



# Hampton Falls School District Budget: FY 2019-20

Wednesday, February 6, 2019 at 7:00pm

Lincoln Akerman School Gymnasium



# Warrant Article #1: Operating Budget

Shall the School District 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 vote of the first session, for the purposes set forth therein, totaling \$6,785,532. Should this article be defeated, the default budget shall be \$6,629,108, which is the same as last year, with certain adjustments required by previous action of the School District or by law; or the governing body 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. (Majority vote required.)

Note: Warrant Article #1 (operating budget) does not include appropriations in any other warrant articles.

Recommended by the School Board: 5-0



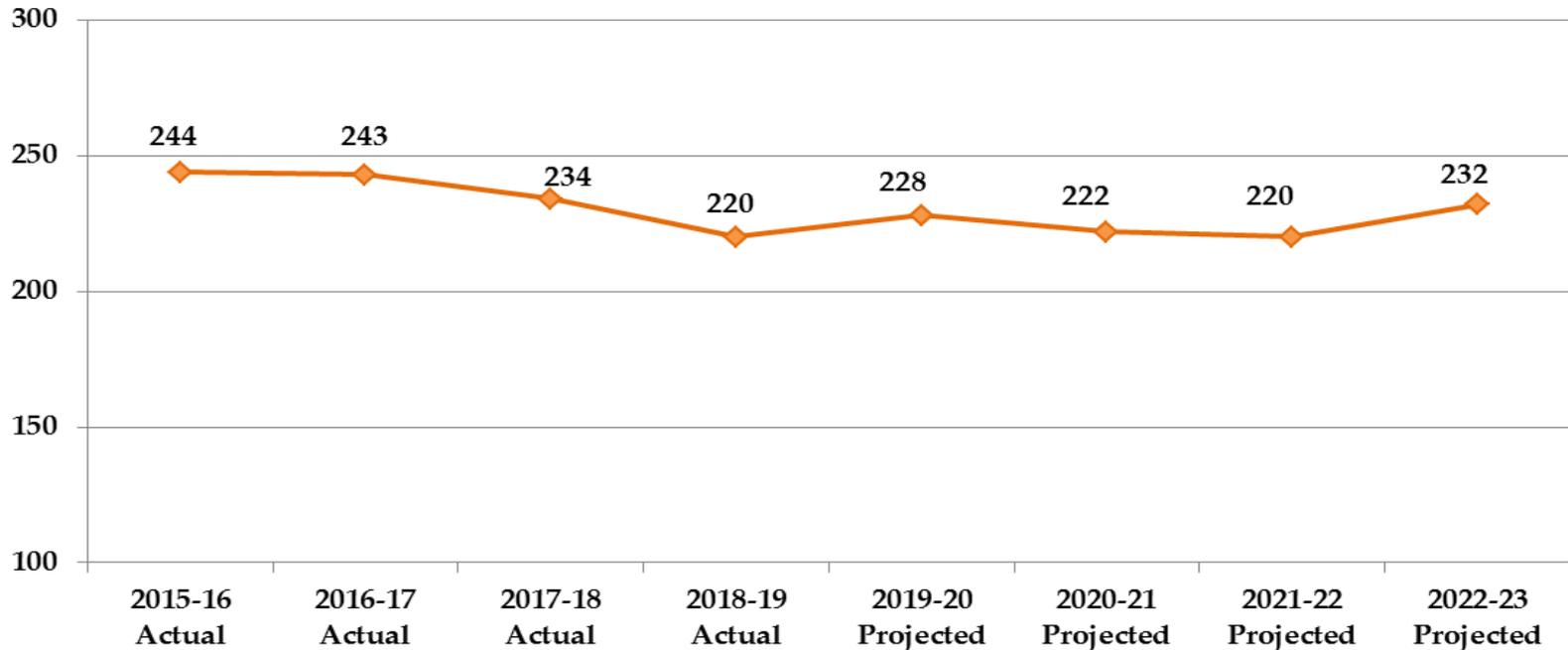
# Warrant Article #1: Operating Budget

- The proposed 2019-20 operating budget for the Hampton Falls School District was established with the following primary objectives:
  - 1) Provide operating budget funding and resource allocation that maintains the current high level of learning opportunities to properly educate our students – while being cognitive of fiscal responsibility to the community of Hampton Falls.
  - 2) Continue the new building addition and renovation project to provide space for traditional and next generation learning to our students:
    - 1) Inclusion of furniture, equipment, and technology for the new addition via operating budget
    - 2) Planned renovation of classrooms into cafeteria space utilizing previously raised bond monies
    - 3) New warrant article for renovation of current multi-use gymnasium/cafeteria into a dedicated gymnasium space



# Warrant Article #1: Operating Budget

## NESDEC Projected Enrollment: Hampton Falls School District (K-8)





# Warrant Article #1: Operating Budget

- The proposed 2019-20 total operating budget for the Hampton Falls School District is \$6,785,532. This reflects a 3.81% increase over the 2018-19 budget, representing a dollar increase of \$249,205.
- The following FY 2019-20 accounts represent an increase of \$595,070:
  - Debt Service: \$273,661
  - Special Education: \$201,267
  - Employee Benefits: \$55,395
  - SAU Services: \$44,141
  - Transportation: \$20,606
- Removing the cost increases for these contractual or state/federal mandated accounts would result in a 2019-20 operating budget decrease of -\$345,865, or a -5.29% decrease.



# Warrant Article #1: Operating Budget

The following summarizes each individual account with associated increase or decrease, and reasoning for variance:

## **Regular Education: \$1,733,582 (Decrease: -\$47,445)**

The decrease in certified staff salary (23 teachers) is due to staffing changes that resulted in lower total salary costs than originally budgeted. Further decreases in the substitute and supplies accounts contribute to the overall decrease. A slight increase is attributable to the rate adjustment for a music instructor to reflect market value.

## **Special Education: \$1,303,137 (Increase: \$131,867)**

The increase in special education is based on student need as dictated by Individualized Education Plan (IEP) services, mandated by state and federal law. A total of 21 staff members are included in the Special Education function.





# Warrant Article #1: Operating Budget

## **Student Activities: \$67,210 (Increase: \$9,300)**

The increase reflects restoring the funding of field trips to 2017-18 levels, two additional outside speaker programs, and the replacement of field hockey goals. Further, stipends for 30 extracurricular advisors and athletic coaches are included.

## **Guidance: \$76,128 (Increase: \$15,615)**

The increase reflects the continuation of the 2018-19 unbudgeted full-time 1.0 FTE guidance counselor position – from the original 0.8 FTE budgeted position. Further, a retirement stipend is included in the increase.

## **Health: \$79,142 (Increase: \$190)**

The slight increase is based on additional employment exams (based on expenditure history), and replacement of the AED safety device.



# Warrant Article #1: Operating Budget

## **Improvement of Instruction: \$31,500 (Increase: \$750)**

The increase is due to extra workshops and seminars to provide additional training on social emotional learning with Responsive Classroom, SOS, and Anti-bullying Curriculum.

## **Educational Media: \$82,195 (Decrease: -\$945)**

The decrease reflects reductions in books/print media purchasing of library books and curriculum specific books.



# Warrant Article #1: Operating Budget

## **Technology: \$163,984 (Increase: \$28,985)**

The increase reflects the first year of the Chromebooks lease program – per the Board approved technology plan (due to existing Chromebooks going out of support). Additionally, the increase is due to the first year implementation costs for PowerSchool SIS, Frontline Absence Management software, and CampusSuite hosting for a new website. Finally, technology equipment (\$6,000) for the new addition project is included.

## **Board of Education: \$42,913 (Decrease: -\$1,831)**

The decrease reflects the reduction of the Community Communications Coordinator, due to redundancy of the existing Communications Coordinator stipend in Student Activities.

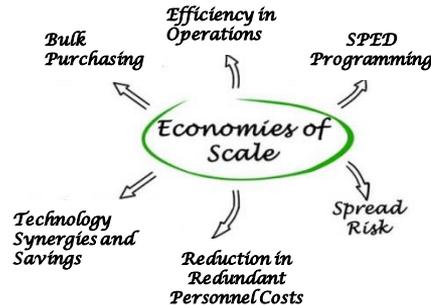


# Warrant Article #1: Operating Budget

## SAU Services: \$158,146 (Increase: \$44,141)

The increase reflects an investment in an enhanced vision of the SAU, envisioned to better serve all of our districts. The goal is a more consistent, collaborative, and efficient operation that benefits all stakeholders by improving services and increasing cost-effectiveness. This includes:

- Competency Based Education (CBE) Planning and Implementation
- SAU-level Director of Student Services
- PowerSchool (Student Management System) across all districts
- Technology synergies





# Warrant Article #1: Operating Budget

## **School Administration: \$170,550 (Increase: \$5,746)**

The increase is due to the administration and clerical staff salary cost of living adjustment.

## **Buildings: \$448,591 (Decrease: -\$305,540)**

The decrease is due to the reduction in the renovations account of -\$351,490 which was utilized to supplement the bond issue for the new addition. \$48,510 was left in the renovations account, primarily to provide furniture/fixtures/equipment that was removed from the bond issue (i.e. security/motion detectors, access control, door holders, door shades).

There are also increases to Buildings due to added insurance, electricity, heating fuel, equipment, supplies, and furniture costs (\$40,515) – based upon the new addition space. Included is a slight increase reflecting the cost of living adjustment for the Facilities team (3 staff members) and the addition of a summer worker.



# Warrant Article #1: Operating Budget

## **Grounds: \$29,901 (Decrease: -\$6,724)**

The decrease is due to a reduction in lawn care and athletic field repair, based on expenditure history and need.

## **Re-locatable Building: \$0 (Decrease: -\$39,400)**

The decrease reflects the removal of the re-locatable building lease and budgeted removal cost, due to the new addition.

## **Transportation: \$344,374 (Increase: \$80,584)**

The increase reflects a new 5-year contract with First Student to supply regular education student transportation services. Further, an increase in special education transportation is based on student need as dictated by Individualized Education Plan (IEP) services, mandated by state and federal law.



# Warrant Article #1: Operating Budget

## **Debt Service: \$362,364 (Increase: \$273,661)**

The debt service provides the principal and interest payment on the 2004 Kensington Road property (\$88,703) and the 2018 new addition project (\$273,661) bond issues.

The last payment for Kensington Road is scheduled for August 2024, and the last payment for the new addition project is scheduled for August 2038.

## **Employee Benefits: \$1,521,734 (Increase: \$55,395)**

The primary driver for the increase in employee benefits for our 58 employees is the result of a 18.5% guaranteed maximum rate (GMR) for health insurance premiums. Further, the New Hampshire Retirement System increased employer retirement contribution rates from 17.36% to 17.80%. Further, FICA and Long Term Disability represent 7.6538% of employee salaries.





# Warrant Article #1: Operating Budget

## **Inter-fund Transfer: \$15,000 (Increase: \$0)**

No increase to the inter-fund food service transfer is budgeted.

## **Food Service: \$155,081 (Increase: 4,856)**

The increase reflects salary cost of living adjustment for staff members (4 staff members), and a salary adjustment to the School Nutrition Director position – to reflect market value – based upon a salary comparative analysis exercise conducted by the SAU.



# Warrant Article #1: Operating Budget

## Default budget

The amount of the same appropriations as contained in the operating budget authorized for the previous year, reduced and increased, as the case may be, by debt service, contracts, and other obligations previously incurred or mandated by law, and reduced by one-time expenditures contained in the operating budget *and by salaries and benefits of positions that have been eliminated in the proposed budget*. For the purposes of this paragraph, one-time expenditures shall be appropriations not likely to recur in the succeeding budget, *and eliminated positions shall not include vacant positions under recruitment or positions redefined in the proposed operating budget*, as determined by the governing body, unless the provisions of RSA 40:14-b are adopted, of the local political subdivision. *In calculating the default budget amount, the governing body shall follow the statutory formula which may result in a higher or lower amount than the proposed operating budget.*

(c) *"Contracts" as used in this subdivision means contracts previously approved, in the amount so approved, by the legislative body in either the operating budget authorized for the previous year or in a separate warrant article for a previous year.*



# Warrant Article #1: Operating Budget

The 2019-20 Hampton Falls School District default budget is \$6,629,108, which is -\$156,424 less than the proposed operating budget of \$ 6,785,532. The following outlines the variances:

Account	2018-19 Budget	2019-20 Default Budget	Variance	Reason for Increase/Decrease
SALARIES - CERTIFIED STAFF	\$1,638,996	\$1,595,736	-\$43,260	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
SALARIES - SUBSTITUTES	\$25,000	\$22,300	-\$2,700	Elimination of stipend position
SALARIES - CERTIFIED STAFF	\$324,664	\$326,724	\$2,060	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
SALARIES - SPECIALISTS	\$176,494	\$172,975	-\$3,519	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
SALARIES - ED ASSOCS/AIDES/MONITORS	\$256,701	\$235,660	-\$21,041	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
PROFESSIONAL SERVICES	\$205,652	\$249,325	\$43,673	Mandated by Federal & NH Special Education Law
EVALUATIONS/TESTING	\$4,865	\$7,812	\$2,947	Mandated by Federal & NH Special Education Law
TUITION	\$77,810	\$179,425	\$101,615	Mandated by Federal & NH Special Education Law
BOOKS/PRINT MEDIA	\$1,418	\$2,870	\$1,452	Mandated by Federal & NH Special Education Law
EQUIPMENT	\$2,500	\$5,829	\$3,329	Mandated by Federal & NH Special Education Law
SAU SERVICES	\$114,005	\$158,146	\$44,141	Mandated by Law RSA 194-C:9



# Warrant Article #1: Operating Budget

Account	2018-19 Budget	2019-20 Default Budget	Variance	Reason for Increase/Decrease
RENOVATIONS	\$400,000	\$45,870	-\$354,130	One time expenditures
RELOCATABLE BUILDING - INSTALL/REMOVAL	\$14,500	\$0	-\$14,500	End of Contractual Obligation
RELOCATABLE BUILDING - LEASE	\$24,900	\$0	-\$24,900	End of Contractual Obligation
TRANSPORTATION - SPEC. NEEDS	\$21,000	\$90,400	\$69,400	Mandated by Law
PRINCIPAL PAYMENT	\$65,000	\$182,800	\$117,800	Debt Service
INTEREST PAYMENT	\$23,703	\$179,564	\$155,861	Debt Service
HEALTH INSURANCE	\$669,557	\$687,458	\$17,901	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
DENTAL INSURANCE	\$23,711	\$20,436	-\$3,275	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
LIFE INSURANCE	\$3,994	\$3,862	-\$132	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
L.T.D. INSURANCE	\$11,869	\$11,624	-\$245	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
FICA	\$254,635	\$249,500	-\$5,135	Mandated by Federal Law
RETIREMENT	\$486,566	\$489,207	\$2,641	Mandated by Law- RSA 100
WORKERS COMPENSATION	\$15,145	\$16,599	\$1,454	Mandated by Law- RSA 281-A



## Warrant Article #2: Seacoast Education Association Collective Bargaining Agreement (CBA)

To see if the School District will vote to approve the cost items included in the collective bargaining agreement reached between the Hampton Falls School Board and the Seacoast Education Association which calls for the following increases in salaries and benefits at the proposed staffing levels:

Year	Estimated Salary Increase	Estimated Health Insurance Decrease	Estimated Salary Driven Benefits Increase	TOTAL Estimated Cost
2019-20	\$87,246	\$0	\$21,909	\$109,156
2020-21	\$84,913	(\$4,333)	\$21,431	\$102,013
2021-22	\$84,105	\$0	\$21,194	\$105,299
2022-23	\$78,772	\$0	\$19,787	\$ 98,559

and further to raise and appropriate the sum of \$109,156 for the 2019-20 school year, 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 proposed staffing levels in accordance with the current collective bargaining agreement. (Majority vote required.)

Recommended by the School Board: 5-0

*Note: In order for this article to be adopted, it must be approved by the voters of the school districts of Hampton Falls, North Hampton, Seabrook, South Hampton and the voters of the Winnacunnet Cooperative School District (which includes Hampton voters).*



## Warrant Article #2: Seacoast Education Association Collective Bargaining Agreement (CBA)

The proposed CBA is the result of a collaborative negotiation process that all parties felt was both fair to our outstanding teachers, but also fiscally responsible for our community and taxpayers. The following summarizes the significant components of the agreement:

- Proposed CBA is 4 years in duration with a 2.75% annual cost of living salary adjustment – below the rate of inflation at 3.4% (CPI-Portsmouth index).
- Slight increases to stipends and course reimbursement.
- Significant adjustments to health insurance, including:
  - Removal of a high cost Blue Choice health plan in year two (2) of the agreement.
  - Provision to open negotiations should the Affordable Care Act excise tax take effect.
  - Expect to experience premium cost savings, avoid a potential ACA excise tax, and hope to drive employee behavior to be better smart shoppers for medical and health related services.



## Warrant Article #2: Seacoast Education Association Collective Bargaining Agreement (CBA)

- Language adjustments have been included in the CBA to help district building leadership better manage the staff and provide for more efficient, high functioning operations at each individual school, including:
  - Focus on relevant professional development linked to a teacher's current position, goals, or in an area of need for the district.
  - Better accountability for meetings, class coverage, and training opportunities.
  
- Impact if the CBA fails:
  - Result in the fourth (4<sup>th</sup>) failed proposed collective bargaining agreement in ten (10) years.
  - SAU 21 compensation is trending down relative to surrounding districts – which could negatively impact our ability to attract and retain valuable teachers, and deliver our high educational standards.
  - School administration is concerned that teachers may leave SAU 21 for surrounding districts to regain missed steps and achieve higher salaries.



## Warrant Article #2: Seacoast Education Association Collective Bargaining Agreement (CBA)

The CBA is a collaborative agreement. So, it is important to note that the CBA needs to pass in all five school districts within SAU 21 – in order for it to take effect in any one district. If any one CBA fails, they all fail.

Therefore, all five towns need to vote and pass the following warrant article ballots for it to pass and take effect in any one district:

**Seabrook:** Seabrook CBA & Winnacunnet CBA

**Hampton Falls:** Hampton Falls CBA & Winnacunnet CBA

**North Hampton:** North Hampton CBA & Winnacunnet CBA

**Hampton:** Winnacunnet CBA

**South Hampton:** South Hampton CBA



## Warrant Article #3: Gym Renovations

To see if the School District will vote to raise and appropriate the sum \$100,000 for the purpose of gym renovations including, but not limited to, the removal of the existing floor and cafeteria table alcove, asbestos abatement, installation of new resilient flooring, painting of walls, and installation of new gymnasium wall padding. This will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until the project is completed or by June 30, 2022, whichever is sooner. (Majority vote required).

Recommended by the School Board: 5-0



## Warrant Article #3: Gym Renovations

- The removal of meals and cafeteria services in the gymnasium (due to the renovation of classrooms into a cafeteria) affords the opportunity to remediate the gymnasium flooring.
- The existing gymnasium flooring is unsafe for general physical education activities and is not currently used for competitive athletics due to safety concern.
- The proposed gymnasium renovations will resolve these concerns with the following renovations:
  - Removal of existing flooring and asbestos remediation
  - Installation of resilient flooring (Robbins Pulastic 90)
  - Demolition of current table alcoves
  - Painting of gymnasium walls
  - Installation of new gymnasium wall padding



## Warrant Article #4: Special Education Expendable Trust

To see if the School District will vote to raise and appropriate \$25,000 to be added to the existing Special Education Expendable Trust Fund, with up to \$25,000 to be funded from the June 30, 2019 unassigned fund balance available for transfer on July 1, 2019. No additional amount to be raised from taxation. (Majority vote required.)

Recommended by the School Board: 5-0



## Warrant Article #4: Special Education Expendable Trust

- Budgeting and associated funding for special education continues to present fiscal challenges to the district.
- The Special Education Expendable Trust was established for the purpose of funding these unanticipated costs. As such, it is beneficial to replenish the Special Education expendable trust to safeguard and mitigate future unexpected costs.
- **Important Note:** Funding for the Special Education Expendable Trust comes from any potential available year-end fund balance – not raised via additional taxation.

**Trust Balance (as of 10/30/18): \$144,391.31**

**Target Balance: \$300,000**



## Warrant Article #5: School Health Insurance Expendable Trust Fund

To see if the School District will vote to create an expendable trust fund under the provisions of 198:20-c III to be known as the School Health Insurance Expendable Fund, for the purpose of maintaining health insurance funds to supplement the funding of health insurance premiums for the benefit of eligible employees or eligible retired employees of the school district? Furthermore, to raise and appropriate up to \$25,000 to be placed in this fund with such amount to be funded from the June 30, 2019 unassigned fund balance available for transfer on July 1, 2019 and to name the School Board as agents to expend from said fund. No additional amount to be raised from taxation. (Majority vote required.)

Recommended by the School Board: 5-0



## Warrant Article #5: School Health Insurance Expendable Trust Fund

- The proposed Health Care Expendable Trust is recommended to be established for the purpose of funding and safeguarding the school district against increasing health insurance premium costs, or unanticipated health insurance related expenditures.
- The 2019-20 proposed operating budget includes a \$55,395 increase in benefits costs primarily due to an 18.5% increase in health insurance premium rates. The Health Care Trust could potentially be used to mitigate similar future increases.
- **Important Note:** Funding for the Health Care Expendable Trust comes from any potential available year-end fund balance – not raised via additional taxation.

**Target Balance: \$150,000**



## Warrant Article #6: Building Maintenance Expendable Trust

To see if the School District will vote to raise and appropriate \$25,000 to be added to the existing Building Maintenance Expendable Trust Fund, with up to \$25,000 to be funded from the June 30, 2019 unassigned fund balance available for transfer on July 1, 2019. No additional amount to be raised from taxation. (Majority vote required.)

Recommended by the School Board: 5-0



## Warrant Article #6: Building Maintenance Expendable Trust

- The Building Maintenance Expendable Trust was established for the purpose of funding and safeguarding the school district against building and facility related costs, or unanticipated building maintenance related expenditures.
- An anticipated withdrawal of approximately \$15,000 from the Building Maintenance Expendable Trust is expected to fund costs related to furnace and water heater repairs in 2018-19.
- **Important Note:** Funding for the Building Maintenance Expendable Trust comes from any potential available year-end fund balance – not raised via additional taxation.

**Trust Balance (as of 10/30/18): \$91,728.91**

**Target Balance: \$150,000**





Thank you to the School Board, parents,  
students, and community for your continued support  
of the Lincoln Akerman School!

Please remember to vote on Tuesday, March 12<sup>th</sup>!