

Litchfield School District

School Board's Proposed 2009 Budget Submission

This Executive Summary provides a detailed overview of the proposed operating budget for the 2008 – 2009 school year and the factors impacting the District's needs.

Proposed 2009 Operating Budget

The School Board's proposed 2009 general fund operating budget totals \$19,003,648, an increase of \$931,374 or 5.15% over the 2008 operating budget.

Included in this Executive Summary are the following exhibits that analyze the proposed budget:

– Exhibit 1

This exhibit provides a summary of the 2009 proposed operating budget by object account groupings. The table shows the comparison to the current 2008 budget in terms of both dollar and percent increases over 2008, and the percentage of that object account groupings' increase of the total proposed 2009 budget increase. Note that 82.44% of the total budget increase is driven by salaries and benefits, most of which are out of the control of the school board.

– Exhibit 2

The proposed 2009 operating budget is segmented in a pie chart by object account groupings. You will note that salaries and benefits account for 72% of the total proposed 2009 budget, an increase of 1% over last year.

– Exhibit 3

This exhibit show a comparison of the 2009 proposed operating budget to the 2008 budget by object account groupings in a bar graph format.

– Exhibit 4

This exhibit provides a summary of the 2009 proposed operating budget by function account groupings. The table shows the comparison to the current 2008 budget in terms of both dollar and percent increases over 2008, and the percentage of that function account groupings' increase of the total proposed 2009 budget increase. The largest areas contributing to the total budget increase are Regular Programs (27.79%), Building & Grounds (18.56%), Student Support Services (13.30%), and Special Education (11.75%).

– Exhibit 5

The proposed 2009 operating budget is segmented in a pie chart by function account groupings. Note that regular programs (40%), Special Education (13%) and Building & Grounds (10%) are the largest components of the District's budgetary needs.

– Exhibit 6

This exhibit show a comparison of the 2009 proposed operating budget to the 2008 budget by function account groupings in a bar graph format.

– Exhibit 7

This exhibit identifies the major contributing factors to the proposed 2009 general fund operating budget increase highlighting items with an increase of over \$10,000. Note that the cost of the voter approved teachers' contract accounts for 45.58% of the total proposed 2009 budget increase.

– Exhibit 8

This exhibit reviews the salary & benefit components of the proposed 2009 operating budget including salary and benefit increases and all new additional and expanded positions with their justifications.

– Exhibit 9

This exhibit analyzes the school tax rate impact of the proposed 2009 operating budget and shows the two-year change from 2006 to 2008's projected tax rate in order to remove the unexpectedly large 2007 year-end fund balances' one-time impact on the tax rate.

The process followed was similar to last year. Administrators were asked to identify all needs that were important to implement or maintain their programs. In its review cycles, both the administrative team and the SAU recommended significant reductions to budget requests in order to reduce the total budget's impact on the Litchfield taxpayer. In finalizing its proposed budget, the School Board also took an aggressive approach in reducing many critical needs areas. The budget process identified thirty-four new and/or expanded positions needed to meet the District's objectives. Only nine are included in the Board's proposed 2009 budget.

The Board believed that an aggressive approach was needed; recognizing the impact of their request for support of a new elementary school will have on the Litchfield tax rate.

General Ledger Changes

There were two changes to the general ledger accounts of importance in the 2009 budget. At the request of NH DOE, we have changed the function used for Self-Funded Programs from the old 3200 function to a new 1501 function. All history was moved with the new function change.

The budgeting of the Honeywell and Simplex contracted building services was changed from the previously used 430 object code to the more correct 433 contracted services object code.

Gross Appropriations Budget

This budget continues to meet the accounting and legal requirement to gross appropriate all District expenditures. As we did last year, all expenditures in the operating budget that will be offset by revenues have been budgeted to the Self-funded Programs function (1501). This function's budget request for 2009 shows an increase of \$2,704.

Tax Rate Impact

The proposed 2009 operating budget increase of \$931,374 would result in an increase of \$0.99 on the tax rate using the 2007 net assessed value of the town without consideration to the District's revenues impact. However, due to the significantly high 2007 year-end fund balance which resulted in a \$1.31 decrease in the 2007 school tax rate, the projected net impact of the 2009 operating budget combined with a reduced fund balance will be a \$1.59 increase on the tax rate. Over the two year period from 2006 to 2008, the school tax rate is projected to increase \$0.30 or 2.43%, an annual increase of 1.22%.

Executive Summary Exhibits

Exhibit 1: Analysis of proposed 2008 budget to 2007 by object account	4
Exhibit 2: Pie chart of proposed 2008 budget by object account	5
Exhibit 3: Bar graph comparing 2008 to 2007 by object account	6
Exhibit 4: Analysis of proposed 2008 budget to 2007 by function account	7
Exhibit 5: Pie chart of proposed 2008 budget by function account	8
Exhibit 6: Bar graph comparing 2008 to 2007 by function account	9
Exhibit 7: Major increases impacting proposed budget	10
Exhibit 8: Salary & benefit analysis	11
Exhibit 9: School Tax Rate Analysis	14

EXHIBIT 1
2008-2009 LITCHFIELD SCHOOL DISTRICT BUDGET
Comparison of 2009 Request to 2008 Budget
School Board Proposed Budget

Accounts	2008 Budget	2009 Proposed	Increase \$	Increase %	% of Increase
Salaries (100)	\$ 9,813,678	\$ 10,410,026	\$ 596,348	6.08%	64.03%
Benefits (200)	\$ 3,039,723	\$ 3,211,209	\$ 171,486	5.64%	18.41%
Purchased Services (300)	\$ 554,468	\$ 518,826	\$ (35,642)	(6.43)%	(3.83)%
Purchased Property Services (400)	\$ 628,390	\$ 647,778	\$ 19,388	3.09%	2.08%
Other Purchased Services (500)	\$ 1,489,009	\$ 1,491,742	\$ 2,733	0.18%	0.29%
Supplies (600)	\$ 1,214,045	\$ 1,333,248	\$ 119,203	9.82%	12.80%
Property (700)	\$ 124,871	\$ 243,189	\$ 118,318	94.75%	12.70%
Other Objects (800)	\$ 408,090	\$ 347,630	\$ (60,460)	(14.82)%	(6.49)%
Other Uses of Funds (900)	\$ 800,000	\$ 800,000	\$ -	0.00%	0.00%
TOTAL BUDGET	\$ 18,072,274	\$ 19,003,648	\$ 931,374	5.15%	100.00%

EXHIBIT 2

LSD PROPOSED 2009 OPERATING BUDGET BY OBJECT ACCOUNTS

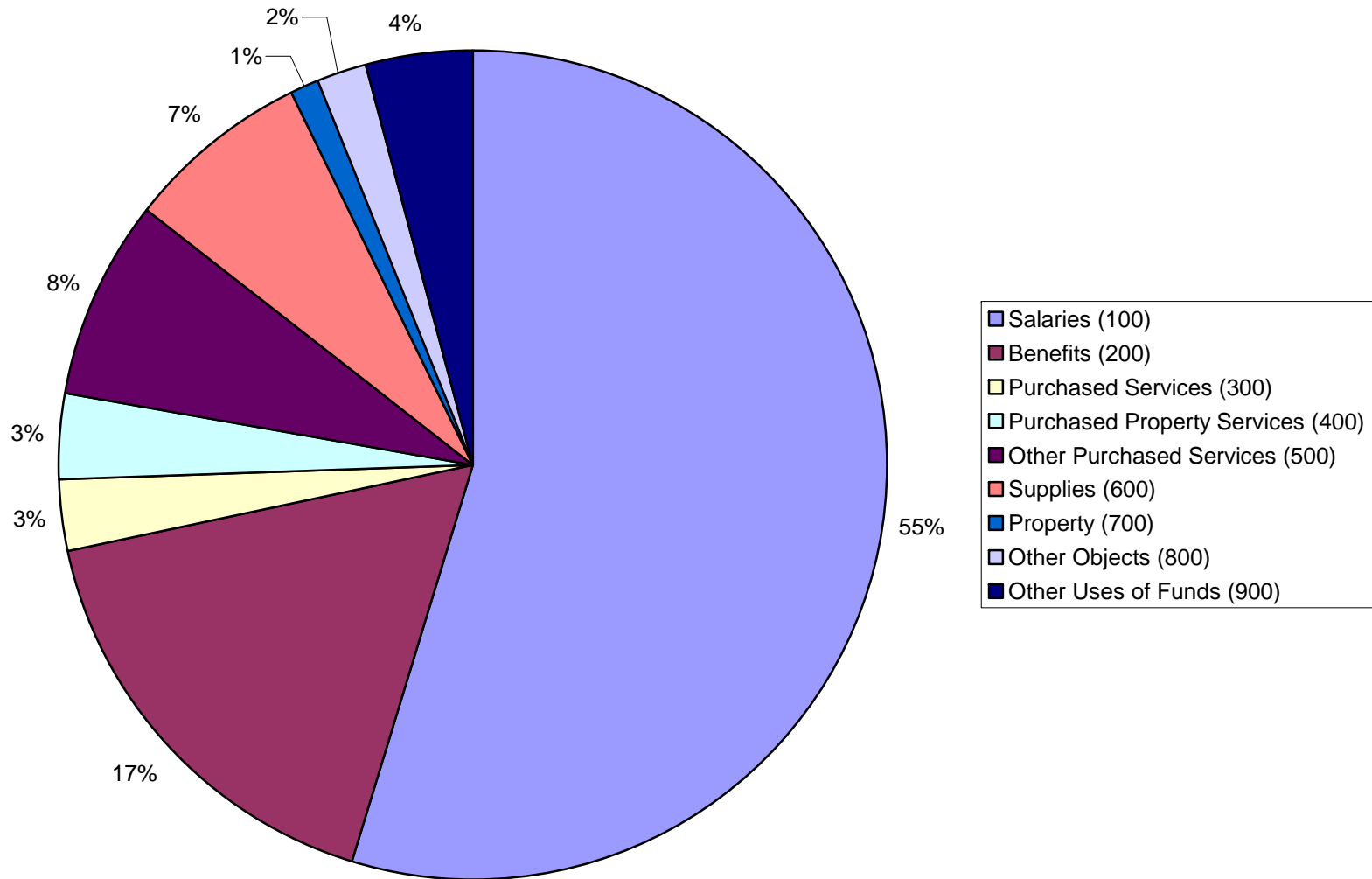


EXHIBIT 3

LSD 2009 PROPOSED BUDGET COMPARISON TO 2008 BUDGET BY OBJECT ACCOUNTS

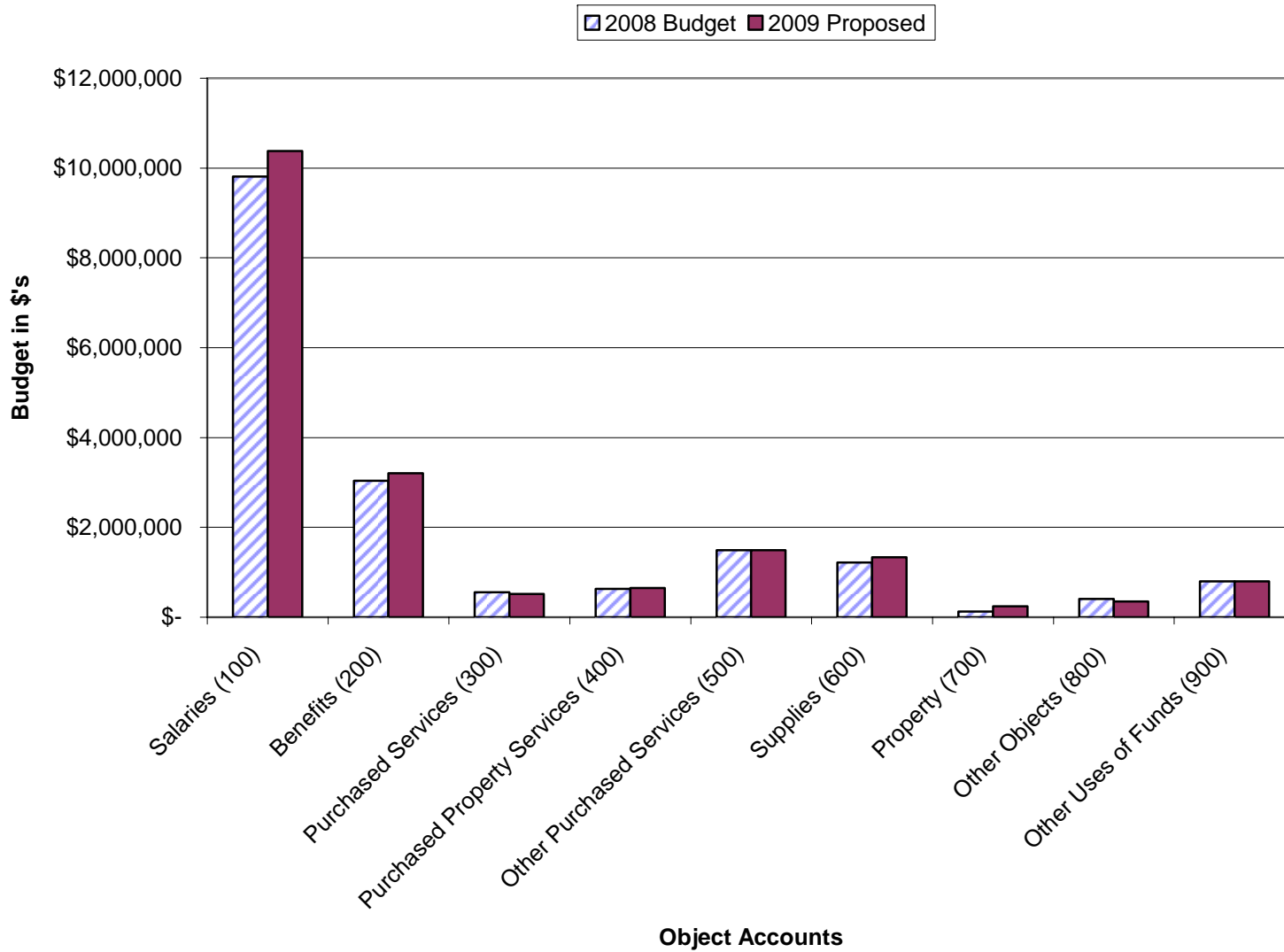


EXHIBIT 4
2008-2009 LITCHFIELD SCHOOL DISTRICT BUDGET
Comparison of 2009 Request to 2008 Budget
School Board Proposed Budget By Function Account

Accounts	2008 Budget	2009 Proposed	Increase \$	Increase %	% of Increase
Regular Programs	\$ 7,383,097	\$ 7,641,898	\$ 258,801	3.51%	27.79%
Special Education	\$ 2,296,982	\$ 2,406,391	\$ 109,409	4.76%	11.75%
Vocational Programs	\$ 40,555	\$ 34,072	\$ (6,483)	-15.99%	-0.70%
Other Programs	\$ 448,861	\$ 491,333	\$ 42,472	9.46%	4.56%
Self-Funded Programs	\$ 86,686	\$ 89,390	\$ 2,704	3.12%	0.29%
Student Support	\$ 1,230,550	\$ 1,354,446	\$ 123,896	10.07%	13.30%
Instructional Support	\$ 479,122	\$ 565,722	\$ 86,600	18.07%	9.30%
School Board	\$ 83,894	\$ 86,468	\$ 2,574	3.07%	0.28%
SAU/District Administration	\$ 457,520	\$ 500,841	\$ 43,321	9.47%	4.65%
School Administration	\$ 1,059,264	\$ 1,108,405	\$ 49,141	4.64%	5.28%
Business & Finance	\$ 303,294	\$ 374,656	\$ 71,362	23.53%	7.66%
Building & Grounds	\$ 1,773,518	\$ 1,946,427	\$ 172,909	9.75%	18.56%
Transportation	\$ 750,914	\$ 782,604	\$ 31,690	4.22%	3.40%
Central Support Services	\$ 448,299	\$ 448,905	\$ 606	0.14%	0.07%
Facilities Acquisition & Const.	\$ 114,255	\$ 96,627	\$ (17,628)	-15.43%	-1.89%
Debt Service	\$ 1,115,463	\$ 1,075,463	\$ (40,000)	-3.59%	-4.29%
TOTAL BUDGET	\$ 18,072,274	\$ 19,003,648	\$ 931,374	5.15%	100.00%

EXHIBIT 5

LSD PROPOSED 2009 OPERATING BUDGET BY FUNCTION ACCOUNTS

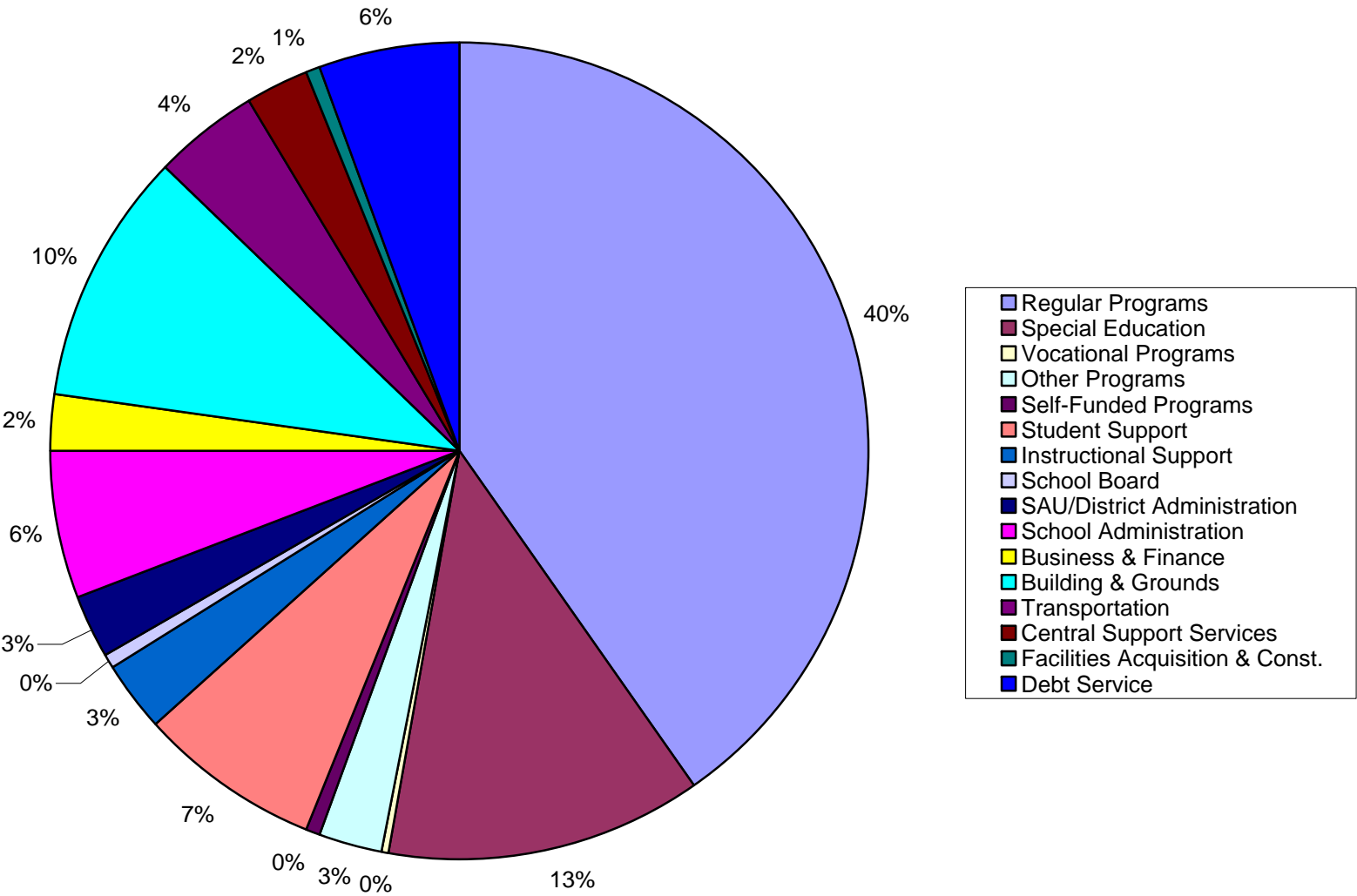


EXHIBIT 6

LSD PROPOSED 2009 BUDGET COMPARISON TO 2008 BUDGET BY FUNCTION ACCOUNTS

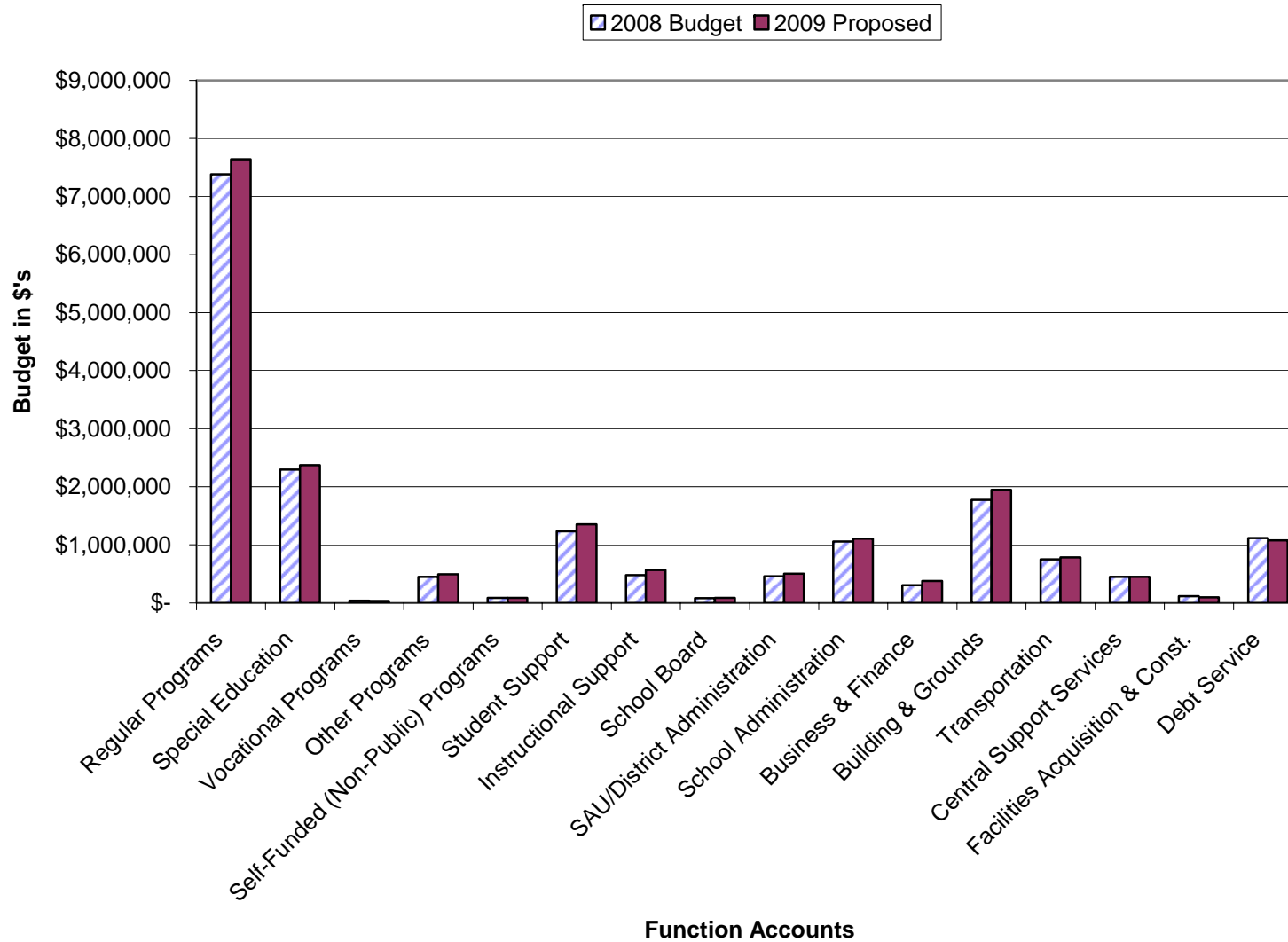


EXHIBIT 7
MAJOR INCREASES IMPACTING SCHOOL BOARD'S PROPOSED
2009 OPERATING BUDGET

(Increase of \$10,000 plus)

Item	Cost	% of Increase
Teachers' Contract (excludes new 07/08 hires)	\$424,558	45.58%
Current Staff approximate net salary and benefit increase (excluding LEA contract)	\$85,286	9.16%
Additional School Psychologist (net increase)	\$41,878	4.50%
Additional CHS Guidance Counselor (part-time)	\$24,904	2.67%
New CHS SPED Para position (IEP required)	\$17,825	1.91%
New CHS SPED Para position (IEP required)	\$16,343	1.75%
Additional LMS Part-Time Custodian	\$16,484	1.77%
Other new and expanded positions	\$26,640	2.86%
Utilities (Electricity, Gas and Oil)	\$38,686	4.15%
CHS Business Lab Computer Replacement	\$32,500	3.49%
SPED Transportation Out-of-District Mileage (new contract)	\$29,750	3.19%
Incremental Cost of Second Finance/HR System	\$28,750	3.09%
CHS Track repair and upgrade	\$28,423	3.05%
CHS Multi-Purpose field perimeter fencing	\$27,000	2.90%
Curriculum Review Cycle (Math & FACS)	\$23,266	2.50%
Regulatory Costs (HB 437, HB 790, IRS 403(b), GASB 45)	\$22,000	2.36%
Destiny Library Software for all 3 schools	\$16,500	1.77%
TOTAL MAJOR INCREASES	\$900,793	
TOTAL BUDGET INCREASE	\$931,374	
MAJOR FACTORS PERCENT OF TOTAL BUDGET INCREASE	96.72%	

EXHIBIT 8
SALARY & BENEFIT CHANGES IMPACTING SCHOOL BOARD PROPOSED BUDGET

SALARY INCREASES

Budgeted salary increases for existing staff included in the proposed budget are as follows:

- Teachers:
 - o 3.96% increase to schedules plus step increases
 - o 3.0% increase to stipend compensation
 - o 1.7% increase to professional development of existing staff
- Schedule Employees: Administrative Assistants, Custodians, Food Service, Paraprofessionals and non-administrative SAU staff budgeted at 3% step increase, plus a 1.0% adjustment to the 2008 schedules. A longevity payment will be developed for the ten employees at the top of their schedules.
- Salary Range Employees (Non-Administrative): Facility Managers and Building & Grounds Coordinator budgeted at 1% movement within range and a 3.0% adjustment to the 2008 ranges.
- Superintendent budgeted at current plus 6.5% plus an additional \$5,000 in anticipation of higher salary and benefits of the new Superintendent.
- All other non-bargaining staff budgeted at a 3.5% salary increase.
- Administrators: budgeted at a 1% movement within range and a 5.5% adjustment to the 2008 ranges.

Note: The Administrative salary ranges were set two years ago using the prior year competitive market salary surveys placing our ranges one year behind the market. Since the Administrative ranges were set, all other salary schedules and ranges have been updated to the then current year competitive market salaries. In addition, the approved teachers' contract was approved to place the teachers at expected 2008-2009 competitive market salaries in the 2009 budget. The Board recommended 5.5% adjustment to Administrator ranges reflects the need to bring the Administrators' ranges closer to current competitive market salaries.

BENEFIT INCREASES

Budgeted benefit increases in the proposed budget are as follows:

Blue Choice Two Tier POS	8.6%
Matthew Thornton HMO	10.3%
Comp 100	8.8%
Delta Dental	2.6%
Unemployment	10.0%
Life Insurance	15.0%
STD & LTD Insurance	15.0%

ADDITIONAL POSITIONS

Budgeted additional positions in the proposed budget are as follows:

Additional Positions	Total Cost
IEP required CHS SPED Paraprofessional	\$16,343
IEP required CHS SPED Paraprofessional	\$17,825
Additional CHS Guidance Counselor (50%)	\$24,904
Additional School Psychologist (net of \$37,000 cost decrease in 330 account)	\$41,878
CHS Athletics Administrative Assistant	\$8,000
Additional LMS Part-time Custodian (50%)	\$16,484
CHS Custodial summer support	\$9,140
Totals	\$134,574

Note: A new Health teacher position at LMS will be filled by the Superintendent reassigning one elementary school position. This position is needed to both meet State minimum standards as well as provide needed health instruction to students of this age group. The reassignment was possible due to a projected decrease in GMS enrollment.

Justification for Additional Staff Positions

The two additional paraprofessional staff positions are required by law as they are required by IEPs. One is needed for the new Hospitality Program with the other required for a specific student.

The additional CHS part-time Guidance Counselor is required to provide needed services to the increased student population. It is also anticipated that the NEASC accreditation report will highlight this as a need to correct.

The additional District Psychologist is needed to provide much needed in-depth counseling to our students as well to provide better coordination of evaluations. The salary and benefit costs of \$78,878 are partially offset by a \$37,000 reduction in the contracted services 330 account.

The CHS Athletic Director administrative assistant is a 15 hour per week position. This position is needed to provide administrative support to the Athletic Director. Currently the CHS office staff is performing these duties on an overtime basis.

The additional LMS part-time custodian is needed in order to maintain the buildings. The current LMS custodial staff is under staffed and is having difficulty maintaining the buildings particularly when an assigned staff member is absent for vacation, illness, etc.

The additional CHS custodian hours for the summer are needed in order to maintain the building. The current CHS custodial staff is having difficulty completing its summer maintenance program particularly when an assigned staff member is absent for vacation, illness, etc.

EXPANDED POSITIONS

Budgeted increases to existing staff positions in the proposed budget are as follows:

Expanded Positions	Total Cost
Extend CHS Library monitor from 12.5 to 25 hours per week.	\$7,458
Reclassify Grounds assistant from youth to regular part-time position plus additional spring hours	<u>\$2,042</u>
Totals	\$9,500

Justification for Expanded Staff Positions

The additional hours for the CHS Library monitor is needed to support the increased student population and to allow the District to flex the hours with the Librarian in order to keep the library open for a longer period during the day.

The reclassification of the Grounds assistant is needed due to the fact that the current youth classification and salary does not allow the District to fill the position with an individual who is legally able to use the equipment to perform the required duties. The former student filling this position is not planning to continue. Additional hours have also been added to provide needed spring field maintenance support.

EXHIBIT 9
SCHOOL TAX RATE ANALYSIS

School Tax Rate Analysis 2005 to 2008 Projected					
	2005	2006 *	2007	2008 Proj. **	2 Year Change (2006 to 2008)
General Fund Balance	\$100,184	\$381,683	\$1,082,068	\$200,000	(\$181,683)
Total Local Appropriations	\$8,459,390	\$9,626,708	\$8,534,730	\$10,275,700	\$648,992
Local Tax Rate	\$18.33	\$10.36	\$9.05	\$10.68	\$0.32
State Education Taxes	\$1,845,355	\$1,786,770	\$1,830,179	\$1,830,179	\$43,409
State Tax Rate	\$4.10	\$1.98	\$2.00	\$1.96	(\$0.02)
Total Local and State Tax Rate	\$22.43	\$12.34	\$11.05	\$12.64	\$0.30
Percent Change			(10.45)%	14.39%	2.43%
<p>* Town revaluation was completed for the 2006 tax rate</p> <p>** Assumes 2% increase in assessed value & \$200,000 2008 general fund balance</p>					