

Article 1: Revise District Operating Budget :

SHALL THE WILTON LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT VOTE TO RAISE AND APPROPRIATE THE SUM OF ONE HUNDRED EIGHTY FOUR THOUSAND AND EIGHT HUNDRED ELEVEN DOLLARS (\$184,811) TO BE ADDED TO THE AMOUNT OF TWELVE MILLION SEVEN HUNDRED THIRTY NINE THOUSAND SIX HUNDRED SEVENTY FOUR DOLLARS (\$12,739,674) PREVIOUSLY VOTED FOR THE SUPPORT OF SCHOOLS AT THE MARCH 2019 ANNUAL SCHOOL DISTRICT MEETING, SUCH SUM TO COME FROM INCREASES IN THE DISTRICT'S ADEQUATE EDUCATION GRANT (RSA 198:41) RECEIVED FROM THE STATE OF NEW HAMPSHIRE IN THE CURRENT FISCAL YEAR, WITH NO MONEY TO BE RAISED FROM TAXATION.

(MAJORITY VOTE REQUIRED)

ESTIMATED TAX IMPACT WILTON \$.32

ESTIMATED TAX IMPACT LYNDEBOROUGH \$.36

New Funding

The state legislature approved additional funding for adequacy and special education. The amount for Special Education is \$102,260. The amount of funds from the Adequacy Grant is \$184,811. These funds were intended to go toward tax relief creating a tax reduction for both towns.

New Funding

The amount of funds from the Adequacy Grant is \$184,811. These funds were intended to go toward tax relief creating a tax reduction for both towns. The meeting this evening is to determine whether or not the voters of the District will approve adding these funds to the existing budget in accordance with RSA 197:3a

New Funding

The amount for Special Education is \$102,260. These funds are considering to be additional revenue under RSA 198:20-b. The disposition of these funds will be determined after a public hearing and by a vote of the School Board at a later date.

Tax Impact

For a home valued at \$250,000 in Lyndeborough, the passage of the warrant article will result in not receiving a tax decrease of \$82.16 or a monthly reduction of \$6.84.

For a home valued at \$214,000 in Wilton, the passage of the warrant article will result in not receiving a tax decrease of \$76.17 or a monthly reduction of \$6.34.

School Board Disposition on the Proposed Warrant Article

The School Board received the information regarding the way the \$102,260 for additional Special Education funding could be received.

If the School Board votes to accept the funds, the budget deficit could be eliminated and a budget surplus of \$48,231 is projected.

With this in mind, the School Board has decided to listen to the public input during this meeting and vote after this meeting as to whether or not the warrant article would be moved forward to the meeting scheduled for November 9.

School Board Disposition on the Proposed Warrant Article

The School Board recognizes that not moving forward with this warrant article creates a very small margin for error. Additional unanticipated expenditures may result in changes in the programming that currently exists.

Your input this evening will help guide the School Board in making a decision.

History of Why We Are Here

In the 2018-19 school year, the school district had over expenditures in special education of \$269,795. The school board approved using \$174,587 to assist in the funding of these required expenditures. This release of funds lowered the balance in the Special Education Capital Reserve fund to approximately \$45,000.

The remainder of the unanticipated special education cost of \$95,208 was funded throughout the remainder of the approved budget leaving virtually no fund balance.

History of Why We Are Here

The school district had seven staff persons retire creating an unbudgeted expense of \$87,000 which in previous years would have been paid out through the unexpended fund balance. That was not possible due to the lack of a fund balance from 2018-19. There was an anticipation that this expense would have been covered in the new budget through salary savings.

Factors in the Current School Year

Upon an analysis of the current budget, the business administrator found a projected deficit in the area of salaries and benefits in the amount of \$305,663.

There are three areas of the budget that created this projected deficit.

Factors in the Current School Year

Unbudgeted Expenditures

Item	Amount	Explanation
New teacher orientation	\$8,900	Expected to be funded through a grant, grant funded \$5,900
Summer custodial work	\$7,500	Not put into the budget, budgeting error.
Kindergarten screening	\$2,000	Not put into the budget new in 2017-18, budgeting error.

Factors in the Current School Year

Unanticipated Special Education costs incurred after the budget was created:

Hiring of Reg. Beh. Tech.	\$30,625	Meet the needs of a new student to the district
Hiring of an LPN	\$31,105	Meet the needs of a new student to the district
Hiring of a para educator	\$18,000	Meet the needs of a new student to the district
RBT moved to full year	\$17,165	Meeting the changing needs of students
Increased ESY Costs	\$21,105	Under budgeted, budgeting error
ABA becoming RBT	\$ 8,794	2 ABA becoming RBT, increase to \$25 per hour
Stipend to RBT	\$10,000	New Responsibilities
BCBA increase	\$ 5,800	Offset by \$1,830 planned increase. Increased responsibilities

Factors in the Current School Year

Unanticipated Non-Special Education costs incurred after the budget was created:

Increase in health insurance	\$60,744	Changes in staff health plans
Increase in dental insurance	\$ 7,664	Changes in staff dental plans
Increase in NHRS	\$46,709	Changes in staffing
Changes in FICA	\$12,309	Changes in staffing
Unemployment	\$ 2,518	Changes in staffing
Life Insurance	\$ 3,686	Changes in staffing
Long Term Disability	\$ 4,254	Changes in staffing

Steps being taken to determine the adequacy of the entire budget to meet the needs of students.

The Business Administrator requested that all departments and Principals assess the needs of the district by determining the amount of funds to be encumbered in order to meet student needs and minimizing the affect on the students experience through the remainder of the school year.

Steps being taken to determine the adequacy of the entire budget to meet the needs of students.

The administration did complete study of the budget, creating conservative expectations on funds required to support the educational needs of our students. After this study it was determined that the remainder of the budget cannot cover the projected short fall.

Salary and benefit deficit	-\$305,663.00
Adjustment	+\$ 3,293.47
Positive balance from the remainder of the frozen budget	+\$257,394.93
Remaining deficit to the budget would be	-\$ 44,974.60
Additional Special Education funding	+ \$93,206.00
Projected possible fund balance	+\$ 48,231.40

If the Warrant Article passes, we will still need to closely monitor the budget. The intention is to affect the student experience as little as possible.

If the Warrant Article does not pass or does not move forward, additional constraints on the funds available may need to be instituted.

If the warrant passes, the following will be not affected.

- Repairs and maintenance for any safety issue
- Data bases and software for student use
- 504 programs
- Special Education programs
- Student clubs and organizations
- Middle school science camp trip
- Co-curricular athletics
- Graduation ceremonies
- Field trip transportation
- Professional development opportunities for teaching, counseling and nursing staff
- Tuition reimbursement
- Purchasing of books and educational materials to support the curriculum

These areas of the budget will be affected even with the passing of the warrant.

FROM WLC-

- Adding additional equipment for Middle School Science labs
- Conserving on supplies, funds will be expended as needed
- New teachers who want to modify curriculum will need to limit changes
- Not replacing bicycles for Woods and Wheels or Cross Country skis for Physical Education
- New athletic uniforms
- Some new equipment, science
- Replacement cycle for classroom furniture will be suspended
- Not replacing classroom library materials
- Administrative professional development will be limited

These areas of the budget will be affected even with the passing of the warrant.

FROM FRES/LCS

- Artist in Residence being funded by the PTO
- Conserving supplies, funds will be expended as needed
- Furniture replacement (teacher desks, students desks, bookshelves, classroom easels)
- Banners for events
- Lesson planning

FROM the SAU

- Conserving supplies, funds will be expended as needed
- SAU professional development
- Support for professional conferences
- Travel

These areas of the budget will be affected even with the passing of the warrant.

FROM TECHNOLOGY DEPARTMENT

- Waiting to purchase additional I-Pads for first grade
- Suspending replacement cycle for older equipment including computers and Promethean boards
- Managing with ChromeBooks currently in our inventory
- Not purchasing additional security cameras at WLC
- Waiting to have office staff attain full access to accounting software
- Be conservative in ordering supplies, lowering inventory of replacement parts
- Waiting to purchase TurnItIn software
- Waiting purchase ChromeBooks for ABA/RBT staff

FROM FACILITIES

- Be conservative in ordering supplies
- Not purchasing new storage containers
- Postponing additional sprinkler installation
- Small projects that may come up.

Why is the School District asking for funds at the same time the anticipated revenue is coming to our towns?

When the School District became aware of the financial deficit, it was prior to the state legislature approving the additional adequacy funds. The School District may have come to the voters whether or not the additional revenue was in place, the timing is coincidental.

Why isn't the school district asking for the less than the full amount of additional adequacy revenue?

The Business Administrator reported that after looking at the entire budget, the budget deficit would be reduced from \$305,663 and additional Special Education funding to a positive \$48,231.

Why not reduce the request to the public is a good question.

The prediction of the fund balance of is based on what the administration conservatively believes the district needs to meet all required obligations that we are aware of right now. Unanticipated expenditures may affect the student experience. There are still more than 100 days of the school year remaining. By asking for the full amount, the district will have funds to satisfy unanticipated expenses such as:

- FMLA leaves, long term substitutes
- Special needs students who may have costs associated with their IEP's
- Harsh weather
- Physical plant failures.

Funds not used will be returned to the tax payer to reduce tax rates.

Could the School District have asked for more funds than the additional adequacy funds?

Yes, the School District could have requested more funds in a Warrant Article.

If that was done, the tax rate would have been set in October. Any additional approved funds would have been approved after the tax rate was set.

If additional funds were approved, the full burden of that would come due in the June tax bills not allowing the additional adequacy funds to offset the tax increase.

What would have happened if the district did nothing or the Warrant Article fails?

Taxes would be reduced in both Lyndeborough and Wilton.

The School District would work with all departments and buildings to minimize costs at a higher level than we are now, only required expenditures would be approved.

If unanticipated costs arose, the District might be able to tap into the small amounts left in the technology and special education capital reserve funds depending on the need.

The administration would bring options to the School Board to consider for reductions in programming that we currently are including in the budget to fund.

This would create a fund balance that would be close to zero. A low fund balance would put the district in a difficult cash flow position going into the new year as we were in the current school year.

The year would mirror the previous school year without the ability to use unassigned fund balance to or to have minimal funds from drawn down Capital Reserve funds.

The School Board voted to create a specific revenue line in the budget to ensure that funds would only be expended with a vote from the board, why?

The school board wanted to create a transparent way to demonstrate to the Budget Committee and the public that the additional funds would not be expended unnecessarily and that the maximum amount possible would be returned to tax payers for property tax relief.

This revenue line will be reported monthly, along with the rest of the budget, to the School Board, Budget Committee and the public.

No funds will be moved from this revenue line to an expenditure without a vote from the school board and with full knowledge of the Budget Committee.

The School Board voted to create a specific revenue line in the budget to ensure that funds would only be expended with a vote from the board, why?

There was discussion in regard to changing the language of the Warrant Article into the Special Education Capital Reserve fund since almost half of the deficit in salaries and benefits comes from Special Education services.

The School Board identified that if the funds were put into the Special Education Capital Reserve fund that those funds could only be used for Special Education costs. If there was an issue with facilities, the funds could not be used.

The School Board identified that the funds that are not expended would go back to the tax payer at the end of the school year. If the funds were in the Capital Reserve Fund they would not.

It was discussed that we do need to have more funds in the Capital Reserve Fund and that this might be a way to do that instead of creating an additional warrant article.

The board voted to move forward with creating the revenue line with distribution restrictions.

Both towns have raised concerns about getting tax bills out and revenue in. How can this be minimized?

Whatever the result of the meeting on November 9, the SAU staff will send out all required paper work to the DRA on Monday November 11.

In speaking with the DRA, they will be able to set the tax rate and send information onto both towns so that tax bills can be created in what they call a "fast turn around". They would not define that.

If there is an issue with cash flow from the town's the school district would work with them to modify payments to the district in order to help. This would require a vote from the School Board.

If the warrant article does not move forward, this should negate the problems for the towns.

At the meeting on November 9, what choices does the public have?

There are three choices:

- The public can vote to approve the warrant article and the funds requested will become part of the operating budget.
- The public can vote not to approve the warrant article.
- The public can vote to accept a lower dollar figure but cannot increase the amount over what is on the original warrant.

How do we make sure we are not in this position in the future?

- The School Board and Budget Committee will be provided with monthly expenditure reports for every account.
- For the remainder of this school year and 2020-21, there will be no budget transfers.
- The School Board will be provided hiring information on all positions, not just those that are certified by the Department of Education by adjusting the HR process for hiring, communication and control of new hires.
- Until the Special Education Capital Reserve Fund is restored to \$300,000, the proposed budgets will include contingencies for out of district placements and additional staffing that would be required by law to meet student needs. Funding this in the budget will be determined by the Budget Committee

How do we make sure we are not in this position in the future?

- Propose that the district adopt RSA 198:46, allowing the district to retain 2.5% of the current years budget not assigned for emergency expenditures.
- All staffing information in the upcoming budget will be reviewed by the School Board.
- Unbudgeted positions and any other salary expenditures, stipends, will be communicated to the school board prior to the expense.