

LITCHFIELD SCHOOL DISTRICT 2010-2011 BUDGET REPORT

**DELIBERATIVE SESSION
SATURDAY, FEBRUARY 6, 2010
CAMPBELL HIGH SCHOOL AUDITORIUM**

This report contains a detailed analysis of the Litchfield School Board's proposed 2010-2011 school budget; the Litchfield Budget Committee's recommended reductions to the 2010-2011 school budget; and the estimated revenues and tax rate impact of the proposed and recommended budgets, as well as sample property taxes of the recommended budget.

This document may be found online at:

<http://www.litchfieldsd.org/finance/documents/2011budget.pdf>

TABLE OF CONTENTS

TOTAL OPERATING BUDGET SUMMARY	5
DEFAULT BUDGET	6
MAJOR FACTORS IMPACTING THE SCHOOL BOARD’S PROPOSED 2010 – 2011 OPERATING BUDGET	7
OPERATING BUDGET BY OBJECT ACCOUNT	8
OPERATING BUDGET BY FUNCTION ACCOUNT.....	13
OPERATING BUDGET BY LOCATION.....	23
BUDGET COMMITTEE’S RECOMMENDED REDUCTIONS	25
2010 – 2011 ESTIMATED REVENUE ANALYSIS	26
TOTAL APPROPRIATION AND TAX RATE IMPACT ANALYSIS.....	27
SAMPLE PROPERTY TAXES	28

Litchfield School Board's Proposed 2010 – 2011 District Budget

TOTAL OPERATING BUDGET SUMMARY

	School Board Recommended	Budget Committee Recommended	Variance
General Fund	\$19,511,437	\$19,156,743	\$(354,694)
Food Service Fund	605,128	605,128	0
Grants Fund	770,000	770,000	0
Total Operating Budget	\$20,886,565	\$20,531,871	\$(354,694)
Warrant Articles			
Teachers' Contract	171,630	171,630	0
SPED Reserve Fund	50,000	0	\$(50,000)
Total Budget	\$21,108,195	\$20,703,501	\$(404,694)
 General Fund Change Over 2009-2010			
Total \$	\$(109,045)	\$(463,739)	
Percent	(0.56)%	(2.36)%	
 Total Budget Change Over 2009-2010			
Total \$	\$330,559	\$(74,135)	
Percent	1.59%	(0.36)%	

The School Board's proposed 2010-2011 general fund operating budget of \$19,511,437 presented to the Budget Committee is a decrease of \$109,045 or 0.56% less than the current 2010 general fund operating budget. Several large increases outside of the School Board's control significantly impacted the 2011 operating budget including: health and dental benefit rate increases (\$345,918), Special Education out-of-district and transportation costs (\$345,134), NH State Retirement System mandated contribution rate increases (\$88,654), and mandated improvements to Griffin Memorial School for both school approval and life and safety requirements (\$49,000).

Revenues that offset the general fund operating budget (excluding changes in the year-end fund balance) are projected to decrease \$90,882 due totally to lower kindergarten reimbursements as there are no additional program startup and site preparation costs in the 2011 budget. The 2010 year-end fund balance is estimated to be approximately \$373,000 less than last year.

The Food Service Fund budget request of \$605,128 is a decrease of \$17,026 or (2.73) % from the current 2010 budget. The Food Service Fund is a self-funded program that is offset by revenues with no impact to the tax rate.

The Grants Fund budget request of \$770,000 is an increase of \$235,000 or 43.93% over the current 2010 budget. The entire increase is due to the additional federal funding from the American Recovery and Reinvestment Act of 2009 (Stimulus). The Grants Funds is also a self-funded program that is offset by revenues with no impact to the tax rate.

Two money warrant articles for a new teachers' contract (\$171,630) and a requested increase to the Special Education capital reserve account (\$50,000) result in a total budget over last year of 1.07%.

The Budget Committee's reduced recommended budget lowers the general fund operating budget to a (2.35) % decrease from the current 2010 operating budget, and the total operating budget to a decrease of (1.15) % from the current year.

DEFAULT BUDGET

Calculation of the default budget is defined by law as follows:

1. Base is the current year's appropriated budget as approved by the voters (MS-22)
2. Increased/decreased by any costs that are required by law (special education, 504 services, bargaining contracts, contracts, leases, etc.)
3. Increased/decreased by any costs required to maintain existing level of services (step increases but no COLA adjustment to non-CBA salaries, benefit cost changes, utilities, etc.)
4. And reduced by one-time expenditures

Default Budget	2009-2010 Adopted Budget	\$20,777,636
	2010-2011 Default Budget	\$20,864,211
	Change Over 2009-2010	
	Total \$	\$86,575
	Percent	0.42%

An increase in the Grants Fund of \$235,000 due to increased federal grants under the American Recovery and Reinvestment Act of 2009 had a major impact on the 2011 default budget. Without that increase in federal grants the default budget would have been \$148,425 lower or (0.71) % lower than the current 2010 budget.

**MAJOR FACTORS IMPACTING THE SCHOOL BOARD'S PROPOSED
2010 – 2011 OPERATING BUDGET**

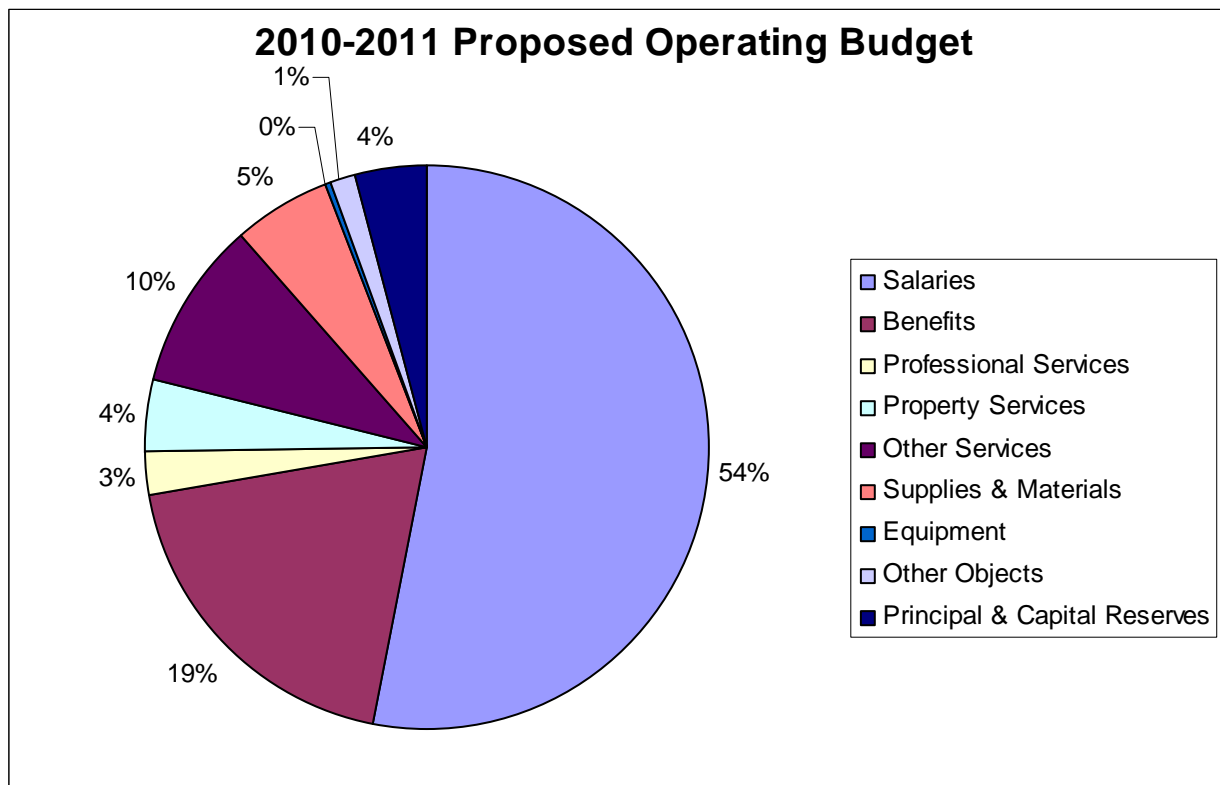
Item (Over \$10,000)	Cost
Health Insurance Rate Increase	\$327,987
Special Education Out-of-District Tuition	293,200
NH Retirement Rate Increase	88,654
Campbell Track Surface Replacement (removed in budget committee's budget at school board request)	80,000
Special Education Transportation	51,934
Current Non-LEA Staff Salary & Payroll Benefit Increases	49,528
GMS Additional ADA Bathrooms Required by NH DOE & Litchfield Health Inspector for School Approval	49,000
Self-Funded Programs (Offset by revenues)	24,810
Replacement Textbooks (English curriculum review)	20,284
Dental Insurance Rate Increase	17,931
LEA Grade Change Salary & Benefit Increases	16,715
TOTAL MAJOR INCREASES	\$1,020,043
TOTAL OPERATING BUDGET DECREASE	(\$109,045)
SCHOOL BOARD REDUCTIONS TO ALL OTHER ACCOUNTS (\$)	(\$1,129,088)
SCHOOL BOARD REDUCTIONS TO ALL OTHER ACCOUNTS (%)	-5.99%

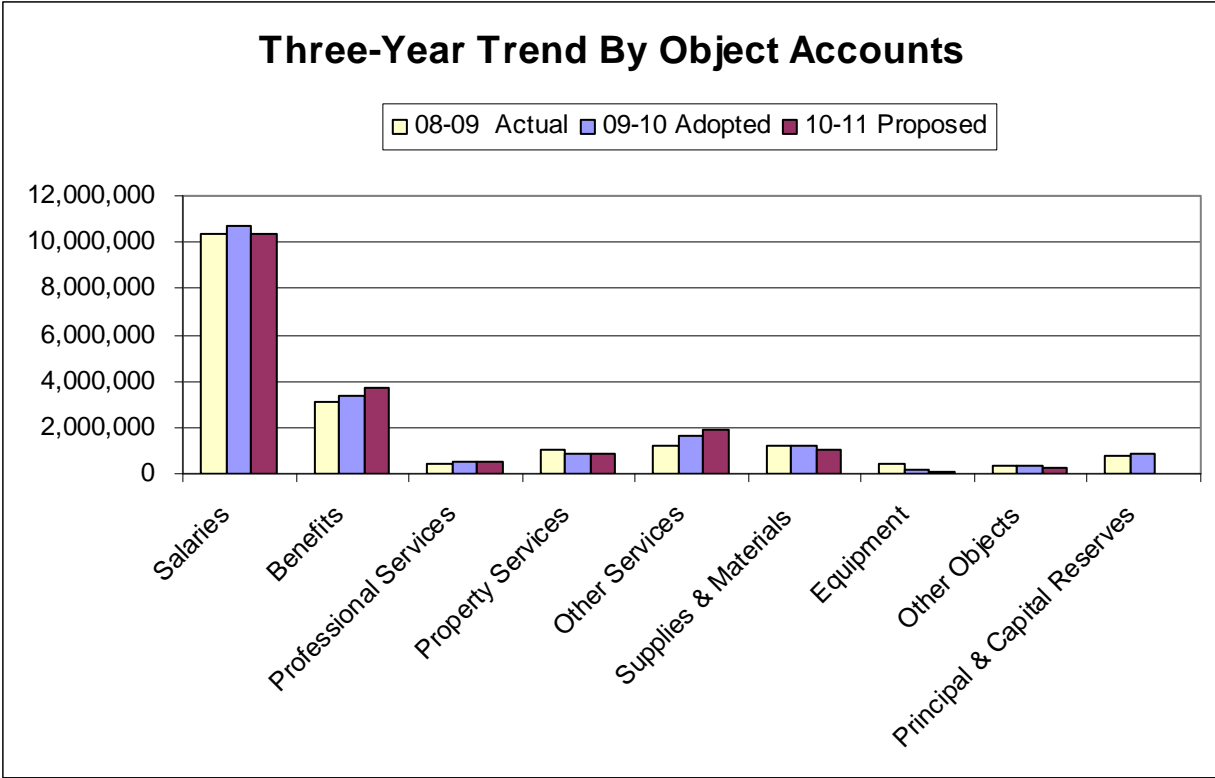
OPERATING BUDGET BY OBJECT ACCOUNT

Object Accounts are used to describe the services or commodities obtained as a result of the specific expenditure. As an example, object account 110 is a salary account irrespective of which function (regular education, special education, etc.) the employee or expenditure is located.

Object Account Summary

Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
Salaries	9,583,601	10,356,626	10,685,868	10,366,579	(319,289)	-3.0%	10,288,156	(78,422)
Benefits	2,903,228	3,088,317	3,364,500	3,720,167	355,667	10.6%	3,648,888	(71,279)
Professional Services	435,461	474,656	505,049	490,860	(14,189)	-2.8%	484,843	(6,017)
Property Services	678,385	998,733	866,667	838,946	(27,722)	-3.2%	756,675	(82,271)
Other Services	1,175,646	1,243,148	1,619,706	1,870,929	251,223	15.5%	1,759,929	(111,000)
Supplies & Materials	1,150,349	1,242,347	1,235,802	1,070,287	(165,515)	-13.4%	1,065,182	(5,105)
Equipment	259,388	413,507	183,111	87,782	(95,329)	-52.1%	87,782	0
Other Objects	395,693	346,058	309,779	265,889	(43,890)	-14.2%	265,289	(600)
Principal & Capital Reserves	800,000	800,000	850,000	800,000	(50,000)	-5.9%	800,000	0
Total	\$17,381,752	\$18,963,391	\$19,620,482	\$19,511,437	(\$109,045)	-0.6%	\$19,156,743	(\$354,694)





Object Account Analysis

Please note that all account explanations on the following pages reflect the School Board's proposed budget needed to deliver the stated services. The explanations do not reflect the reductions made by the Budget Committee, which will be covered separately.

Series 100 – Salaries

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
9,583,601	10,356,626	10,685,868	10,366,579	(319,289)	-3.0%	10,288,156	(78,422)

These accounts include salaries for all staff members, overtime, substitutes, and summer school. There are two factors that contribute to the increase in these accounts - salary increases and new and expanded positions.

Salary increases included in the School Board's proposed budget do not include any teacher step increases or new longevity payments. Those items are included in the separate warrant article covering the newly ratified teachers' contract. The School Board's operating budget does include teacher grade change salary increases as required by contract. For non-union staff the budget includes a 0% cost-of-living adjustment; a 3.0% step increase for staff on salary schedules if they are not at the top of their schedule (Administrative Assistants, Custodians, Food Service, Paraprofessionals and non-administrative SAU staff); and a 1.0% movement within the range for staff on salary ranges if they are not at the top of their range (Building & Grounds Managers, School and SAU Administrators). Staff not on schedules or ranges are budgeted at no increase in salary.

There are no new or expanded staff position requests in the proposed operating budget. The School Board's budget includes the following staff reductions: grade 4 teacher; Griffin part-time SPED teacher; Campbell SPED teacher; along with the Director of Curriculum and Payroll Coordinator positions reduced to part-time positions. The number of extra classes (6th periods) available to both CHS and LMS were reduced.

The Budget Committee's recommended budget includes all of the positions requested by the School Board although a large reduction to the salary accounts were made.

Series 200 – Benefits

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
2,903,228	3,088,317	3,364,500	3,720,167	355,667	10.6%	3,648,888	(71,279)

These accounts include the costs of all employment taxes and benefits provided to district employees, including course reimbursement. The increase is due mostly to rate increases in existing benefits, as no new benefits are included. The increases in benefit rates include the following:

Retirement – Teachers	7.1%
Retirement – Employees	0%
Blue Choice Two Tier POS	23.1%
Matthew Thornton HMO	23.1%
Delta Dental	5.5%
Workers Compensation	(30.0)%
Unemployment	13.5%
Life Insurance	10%
STD & LTD Insurance	10%

The Budget Committee's recommended budget funded health insurance at only 97% of the guaranteed maximum rates provided by the insurance company.

Series 300 – Professional Purchased Services

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
435,461	474,656	505,049	490,860	(14,189)	-2.8%	484,843	(6,017)

These accounts include professional services purchased from non-district employees. Services include: psychological, speech, occupational and physical therapy, workshops, tutors, audit, and legal services. The primary reason for the reduction in this object series is a reduction in SPED and speech services.

Series 400 – Property Purchased Services

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
678,385	998,733	866,667	838,946	(27,722)	-3.2%	756,675	(82,271)

These accounts include the cost of repairs, maintenance, and purchased services from outside vendors. Costs include water, sewer, disposal, snow plowing, equipment, and building repairs and maintenance, and leases such as copiers, software, and the GMS and LMS modular classrooms. The major areas of increase in the proposed budget for this object series include: repair of the Campbell track (\$80,000 - which the School Board subsequently requested the budget committee to cut); repair of the multi-purpose room floor at Campbell (\$10,212); and server maintenance contracts (\$7,000). Areas of reductions in these accounts were: fewer required major repairs at Griffin (\$49,150); last year’s one-time site preparation costs of the kindergarten portables (\$59,354); and a Griffin air quality test not required in the 2011 budget (\$8,500).

Series 500 – Other Purchased Services

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
1,175,646	1,243,148	1,619,706	1,870,929	251,223	15.5%	1,759,929	(111,000)

Services in these accounts include: transportation, insurance, telecommunications, postage, tuition, handicapped tuition, advertising, printing, and travel. The major contributing factors to the proposed increase in this object series are: SPED out-of-district tuition (\$293,200); SPED transportation (\$51,934); and an increase in property and liability insurance rates (\$4,983). Two areas of reduction in this series include a decrease in vocational education transportation (\$31,935) due to cost savings negotiated in a new contract; and a decrease in data communication and telephone costs (\$37,584) due to a contract negotiated with a new vendor.

Series 600 – Supplies & Materials

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
1,150,349	1,242,347	1,235,802	1,070,287	(165,515)	-13.4%	1,065,182	(5,105)

The supply accounts include general supplies, textbooks, software, electricity, fuel oil, and propane gas. The one major increase in these accounts is in the textbook replacement account at the middle school due to the language arts curriculum review (\$36,748). Reductions in the budget include: fuel oil (\$60,160); kindergarten program startup supplies (\$14,865); district-wide software (\$14,655); propane (\$11,836); and gasoline (\$5,029). Across the board reductions were made to most supply accounts.

Series 700 – Property and Equipment

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
259,388	413,507	183,111	87,782	(95,329)	-52.1%	87,782	0

This account covers furniture, equipment, and site development. The major increase in this series is the construction of two new ADA compliant bathrooms at Griffin (\$49,000) which is required by the town’s code enforcement officer and for NH DOE school approval. Reductions in this account include classroom technology equipment (\$71,365) as the Board did not fully fund the district’s technology plan, and kindergarten program start-up furniture and equipment expenses (\$38,298).

Series 800 – Other Objects

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
395,693	346,058	309,779	265,889	(43,890)	-14.2%	265,289	(600)

Other object accounts include: interest expense on the district’s long term debt; Medicaid billing expenses; district meeting and election expenses; dues, fees, and subscriptions; and graduation expenses. The reduction is due to the lower cost of interest on the CHS construction bond.

Series 900 – Debt Service and Capital Reserves

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
800,000	800,000	850,000	800,000	(50,000)	-5.9%	800,000	0

This account covers the principal payment on the district’s long term debt for the CHS construction bond and any capital reserve payments. The reduction is due to the SPED Capital Reserve payment approved in 2009.

Total School Board Recommended 2011 General Fund Operating Budget

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
\$17,381,752	\$18,963,391	\$19,620,482	\$19,511,437	(\$109,045)	-0.6%	\$19,156,743	(\$354,694)

OPERATING BUDGET BY FUNCTION ACCOUNT

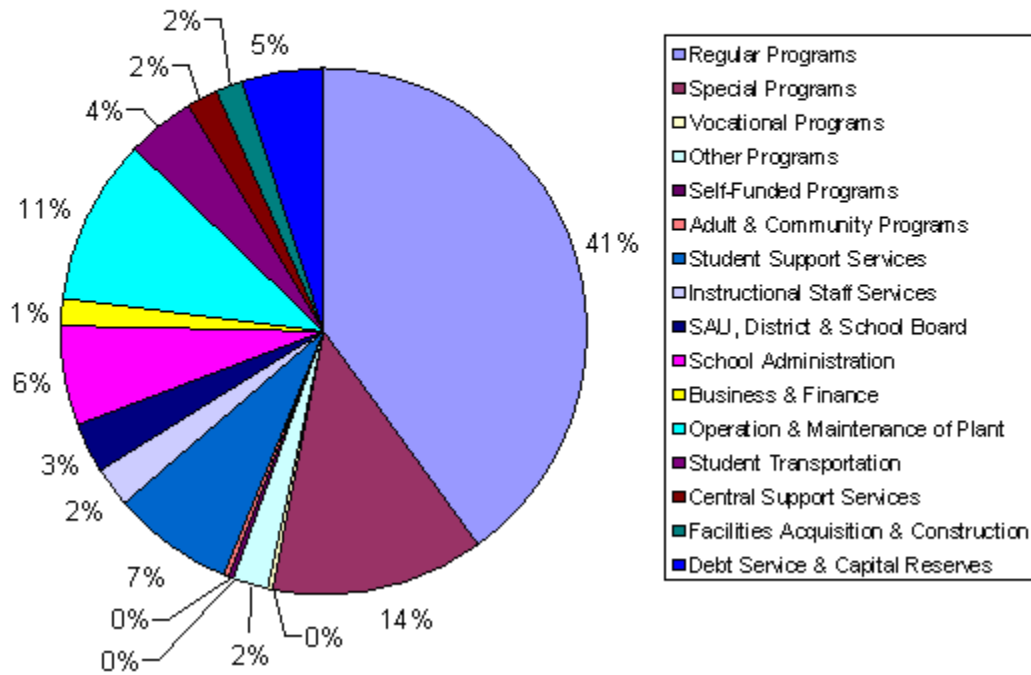
Function accounts are used to describe the activity for which a service or expense is used, such as regular education. The NH Department of Revenue Administration requires the posting of the default and proposed budgets by functional account groupings.

Function Account Summary

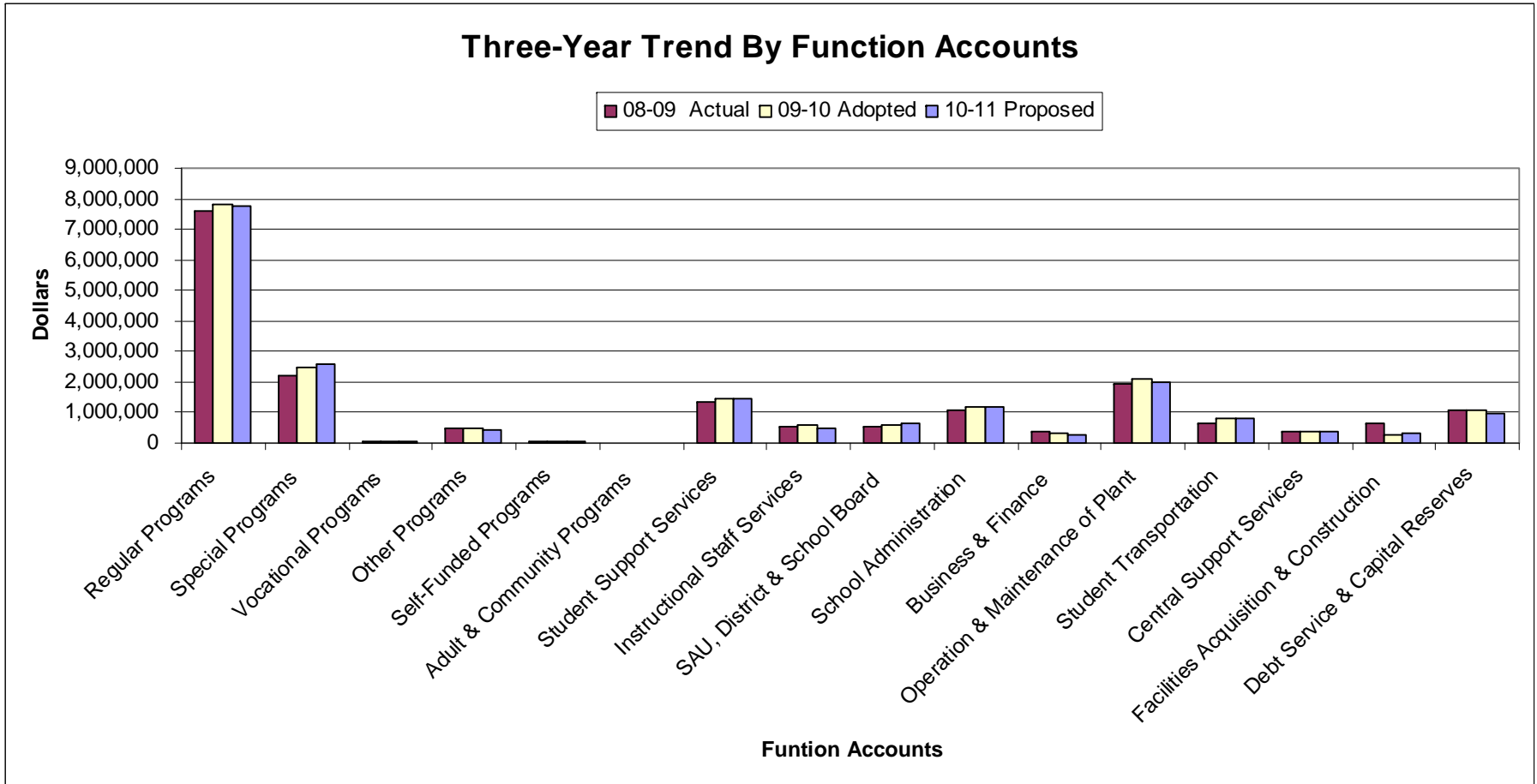
Function	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
Regular Programs	7,043,097	7,608,803	7,802,518	7,786,427	(16,091)	-0.2%	7,717,005	(69,422)
Special Programs	2,006,583	2,188,109	2,465,724	2,578,994	113,270	4.6%	2,503,244	(75,750)
Vocational Programs	9,060	27,040	34,072	27,040	(7,032)	-20.6%	27,040	0
Other Programs	418,742	460,558	465,913	456,094	(9,819)	-2.1%	438,448	(17,646)
Self-Funded Programs	24,264	31,737	44,190	69,000	24,810	56.1%	69,000	0
Adult & Community Programs	8,078	14,010	23,585	25,559	1,975	8.4%	25,559	0
Student Support Services	1,180,615	1,363,838	1,453,582	1,453,883	302	0.0%	1,453,112	(772)
Instructional Staff Services	495,174	557,200	602,843	477,009	(125,834)	-20.9%	473,009	(4,000)
SAU, District & School Board	563,182	556,486	611,702	635,131	23,428	3.8%	633,060	(2,071)
School Administration	1,050,409	1,102,009	1,163,389	1,189,663	26,275	2.3%	1,189,663	0
Business & Finance	378,055	357,244	298,427	287,540	(10,887)	-3.6%	286,491	(1,049)
Operation & Maintenance of F	1,830,079	1,929,861	2,080,564	2,012,896	(67,668)	-3.3%	2,009,491	(3,405)
Student Transportation	616,975	658,422	801,564	820,867	19,302	2.4%	778,867	(42,000)
Central Support Services	435,668	403,852	399,008	392,909	(6,100)	-1.5%	324,330	(68,579)
Facilities Acquisition & Const	206,308	628,761	287,938	304,963	17,025	5.9%	234,963	(70,000)
Debt Service & Capital Reser	1,115,462	1,075,463	1,085,463	993,463	(92,000)	-8.5%	993,463	0
Total General Fund Operating Budget	\$17,381,752	\$18,963,391	\$19,620,482	\$19,511,437	(\$109,045)	-0.6%	\$19,156,743	(\$354,694)

Other Programs = Athletics & Co-curricular

2010-2011 Proposed Operating Budget



Three Year Function Account Trend



Other Programs = Athletics & Co-curricular

Function Account Analysis

Function 1100 Series – Regular Education Programs

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	5,106,473	5,489,399	5,581,416	5,426,039	(155,377)	-2.8%	5,357,616	(68,422)
200	Benefits	1,474,611	1,583,830	1,756,899	1,988,353	231,454	13.2%	1,988,353	0
300	Professional Services	17,037	4,687	2,650	2,150	(500)	-18.9%	2,150	0
400	Property Services	67,897	76,967	78,383	84,392	6,009	7.7%	84,392	0
500	Other Services	1,218	913	4,933	1,383	(3,550)	-72.0%	1,383	0
600	Supplies & Materials	345,708	401,295	315,939	276,332	(39,607)	-12.5%	275,332	(1,000)
700	Equipment	28,932	50,044	58,713	3,954	(54,759)	-93.3%	3,954	0
800	Other Objects	1,221	1,667	3,585	3,825	240	6.7%	3,825	0
Total		\$7,043,097	\$7,608,803	\$7,802,518	\$7,786,427	(\$16,091)	-0.2%	\$7,717,005	(\$69,422)

This account covers all regular education teachers and support staff. Expenses include salaries, benefits, textbooks, supplies, furniture, and equipment. The salary and benefit accounts do not include the costs associated with the new teachers' contract. There are no additional regular education positions in the budget. Reductions in staff include a grade 4 teacher position. The increase in benefits is due to higher health, dental and retirement rates. Last year's kindergarten program start-up costs contributed to the decrease in the supplies and equipment accounts.

Function 1200 Series – Special Education Programs

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	1,194,813	1,270,197	1,316,790	1,182,949	(133,842)	-10.2%	1,182,949	0
200	Benefits	273,187	304,588	326,586	322,910	(3,677)	-1.1%	322,910	0
300	Professional Services	134,441	233,079	240,100	226,750	(13,350)	-5.6%	220,000	(6,750)
400	Property Services	199	630	2,500	2,100	(400)	-16.0%	2,100	0
500	Other Services	352,266	326,240	524,400	809,700	285,300	54.4%	740,700	(69,000)
600	Supplies & Materials	24,033	28,130	28,570	14,306	(14,265)	-49.9%	14,306	0
700	Equipment	16,858	13,670	14,177	7,680	(6,497)	-45.8%	7,680	0
800	Other Objects	10,786	11,574	12,600	12,600	0	0.0%	12,600	0
Total		\$2,006,583	\$2,188,109	\$2,465,724	\$2,578,994	\$113,270	4.6%	\$2,503,244	(\$75,750)

This account contains all costs associated with special education, including salaries and benefits for teachers and support staff, outside services, supplies, textbooks, and equipment. There are no new or expanded SPED positions in the budget. The reduction in salaries is due primarily to the reduction of one and a half SPED teachers. The increase in the other services account is due primarily to increases in SPED out-of-district tuition for identified students.

Function 1300 Series – Vocational Education Programs

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
500	Other Services	9,060	27,040	34,072	27,040	(7,032)	-20.6%	27,040	0
Total		\$9,060	\$27,040	\$34,072	\$27,040	(\$7,032)	-20.6%	\$27,040	\$0

This account contains the costs of tuition paid to other districts for students attending their vocational and technology centers.

Function 1400 Series – Co-Curricular and Athletic Programs

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	245,332	282,374	264,076	271,435	7,359	2.8%	261,435	(10,000)
200	Benefits	40,783	46,573	51,956	44,597	(7,359)	-14.2%	44,597	0
300	Professional Services	65,045	68,260	78,155	78,142	(13)	0.0%	70,496	(7,646)
400	Property Services	5,161	6,907	7,932	5,517	(2,415)	-30.4%	5,517	0
500	Other Services	3,282	3,514	3,600	2,600	(1,000)	-27.8%	2,600	0
600	Supplies & Materials	41,826	38,134	43,105	40,418	(2,687)	-6.2%	40,418	0
700	Equipment	6,349	3,117	4,375	1,000	(3,375)	-77.1%	1,000	0
800	Other Objects	10,964	11,680	12,714	12,384	(330)	-2.6%	12,384	0
Total		\$418,742	\$460,558	\$465,913	\$456,094	(\$9,819)	-2.1%	\$438,448	(\$17,646)

This account supports all co-curricular and athletic activities. There are no new district-budgeted positions in the budget or increases in athletic and co-curricular stipend salaries. The increase in the salary account is due to the School Board budgeting salaries that the budget committee cut from the approved 2010 budget and a new wrestling program that will be totally offset by revenues.

Function 1500 Series – Self-Funded Programs

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	21,532	28,032	44,100	69,000	24,900	56.5%	69,000	0
200	Benefits	2,642	3,705	0	0	0	0.0%	0	0
600	Supplies & Materials	90	0	90	0	(90)	100.0%	0	0
Total		\$24,264	\$31,737	\$44,190	\$69,000	\$24,810	56.1%	\$69,000	\$0

This function account covers the cost items of various self-funded programs that the district must appropriate to meet the requirements of a gross appropriations budget. All expenditures in this function are offset by revenues to the district and have no impact on the tax rate.

Function 1600 Series – Adult and Community Services

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	4,075	10,077	22,160	22,659	500	2.3%	22,659	0
200	Benefits	512	1,199	0	0	0	0.0%	0	0
300	Professional Services	400				0	0.0%	0	0
500	Other Services	462	689	1,125	800	(325)	-28.9%	800	0
600	Supplies & Materials	2,629	2,044	300	2,100	1,800	600.0%	2,100	0
Total		\$8,078	\$14,010	\$23,585	\$25,559	\$1,975	8.4%	\$25,559	\$0

This function account covers the cost items of the District's adult education program. All expenditures in this function other than the program director and administrative assistant salaries and benefits (\$6,659) are offset by revenues to the district and have no impact on the tax rate.

Function 2100 Series – Student Support Services

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	789,549	965,274	992,206	966,094	(26,112)	-2.6%	966,094	0
200	Benefits	250,865	294,226	314,752	358,004	43,252	13.7%	358,004	0
300	Professional Services	91,273	60,914	89,028	78,837	(10,192)	-11.4%	78,065	(772)
400	Property Services	194	204	1,000	650	(350)	-35.0%	650	0
500	Other Services	1,132	961	10,700	10,700	0	0.0%	10,700	0
600	Supplies & Materials	33,706	32,336	36,840	33,889	(2,950)	-8.0%	33,889	0
700	Equipment	12,383	9,448	8,501	5,219	(3,282)	-38.6%	5,219	0
800	Other Objects	1,514	475	555	490	(65)	-11.7%	490	0
Total		\$1,180,615	\$1,363,838	\$1,453,582	\$1,453,883	\$302	0.0%	\$1,453,112	(\$772)

Student support services includes the work of various support functions including guidance, nurses, psychological services, speech, occupational therapy, and physical therapy. The benefit increase is due to higher health and dental insurance and retirement rates. The reduction in professional services is primarily due to a reduction in speech services.

Function 2200 Series – Instructional Support Services

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	210,043	229,268	275,726	243,884	(31,842)	-11.5%	243,884	0
200	Benefits	91,631	108,309	129,010	126,239	(2,772)	-2.1%	122,239	(4,000)
300	Professional Services	35,758	38,027	38,428	36,816	(1,612)	-4.2%	36,816	0
400	Property Services	2,300	3,797	3,902	3,000	(902)	-23.1%	3,000	0
500	Other Services	5,478	3,524	3,738	1,578	(2,160)	-57.8%	1,578	0
600	Supplies & Materials	56,409	74,009	60,347	50,710	(9,637)	-16.0%	50,710	0
700	Equipment	87,285	91,253	84,746	8,701	(76,045)	-89.7%	8,701	0
800	Other Objects	6,270	9,013	6,945	6,081	(864)	-12.4%	6,081	0
Total		\$495,174	\$557,200	\$602,843	\$477,009	(\$125,834)	-20.9%	\$473,009	(\$4,000)

Instructional support includes items associated with supporting the instructional programs. The library, technology, and audio/visual services areas are included. Also included are curriculum development, training, workshops, conferences, and course reimbursements needed to insure a quality level educational program, and allow Litchfield to meet state and federal standards and requirements. The salaries and benefits decreases are due to the Director of Curriculum position being changed from a full-time to part-time position. The supplies account reduction is due primarily to a reduction in the Campbell library book budget. The decrease in equipment is due primarily to a reduction in the classroom technology equipment as the Board did not fully fund the District's five-year technology plan.

Function 2300 Series – District Administration Services

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	377,252	343,976	386,174	398,326	12,152	3.1%	398,326	0
200	Benefits	112,209	110,855	123,660	136,474	12,814	10.4%	136,474	0
300	Professional Services	28,804	49,762	46,000	51,000	5,000	10.9%	51,000	0
400	Property Services	8,133	8,629	11,447	10,871	(576)	-5.0%	9,400	(1,471)
500	Other Services	15,944	23,780	23,726	18,376	(5,350)	-22.5%	18,376	0
600	Supplies & Materials	9,402	6,741	8,645	6,585	(2,060)	-23.8%	6,585	0
700	Equipment	918	195	0	0	0	0.0%	0	0
800	Other Objects	10,520	12,548	12,051	13,499	1,449	12.0%	12,899	(600)
Total		\$563,182	\$556,486	\$611,702	\$635,131	\$23,428	3.8%	\$633,060	(\$2,071)

District administration services include costs associated with the school board, superintendent's office, and special education administration. This function includes legal, audit, and non HR advertising expenses. The major increase in the salary and benefit accounts are due to the costs associated with the change in Superintendent. The professional services increase is due to an increase in legal services.

Function 2400 Series – School Administration Services

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	731,710	773,075	815,626	810,503	(5,123)	-0.6%	810,503	0
200	Benefits	244,923	259,411	284,018	316,800	32,782	11.5%	316,800	0
300	Professional Services	1,300	0	0	0	0	0.0%	0	0
400	Property Services	0	160	800	350	(450)	-56.3%	350	0
500	Other Services	23,547	37,996	30,037	30,446	409	1.4%	30,446	0
600	Supplies & Materials	11,913	11,619	10,351	10,750	399	3.9%	10,750	0
700	Equipment	885	638	1,517	678	(839)	-55.3%	678	0
800	Other Objects	36,131	19,110	21,040	20,136	(904)	-4.3%	20,136	0
Total		\$1,050,409	\$1,102,009	\$1,163,389	\$1,189,663	\$26,275	2.3%	\$1,189,663	\$0

School administration services include costs associated with administering the operations in the three Litchfield schools. This includes salaries and benefits for the school principals, assistant principals, and administrative support staff. The increase in the benefits account is due to higher rates for health and dental insurance and in the NH retirement rate.

Function 2500 Series – Business and Finance Office

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	178,051	185,044	188,061	176,716	(11,345)	-6.0%	176,716	0
200	Benefits	53,740	58,113	61,783	59,023	(2,760)	-4.5%	59,023	0
300	Professional Services	1,543	7,543	350	6,850	6,500	1857.1%	6,501	(349)
400	Property Services	131,578	93,542	32,675	32,510	(165)	-0.5%	32,510	0
500	Other Services	3,581	4,445	5,450	3,450	(2,000)	-36.7%	3,450	0
600	Supplies & Materials	4,937	4,506	5,700	6,000	300	5.3%	5,300	(700)
700	Equipment	2,923	918	1,001	1,000	(1)	-0.1%	1,000	0
800	Other Objects	1,702	3,132	3,407	1,991	(1,416)	-41.6%	1,991	0
Total		\$378,055	\$357,244	\$298,427	\$287,540	(\$10,887)	-3.6%	\$286,491	(\$1,049)

The business and finance office includes the costs of the business administrator, accounting, finance, payroll, and purchasing operations. The decrease in the salary and benefits accounts is due to the change in the payroll coordinator position from a full-time to part-time position. The increase in the professional services account is due to the requirement to hire an actuarial consultant to be compliant with the Governmental Accounting Standards Board Statement 45 (GASB-45) *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*.

Function 2600 Series – Operation of Plant and Maintenance

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	559,368	606,171	622,315	620,019	(2,296)	-0.4%	620,019	0
200	Benefits	222,957	255,091	272,328	286,395	14,067	5.2%	286,395	0
300	Professional Services	567	6,900	6,250	6,250	0	0.0%	6,250	0
400	Property Services	332,167	342,395	427,590	424,297	(3,292)	-0.8%	424,297	0
500	Other Services	73,954	70,219	78,852	82,610	3,758	4.8%	82,610	0
600	Supplies & Materials	574,233	597,956	667,230	590,825	(76,405)	-11.5%	587,420	(3,405)
700	Equipment	66,833	51,129	6,000	2,500	(3,500)	-58.3%	2,500	0
800	Other Objects	0	0	0	0	0	0.0%	0	0
Total		\$1,830,079	\$1,929,861	\$2,080,564	\$2,012,896	(\$67,668)	-3.3%	\$2,009,491	(\$3,405)

This account funds the custodial and building and grounds staff. It also includes the costs associated with running the facilities of the District including: building repairs and maintenance, custodial supplies, snow plowing, property and liability insurance, water, sewer, electricity, oil, and gas. The increase in benefits is due to higher health, dental and retirement rates. The decrease in the supplies and materials account is due to lower costs in fuel oil and propane.

Function 2700 Series – Pupil Transportation

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
500	Other Services	599,756.66	654,130	789,285	814,867	25,582	3.2%	772,867	(42,000)
600	Supplies & Materials	17,218.54	4,292	12,279	6,000	(6,279)	-51.1%	6,000	0
Total		\$616,975	\$658,422	\$801,564	\$820,867	\$19,302	2.4%	\$778,867	(\$42,000)

This account covers the costs of student transportation to and from school, special education and vocational education transportation, and athletic and co-curricular activities. The other services cost increase is due to an increase in SPED transportation (\$51,934) partially offset with a decrease in vocational education transportation (\$31,935).

Function 2800-2900 Series – Central Support Services and Benefits and Fixed Charges

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
100	Salaries	165,402.38	173,738	177,219	178,955	1,737	1.0%	178,955	0
200	Benefits	135,168.36	62,416	43,506	81,372	37,865	87.0%	14,093	(67,279)
300	Professional Services	4,315.50	4,071	4,088	4,066	(22)	-0.5%	3,566	(500)
400	Property Services	2,540.41	13,007	12,500	19,295	6,795	54.4%	18,495	(800)
500	Other Services	85,965.82	89,698	109,788	67,379	(42,409)	-38.6%	67,379	0
600	Supplies & Materials	28,335.58	41,285	46,406	32,372	(14,035)	-30.2%	32,372	0
700	Equipment	12,818.20	18,241	4,081	8,050	3,969	97.3%	8,050	0
800	Other Objects	1,121.60	1,396	1,420	1,420	0	0.0%	1,420	0
Total		\$435,668	\$403,852	\$399,008	\$392,909	(\$6,100)	-1.5%	\$324,330	(\$68,579)

This account covers the costs of Management Information Services (MIS), which includes technology infrastructure such as the computer network, internet access, telephone systems, computer maintenance, and help desk operations; and Human Resources (HR). It also includes a budgetary holding account function for employee benefits. The increase in benefits is due primarily to last year's budget carrying \$(28,000) in budget reductions in the dental insurance and workers compensation accounts that are not in the 2011 budget. The remaining increase in the benefits account is due to the higher health, dental and retirement rates for the employees covered by this function. The property services increase is due to support contracts for the district's computer servers (\$7,000).

Function 4000 Series – Site and Building Improvement

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
300	Professional Services	54,888.00	1,413	0	0	0	0.0%	10,000	10,000
400	Property Services	128,216.50	452,493	287,938	255,963	(31,975)	-11.1%	175,963	(80,000)
700	Equipment	23,203.95	174,855	0	49,000	49,000	-	49,000	0
Total		\$206,308	\$628,761	\$287,938	\$304,963	\$17,025	5.9%	\$234,963	(\$70,000)

This account covers the costs of facility and site improvements, including the costs of the modular classroom leases. There is a decrease in the property services account of \$68,354 from last year's one-time site set-up costs for the kindergarten portables, as well as an \$80,000 increase for repairing the track at CHS. The budget committee's reduction of the CHS track repair of \$80,000 was at the school board's request as it was decided to obtain a geo-technical ground water study prior to finalizing the repair proposal. The \$49,000 increase in the 700 account is due to the construction of two ADA compliant bathrooms at GMS which is required by the town's code enforcement officer and for NH DOE school approval.

Function 5100 Series – Debt

Acct	Item	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
800	Interest Expense	315,462.48	275,463	235,463	193,463	(42,000)	-17.8%	193,463	0
900	Principal Redemption	800,000.00	800,000	800,000	800,000	0	0.0%	800,000	0
920	Capital Reserve		0	50,000	0	(50,000)	-100.0%	0	0
Total		\$1,115,462	\$1,075,463	\$1,085,463	\$993,463	(\$92,000)	-8.5%	\$993,463	\$0

This account covers the costs of principal and interest on long term debt of the District. Currently, the only bond outstanding is the CHS bond.

Litchfield School Board Proposed General Fund Operating Budget

07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
\$17,381,752	\$18,963,391	\$19,620,482	\$19,511,437	(\$109,045)	-0.6%	\$19,156,743	(\$354,694)

OPERATING BUDGET BY LOCATION

Location	07-08 Actual	08-09 Actual	09-10 Adopted	10-11 Proposed	Change	Pct. Change	Budget Committee	Variance
District-Wide	3,336,104	3,547,633	4,310,292	4,480,470	170,178	3.9%	4,248,008	(232,462)
School Board	71,224	100,706	93,233	100,633	7,400	7.9%	100,033	(600)
Elementary	3,904,812	4,331,252	4,559,893	4,366,149	(193,744)	-4.2%	4,325,834	(40,315)
Middle	3,998,532	4,324,442	4,283,916	4,280,952	(2,964)	-0.1%	4,280,952	0
High	5,259,869	5,917,122	5,659,311	5,566,504	(92,807)	-1.6%	5,487,858	(78,646)
SAU	811,210	742,237	713,837	716,730	2,893	0.4%	714,059	(2,671)
Total General Fund Operating Budget	\$17,381,752	\$18,963,391	\$19,620,482	\$19,511,437	(\$109,045)	-0.6%	\$19,156,744	(\$354,694)

An analysis by location has been added to this year's annual budget report as the budget committee segmented the budget by location in their deliberations.

The District-Wide location covers all expenses that are shared across locations or by its nature is a district-wide expense. District-wide special education expenses of \$2,166,775 account for 48.36% of the total district-wide budget. SPED expenses budgeted at the district-wide level include: tuition, transportation, professional services, psychological services, speech services, occupational therapy services, legal services, and SPED administration. Other major expenses budgeted at the district-wide level include: debt service (\$993,463); regular student transportation (\$436,389); building and grounds including property and liability insurance (\$226,125); technology services (\$177,116); substitute salaries (\$165,000); and staff instructional and curriculum development and training (\$146,846.01). The major increase in this area is in SPED tuition and transportation accounts (\$345,134). This location also includes savings from the reduction of the Director of Curriculum position from a full-time to part-time 60% position (\$48,687). The district-wide location is also used to budget unemployment compensation (\$18,236) and non-allocated reductions to the budget such as salary and employee benefit reductions.

The School Board location includes: school board, elected officials and election services (\$50,633); and audit and legal services (\$50,000).

The Elementary, Middle and High locations are all expenses across all functions that are budgeted at each school location. The major reductions in the elementary area include: kindergarten site set-up and program start-up expenses (\$133,748); reductions to staff of one grade 4 teacher and one part-time SPED teacher (\$87,779); fewer building improvements (\$49,150); and fuel oil (\$35,909). The major increase at LMS included an increase to the self-funded programs budget (\$20,500 which is offset by revenues). Major decreases at LMS include: lower new and replacement technology equipment (\$32,112); and lower fuel oil (\$24,251). The major reductions in the high school area include: reductions to staff of one SPED teacher (\$77,692); lower new and replacement technology equipment (\$40,136); and vocational education tuition and transportation (\$32,637). Replacement of the Campbell track (\$80,000 - which the school board subsequently requested the budget committee to cut); was a major increase at the high school. Increased health and dental insurance and retirement costs due primarily to rate increases (\$346,086) was a major cost increase at all three locations. Decreased telephone and data communications expenses due to a new vendor contract (\$34,717) were included in all three school budgets.

The SAU location covers all operations of the SAU which includes: office of the superintendent; business and finance; human resources; and technology services. The major budget increase is due to the costs associated with the change in Superintendent (\$30,763). The major reduction in the SAU is due to the reduction in the business and finance payroll coordinator position from a full-time to part-time position (\$18,983).

BUDGET COMMITTEE'S RECOMMENDED REDUCTIONS

The budget committee reviewed the school board's proposed budget in detail and made the following specific reductions:

Description	LBC Cut
Polling staff	(600.00)
Regular Education Teacher Salaries	(32,403.66)
Regular Education Paraprofessional Salaries	(2,934.68)
Guidance Services	(771.85)
Custodial Supplies	(3,405.00)
Technology Repairs	(800.00)
Superintendent Repairs	(300.00)
Superintendent Leases	(1,171.00)
Business Supplies	(700.00)
HR Prof Services	(500.00)
SPED Professional Services	(6,750.00)
Handicapped Tuition	(69,000.00)
Co-curricular & Athletic Salaries	(10,000.00)
Course Reimbursement - Union	(4,000.00)
District-wide Business Professional Services	(349.00)
SPED Transportation	(42,000.00)
Health Insurance	(55,473.75)
Social Security	(11,805.12)
RM Frameworks software	(1,000.00)
Athletic Trainer	(4,260.00)
Game Officials	(3,386.00)
Track Repair (at School Board's request)	(80,000.00)
Geotechnical study (at School Board's request)	10,000.00
Additional General Reduction	(33,084.00)
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Total Reductions	\$ (354,694.06)

2010 – 2011 ESTIMATED REVENUE ANALYSIS

SOURCE OF REVENUE	Revised 09-10 Revenues	Estimated 10-11 Revenues	Increase/ (Decrease)	% Change
REVENUE FROM LOCAL SOURCES				
Tuition	15,000	15,000	0	0.0%
Transportation Fees	6,000	6,000	0	0.0%
Earnings on Investments	10,000	15,300	5,300	53.0%
Food Service Sales	539,354	503,028	(36,326)	-6.7%
Self-Funded Programs	44,190	69,000	24,810	56.1%
Adult Education	17,025	19,962	2,937	17.3%
Impact Fees	0	0	0	-
Other Local Sources	4,500	7,000	2,500	55.6%
Total Local Revenue (Excluding Property Taxes)	\$ 636,069	\$635,290	(\$779)	-0.1%
REVENUE FROM STATE SOURCES				
School Building Aid	270,050	260,787	(9,263)	-3.4%
Kindergarten Aid	317,334	209,411	(107,923)	-34.0%
Catastrophic Aid	129,243	120,000	(9,243)	-7.2%
Vocational Aid	2,000	2,000	0	-
Child Nutrition	4,800	6,640	1,840	38.3%
Adequacy Aid Grant	6,125,163	6,147,683	22,520	0.4%
State Education Taxes	1,830,345	1,807,825	(22,520)	-1.2%
Total State Revenues	\$ 8,678,935	\$ 8,554,346	(\$124,589)	-1.4%
REVENUE FROM FEDERAL SOURCES				
Federal Program Grants	245,000	480,000	235,000	95.9%
Child Nutrition	78,000	95,160	17,160	22.0%
Disabilities Programs	290,000	290,000	0	0.0%
Medicaid Distribution	60,000	60,000	0	0.0%
Total Federal Revenues	\$ 673,000	\$ 925,160	\$ 252,160	37.5%
OTHER FINANCING SOURCES				
Sale of Bonds or Notes	0	0	0	-
Fund Balance to Reduce Taxes	572,557	200,000	(372,557)	-65.1%
TOTAL REVENUES	\$ 10,560,561	\$ 10,314,796	\$ (245,765)	-2.3%

TOTAL APPROPRIATION AND TAX RATE IMPACT ANALYSIS

	Appropriated Budget 2006-2007		Appropriated Budget 2007-2008		Appropriated Budget 2008-2009		Appropriated Budget 2009-2010		School Board Recommended Budget 2010-2011		Budget Committee Recommended 2010-2011	
	\$ Amount	Tax Impact	\$ Amount	Tax Impact	\$ Amount	Tax Impact	\$ Amount	Tax Impact	\$ Amount	Tax Impact	\$ Amount	Tax Impact
Operating Budget	16,926,303		18,072,274		18,963,391		19,620,482		19,511,437		19,156,743	
Food Service	499,574		556,274		587,344		622,154		605,128		605,128	
Grant Fund	350,000		425,000		535,000		535,000		770,000		770,000	
Total Budget	17,775,877		19,053,548		20,085,735		20,777,636		20,886,565		20,531,871	
Less: Actual/Estimated Revenues	(8,149,169)		(10,518,818)		(10,099,773)		(10,560,561)		(10,314,796)		(10,314,796)	
Total Operating Budget to be Raised by Property Taxes (Adjusted for a 2010 \$0.023 cut to State Property Tax)	\$9,626,708	\$10.36	\$8,534,730	\$9.05	\$9,985,962	\$10.32	\$10,217,075	\$10.59	\$10,571,769	\$10.84	\$10,217,075	\$10.48
Increase/(Decrease) From Prior Year			(\$1,091,978)	(\$1.31)	\$1,451,232	\$1.27	\$231,113	\$0.27	\$354,694	\$0.25	\$0	(\$0.11)
Operating Budget Four-Year Tax Appropriations Increase/(Decrease)									\$945,061	0.48	\$590,367	\$0.12
Warrant Articles Proposed March 2010:												
Teachers' Contract									\$171,630	\$0.18	\$171,630	\$0.18
SPED Capital Reserve									\$50,000	\$0.05	\$0	\$0.00
Total To Be Raised By Taxes (Adjusted for a 2010 \$0.023 cut to State Property Tax)	\$9,626,708	\$10.36	\$8,534,730	\$9.05	\$9,985,962	\$10.32	\$10,217,075	\$10.59	\$10,793,399	\$11.07	\$10,388,705	\$10.65
TOTAL NET APPROPRIATIONS	\$9,626,708	\$10.36	\$8,534,730	\$9.05	\$9,985,962	\$10.32	\$10,217,075	\$10.59	\$10,793,399	\$11.07	\$10,388,705	\$10.65
\$ Increase/(Decrease)			(\$1,091,978)		\$1,451,232		\$231,113		\$576,324		\$171,630	
Tax Rate Increase/(Decrease)				(\$1.31)		\$1.27		\$0.27		\$0.48		\$0.06
Total Four-Year Tax Rate Increase										\$0.71		\$0.29
									6.83%			2.81%
Litchfield Net Assessed Valuation 2009:		\$964,971,105										
Litchfield Net Assessed Valuation 2010 (Est):		\$973,231,258										

SAMPLE PROPERTY TAXES

	2006 Actual Taxes		2007 Actual Taxes		2008 Actual Taxes		2009 Actual Taxes		2010 Estimated Taxes	
Total Local Appropriations	\$9,626,708		\$8,534,730		\$9,870,148		\$10,217,075		\$10,438,705	
Total Local & State Property Tax Rate (Actual/Estimated)	\$12.34		\$11.05		\$12.36		\$12.54		\$12.58	
	\$300,000 Home	\$400,000 Home	\$300,000 Home	\$400,000 Home	\$300,000 Home	\$400,000 Home	\$300,000 Home	\$400,000 Home	\$300,000 Home	\$400,000 Home
Total School Property Taxes (Local & State)	\$3,702	\$4,936	\$3,315	\$4,420	\$3,708	\$4,944	\$3,762	\$5,016	\$3,774	\$5,032
Year-to-Year Increase/(Decrease)			(\$387)	(\$516)	\$393	\$524	\$54	\$72	\$12	\$16
Two/Three/Four-Year Tax Increase/(Decrease)					\$6	\$8	\$60	\$80	\$72	\$96