of cost drivers below) are contractual (collective bargaining agreements previously approved by voters) or legally required in providing students a Free and Appropriate public education as mandated in federal law and by NH Constitution. Other non-contractual areas of expense budget were reduced which resulted in a lesser increase of \$620,684 or 4.86% as shown on the last page of the Proposed Budget report.
3. Proposed change in net appropriation (proposed budget increase \$620,684 less state aid increase \$620,683) is \$1. **NO INCREASE above the current year net appropriation.**
4. **INCREASES IN REVENUES FROM NON-TAX SOURCES ESTIMATED TO RESULT IN REDUCTION OF LOCAL TAXES/RATE.**

BUDGET PROCESS

1. The School Board and District Administration sets annual goals. This budget reflects our best effort to assign costs to their goals and objectives.
2. 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 are provided to the School Board and later to the Budget Committee to explain costs in a transparent manner.
3. **District Administration cut \$103,521.56 as of 12/17/2019. The Budget Committee requested an additional cut of \$175,243 which was agreed to by the School Board 1/15/2020.**

REPORTS FOR BUDGET DISCUSSION

1. Warrant for the March 2020 meeting, in annual report
2. School Budget 2020 (MS27) form, in annual report
3. This Budget overview, 2 pages
4. Tax Impact with estimated revenues, 3 pages
5. Budget cuts spreadsheet, 1 page
6. Proposed Budget 2020-2021, 22 pages

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FURTHER EXPLANATION OF SIGNIFICANT COST DRIVERS

1. About 75% 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 139 to 141 to accommodate students. Payroll costs are up \$308k, 4.7% overall from a combination of a 3.15% negotiated increase previously approved by voters, estimated replacement costs of retiring positions, and other position adjustments for change in duties as noted in budget detail.
2. Benefit increases \$282k, 9.8% overall from a combination of health insurance open enrollment selections, guaranteed maximum rate increase 6.7%, and estimated dental insurance rate increase 5%. Employees pay 19% or 20% of health insurance cost depending on plan selection.
3. Special Education costs increased \$90k, 4.8% due to increase of out-of-district students.
4. Capital Improvement Plan includes \$20k Elementary bathrooms and \$10k SAU flooring/carpeting renovations in 2020-2021 budget.

SPECIAL ARTICLE

1. The School Board set a goal to replenish the Building & Maintenance expendable trust fund.
2. Savings of \$73,098.36 on the 2017 Elementary School addition / renovation project was transferred from the Capital Projects fund into the General Fund.
3. Warrant article 3 requests transfer up to \$75,000 from 6/30/2020 available fund balance into the Building & Maintenance expendable trust to keep funds available for future repair needs.