

Litchfield Budget Committee Deliberative Session School District Budget

February 4, 2017

Budget Committee Members

- Cynthia Couture – Chair
- Keri Douglas – Vice Chair
- Andrew Cutter
- Chris Pascucci
- Dennis Miller
- Jen Bourque
- Bob Keating
- Kevin Bourque– Selectmen's Representative
- Paula Izbicki/ Christina Harrison– School Board's Representative

Budget Preparation

- School District Budget was received in November
- Superintendent and Business Administrator reviewed district goals for Budget Committee members.
- Committee reviewed budget line by line over 5 meetings in Nov and Dec.
- The budget information was presented by the School Board representative, Superintendent, Business Administrator and various department heads each week followed by voting the following week.
- Final votes were taken after the hearing on January 12th

Decision Criteria

- ✓ Consider history of actual spending of previous years using 3 yr. averages
- ✓ Consider School District Priorities as presented by educational professionals.
- ✓ Consider year to date actual spending of current budget
- ✓ Considered projections of future student enrollment
- ✓ Consider the rationale for why dollars are being requested by the school district and educational professionals as well as any data presented.
- ✓ Consider what was a reasonable budget to present to the voters given fixed cost increases and revenue projections.

School District Budget Review

- ☐ The School District Budget proposed budget is \$731,493 more than last years approved budget.
- ☐ Projected Revenues are down slightly.
- ☐ Enrollments continue to decline.
- ☐ This would have been an increase of 3.59 % and a tax increase of \$0.92
- ☐ The Budget Committee made numerous reductions that results in a proposed budget that is \$443,110 less than the school proposed budget.
- ☐ The Recommended budget is \$288,383 more than last years approved budget.
- ☐ The projected increase is 1.41% with a tax impact of an increase of \$0.42
- ☐ The Default Budget is \$109,637 less than the Budget Comm. proposed budget.

ARTICLE 1 Shall the Litchfield School District vote to 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 the vote at the first session of the annual school district meeting, for the purposes set forth herein, totaling Twenty-One Million, Seven Hundred Twenty-One Thousand, Two Hundred Twenty-Three Dollars (\$21,721,223)? Should this article be defeated, the default budget shall be Twenty-One Million, Seven Hundred Seventeen Thousand, Five Hundred Eighty-Six Dollars (\$21,717,586) which is the same as last year, with certain adjustments required by previous action of the Litchfield School District or by law; or the School Board 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.

Estimated Tax Impact: Operating Budget \$0.42 - Default Budget \$0.26

Recommended by the School Board
Vote 5-0-0

Recommended by the Budget Committee
Vote 6-2-0

Areas of Major Impact to the Budget

- **Health Insurance -** **\$193,695 increase**
Our health care provider, School Care, increased 9.5%
- **New Hampshire retirement** **\$149,917 increase**
Rate increase for both employees and teachers
- **Transportation** **\$24,670 increase**
Contractual increase
- **Technology Services** **\$137,205 increase**
New computer purchases to support STEM
and new 1:1 freshman program
- **Special Services** **\$118,726 increase**
- **Salaries** **(\$184,174) reduction**
Decreases in attrition, Supt salary.
Increases in staff and hours.
- **Utilities** **(\$42,850) reduction**
Lower prices in oil and gas
- **Textbooks** **(\$58,311) reduction**
Use of digital resources instead of print

Budget	School Board Bottom Line		Budget Committee Changes	Revised BC Bottom Line
GMS	\$ 130,485.00		(\$4,900.00)	\$ 125,585.00
LMS	\$ 149,800.00		(\$2,660.00)	\$ 147,140.00
School Board/SAU	\$ 107,656.00		(\$3,433.00)	\$ 104,223.00
Techology	\$ 465,940.00		(\$3,240.00)	\$ 462,700.00
Special Services	\$ 1,094,462.00		\$105,030.00	\$ 1,199,492.00
Business	\$ 55,659.00		(\$1,000.00)	\$ 54,659.00
Transportation	\$ 494,764.00		\$0.00	\$ 494,764.00
Curriculum Development	\$ 231,234.00		(\$1,872.00)	\$ 229,362.00
HR	\$ 10,677.00		\$0.00	\$ 10,677.00
Salaries and Benefits	\$ 16,494,180.00		(\$153,985.00)	\$ 16,340,195.00
CHS	\$ 596,835.00		(\$550.00)	\$ 596,285.00
Buildings and Grounds	\$ 1,302,723.00		(\$51,500.00)	\$ 1,251,223.00
Food Service	\$ 261,116.00		\$0.00	\$ 261,116.00
Food Service S and B	\$ 299,802.00		\$0.00	\$ 299,802.00
Grants	\$ 575,000.00			\$ 575,000.00
			(\$325,000.00)	\$ (325,000.00)
Total General Fund	\$ 22,270,333.00		(\$443,110.00)	\$ 21,827,223.00

Budget Committee Action

- Special Services \$105,030 increase
 - Traditionally the Budget Com reduces by Historical underspend. Motions to make these reductions failed. Addition of \$106,000 for a new student.
- Building and Grounds \$51,500 Reduction
 - Utility van, signage, prioritizing repairs and delaying those that can be done as part of the buildings review.
- Total Schools \$8,110 Reduction
 - Destination Imagination was asked by parents to be independent of school, small adjustments
- Salaries and Benefits \$453,985 Reduction
 - Historical underspend, Superintendent Salary and benefit adjustment.
- Conferences and Travel \$25,000 Reduction
 - Reduction based on Historical spending

Potential Tax Impact

Recommended Budget:

\$21,827,223 Projected to have a tax impact of \$0.42

This would be an estimated \$147 increase on a house valued at \$350,000 if the recommended budget passes.

Default Budget: \$21,717,586 Projected to have a tax Impact of \$0.26

This would be an estimated \$91 increase on a house valued at \$350,000 if the recommended budget fails.

All Recommended Articles would have a tax impact of \$0.98

This would be an estimated \$343 increase on a house valued at \$350,000 if all recommended articles pass.

Potential Tax Impact of Recommended Warrant Articles

	School Proposed	Budget Comm. Proposed	
Current Tax Rate	\$ 13.98	\$ 13.98	
New Tax -Budget	\$ 14.90	\$ 14.40	
Increase Budget	\$ 0.92	\$ 0.42	
Warrant 2	\$ 0.32	\$ 0.32	
Warrant 3	\$ 0.07	\$ 0.07	
Warrant 4	\$ 0.10	\$ 0.10	
Warrant 5	\$ 0.07	\$ 0.07	
Warrant 6	\$ -		
Warrant 7	\$ -		
Warrant 8	\$ -		
Increase Total	\$ 1.48	\$ 0.98	

Fiscal Year 2018

Non-Discretionary Increases

Health Insurance 9% increase	210,600	38.3%
Dental insurance 3 % increase	7,734	1.4%
New Hampshire Retirement System 10.8% Teachers increase	149,917	27.3%
New Hampshire Retirement System 1.9% Staff increase	12,823	2.3%
Long-term substitutes	30,860	5.6%
GMS Teacher Grade 2	82,843	15.1%
LMS Special Services Teacher	17,089	3.1%
Vocational Tuition	4,867	0.9%
Transportation 5% contractual increase	<u>32,539</u>	5.9%
<i>Total Non-Discretionary Increases</i>	<i>549,272</i>	

Fiscal Year 2018

School Board Reductions

GMS library salaries	1,873	1.7%
CHS library salaries	1,847	1.7%
Daily substitutes	12,884	11.5%
Summer check benefit rate adjustment	28,000	25.1%
Regular education equipment	1,665	1.5%
Math supplies	1,710	1.5%
Game officials	5,000	4.5%
Tuition	2,000	1.8%
Equipment replacement	15,999	14.3%
Repairs and maintenance	6,800	6.1%
Athletic transportation	6,000	5.4%
CHS Physical education equipment	700	0.6%
LMS music education salaries	<u>27,160</u>	24.3%
<i>Total Reductions</i>	<i>111,638</i>	

ARTICLE 2

To see if the Litchfield School District will vote to approve the cost items included in the collective bargaining agreement reached between the Litchfield School District and the Litchfield Education Association, which calls for the following increases in salaries and benefits at the current staffing level:

Year Estimated Increase	2017-2018	\$ 282,018
	2018-2019	\$ 293,644


and further to raise and appropriate the sum of Two Hundred Eighty-Two Thousand, Eighteen Dollars (\$282,018) for fiscal year 2018, 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 current staffing levels.


Estimated Tax Impact: \$ 0.32

Recommended by the School Board 5-0-0

Recommended by the Budget Committee 6-2-0

School Board Negotiation Objectives

- 
- **Maintain competitive salaries, recruit, and retain high quality teachers:**
 - Offer competitive salaries compared to our local competitors
 - Currently 5-6% below local market
 - Maintain staff stability with a 2yr contract

- 
- **Continue to strive for Healthcare Savings**
 - Increases in co-pays for office visits, prescriptions, urgent care, and emergency room visits
 - 1% increase in employee contributions

What are Salary Schedules?

Teaching staff is paid based upon the salary schedule approved in the collective bargaining agreement.

When hired, an educator is placed on a “**LADDER**” or “Grade-Level” based upon their degree or education status.

- Bachelors
- Bachelors + 15 credits
- Bachelors + 30 credits
- Masters
- Masters + 15 credits
- Masters + 30 credits

Within that ladder, they are placed on a **STEP** based upon their years of experience.

How Do Salary Schedules Work?

- Each school year with a contract, teachers move up one step on the experience scale.
- When there is no contract, there is no step movement.
- Teachers at top step no longer move steps.
- Occasionally, the contract will also include step modifications to keep the salary schedule competitive and to provide raises for members at the top step.

Current Schedule

Step	B	B+15	B+30	M	M+15	M+30
1	36,517	37,799	39,083	40,370	41,557	42,744
2	37,963	39,317	40,671	42,029	43,239	44,448
3	39,410	40,834	42,259	43,689	44,920	46,152
4	40,857	42,352	43,847	45,348	46,601	47,855
5	42,303	43,869	45,436	47,007	48,283	49,559
6	43,750	45,386	47,024	48,667	49,965	51,262
7	45,196	46,904	48,612	50,325	51,645	52,965
8	46,644	48,421	50,201	51,985	53,327	54,668
9	48,090	49,939	51,789	53,644	55,009	56,372
10	49,536	51,456	53,377	55,304	56,690	58,075
11	50,984	52,973	54,965	56,963	58,371	59,779
12	52,430	54,492	56,554	58,622	60,053	61,482
13	53,876	56,010	58,142	60,281	61,733	63,186
14	55,320	57,524	59,726	61,937	63,408	64,888
15	57,366	59,641	61,914	64,196	65,689	67,191
Step Size	1,446	1,518	1,588	1,659	1,680	1,704

Proposed Contract: Year 1 2017-2018

Schedule Modification – slide schedule 1 Step Up

- Remove 1st step (old Step 2 becomes Step 1)
- Add new 15th Step
- Increase each step 1.5%
- Teacher remains on current step

Healthcare

- Increases in co-pays for prescriptions and doctor/urgent care/ER visits

Benefits

- Starting/Top salary is more competitive.
- Salary schedule more competitive

2017-2018 Modified Schedule

Step	B	B+15	B+30	M	M+15	M+30
1	37,065	38,366	39,669	40,976	42,180	43,385
1	38,532	39,907	41,281	42,659	43,888	45,115
2	40,001	41,447	42,893	44,344	45,594	46,844
3	41,470	42,987	44,505	46,028	47,300	48,573
4	42,938	44,527	46,118	47,712	49,007	50,302
5	44,406	46,067	47,729	49,397	50,714	52,031
6	45,874	47,608	49,341	51,080	52,420	53,759
7	47,344	49,147	50,954	52,765	54,127	55,488
8	48,811	50,688	52,566	54,449	55,834	57,218
9	50,279	52,228	54,178	56,134	57,540	58,946
10	51,749	53,768	55,789	57,817	59,247	60,676
11	53,216	55,309	57,402	59,501	60,954	62,404
12	54,684	56,850	59,014	61,185	62,659	64,134
13	56,150	58,387	60,622	62,866	64,359	65,861
14	57,615	59,924	62,230	64,547	66,059	67,589
15	59,081	61,460	63,837	66,228	67,759	69,316

Year 2: 2018-2019

- Teachers move up one step
- Steps increased 2.00%

Healthcare

- 1% increase in Employee Premiums

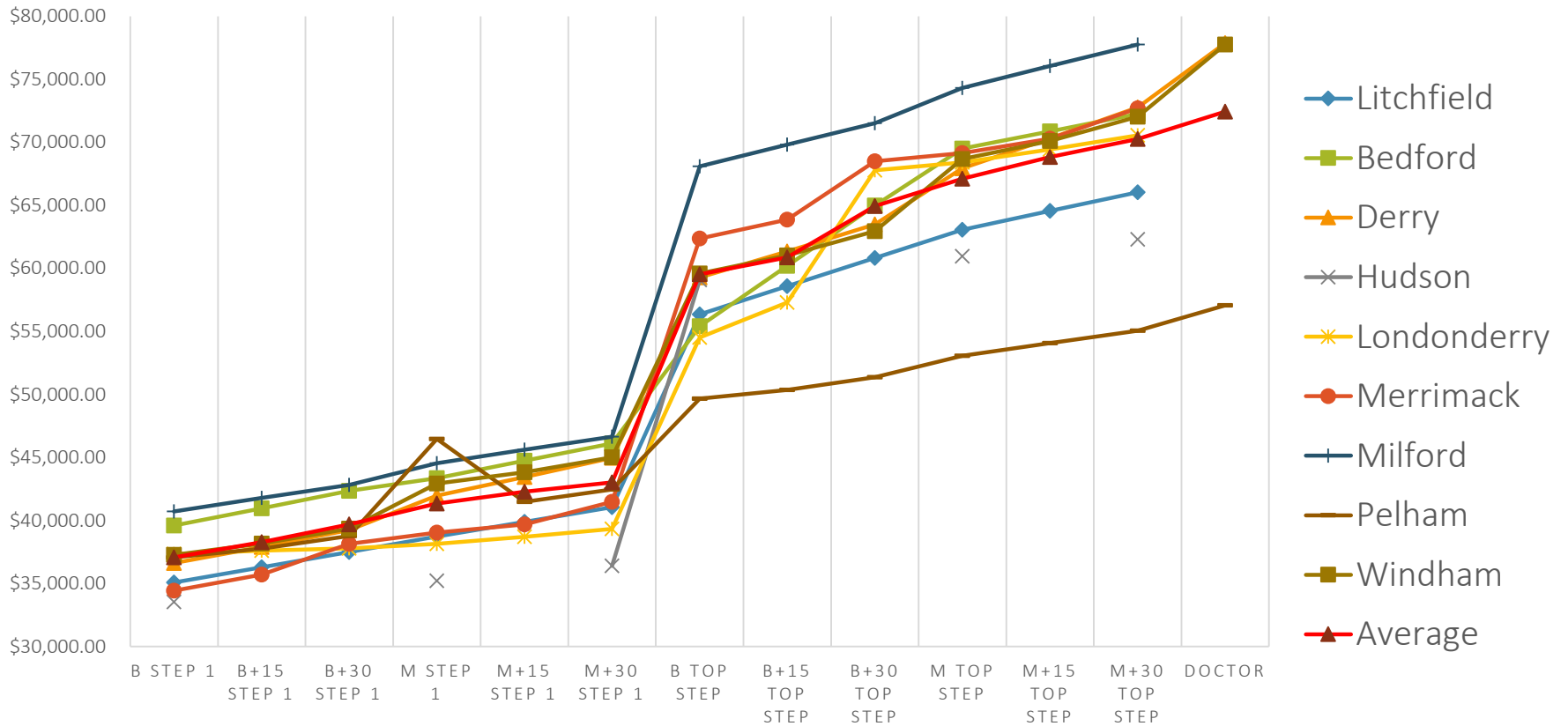
Result

- Top Steps receive 2% increase
- Staff on the schedule receive step + 2%
- District saves 1% on healthcare premiums

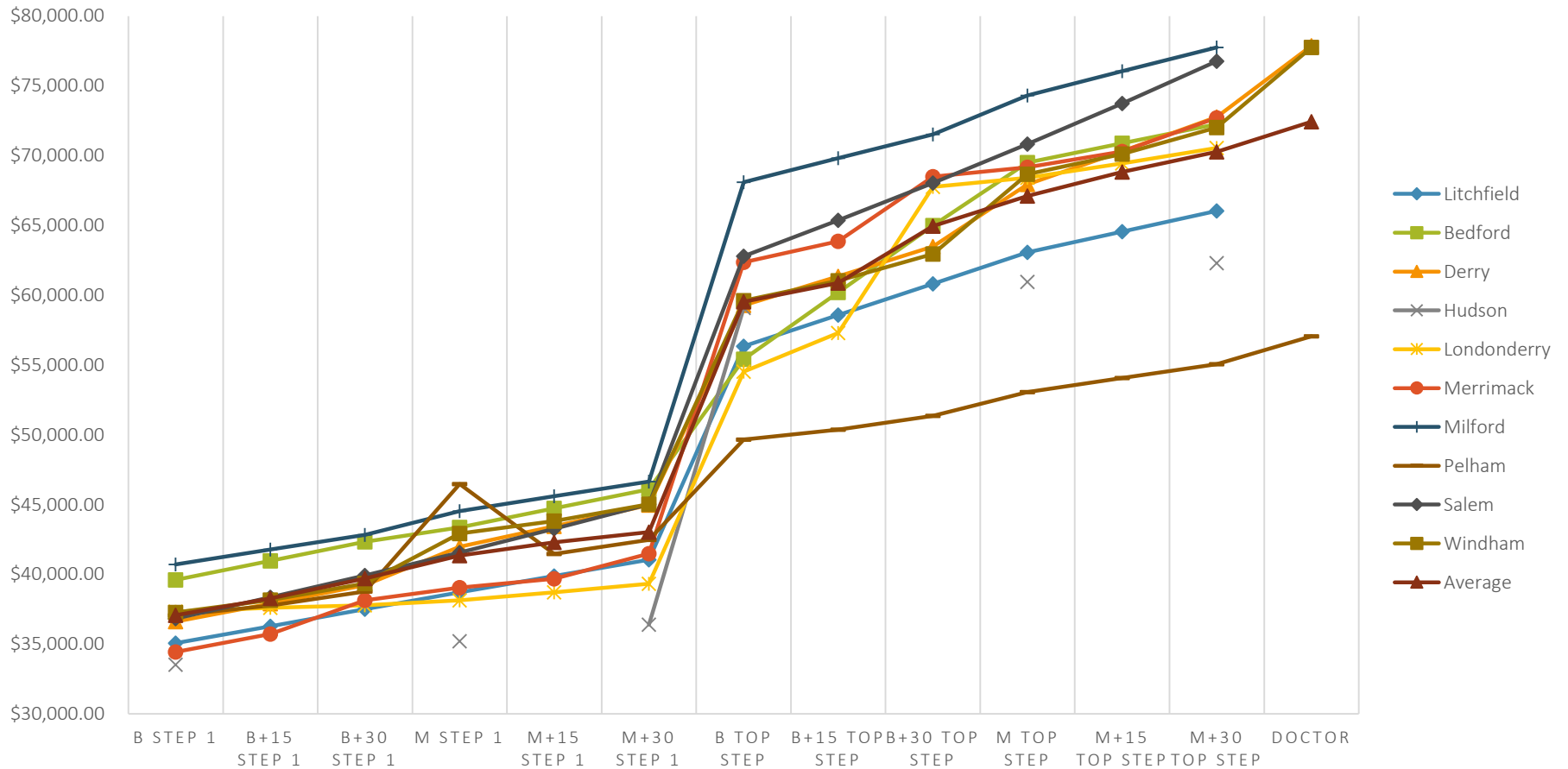
2018-2019 Modified Schedule

STEP	B	B+15	B+30	M	M+15	M+30
1	39,303	40,705	42,107	43,513	44,765	46,017
2	40,801	42,275	43,751	45,231	46,506	47,781
3	42,299	43,847	45,395	46,949	48,246	49,544
4	43,796	45,418	47,040	48,666	49,987	51,308
5	45,294	46,988	48,684	50,385	51,729	53,072
6	46,791	48,560	50,328	52,101	53,468	54,835
7	48,291	50,130	51,973	53,820	55,209	56,598
8	49,788	51,702	53,617	55,538	56,951	58,362
9	51,285	53,272	55,261	57,256	58,691	60,125
10	52,784	54,843	56,905	58,974	60,431	61,889
11	54,281	56,416	58,550	60,691	62,173	63,652
12	55,778	57,987	60,194	62,409	63,912	65,416
13	57,273	59,555	61,834	64,123	65,646	67,179
14	58,768	61,122	63,474	65,838	67,380	68,941
15	60,263	62,689	65,114	67,552	69,115	70,703

2016-2017 COMPETITIVE WAGES



LITCHFIELD 2018-2019 VS CURRENT MARKET



Contract Costs

2017-2018	
Salary	262,544
Salary + FICA, Medicare, SSN	328,179
Insurance Savings	-45,000
Net Cost:	282,018
Net Increase in Salaries + Benefits	4.1%
2018-2019	
Salary	250,894
Salary + FICA, Medicare, SSN	313,617
Insurance Savings	-19,500
Net Cost:	293,644
Net Increase in Salaries + Benefits	4.1%

ARTICLE 3

Shall the Litchfield School District vote to approve the cost items included in the collective bargaining agreement reached between the Litchfield School District and the Litchfield Support Staff Association, which calls for the following increases in salaries and benefits at the current staffing level:

Year	Estimated Increase
2017-2018	\$ 62,787
2018-2019	\$ 57,662

and further to raise and appropriate the sum of Sixty-Two Thousand, Seven Hundred Eighty-Seven Dollars (\$62,787) for fiscal year 2018, 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 current staffing levels.

Estimated Tax Impact: \$0.07

Recommended by the School Board
Vote 4-0-1

Recommended by the Budget Committee
Vote 7-0-1

ARTICLE 4

Shall the Litchfield School District vote to raise and appropriate the sum of ninety-two thousand, eight hundred eighty-five dollars (\$92,885) to be added to the operating budget for the purpose of funding salary and benefits for a full time Special Services Coordinator position to support the Special Services Director and Special Services Department?

Estimated Tax Impact: \$0.10

Recommended by the School Board Vote 5-0-0

Recommended by the Budget Committee Vote 8-0-0

ARTICLE 5

Shall the Litchfield School District vote to raise and appropriate the sum of Sixty One Thousand, Six Hundred Forty-Five Dollars (\$61,645) to purchase security equipment and products to enhance safety and security for the main entrances to Griffin Memorial School, Litchfield Middle School and Campbell High School, and modular classrooms at Griffin Memorial School and Litchfield Middle School, as recommended by the NH Department of Homeland Security?

Estimated Tax Impact: \$0.07

Recommended by the School Board Vote 5-0-0

Recommended by the Budget Committee Vote 8-0-0

ARTICLE 6

Shall the Litchfield School District vote to raise and appropriate up to One Hundred Thousand dollars (\$100,000) to be added to the Special Education Capital Reserve Fund established in 2004 and authorize the use of that amount from the June 30 unreserved fund balance available for transfer on July 1 of this year; and to designate the School Board as agents to expend? This is a special warrant article.

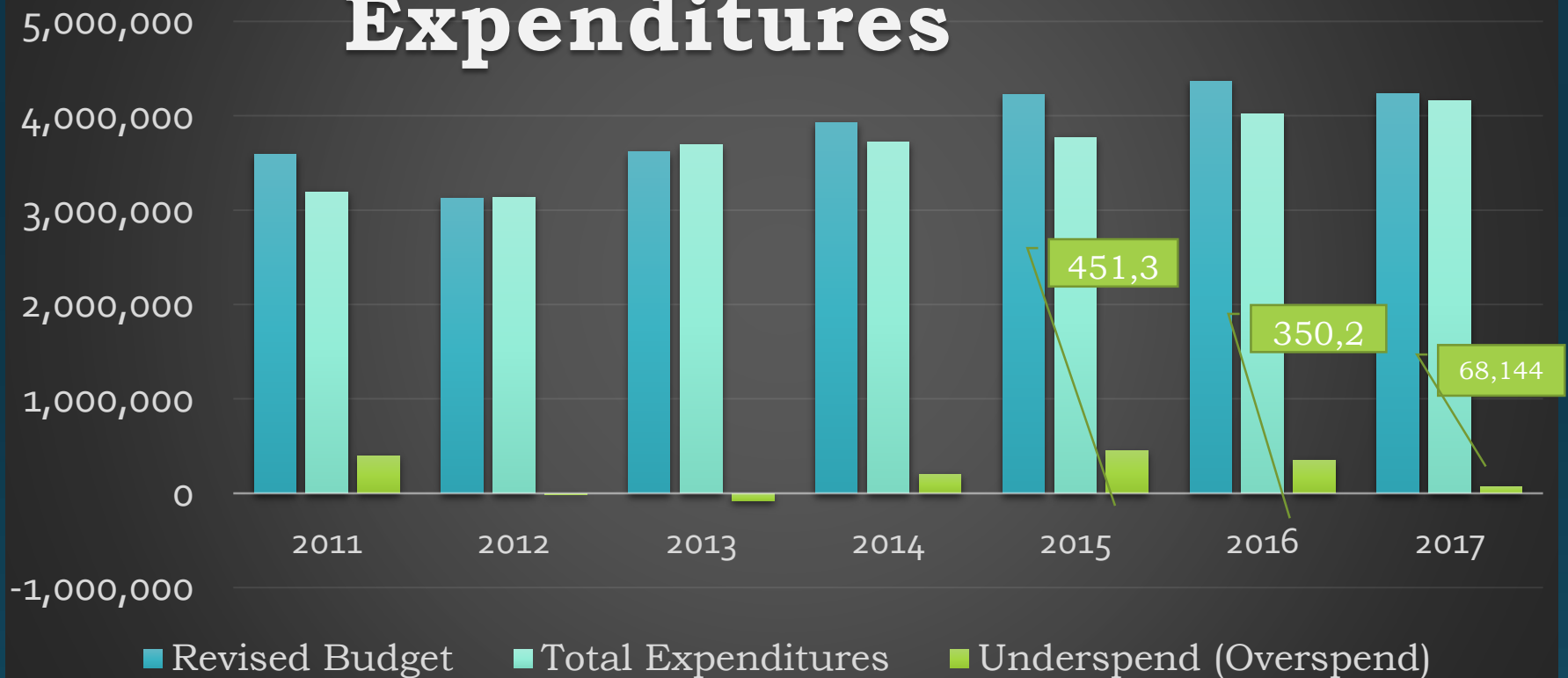
Estimated Tax Impact: \$0

Balance of fund as of June 30, 2016: \$104,210.10

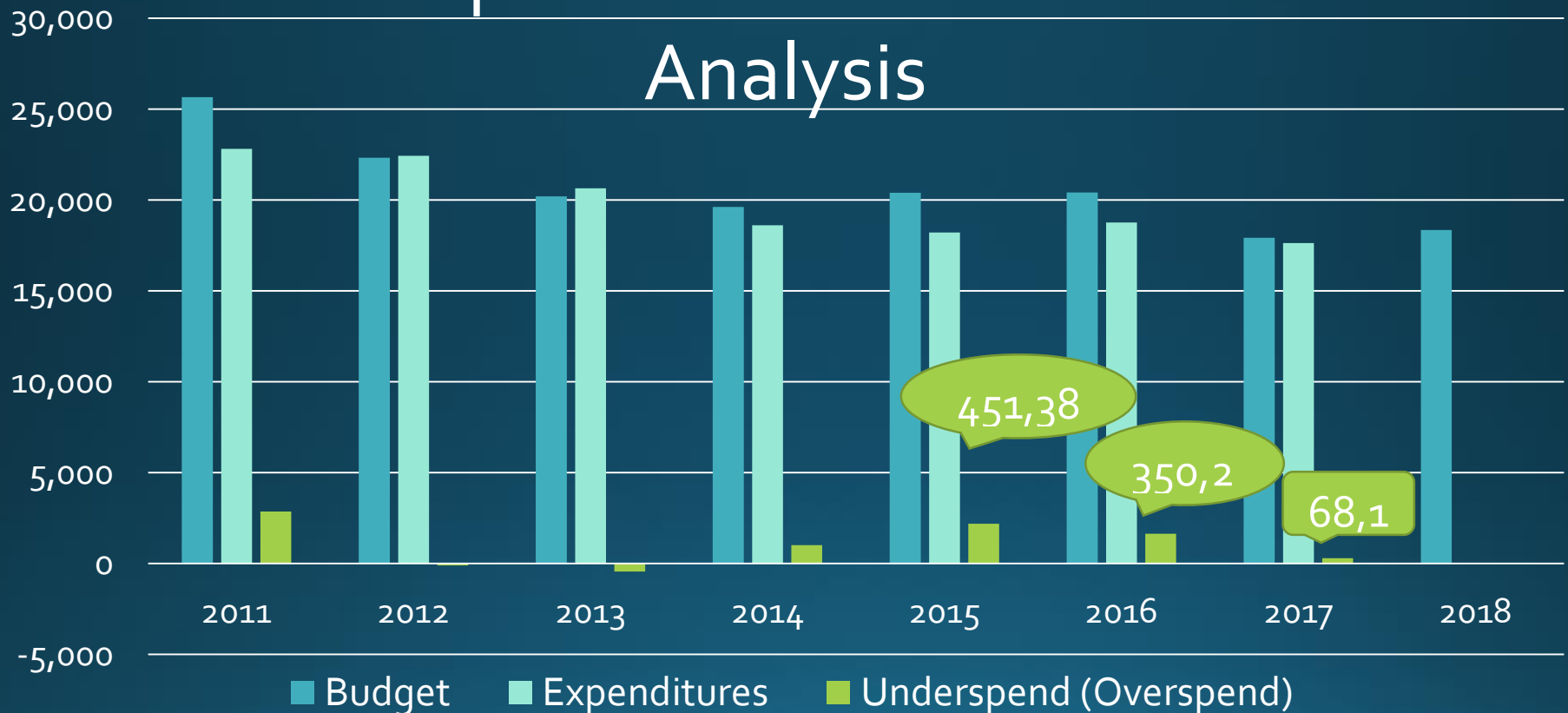
Recommended by the School Board Vote 4-1-0

Not Recommended by the Budget Committee Vote 4-4-0

Special Services - Expenditures



Per Special Services Student Analysis



ARTICLE 7

Shall the Litchfield School District vote to raise and appropriate up to Fifty Thousand dollars (\$50,000) to be added to the Building Maintenance Capital Reserve Fund established in 2004 and authorize the use of that amount from the June 30 unreserved fund balance available for transfer on July 1 of this year; and to designate the School Board as agents to expend? This is a special warrant article.

Estimated Tax Impact: \$0 Balance of fund as of June 30, 2016:
\$51,007.69

Recommended by the School Board Vote 5-0-0

Recommended by the Budget Committee Vote 7-1-0

ARTICLE 8

Shall the Litchfield School District vote to raise and appropriate up to Twenty-Five Thousand dollars (\$25,000) to be added to the Technology Capital Reserve Fund established in 2016 for the purpose of funding the acquisition and replacement of hardware, software and other technology equipment, and authorize the use of that amount from the June 30, 2016 unreserved fund balance available for transfer on July 1 of this year; and to designate the School Board as agents to expend? This is a special warrant article.

Estimated Tax Impact: \$0 Balance of fund as of July 1, 2016: \$50,000.00

Recommended by the School Board 5-0-0

Not Recommended by the Budget Committee Vote Vote 1-7-0

Questions or Comments?

		School Bd		Bud Com		default	
Gross		\$ 22,270,333.00		\$ 21,827,223.00		\$ 21,717,586.00	
Federal Funds		\$ 575,000.00		\$ 575,000.00		\$ 575,000.00	
Food Service		\$ 560,918.00		\$ 560,918.00		\$ 560,918.00	
Net		\$ 21,134,415.00		\$ 20,585,305.00		\$ 20,581,668.00	
Revenue		\$ 270,810.00		\$ 270,810.00		\$ 270,810.00	
Ed Grant		\$ 5,485,734.00		\$ 5,485,734.00		\$ 5,485,734.00	
State tax		\$ 1,977,558.00		\$ 1,977,558.00		\$ 1,977,558.00	
Fund balance		\$ 200,000.00		\$ 200,000.00		\$ 200,000.00	
New net		\$ 13,200,313.00		\$ 12,651,203.00		\$ 12,647,566.00	
Allrevenue		\$ 9,070,020.00		\$ 9,070,020.00		\$ 9,070,020.00	
Gross less rev		\$ 13,200,313.00		\$ 12,651,203.00		\$ 12,647,566.00	
Valuation		885,950,684		885,950,684		885,950,684	
Difference				\$ (\$443,110)		\$ (\$109,637)	
		Tax Impact					
		School Proposed		Budget Comm Proposed		Default	
Current Tax Rate		\$ 13.98		\$ 13.98		\$ 13.98	
New Tax -Budget		\$ 14.90		\$ 14.40		\$ 14.28	
Increase Budget		\$ 0.92		\$ 0.42		\$ 0.26	
Warrant 2		\$ 0.32		\$ 0.32			
Warrant 3		\$ 0.07		\$ 0.07			
Warrant 4		\$ 0.10		\$ 0.10			
Warrant 5		\$ 0.07		\$ 0.07			
Warrant 6		\$ -					
Warrant 7		\$ -					
Warrant 8		\$ -					
Increase Total		\$ 1.48		\$ 0.98			
Y O Y		(w/o special funds)					
17 approved Budget		\$ 20,402,922.00		\$ 20,402,922.00			
18 SB prposed		\$ 21,134,415.00					
18 BC proposed				\$ 20,691,305.00			
increase		\$ 731,493.00		\$ 288,383.00			
% increase		3.59%		1.41%			