

February 5, 2020

Hampton Falls School District Proposed Budget

FY 2020-21



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 \$6,946,625. Should this article be defeated, the default budget shall be \$6,819,683, 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.

The School Board recommends this article. Vote: 5-0

The Hampton Falls Community

A community of parents,
students and staff, creating
a nurturing environment to
maximize every student's
potential for learning.



The proposed FY 2020-21 operating budget reflects an investment at the Lincoln Akerman School to provide our students an environment that promotes successful intellectual, physical, social and emotional growth.



Lincoln Akerman School

BUDGET GOALS



Lincoln Akerman School

The proposed Hampton Falls School District 2020-21 operating budget was established to provide investment and resource allocation that enhances academic programs and experiences that supports all students. The following outlines six (6) primary objectives:

- 1) Investment to upgrade and fully implement STEM program – providing hands-on and relevant learning experiences for our students. The STEM program is intended to engage and equip our students with critical thinking, problem solving, creative and collaborative skills, and ultimately establish connections between the school, work place, community, and global economy.
- 2) Increase choral and band literacy, expansion of xylophone and percussion offerings, and expand ukulele and recorder offerings for younger students.
- 3) Dedicate ELA resources to K-3 early literacy.

BUDGET GOALS



Lincoln Akerman School

The proposed Hampton Falls School District 2020-21 operating budget was established to provide investment and resource allocation that enhances academic programs and experiences that supports all students. The following outlines six (6) primary objectives **(continued)**:

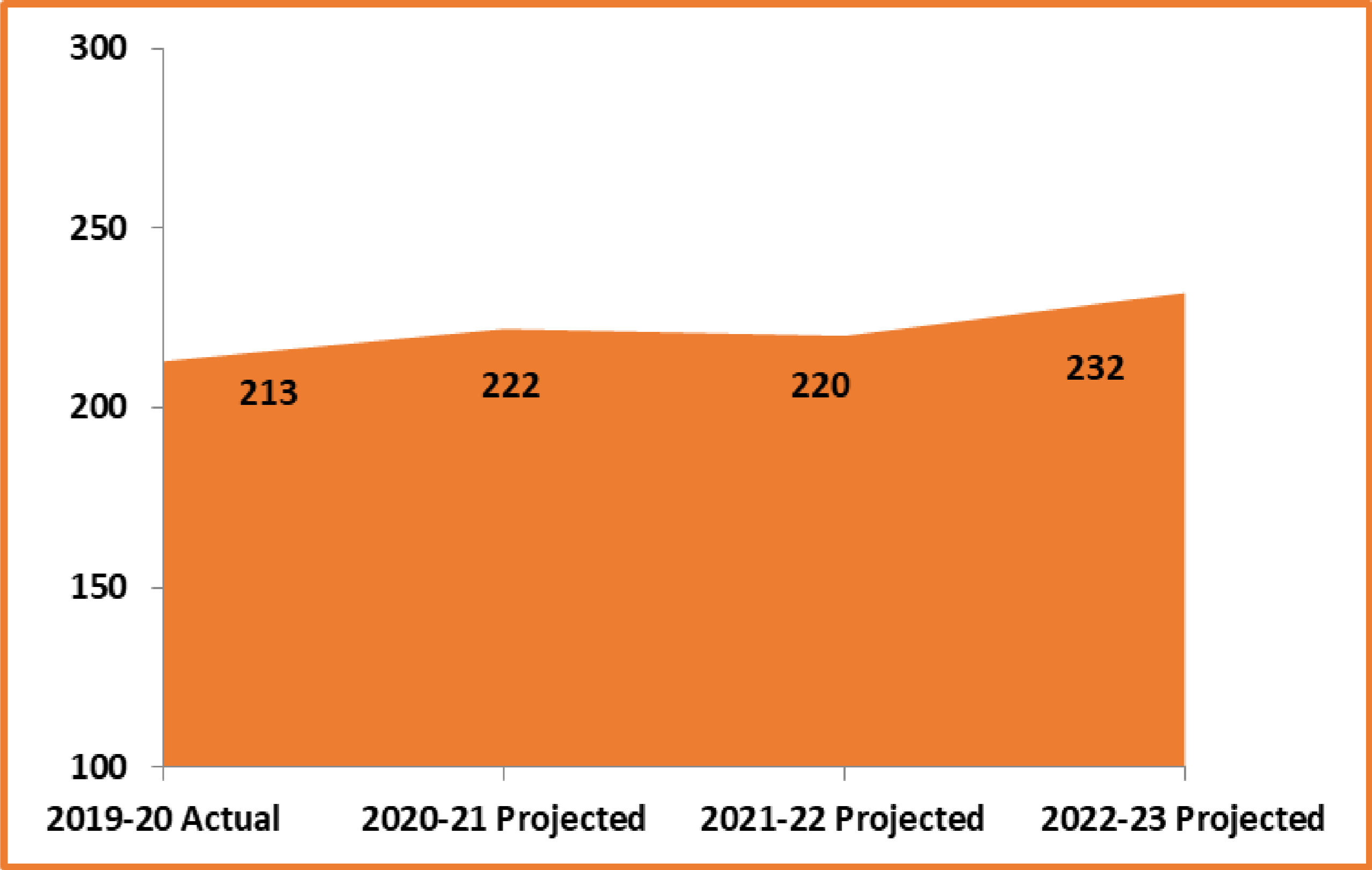
- 4) Expand and support social and emotional learning (SEL) programming in K-8.
- 5) Focus on student learning to fully maximize and leverage the implementation of our SAU-wide Competency Based Education (CBE) initiative.
- 6) Provide appropriate funding and allocation to provide the opportunities and education that empowers individuals to be caring, competent, responsible citizens who value learning as a lifelong process – while being cognitive of fiscal responsibility to the community and taxpayers of Hampton Falls.

ENROLLMENT

Hampton Falls School District enrollment projections conducted by the New England School Development Council (NESDEC) indicate a slight increase in enrollment over the next three (3) years.



Lincoln Akerman School

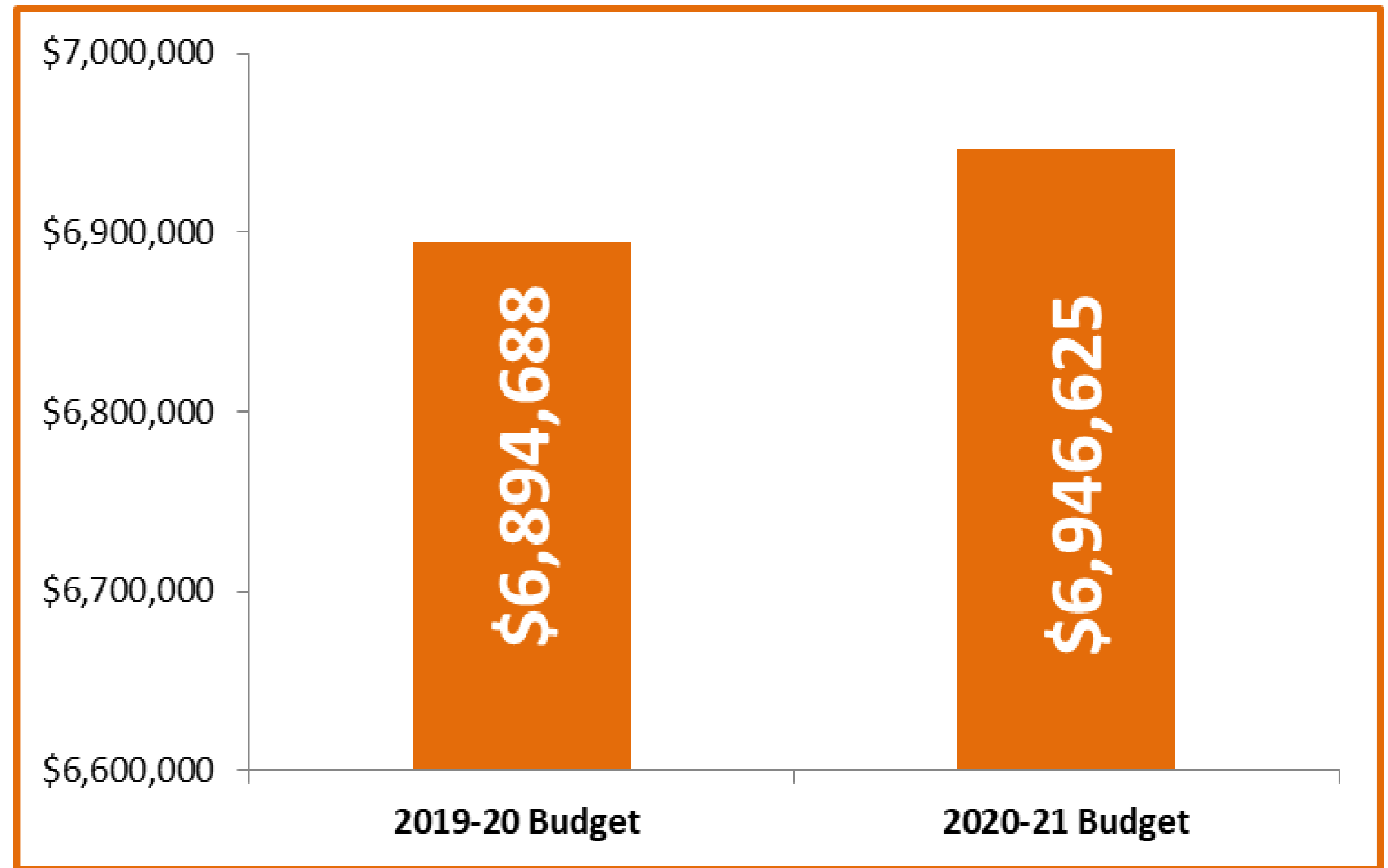


BUDGET SUMMARY



Lincoln Akerman School

The FY 2020-21 Hampton Falls proposed operating budget is \$6,946,625, which reflects an increase of +0.75% or a +\$51,937 increase from the 2019-20 budget.



BUDGET SUMMARY



Lincoln Akerman School

COST OF LIVING ADJUSTMENT

Embedded in the Hampton Falls School District operating budget is a cost of living adjustment (COLA) for all non-union staff members and a cost of living adjustment for union employees as dictated by their respective collective bargaining agreement (CBA).

The non-union COLA represents an annual salary increase as recommended and aligned SAU-wide based upon documented inflation. We utilize the consumer price index (CPI) for the Portsmouth region. The CPI saw an increase of 2.0% from July 2018 to July 2019 for our specific geographic region. The budget process is such that we forecast a year in advance, and inflation data looks at 12 months in arrears. So, although the COLA will never match CPI on an annual basis, this consistent practice equalizes any inequality, by utilizing the same time-frame and index. As such, the administration recommended a non-union staff cost of living adjustment of 2.0% SAU-wide for the 2020-21 school year.

The Seacoast Education Association (SEA) collective bargaining agreement for teachers calls for a 2.75% COLA, and is included in the 2020-21 operating budget.

The Seacoast Educational Personnel Association collective bargaining agreement expires at the end of the FY 2019-20 school year. Any COLA increase for FY 2020-21 will be included in a separate warrant article and is not included in the operating budget.

BUDGET IN DETAIL



Lincoln Akerman School

REGULAR EDUCATION

Budget: \$1,850,105

Increase: +\$51,595 (+2.87%)

The increase in Regular Education reflects the new SEA collective bargaining agreement (CBA) cost of living adjustment and step increases, and the investment in the new STEM program including supplies, books, and equipment and the adjustment from a 0.6 FTE STEM position to a 1.0 FTE STEM teaching position. Further staffing adjustments include the restructure of two teachers' roles for investment of 0.4 FTE (0.2 FTE/each) in curriculum coordinator responsibilities – with the inclusion of requisite stipend. The increases were slightly offset by the creation of a more cost efficient SAU-wide full-time ESOL teacher.

SPECIAL EDUCATION

Budget: \$1,348,625

Increase: +\$31,456 (+2.39%)

The increase in Special Education is primarily due to an increase in out of district tuition costs, SEA collective bargaining cost of living adjustment and step increases, and travel reimbursement to reflect actual expenditure history. The increases were slightly offset by savings in professional services, evaluations/testing, and equipment. Expenditure adjustments in Special Education is based on student need as dictated by individual education plan (IEP) services, mandated by state and federal law.

BUDGET IN DETAIL



Lincoln Akerman School

STUDENT ACTIVITIES

Budget: \$70,532

Increase: +\$3,322 (+4.94%)

The primary driver for the increase in Student Activities is due to a renewed emphasis to contract guest speakers and special programs to address social emotional learning, human growth and development, and other important topics.

GUIDANCE

Budget: \$82,930

Increase: +\$5,121 (+6.58%)

The increase in Guidance reflects the SEA collective bargaining agreement (CBA) cost of living adjustment (COLA) and step increase.

HEALTH

Budget: \$68,040

Decrease: -\$13,189 (-16.24%)

The decrease in Health reflects a change in staffing that resulted in lower salary expenditure.

BUDGET IN DETAIL



Lincoln Akerman School

IMPROVEMENT OF INSTRUCTION

Budget: \$27,350

Decrease: -\$4,150 (-13.17%)

The decrease in the Improvement of Instruction account reflects a decrease in tuition reimbursement, testing, in service training, and professional development based on actual expenditure history.

EDUCATIONAL MEDIA

Budget: \$79,289

Decrease: -\$7,424 (-8.56%)

The decrease in Educational Media reflects budgeting for a job share position that results in a lower total salary and a reduction in supplies based on actual expenditure history, slightly offset by cost of living and step increases.

BUDGET IN DETAIL



Lincoln Akerman School

TECHNOLOGY

Budget: \$234,208

Increase: +\$70,224 (+42.82%)

The Information Technology accounts align with the School Board approved Technology Plan. The technology budget reflects increases to software licensing and staff salary cost of living increases. Further, the primary driver for the increase is a significant investment in cabling and network hardware to replace the wireless system, which is nearing end of life – as outlined in technology plan.

BOARD OF EDUCATION

Budget: \$41,388

Decrease: -\$1,525 (-3.55%)

The slight decrease in the Board of Education account reflects adjustments to postage, annual meeting, and other expenses based upon actual expenditure history.

BUDGET IN DETAIL



Lincoln Akerman School

SAU SERVICES

Budget: \$151,184

Decrease: -\$6,962 (-4.40%)

The decrease in SAU services reflects an enhanced vision of the SAU, envisioned to better serve all of our districts. The new SAU 21 organizational model provides an aligned, high functioning structure that utilizes economy of scale, operational efficiencies, and shared personnel – to provide cost, performance, and efficiency benefits to each individual district.

SCHOOL ADMINISTRATION

Budget: \$171,572

Increase: +\$1,022 (+0.60%)

The slight increase in the School Administration account is due to staff cost of living adjustment and step increases, offset by a decrease telephone, supplies, and dues and fees based on actual expenditure history.

BUDGET IN DETAIL



Lincoln Akerman School

BUILDINGS

Budget: \$437,501

Decrease: -\$11,090 (-2.51%)

The decrease in the Buildings account reflects a reduction in necessary consulting services, renovations, equipment, and furniture returning to normal levels after an increase due to the addition. The decrease was slightly offset by the investment in a part-time custodial staff member, staff salary cost of living adjustments, and step increases.

GROUNDS

Budget: \$38,201

Increase: +\$8,300 (+27.76%)

The increase in the Grounds account is due to an increase in the Snow Removal account and an investment in removing and replacing plantings/shrubbery along front of the school.

BUDGET IN DETAIL



Lincoln Akerman School

TRANSPORTATION

Budget: \$300,699

Decrease: -\$43,675 (-12.68%)

The decrease in transportation is due to a recognized savings in special education transportation, as mandated by state and federal law. The decrease is slightly offset by an increase in transportation reflecting year two (2) of the 5-year contract with First Student to supply regular education, athletic, field trip, and other transportation services.

DEBT SERVICE

Budget: \$366,436

Increase: +\$4,072 (+1.12%)

The slight increase in the Debt Service account reflects the principal and interest payment on the bond issue for the building project and the Kensington Road property. The last payment for Kensington Road is scheduled for August 2024, and the last payment for the new addition is scheduled for August 2038.

BUDGET IN DETAIL



Lincoln Akerman School

EMPLOYEE BENEFITS

Budget: \$1,499,475

Decrease: -\$44,169 (-2.86%)

The primary driver for the decrease in the Employee Benefits account is due to a reduction in the Health Insurance account. The decrease reflects a significant reduction due to a low 1.8% guaranteed maximum rate (GMR) for our health insurance premiums, and migration off the high cost Blue Choice plan, as negotiated during our last collective bargaining agreement (and, applied to non-union staff, thereafter).

INTERFUND TRANSFER

Budget: \$18,000

Increase: +\$3,000 (+20.00%)

The increase in the Interfund Transfer is based upon actual expenditure history.

FOOD SERVICE

Budget: \$161,090

Increase: +\$6,009 (+3.87%)

The increase in the Food Service fund reflects staff cost of living adjustment, step increases, and food supplies to support the new cooking from scratch initiative – offset by reductions in repair and maintenance and equipment, based on actual expenditure history.

BUDGET IN DETAIL



Lincoln Akerman School

DEFAULT BUDGET

\$6,819,683 (-\$126,942 less than the proposed operating budget of \$6,946,625)

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.



WARRANT ARTICLE 2: SEACOAST EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

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 Educational Support Personnel Association which calls for the following increases in salaries and benefits at the proposed staffing levels:

Year	Estimated Salary Increase (including Salary Driven Benefits)	Estimated Health Insurance Increase	TOTAL Estimated Cost
2020-21	\$8,653	\$ 0	\$ 8,653
2021-22	\$7,656	\$ 7,627	\$15,283
2022-23	\$4,543	\$ 8,389	\$12,932
2023-24	\$3,938	\$11,440	\$15,378

and further to raise and appropriate the sum of \$8,653 for the 2020-21 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.)

The School Board recommends this article. Vote: 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 EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

The proposed collective bargaining agreement (CBA) for our invaluable SESPAs provides improved compensation and benefits to better retain and attract vital educational associates, contractual language to better manage these employees efficiently, and safeguards against potential Affordable Care Act (ACA) IRS penalties.

DURATION

Four (4) year agreement spanning July 1, 2020 to June 30, 2024 to ensure consistency and stability.

COMPENSATION

Year 1: inclusive of a 2.5% cost of living adjustment

Year 2: inclusive of a 1.0% cost of living adjustment and addition of step 11

Year 3: inclusive of a 1.0% cost of living adjustment

Year 4: inclusive of a 1.0% cost of living adjustment

Further, an extra longevity stipend for achieving 20 years of service is included for an additional \$200.

NOTE: The average SAU 21 SESPAs employee currently has an annual salary of \$21,150.25.



WARRANT ARTICLE 2: SEACOAST EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

HEALTH INSURANCE

The agreement offers health insurance for employees at full-time, 30 hour status in a tiered, multi-year approach to minimize costs to the district. The following summarizes the proposal:

- SESPA Employees will be eligible for **single** medical insurance coverage, under the Anthem Site of Service (SOS) **low cost plan**.
- The following is the percentage of premium the district (employer) will contribute:
 - Year 1: 0%
 - Year 2: 40%
 - Year 3: 60%
 - Year 4: 80%
- SESPA employees who worked 35 hours and were previously eligible for health insurance are grandfathered under the previous coverage.

IMPORTANT NOTE

- Two (2) SAU 21 districts have been levied with ACA IRS penalties for not offering affordable health care insurance to SESPA employees. This coverage will eliminate this exposure and cost liability.
- The lack of health insurance coverage is the #1 reason cited for SESPA employee turnover and difficulty hiring.



WARRANT ARTICLE 2: SEACOAST EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

LANGUAGE ADJUSTMENTS

The following language adjustments are intended to help the school administration to operate more efficiently, maintain morale, and manage the team more effectively:

- All SESPAs employees will be assigned one (1) thirty minute work period per week for SESPAs employees to complete necessary paperwork, relevant meetings, or other activities as assigned by supervisor.
- All SESPAs employees will be required to attend a monthly staff or department meeting after school hours at their normal rate of pay.
- The sick leave bank language has been streamlined and simplified for better management and execution of sick bank donations and withdrawals.
- Allowance of one SESPAs member to attend NEA-NH Assembly of Delegates for one day, once a year at no loss of pay.
- Sick and personal leave abuse language has been included to minimize unnecessary use of sick and personal days.



WARRANT ARTICLE 2: SEACOAST EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

LANGUAGE ADJUSTMENTS (Continued)

The following language adjustments are intended to help the school administration to operate more efficiently, maintain morale, and manage the team more effectively:

- The sick leave language has been adjusted to allow for more roll-over of sick leave on an annual basis – to minimize the potential for employees to utilize sick leave when not necessary.
- Personal days for SESPA employees have been capped at 1 personal day per school on the same day during the months of May and June.
- Bereavement language has been adjusted to allow for special approval of bereavement leave outside of the employee's immediate family.
- Other language adjustments include clarification of arbitration process, use of facilities, and hiring practice.



WARRANT ARTICLE 2: SEACOAST EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

SCHOOL DISTRICT COSTS:

The following summarizes the cost to the school district for the proposed SESPAC collective bargaining agreement (CBA):

HAMPTON FALLS	Year 1	Year 2	Year 3	Year 4
Annual Step	\$2,230.11	\$4,963.38	\$1,801.00	\$1,177.71
Cost of Living Adjustment	\$6,422.95	\$2,693.15	\$2,741.86	\$2,760.38
Health Insurance	\$0.00	\$7,626.82	\$8,389.50	\$11,440.22
Hampton Falls TOTAL	\$8,653.07	\$15,283.34	\$12,932.35	\$15,378.31



WARRANT ARTICLE 2: SEACOAST EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

IMPACT TO SCHOOL DISTRICTS

SESPA employees represent a significant portion of overall school district staff, providing essential personalized interaction with students both in a special education and regular education capacity. These often overlooked team members are on the front lines working with our students with greatest need, assist with those students needing extra attention, or simply provides the classroom teacher another helpful hand.

The SAU suffers from a 25% turnover rate of these important educational associates and long vacancies due to difficulties hiring qualified personnel for open positions. The #1 oft-cited reason is a lack of health insurance coverage. 76% of the positions are not currently covered by health insurance. The proposed agreement will cover all but 3% of these positions.

Comparable SAU's in our geographic area all offer health insurance and more competitive compensation packages. As such, SAU 21 is at a significant competitive disadvantage.



WARRANT ARTICLE 2: SEACOAST EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

IMPORTANT NOTE

Historically, due to the mechanisms of passing a CBA warrant article – it has been difficult to pass the SESPAC CBA. When this occurs, SESPAC employees do not receive pay increases or steps. And, this further perpetuates a compensation differential with surrounding SAU's.

The CBA is a collaborative agreement at SAU 21. As such, it is important to note that the CBA warrant article needs to pass in all five (5) school districts within SAU 21 – in order for it to take effect in any one district. If any individual school district CBA warrant article fails, they all fail.

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

Seabrook: Seabrook CBA and Winnacunnet CBA

Hampton Falls: Hampton Falls CBA and Winnacunnet CBA

North Hampton: North Hampton CBA and Winnacunnet CBA

Hampton: Winnacunnet CBA

South Hampton: South Hampton CBA

WARRANT ARTICLE 3: PAVING PROJECT



Lincoln Akerman School

To see if the School District will vote to raise and appropriate the sum \$98,994 for the purpose of repaving parking areas, sidewalks, and walkways at Lincoln Akerman School. 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). The School Board recommends this article. Vote: 5-0.

WARRANT ARTICLE 3: PAVING PROJECT



Lincoln Akerman School

AMOUNT: \$98,994

FUNDING SOURCE: Raise and Appropriate

The existing parking lot pavement at the Lincoln Akerman School has deteriorated to poor condition – creating unsafe driving and improper drainage.

The project scope encompasses repaving of the entire original asphalt parking lot and paths at the Lincoln Akerman School. Additionally, the sidewalks along the front entrance side of the building will be replaced with concrete sidewalks.

Note: This project does not include the new parking lot installed in the summer of 2019.

WARRANT ARTICLE 4: SPECIAL EDUCATION EXPENDABLE TRUST



Lincoln Akerman School

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, 2020 unassigned fund balance available for transfer on July 1, 2020. No additional amount to be raised from taxation. (Majority vote required.) The School Board recommends this article.
Vote: 5-0



WARRANT ARTICLE 4: SPECIAL EDUCATION EXPENDABLE TRUST

AMOUNT: \$25,000

FUNDING SOURCE: Unreserved Fund Balance

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 unanticipated special education 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.

<i>Expendable Trust:</i>	<i>Balance:</i>	<i>Target:</i>
Special Education:	\$180,722	\$400,000 <i>(updated to reflect increased out of district placement costs)</i>

WARRANT ARTICLE 5: BUILDING MAINTENANCE EXPENDABLE TRUST



Lincoln Akerman School

To see if the School District will vote to raise and appropriate \$50,000 to be added to the existing Building Maintenance Expendable Trust Fund, with up to \$50,000 to be funded from the June 30, 2020 unassigned fund balance available for transfer on July 1, 2020. No additional amount to be raised from taxation. (Majority vote required.) The School Board recommends this article. Vote: 5-0



WARRANT ARTICLE 5: BUILDING MAINTENANCE EXPENDABLE TRUST

AMOUNT: \$50,000

FUNDING SOURCE: Unreserved Fund Balance

The Building Maintenance Expendable Trust was established for the purpose of funding and safeguarding the school district against building and facility related costs, or building maintenance related expenditures.

An anticipated withdrawal of approximately \$50,000 from the Building Maintenance Expendable Trust is expected to fund the replacement of the Kitchen Freezer and Refrigerator within the next year. The current freezer/refrigerator is 30+ years old, has reached end of life and is failing – resulting in significant repair costs.

Important Note: Funding for the Building Maintenance Expendable Trust comes from any potential available year-end fund balance – not raised via additional taxation.

<i>Expendable Trust:</i>	<i>Balance:</i>	<i>Target:</i>
Building Maintenance:	\$123,862	\$150,000



WARRANT ARTICLE 6: HEALTH INSURANCE EXPENDABLE TRUST

To see if the School District will vote to raise and appropriate \$25,000 to be added to the existing School Health Insurance Expendable Trust Fund, with up to \$25,000 to be funded from the June 30, 2020 unassigned fund balance available for transfer on July 1, 2020. No additional amount to be raised from taxation. (Majority vote required.) The School Board recommends this article. Vote: 5-0



WARRANT ARTICLE 6: HEALTH INSURANCE EXPENDABLE TRUST

AMOUNT: \$25,000

FUNDING SOURCE: Unreserved Fund Balance

The Health Care Expendable Trust was established for the purpose of funding and safeguarding the school district against increasing health insurance premium costs, or unanticipated health insurance related expenditures. The Health Care Expendable Trust also allows for mitigation of large potential budget increases due to rising health insurance rates.

Important Note: Funding for the Health Care Expendable Trust comes from any potential available year-end fund balance – not raised via additional taxation.

Expendable Trust:

Health Care:

Balance:

\$25,000

Target:

\$150,000

The Hampton Falls Community

**Thank you to the school
boards, parents,
students, staff, and
community for the
outstanding support of
the Lincoln Akerman
School!**



Lincoln Akerman School

