

Litchfield Budget Committee

Budget Hearing

School District Budget

January 16, 2020

Budget Committee Members

- Keri Douglas – Chair
- Andrew Cutter – Vice Chair
- Jennifer Bourque
- Nicole Fordey
- William Hayes
- Brion Hodgkins
- Jessica Martin
- F. Robert Leary – Selectmen's Representative
- Robert Meyers – School Board's Representative

Budget Preparation

- The School District Budget was received in November; the Superintendent and the Business Administrator presented school priorities, enrollment projections, and projected revenues.
- The budget was reviewed over a period of 3 weeks with input from department heads and educational professionals.
- The Budget Committee met twice in December to recommend adjustments to the proposed budget.
- With School Board reductions of \$263,659 and Budget Committee reductions of \$445,362, the budget initially submitted to the Budget Committee was reduced by \$709,021.
- Final votes on budgets and Warrant Articles will take place tonight, at the conclusion of all Hearings.

Decision Criteria

- Consider School District priorities as presented
- Consider the rationale for why dollars are being requested by the school district and educational professionals as well as any data presented
- Consider year to date actual spending of current budget
- Consider historical trends of actual spending for previous years
- Consider what was a reasonable budget to present to the voters given fixed cost increases and revenue projections

School District Budget Review

- The approved School District Budget for the current year is \$22,041,958
- The initial School District Budget request for FY 2021 was \$22,772,289 – representing an increase of over \$730,000.
- Approving the budget as presented would have resulted in an estimated tax increase of \$0.75.

School District Budget Review, Cont'd

- After receiving feedback from their insurer, the School Board level-funded the health insurance line, resulting in a savings of \$235,586. Additional School Board action brought their reductions to **\$263,659**.
- The Budget Committee recommended an additional **\$445,362** in reductions.
- After the combined savings of **\$709,021**, the current budget proposal is **\$22,326,927**, not inclusive of Food Services and Grant funds.

School District Budget Review, Cont'd

- The proposal for the upcoming budget is \$22,326,927
- The proposed budget is \$284,969 more than last year's approved budget, representing an increase of 1.29%.
- The projected increase has an estimated tax impact of a \$0.27.
- Article 1 includes all sources of funding, including programs that are self-funded.

Fund	
General Fund	\$ 22,326,927
Food Service	\$ 615,089
Grant Funds	\$ 575,000
Total Requested Appropriation	\$ 23,517,016

- The Default Budget \$23,660,450 is \$143,434 more 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 **\$23,517,016**? Should this article be defeated, the default budget shall be \$23,660,450, 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: \$0.27 (Operating Budget)

Estimated Tax Impact: \$0.44 (Default Budget)

Pending recommendation by the School Board (0-0-0)

Pending recommendation by the Budget Committee 0-0-0

Areas of Major Impact to the Originally Proposed Budget Prior to any School Board Reductions

Salaries and Benefits Total	\$966,655 Increase
Teacher's Contract	\$ 296,462 Increase
Retirement payouts	\$ 171,581 Increase
Health Insurance	\$ 216,525 Increase
Teacher Retirement	\$ 10,265 Increase
Non-Teacher Retirement	\$ 10,358 Increase
5 th Third Grade Teacher	\$ 88,208 Increase
5 th Kindergarten Teacher	\$ 88,234 Increase
5 th Kindergarten Para	\$ 16,326 Increase
Additional CHS Custodian	\$ 53,052 Increase
Special Services	\$160,748 Increase
Curriculum Development	(\$ 6,723) Decrease
Technology	\$ 22,258 Increase
CHS	\$ 16,679 Increase
School Board	\$ 10,000 Increase
Transportation	\$ 16,728 Increase
Building & Grounds	(\$ 35,776) Decrease

Budget Committee Action

- **Salaries and Benefits** **\$259,000 Reduction**
 - Initial Reduction of \$297,000 was offset by further action that restored \$38,000.
 - Historical underspend in retirement, paras, attrition, health care, Social Security.

- **5th Kindergarten Teacher & Para** **\$103,000 Reduction**
 - Budget Committee encouraged the School Board to present the funding of these positions as a Warrant Article.

- **Textbooks** **\$ 7,435 Reduction**
 - The Budget Committee removed the costs associated with outfitting a 5th Kindergarten class and suggested that they be included in the Warrant Article that was recommended for funding these positions.

- **Furniture & Equipment** **\$ 18,867 Reduction**
 - The Budget Committee removed the costs associated with outfitting a 5th Kindergarten class and suggested that they be included in the Warrant Article that was recommended for funding these positions.

Budget Committee Action, Cont'd

- **Conferences & Travel** **\$ 15,826 Reduction**
 - Initial reduction of \$20,000 was recommended
 - Subsequent discussions resulted in the restoration of \$4,174 to support additional training

- **Transportation** **\$ 20,776 Reduction**
 - Initial reduction of \$30,000 was recommended
 - Subsequent discussions resulted in the restoration of \$9,224 to support transportation Vocational Training programs

- **Supplies** **\$ 10,056 Reduction**
 - Initial reduction of \$20,056 was recommended.
 - Includes a reduction of \$2,886 for costs associated with the 5th Kindergarten classroom
 - Subsequent discussions resulted in the restoration of \$10,000

Budget Committee Action, Cont'd

- **Snow Plowing** \$ 2,002 Reduction
- **Printing & Binding** \$ 200 Reduction
- **Extended Year Program** \$ 200 Reduction
- **Legal Services** \$ 3,000 Reduction
- **Game Officials** \$ 5,000 Reduction

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 Support Staff Association, which calls for the following increases in salaries and benefits at the current staffing level:

Year	Estimated Increase
2020-2021	\$ 67,521
2021-2022	\$ 44,377

and further to raise and appropriate the sum of **\$67,521** for fiscal year **2021**, 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: \$0.08

Recommended by the School Board (5-0-0)

Recommended by the Budget Committee (8-0-1)

Contract Overview

- The agreement is for 2 years (2020-2022).
- A shift in healthcare insurance from a no-deductible plan to a plan that includes deductibles. By shifting to a consumer-driven plan, both parties expect to realize long-term savings with our healthcare dollars.
- The agreement will cost \$67,521 (3.00%) in the first year and \$44,377 (3.00%) in the second year. These costs include salary increases for all support staff members with insurance savings in year two reducing the overall cost to taxpayers.
- Language clarifications that will continue improvements to workplace safety and enhance communication methods.

ARTICLE 3

Shall the Litchfield School District vote to establish a Class Size Reduction Expendable Trust Fund under the provisions of RSA 198:20-c for the purpose of funding staff due to unexpected increases in enrollment and to raise and appropriate **\$99,000**, which has been appropriated in the FY20 Operating Budget, but has not been expended. This sum to come from the June 30 unassigned fund balance available for transfer on July 1 with no amount to be raised from taxation. Further, to name the School Board as agents to expend from the fund.

Estimated Tax Impact: \$0.00

Recommended by the School Board (5-0-0)

Pending Recommendation by the Budget Committee Vote 9-0-0

ARTICLE 4

Shall the Litchfield School District vote to raise and appropriate up to **\$50,000** to be added to the Special Education Capital Reserve Fund established in 2004 and authorize the use of that amount from the June 30 unassigned fund balance available for transfer on July 1 of this year, with no amount to be raised from taxation?

Estimated Tax Impact: \$0.00

Recommended by the School Board (5-0-0)

Pending Recommendation by the Budget Committee Vote 9-0-0

ARTICLE 5

Shall the Litchfield School District vote to raise and appropriate the sum of **\$70,000** to be added to the operating budget for the purpose of funding a pre-construction feasibility study or planning to determine the possibility and cost of new construction and/or renovation of existing facilities in Litchfield School District as recommended by the Capital Planning Committee?

Estimated Tax Impact: \$0.08

Recommended by the School Board (5-0-0)

Pending Recommendation by the Budget Committee Vote 0-0-0

ARTICLE 6

Shall the Litchfield School District vote to raise and appropriate the sum of **\$35,000** to purchase and install door barricade security devices for all interior classroom/office doors at Griffin Memorial School, Litchfield Middle School and Campbell High School? These door security devices are necessary to prevent an intruder from gaining access to the doorknob, lever or lock on classroom and office doors in the school buildings.

Estimated Tax Impact: \$0.04

Recommended by the School Board (5-0-0)

Pending Recommended by the Budget Committee Vote 9-0-0

ARTICLE 7

Shall the Litchfield School District vote to raise and appropriate the sum of **\$25,000** to re-core (cylinders and keys) all door locks at Litchfield Middle School? This is based on security and safety recommendations from the building security assessment performed by the New Hampshire Department of Homeland Security.

Estimated Tax Impact: \$0.03

Pending Recommendation by the School Board (0-0-0)

Pending Recommendation by the Budget Committee Vote 8-1-0

Potential Tax Impact

Current Budget Proposal \$0.27

This would be an estimated \$94 increase on a house valued at \$350,000 if the proposed budget passes.

Default Budget \$0.44

This would be an estimated \$154 increase on a house valued at \$350,000 if the proposed budget fails.

Potential Tax Impact

Article 2	Support Services Contract	\$0.08
Article 3	Class Size Reduction Expendable Trust Fund	\$0.00
Article 4	Special Education Capital Reserve Fund	\$0.00
Article 5	Feasibility Study	\$0.08
Article 6	Door Barricade Security Devices	\$0.04
Article 7	Re-core All Doors and Locks at LMS	<u>\$0.03</u>
	Warrant Article Total	\$0.23

Current Tax Rate	\$ 15.35
Proposed Increase – Operating Budget	\$ 0.27
Proposed Increase – Warrant Articles	<u>\$ 0.23</u>
New Rate	\$ 15.85

\$ 175 estimated increase to a house valued at \$350,000 if all articles are approved by the voters.

Questions or Comments?