



# North Hampton School District Budget: FY 2019-20

Tuesday, February 5, 2019 at 7:00pm

North Hampton School Cafeteria



# 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 \$9,131,074? Should this article be defeated, the default budget shall be \$9,182,602 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

Recommended by the Budget Committee: 8-1



## Proposed Budget: FY 2019-20

The 2019-20 proposed operating budget for the North Hampton School District was established with intent to align with the overall mission to provide education that empowers individuals to be caring, competent, responsible citizens who value learning as a lifelong process.

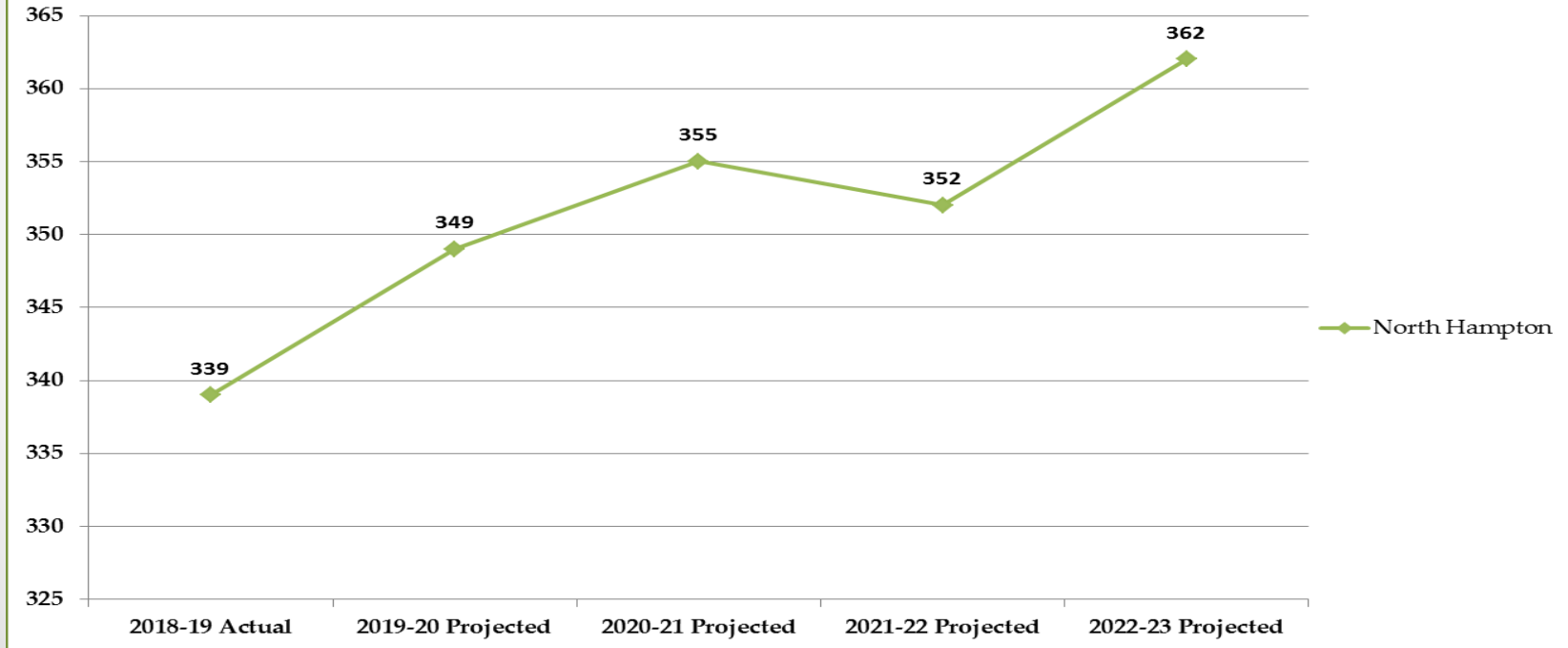
In keeping with the school's mission, the 2019-20 proposed North Hampton operating budget was developed to achieve the following primary objective:

- Provide the appropriate 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 and taxpayers of North Hampton.



# Proposed Budget: FY 2019-20

**NESDEC Projected Enrollment:  
North Hampton School**





# Warrant Article #1: Operating Budget

- The proposed 2019-20 total operating budget for the North Hampton School District is \$9,131,074. This reflects a 3.47% increase over the 2018-19 budget, representing a dollar increase of \$306,227.
- The following FY 2019-20 accounts represent an increase of \$325,012:
  - Special Education: \$75,359
  - SAU Services: \$80,807
  - Employee Benefits: \$132,786
  - Transportation: \$36,060
- Removing the cost increases for these contractual or state/federal mandated accounts would result in a 2019-20 operating budget decrease of -\$18,785, or a -0.21% decrease.



# Warrant Article #1: Operating Budget

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

**Regular Education: \$2,422,787 (Decrease: -\$47,048; -1.90%)**

The decrease in certified staff salary is due to a redefinition of the 1.0 FTE Enrichment Coordinator position to a 0.6 FTE Outdoor Education Teacher position.

**Special Education: \$1,636,851 (Increase: \$57,409; 3.63%)**

The increase in special education is based on student need as dictated by Individualized Education Plan (IEP) services, mandated by state and federal law.



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## **Student Activities: \$83,878 (Decrease: -\$16,241; -16.22%)**

A decrease in admissions is due to the re-visioning of week-long overnight fields trips to multiple one-day field trips.

## **Guidance: \$80,865 (Decrease: -\$249; -0.31%)**

The decrease reflects a slight downward adjustment for guidance supplies based on expenditure history.

## **Health: \$62,607 (Increase: \$355; 0.57%)**

The slight increase is based on additional need for nurse supplies and software.



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## **Speech Services: \$102,052 (Decrease: -\$12,695; -11.06%)**

The decrease reflects an adjustment of the 1.0 FTE Speech Language Assistant to a 0.6 FTE position.

## **Improvement of Instruction: \$127,692 (Increase: \$20,192; 18.78%)**

The increase is primarily due to under-budgeting for the new Curriculum Coordinator position in the 2018-19 budget. The 2019-20 budget reflects the actual cost of the new hire.

## **Educational Media: \$125,278 (Decrease: -\$2,859; -2.23%)**

A decrease in certified staff salary is due to the anticipated lower salary of a new hire to fill an open position due to retirement.





# Warrant Article #1: Operating Budget

## **Technology: \$298,320 (Increase: \$4,328; 1.47%)**

The increase is due to the redefining of the Information Technologist position to a Systems Administrator position to accurately reflect the role and additional responsibilities. Further, continued investment in 1:1 laptop initiative, software, and professional development is included.

A decrease in the certified staff salary account is due to the anticipated lower salary of a new hire to fill an open position due to resignation.

## **Board of Education: \$37,007 (Increase: \$2,150; 6.17%)**

The increase in legal services reflects an adjustment based on actual expenditure history.



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## **SAU Services: \$308,974 (Increase: \$80,807; 35.42%)**

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

## **School Administration: \$278,413 (Increase: \$9,306; 3.46%)**

The increase is due to the administration's salary cost of living adjustment and professional development, including PowerSchool training.



# Warrant Article #1: Operating Budget

## **Buildings: \$501,614 (Increase: \$18,636; 3.86%)**

The increase is due to a number of factors, including: cost of living adjustment for staff, additional repair and maintenance needs (i.e. septic, HVAC controls), and the cost of furniture/shelving for the Library Learning Commons redesign. The increase is offset by an anticipated savings in heating fuels due to the natural gas conversion.

## **Grounds: \$40,850 (Increase: \$3,400; 9.08%)**

The increase is due to the purchase of a new sander for the Town of North Hampton, which provides sand/salt treatments to school grounds, per terms of agreement.

## **Vehicles: \$601 (Decrease: -\$1,599; -72.73%)**

The decrease in maintenance reflects anticipated financing of a new truck to plow the school grounds – to replace the existing 10-year old vehicle. Note: The proposed purchase of a new truck is a separate warrant article.



# Warrant Article #1: Operating Budget

## **Transportation: \$471,250 (Increase: \$57,260; 13.83%)**

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.

## **Debt Service: \$133,625 (Decrease: -\$478; -0.36%)**

The debt service provides the principal and interest payment on the bond issue for the building project. The last payment is scheduled for August 2023.



# Warrant Article #1: Operating Budget

## **Employee Benefits: \$2,216,221 (Increase: \$132,786; 6.37%)**

The primary driver for the increase in employee benefits 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%.

The increase is partially offset by the reduction of \$85,000 in the health insurance account, with the intention of utilizing the Health Care Expendable Trust if necessary.

## **Interfund Transfer: \$16,000 (Increase: \$3,500; 28.00%)**

The increase to the food service transfer is based upon actual expenditure history.

## **Food Service: \$186,189 (Decrease: -\$2,733; -1.45%)**

The decrease reflects recent significant equipment purchases and/or repairs in the kitchen, and we do not anticipate the need for new equipment in the near term.



# 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 North Hampton School District default budget is \$9,182,602, which is \$51,528 more than the proposed operating budget of \$9,131,074. The following outlines the variances:

Account	2018-19 Budget	2019-20 Default Budget	Variance	Reason for Increase/Decrease
SALARY - CERTIFIED STAFF	\$532,488	\$555,857	\$23,369	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
SALARIES - SPECIALISTS	\$80,864	\$169,074	\$88,210	Mandated by Federal & NH Special Education Law
SALARY - ED ASSOCS/AIDES/MNTRS	\$486,037	\$554,423	\$68,386	Mandated by Federal & NH Special Education Law
PROFESSIONAL SERVICES	\$161,000	\$176,400	\$15,400	Mandated by Federal & NH Special Education Law
TUITION	\$220,000	\$74,997	-\$145,003	Reduction in tuition obligations
EQUIPMENT	\$2,000	\$4,780	\$2,780	Mandated by Federal & NH Special Education Law
ADMISSIONS	\$38,680	\$18,000	-\$20,680	Reduction based on elimination of field trips
SAU SERVICES	\$228,167	\$308,974	\$80,807	Mandated by Law RSA 194-C:9
SALARY - CLERICAL	\$100,930	\$97,478	-\$3,452	Elimination of stipend position
BOTTLED GAS	\$2,000	\$800	-\$1,200	Elimination of propane, conversion to natural gas



# Warrant Article #1: Operating Budget

Account	2018-19 Budget	2019-20 Default Budget	Variance	Reason for Increase/Decrease
TRANSPORTATION - SPEC. NEEDS	\$24,220	\$42,170	\$17,950	Mandated by Federal & NH Special Education Law
PRINCIPAL PAYMENT	\$100,000	\$105,000	\$5,000	Debt Service
INTEREST PAYMENT	\$34,103	\$28,625	-\$5,478	Debt Service
HEALTH INSURANCE	\$962,305	\$1,143,465	\$181,160	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
DENTAL INSURANCE	\$32,408	\$33,112	\$704	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
LIFE INSURANCE	\$5,737	\$5,869	\$132	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
L.T.D. INSURANCE	\$17,264	\$17,835	\$571	Collective Bargaining Agreement - Mandated by Law- RSA 273-A
FICA	\$366,147	\$379,001	\$12,854	Mandated by Federal Law
RETIREMENT	\$676,838	\$718,738	\$41,900	Mandated by Law- RSA 100
UNEMPLOYMENT INSURANCE	\$2,058	\$1,889	-\$169	Mandated by Law- RSA 282-A
WORKERS' COMPENSATION	\$20,143	\$22,157	\$2,014	Mandated by Law- RSA 281-A
EQUIPMENT	\$9,000	\$1,500	-\$7,500	Reduction - one time equipment purchase





## 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 North Hampton 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	\$117,328	\$0	\$29,598	\$146,926
2020-21	\$113,675	(\$5,645)	\$29,531	\$137,561
2021-22	\$125,811	\$0	\$30,815	\$156,625
2022-23	\$116,260	\$0	\$29,221	\$145,481

and further to raise and appropriate the sum of \$146,926 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

Recommended by the Budget Committee: 9-0

*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: Long Term Maintenance

To see if the School District will vote to raise and appropriate the sum of \$65,000 to carry out long term maintenance work in the North Hampton School building and grounds? Anticipated projects include, but are not limited to, upgrades and repairs to existing garage, asphalt seal coat and crack sealing, gym/music room wall replacement. This will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until the projects are completed or June 30, 2021, whichever is earlier. (Majority vote required.)

Recommended by the School Board: 5-0

Recommended by the Budget Committee: 9-0



## Warrant Article #3: Long Term Maintenance

- The proposed warrant article addresses the ongoing long term maintenance projects at the North Hampton School.
  
- Maintenance projects the district intends to address:
  - Upgrades and repairs to the garage, including trim, roof, and siding.
  - Sealcoating and crack sealing the west side parking lot and courtyard.
  - Replacement of the accordion-style wall with a permanent wall between the music room and gymnasium.



## Warrant Article #4: Roof Replacement

To see if the School District will vote to raise and appropriate the sum of \$30,570 for roof repairs to the North Hampton School. This will be a non-lapsing appropriation per RSA 32:7, VI, and will not lapse until the roof repairs are completed or June 30, 2021, whichever is earlier. (Majority vote required.)

Recommended by the School Board: 5-0

Recommended by the Budget Committee: 9-0



## Warrant Article #4: Roof Replacement

- The shingle roof on the backside of the main building and perpendicular section forming an 'L' shape has reached end-of-life and requires replacement.
- The proposed replacement aligns with the overall roof replacement plan that was developed in conjunction with our roof consultant. It is part of the multi-year cycle for necessary roof replacement at the North Hampton School.
- Note: the proposed roof replacement signifies the second to last replacement in the cycle, prior to a period of approximately 15 years with no replacement scheduled.





## Warrant Article #5: Truck Lease

To see if the School District will vote to authorize the school board to enter into a three year lease agreement in the amount of \$49,500 for the purpose of leasing a pickup truck with plow package, and to raise and appropriate the sum of \$16,500 for the first year's payment for that purpose. This lease agreement contains an escape clause. (Majority vote required)

Recommended by the School Board: 5-0

Recommended by the Budget Committee: 9-0



## Warrant Article #5: Truck Lease

- The North Hampton School currently performs snow removal in-house utilizing a school-owned truck outfitted with a plow (and, contracts plowing for storms >8 inches). Further the Town of North Hampton provides sanding/salting of the parking area. The current in-house snow removal saves the school district in outsourced snow removal expenditures.
- The current truck will be 11 years old to start the 2019-20 fiscal year. Due to the heavy usage, the truck is experiencing significant annual maintenance and repair costs – and, reaching end-of-life.
- The proposed warrant article provides for the first year of a 3-year financing term for a new, more powerful truck, outfitted with a plow that provides more controls than the current basic model employed. Should the warrant article pass, the subsequent 2 years will be included in the operating budget.



## Warrant Article #6: Special Education Expendable Trust

To see if the School District will vote to raise and appropriate \$75,000 to be added to the existing Special Education Expendable Trust Fund, with up to \$75,000 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

Recommended by the Budget Committee: 9-0



## Warrant Article #6: 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): \$231,335.48**

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



## Warrant Article #7: Health Care Expendable Trust

To see if the School District will vote to raise and appropriate \$75,000 to be added to the existing Health Care Expendable Trust Fund, with up to \$75,000 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

Recommended by the Budget Committee: 9-0



## Warrant Article #7: Health Care Expendable Trust

- 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 2019-20 proposed operating budget includes a reduction of \$85,000 with the intent to withdraw funds from the Health Care Expendable Trust to help mitigate the large health insurance premium increase, if needed.
- **Important Note:** Funding for the Health Care Expendable Trust comes from any potential available year-end fund balance – not raised via additional taxation.

**Trust Balance (as of 10/30/18): \$119,565.55**

**Target Balance: \$200,000**



## Warrant Article #8: 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

Recommended by the Budget Committee: 8-1



## Warrant Article #8: 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 \$10,000 from the Building Maintenance Expendable Trust has been approved due to a failing Intercom Public Announcing (PA) system.
- **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): \$150,999.18**

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





## Warrant Article #9: Discontinue Energy Improvements Expendable Trust

To see if the School District will vote to discontinue the Energy Improvements Expendable Trust Fund created in 2014. Said funds, with accumulated interest to date of withdrawal, are to be transferred to the municipality's general fund. (Majority vote required)



## Warrant Article #9: Discontinue Energy Improvements Expendable Trust

- The Energy Improvements Expendable Trust was established for the purpose of a multi-year funding plan to convert the North Hampton Schools heating system from oil powered to natural gas.
- The natural gas conversion project was completed in 2018, and a balance of \$1,079.42 remains.
- The proposed warrant article will dissolve the Energy Improvements Expendable Trust and return the unexpended funds to the town to offset assessment.



## Warrant Article #10: Discontinue School Building Expansion Capital Reserve Fund

To see if the school district will vote to discontinue the School Building Expansion Capital Reserve Fund created in 2010. Said funds, with accumulated interest to date of withdrawal, are to be transferred to the municipality's general fund. (Majority vote required)



## Warrant Article #10: Discontinue School Building Expansion Capital Reserve Fund

- The School Building Expansion Capital Reserve Fund was established in 2010 for the purpose of the completing the North Hampton building expansion and renovation project.
- The building project was completed, and a balance of \$285.14 remains.
- The proposed warrant article will dissolve the School Building Expansion Capital Reserve Fund and return the unexpended funds to the town to offset assessment.



Thank you to the School Board, Budget Committee, parents, students, and community for your continued support of the North Hampton School!

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