

F e b r u a r y 3 , 2 0 2 0

FY 2020-21

S e a b r o o k S c h o o l D i s t r i c t P r o p o s e d O p e r a t i n g B u d g e t

THE SEABROOK COMMUNITY

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 \$15,058,049? Should this article be defeated, the default budget shall be \$14,967,362, 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.
(Should this article be approved, it is estimated it will constitute \$5.5834 per thousand of the tax rate.) .

THE SEABROOK COMMUNITY

Educating the whole student by providing a flexible, engaging, and supportive atmosphere where learning is relevant and lifelong.



The proposed FY 2020-21 operating budget reflects a commitment to providing an education that promotes a passion for learning, and to provide a safe atmosphere which is conducive to educating, nurturing and empowering all students to become responsible, productive, tolerant members of society.



THE SEABROOK COMMUNITY

BUDGET GOALS



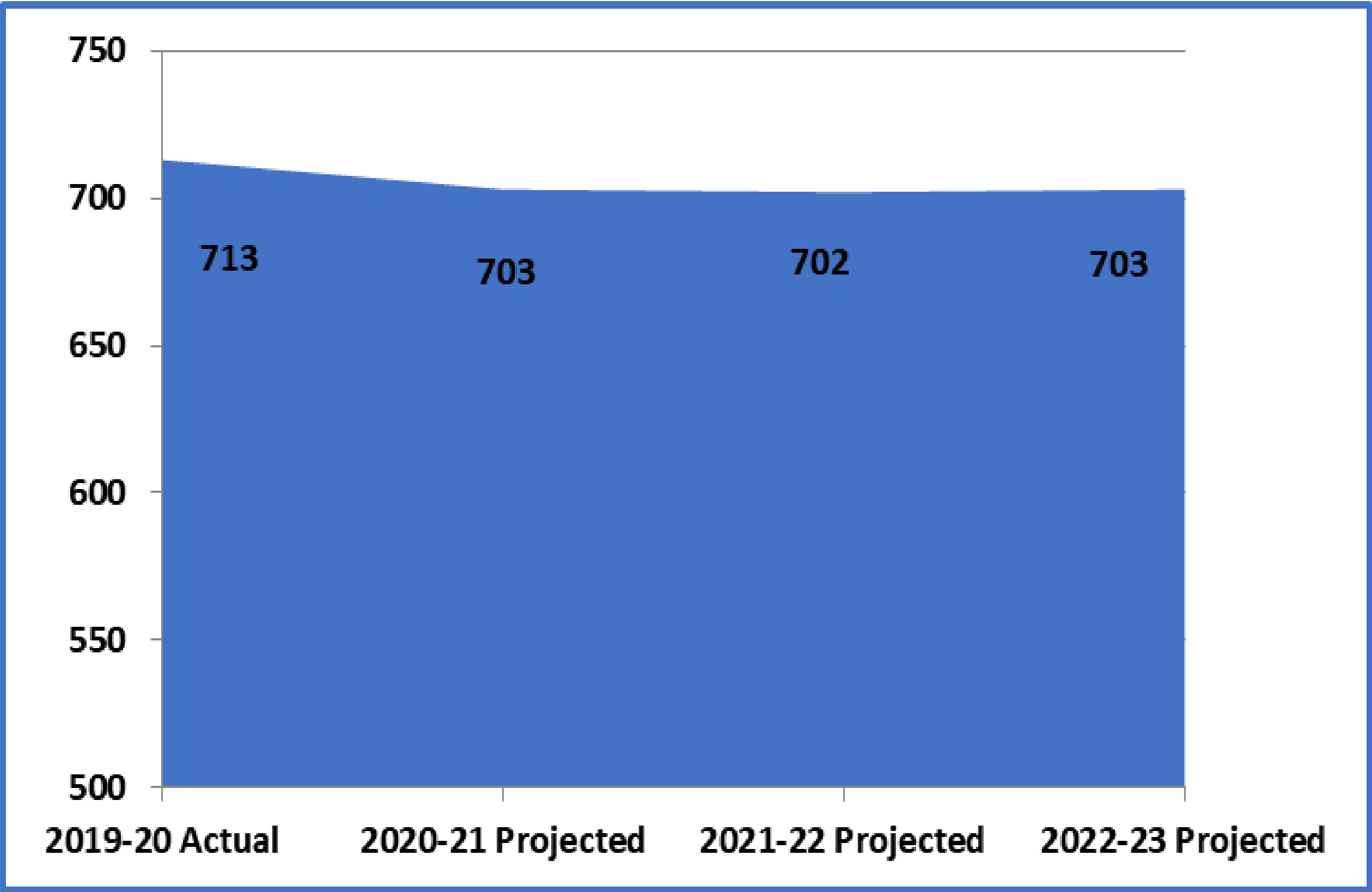
The proposed Seabrook School District 2020-21 operating budget was established to provide investment and resource allocation that enhances academic programs and experiences that supports all students. Based on this overarching goal, the following outlines the three (3) primary objectives:

- 1) Investment in our Seabrook students to provide the opportunities and education that empowers individuals to be caring, competent, responsible citizens who value learning as a lifelong process.
- 2) Focus on student learning to fully maximize and leverage the implementation of our SAU-wide Competency Based Education (CBE) initiative.
- 3) Provides appropriate funding and allocation of resources that maintains and continuously improves the current high level of learning opportunities to properly prepare our students – while being cognitive of fiscal responsibility to the community and taxpayers of Seabrook.

ENROLLMENT



The Seabrook School District enrollment projections conducted by the New England School Development Council (NESDEC) indicates flat enrollment over the next three (3) years.



BUDGET SUMMARY

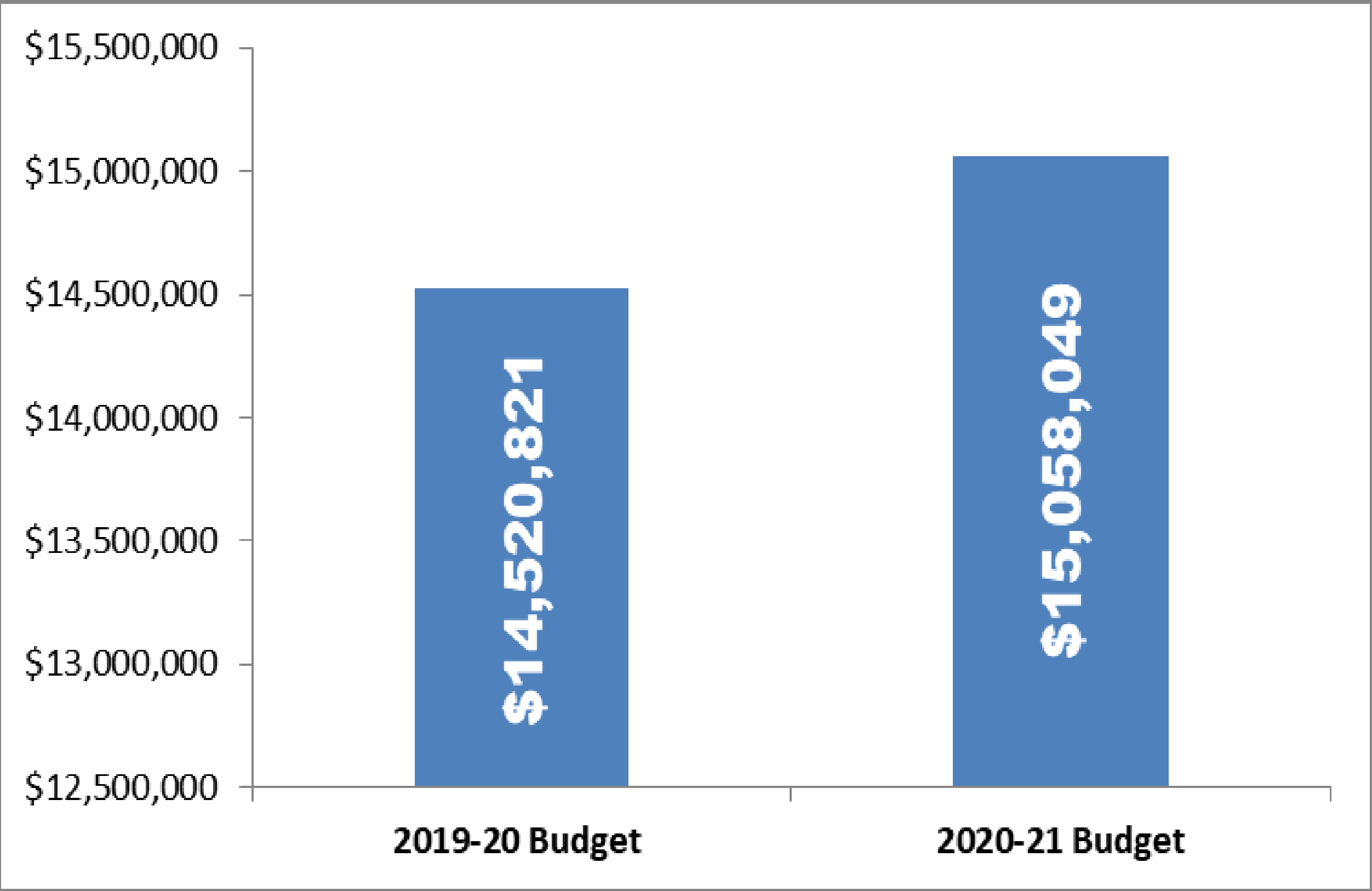


OVERALL BUDGET

The proposed FY 2020-21 Seabrook School District operating budget is \$15,058,049 which reflects an increase of +3.70% or a +\$537,228 increase from the 2019-20 budget.

Further, the proposed 2020-21 operating budget is +\$90,687 or +0.61% higher than the default budget of \$14,967,362.

The budget reflects significant reductions and/or level funding on discretionary accounts – with the slight overall increase due to contractual and legally mandated expenditures.



THE SEABROOK COMMUNITY

BUDGET SUMMARY



BUDGET DRIVERS

The following three (3) FY 2020-21 budget components represent +\$504,042 of the total +\$537,228 increase:

Special Education: +\$141,701

Increases for special education services, per students' individualized education plans (IEP) as mandated by state and federal law.

Seacoast Education Association (SEA) CBA Salaries: +\$224,170

Represents 2.75% cost of living adjustment (COLA) and step increases per new collective bargaining agreement (CBA).

Employee Benefits: +\$138,171

Reflects increased retirement contribution, FICA/Medicare, and workers compensation insurance due to increased salaries based on the new CBA, and an increase in health insurance reflecting a 1.8% GMR for premiums and staffing changes resulting in plan election changes.

Removing these three (3) increases would result in a 2020-21 budget increase of +\$33,186 or a slight increase of +0.23%.

THE SEABROOK COMMUNITY

BUDGET SUMMARY



COST OF LIVING ADJUSTMENT

Embedded in the Seabrook 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 recommends 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



The following budget detail summarizes each individual budget function with associated significant increase or decrease, and reasoning for the variance:

REGULAR EDUCATION

Budget: \$4,575,016

Increase: +\$146,325 (+3.30%)

The increase in Regular Education reflects the new SEA collective bargaining agreement (CBA) cost of living adjustment and step increases, offset slightly by a reduction in books/print media purchasing.

SPECIAL EDUCATION

Budget: \$2,089,778

Increase: +\$141,701 (+7.27%)

The increase 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



STUDENT ACTIVITIES

Budget: \$72,085

Increase: +\$12 (+0.02%)

The Student Activities budget reflects effectively no change from prior year, with adjustments in individual line-items, including an increase in dues/fees and extracurricular stipends, offset by a decrease in speakers fees.

SUMMER SCHOOL

Budget: \$20,760

Increase: \$0 (0.00%)

The Summer School account reflects no change from prior year.

GUIDANCE

Budget: \$153,480

Decrease: -\$2,909 (-1.86%)

The slight decrease in Guidance reflects reduced cost due to staffing changes.

THE SEABROOK COMMUNITY

BUDGET IN DETAIL



HEALTH

Budget: \$146,813

Increase: +\$24,294 (+19.83%)

The increase in Health reflects a staffing change at a higher rate, and cost of living adjustment per the collective bargaining agreement.

SPEECH

Budget: \$224,727

Increase: +\$8,281 (+3.83%)

The increase in Speech reflects the new SEA collective bargaining agreement (CBA) cost of living adjustment and step increases

OTHER SUPPORT SERVICES

Budget: \$1

Increase: +\$0 (+0.00%)

The Other Support Services account is kept open for potential future need.

BUDGET IN DETAIL



IMPROVEMENT OF INSTRUCTION

Budget: \$143,293

Increase: +\$4,517 (+3.25%)

The increase in the Improvement of Instruction account reflects salary cost of living adjustment, step increase, and slightly higher actual salary than original budgeted amount.

EDUCATIONAL MEDIA

Budget: \$181,672

Increase: +\$6,049 (+3.44%)

The primary driver for the increase in Educational Media is due to the staff salary cost of living adjustment and step increases.

COMPUTER SERVICES

Budget: \$304,887

Increase: +\$27,680 (+9.99%)

The Computer Services accounts align with the school technology plan and associated technology replacement cycles with continued investment in the 1:1 Chromebook initiative. Last year we noted was an off-year in the Chromebook replacement cycle (reflecting a lower cost) – and, going forward planned replacement purchasing will be approximately level.

THE SEABROOK COMMUNITY

BUDGET IN DETAIL



SUPPORT SERVICES

Budget: \$116,700

Increase: +\$0 (+0.00%)

No increase to the support Services account is budgeted.

BOARD OF EDUCATION

Budget: \$53,911

Decrease: -\$600 (-1.10%)

The decrease in Board of Education reflects a reduction in advertising and annual meeting accounts to reflect actual expenditure history.

SAU SERVICES

Budget: \$601,868

Increase: +17,564 (+3.01%)

The slight increase 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.

THE SEABROOK COMMUNITY

BUDGET IN DETAIL



SCHOOL ADMINISTRATION

Budget: \$593,283

Increase: +\$20,055 (+3.50%)

The primary driver for the increase in School Administration is due to the administrative salary cost of living adjustment and step increases.

BUILDINGS

Budget: \$841,961

Increase: +\$12,813 (+1.55%)

The slight increase in Buildings reflects a planned purchase of necessary lockers for the middle school, due to failure (end of life) and lack of replacement parts. The plan is to utilize \$20,000 from the furniture account in the operating budget, and the remaining \$78,000 from the building maintenance expendable trust.

GROUNDS

Budget: \$63,500

Increase: \$0 (0.00%)

No increase to the Grounds account is budgeted.

BUDGET IN DETAIL



VEHICLE EXPENSES

Budget: \$3,200

Increase: \$0 (0.00%)

No increase to the Vehicle Expenses account is budgeted.

TRANSPORTATION

Budget: \$874,552

Increase: +\$5,603 (+0.64%)

The increase in Transportation reflects year two (2) of the 5-year contract with First Student to supply regular education, athletic, field trip, and other transportation services, offset by a decrease in special education transportation costs.

EMPLOYEE BENEFITS

Budget: \$3,536,368

Increase: +\$138,171 (+4.07%)

The increase in Employee Benefits primarily reflects a 1.8% guaranteed maximum rate (GMR) for health insurance premiums, staffing changes resulting in plan election changes, and increases in FICA, retirement, and workers compensation insurance due to salary increases.

THE SEABROOK COMMUNITY

BUDGET IN DETAIL



DEBT SERVICE

Budget: \$126,436

Decrease: -\$1,499 (-1.17%)

The Debt Service account provides the principal and interest payments on the bond issue for the building project. The last payment is scheduled for August 2024.

INTERFUND TRANSFER

Budget: \$1

Increase: \$0 (0.00%)

There is no anticipated need for an Inter-Fund Transfer to fund a deficit for food service.

FOOD SERVICE

Budget: \$333,857

Decrease: -\$10,829 (-3.14%)

The reduction in Food Service reflects decreases in food & milk supplies, USDA commodities, and equipment based on expenditure history.

THE SEABROOK COMMUNITY

BUDGET IN DETAIL



DEFAULT BUDGET

\$14,967,362 (-\$90,687 less than the proposed operating budget of \$15,058,049)

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 Seabrook 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	\$29,086	\$ 0	\$29,086
2021-22	\$26,581	\$29,745	\$56,326
2022-23	\$15,584	\$32,719	\$48,303
2023-24	\$14,713	\$44,617	\$59,330

and further to raise and appropriate the sum of 29,086 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 and the Budget Committee recommend this appropriation.

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).
(Should this article be approved, it is estimated it will constitute \$0.0107 per thousand of the tax rate.)

THE SEABROOK COMMUNITY

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.

THE SEABROOK COMMUNITY

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 will be assigned one (1) thirty minute work period per week for SESPAs to complete necessary paperwork, relevant meetings, or other activities as assigned by supervisor.
- All SESPAs 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.

THE SEABROOK COMMUNITY

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 SESPAs 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 SESPAs collective bargaining agreement (CBA):

SEABROOK	Year 1	Year 2	Year 3	Year 4
Annual Step	\$6,752.19	\$17,222.11	\$6,058.65	\$5,103.40
Cost of Living Adjustment	\$22,334.21	\$9,359.52	\$9,525.51	\$9,610.30
Health Insurance	\$0.00	\$29,744.58	\$32,719.04	\$44,616.87
Seabrook TOTAL	\$29,086.40	\$56,326.21	\$48,303.19	\$59,330.57

THE SEABROOK COMMUNITY

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.

THE SEABROOK COMMUNITY

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

THE SEABROOK COMMUNITY

WARRANT ARTICLE 3: ROOF REPLACEMENT



To see if the School District will vote to raise and appropriate the sum of \$135,320 to replace the roof on the Seabrook Elementary School? This is the second phase of a two phase project. This will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until the project is complete or June 30, 2022, whichever is earlier. The School Board and the Budget Committee recommend this appropriation. (Majority vote required.)
(Should this article be approved, it is estimated it will constitute \$0.0501 per thousand of the tax rate.)

THE SEABROOK COMMUNITY

WARRANT ARTICLE 3: ROOF REPLACEMENT



AMOUNT: \$135,320

FUNDING SOURCE: Raise and Appropriate

The proposed roof replacement is year two (2) of a two (2) year plan to replace two sections of the elementary school roof which reached end of life. The first section was a warrant article on last year's ballot and the project was completed this past summer.

The proposed replacement aligns with the overall roof replacement plan that was developed in conjunction with our roof consultant.

THE SEABROOK COMMUNITY

WARRANT ARTICLE 4: NATURAL GAS GENERATOR



To see if the School District will vote to raise and appropriate the sum of \$30,000 to remove the 1985 diesel generator, transfer switch and diesel tank and replace with a new natural gas generator and switch. The generator will supply power to emergency lights, kitchen freezers and boilers located within the Seabrook Middle and Elementary Schools. This will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until the project is complete or June 30, 2022, whichever is earlier. The School Board and the Budget Committee recommend this appropriation. (Majority vote required.)

(Should this article be approved, it is estimated it will constitute \$0.0111 per thousand of the tax rate.)

THE SEABROOK COMMUNITY

WARRANT ARTICLE 4: NATURAL GAS GENERATOR



AMOUNT: \$30,000

FUNDING SOURCE: Raise and Appropriate

The existing generator is gas powered and the fuel is stored in single lined tanks, with the potential for leaks. Additionally, the current generator is 30+ years old and has reached end of life.

The proposal is to replace the generator with a new natural gas powered generator that eliminates the potential for leakage and/or potential failure.

THE SEABROOK COMMUNITY

WARRANT ARTICLE 5: BUILDING MAINTENANCE EXPENDABLE TRUST



To see if the School District will vote to raise and appropriate up to \$75,000 to be added to the existing Building Maintenance Expendable Trust Fund, with such amount 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.

The School Board and the Budget Committee recommend this appropriation. (Majority vote required.)

WARRANT ARTICLE 5: BUILDING MAINTENANCE EXPENDABLE TRUST



AMOUNT: \$75,000 **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 \$75,000 from the Building Maintenance Expendable Trust is expected to fund the replacement of the middle school lockers. The current lockers have reached end of life and are failing – resulting in significant repair costs with no replacement parts available.

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:	\$155,123	\$200,000

THE SEABROOK COMMUNITY

WARRANT ARTICLE 6: SPECIAL EDUCATION EXPENDABLE TRUST



To see if the School District will vote to raise and appropriate \$50,000 to be added to the existing Special Education 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. The School Board and the Budget Committee recommend this appropriation. (Majority vote required.)

WARRANT ARTICLE 6:
SPECIAL EDUCATION
EXPENDABLE TRUST



AMOUNT: \$50,000 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:	\$241,256	\$400,000 <i>(updated to reflect increased out of district placement costs)</i>

THE SEABROOK COMMUNITY

WARRANT ARTICLE 7: PETITION ARTICLE – CHILD BENEFIT SERVICES



To see if the School District will vote to raise and appropriate the sum of \$18,400 to provide child benefit services, in accordance with RSA 189:49, for students who are residents of the Seabrook School District and attend Sacred Heart School located in Hampton, New Hampshire. CITIZEN’S PETITION by 25 or more registered voters of the Town of Seabrook. The School Board and the Budget Committee recommend this appropriation. (Majority vote required.)

(Should this article be approved, it is estimated it will constitute \$0.0068 per thousand of the tax rate.)

THE SEABROOK COMMUNITY

WARRANT ARTICLE 7: PETITION ARTICLE – CHILD BENEFIT SERVICES



AMOUNT: \$18,400

FUNDING SOURCE: Raise and Appropriate

A citizens petition warrant article was submitted to provide supplemental funding for Seabrook students attending Sacred Heart school.

THE SEABROOK COMMUNITY

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

SEABROOK



RAMS

