

Litchfield Budget Committee
Budget Hearing
School District Budget

January 10, 2019

Budget Committee Members

- Cynthia Couture – Chair
- Keri Douglas – Vice Chair
- Jennifer Bourque
- Jessica Martin
- Brion Hodgkins
- Jack Whitnell
- Nicole Fordey
- John Brunnell– Selectmen’s Representative
- Robert Meyers– School Board’s Representative

Budget Preparation

- School District Budget was received in November where the Superintendent and Business Administrator presented school priorities, enrollment projections and projected revenues.
- The budget was reviewed by each department and location over 3 meetings with input from department heads and educational professionals.
- Budget committee decisions were made on November 29th when \$240,000 in reductions were made to the proposed budget.
- Final votes on budgets and Warrant Articles will take place at the conclusion of all Hearings tonight.

Decision Criteria

- Consider history of actual spending of previous years
- Consider School District Priorities as presented
- Consider year to date actual spending of current budget
- Consider the rationale for why dollars are being requested by the school district and educational professionals as well as any data presented.
- The loss of revenue from the State reduction in adequacy aid.
- Consider what was a reasonable budget to present to the voters given fixed cost increases and revenue projections.

School District Budget Review

- The School District Budget submitted to the Budget Committee was \$443,546 more than last years total approved budget.
- This would have been a tax increase of \$0.63. This also reflects a 4% reduction in stabilization grants from the state. We are now at 84%. These 4% reductions will continue until grants are phased out. With the reduction in grants, level funding the budget will still result in a tax rate increase of \$0.24.
- The Budget Committee made \$240,000 in reductions for a total of \$21,672,672.
- The Recommended budget is still \$203,546 (0.95%) more than last years approved budget.
- The projected increase of 0.95% has the tax impact of a \$0.36 increase
- The Default Budget (\$21,648,617) is \$24,055 less than the proposed budget.

ARTICLE 1

Shall the Litchfield School District vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by the vote at the first session of the annual school district meeting, for the purposes set forth herein, totaling \$22,865,429? Should this article be defeated, the default budget shall be \$22,824,871, which is the same as last year, with certain adjustments required by previous action of the Litchfield School District or by law; or the School Board may hold one special meeting, in accordance with RSA 40:13 X and XVI, to take up the issue of a revised operating budget only.

Estimated Tax Impact: \$0.36 (Operating Budget) Estimated Tax Impact: \$0.34 (Default Budget)

Recommended by the School Board 5-0-0 Vote

Recommended by the Budget Committee 6-2-0

Areas of Major Impact to the Budget

Salaries and Benefits Total \$486,792 Increase *(reflects BC reductions)*
Retirement payouts \$52,049 Increase *(over prior year)*
Dental ins. \$15,085 Increase
NH Teacher retirement \$96,890 Increase
NH Employee Retirement **-\$21,870 decrease**
Health Insurance increased 1.7% but because of a one
time credit the total is actually down 1.1% - **\$4,397 decrease**

Increased enrollment at GMS

Additional staff \$101,100 Increase
Additional supplies and furniture \$28,800 Increase

Special Services **\$168,000 decrease**
Technology **\$38,700 decrease**
CHS **\$24,500 decrease**
LMS **\$4860 decrease**
GMS \$39,200 increase
Supt. Off., Business Off. and school board **\$4,800 decrease**
Transportation \$27,000 increase

Budget Committee Action

- Special Services Transportation \$40,000 Reduction (Passed 6-2-0)
 - Historical underspend.
- Co-curricular Salaries \$21,000 Reduction (Passed 7-1-0)
 - Historical reduction based on programs not run or positions not filled.
- Athletic Salaries \$5,000 Reduction (Passed 6-1-1)
 - Based on positions historically unfilled.
- Salaries and Benefits \$174,000 Reduction (Passed 5-3-0)
 - Historical underspend in retirement, paras, attrition, health care, Soc. security.
- Other proposed reductions not supported were to Special Services \$60,000; Curriculum Development \$4,000; Technology (Chromebooks) \$26,000; Supplies \$5,000; Transportation \$10,800.

ARTICLE 2

Shall the Litchfield School District vote to approve the cost items included in the collective bargaining agreement reached between the Litchfield School District and the Litchfield Education Association, which calls for the following increases in salaries and benefits at the current staffing level:

Year	Estimated Increase
2019-2020	\$ 394,429
2020-2021	\$ 374,294
2012-2022	\$ 346,391

and further to raise and appropriate the sum of \$394,429 for fiscal year 2020, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels.

Estimated Tax Impact: \$0.44

Recommended by the School Board Vote 5-0-0

Not Recommended by the Budget Committee Tie Vote 4-4-0

Contract Overview

Annual increase:

Year 1 (19-20)	Total Increase	\$394,429 (3.48%)
	(Step adjustment for 25 staff equals \$152,749 of the increase)	
Year 2 (20-21)	Total Increase	\$374,294 (3.52%)
Year 3 (21-22)	Total Increase	\$346,391 (3.23%)

- 25 employees have Salary steps adjusted to reflect years without step increases in year 1
Salary schedule is adjusted by 2% in yr 2 and 3
- Removes requirement for non-union employees to pay yearly Union Fees
- Clarified wording regarding sick days –
Hired before 16-17 reduce from 15 to 12 days maximum carried 125 days
Hired 16-17 or after reduce from 15 to 10 days maximum carried 110 days
- If a staff member needs to sub for a colleague during the school day, they will be compensated
- Establishes a committee to review co-curricular stipends

Contract Overview^{con't}

- Changes/clarifies workday length, retirement dates, grade level subjects, Dr note for 4 or more consecutive sick days, calendar year
- Increase Yearly longevity Payments:
 - Years 15 to 19 increase from \$1500 to \$2500
 - Years 20 plus increase from \$2500 to \$3500
- Increase district health insurance contribution percentages and decrease employee contributions. Change to School Care Yellow Plan.

With deductible of \$1000 or \$2000 (Choice Fund):

From 82% district/18% employee to 89% district/11% employee

With deductible of \$2000 or \$4000 (No Choice Fund)

From 85% district/15% employee to 93% district/7% employee

ARTICLE 3

Shall the Litchfield School District vote to raise and appropriate the sum of \$28,490 to be added to the operating budget for the purpose of funding salary and benefits for a part time Enrichment Tutor position at Litchfield Middle School to support high achieving learners?

Estimated Tax Impact: \$0.03

Recommended by the School Board Vote 5-0-0

Recommended by the Budget Committee Vote 7-1-0

ARTICLE 4

Shall the Litchfield School District vote to raise and appropriate the sum of \$28,490 to be added to the operating budget for the purpose of funding salary and benefits for a part time Math Tutor position at Litchfield Middle School to support struggling and resistant learners?

Estimated Tax Impact: \$0.03

Recommended by the School Board Vote 5-0-0

Recommended by the Budget Committee Vote 7-1-0

ARTICLE 5

Shall the Litchfield School District vote to raise and appropriate up to \$100,000 to be added to the Building Maintenance Capital Reserve Fund established in 2004 with this sum to come from the June 30 unreserved fund balance available for transfer on July 1 of this year?

Estimated Tax Impact: \$0.00

Recommended by the School Board Vote 5-0-0

Recommended by the Budget Committee Vote 8-0-0

Potential Tax Impact

Recommended Budget \$0.36

This would be an estimated \$124.30 increase on a house valued at \$350,000 if the recommended budget passes.

Default Budget \$0.34

This would be an estimated \$118.56 increase on a house valued at \$350,000 if the recommended budget fails.

Potential Tax Impact of Recommended Warrant Articles

Article 2	Teachers Contract	\$0.44
Article 3	LMS Enrichment Tutor	\$0.03
Article 4	LMS Math Tutor	\$0.03
Article 5	Building Maintenance Capital Reserve	<u>\$0.00</u>
	Warrant Article Total	\$0.50

Current Tax Rate	\$15.15
Recommended Articles only	\$0.42
New Rate	\$16.01

\$ 147 estimated increase to a house valued at \$350,000

If all articles pass total tax impact is \$0.86 or estimated \$297.85 increase on a House valued at \$350,000.

Questions or Comments?

	School Bd	Bud Com	default
Gross	\$ 23,105,425.00	\$ 22,865,428.00	\$ 22,824,871.00
Federal Funds	\$ 575,000.00	\$ 575,000.00	\$ 601,254.00
Food Service	\$ 617,757.00	\$ 617,757.00	\$ 575,000.00
Net Revenue	\$ 21,912,668.00	\$ 21,672,672.00	\$ 21,648,617.00
Ed Grant	\$ 1,540,757.00	\$ 1,540,757.00	\$ 1,524,254.00
State tax	\$ 4,980,086.00	\$ 4,980,086.00	\$ 4,980,086.00
	\$ 2,005,996.00	\$ 2,005,996.00	\$ 2,005,996.00
Fund balance	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
New net	\$ 13,185,829.00	\$ 14,138,589.00	\$ 14,114,535.00
Allrevenue	\$ 8,726,839.00	\$ 8,726,839.00	\$ 8,710,336.00
Gross less rev	\$ 14,378,586.00	\$ 14,138,589.00	\$ 14,114,535.00
Valuation	\$ 911,277,001.00	\$ 911,277,001.00	
Difference		\$ 240,000.00	\$ 40,557.00
Tax Impact	School Proposed	Budget Comm Proposed	Default
Current Tax Rate	\$ 15.15	\$ 15.15	\$ 15.15
New Tax -Budget	\$ 15.78	\$ 15.52	\$ 15.49
Increase Budget	\$ 0.63	\$0.36	\$ 0.34
Proposed Warrants			
Warrant 2	\$ 394,429.00	\$0.44	\$ 0.44
Warrant 3	\$ 28,940.00	\$0.03	\$ 0.03
Warrant 4	\$ 28,490.00	\$0.03	\$ 0.03
Warrant 5	\$ 100,000.00	\$0.00	
Increase Total		\$0.86	\$ 0.84
House valued at	\$ 350,000.00	Art 1 \$ 124.30	118.56
		Art 2 \$ 151.49	
		Art 3 \$ 11.12	
		Art 4 \$ 10.94	
		Tot. \$ 297.85	