

Moultonborough
2016-2017 School Budget
Recommendations and Comments



Advisory Budget Committee

Tuesday, February 3, 2016

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To the Members of the School Board, Superintendent
Moultonborough School District
Moultonborough, New Hampshire 03254

Moultonborough's Advisory Budget Committee (ABC) established in July 2008 is an appointed volunteer body whose mission is to provide the community and governing bodies with independent review and objective analysis of the annual budget. The Committee began its comprehensive review of the 2016-2017 Budget with a full roster of delegates. During the year we welcomed Cody Gray to fill the open member at large position and Amanda Bergquist became chair.

The Committee continues to express concern related to the changing town demographics. School enrollment has had a slight decline to 520. The ABC would like to draw attention to the efforts undertaken in the past few years by the School Board, Superintendent, Business Manager, Principals and Senior Administration to address the issue of balancing declining enrollment with adequate and appropriate education for all students. We understand that current Administration has begun proactive long-term strategic planning with the assistance from independent professionals. We strongly support these ongoing efforts. It is critical that the community as a whole come together to support the process of addressing strategies that will allow Moultonborough to continue to provide excellent educational opportunities for all children in a cost effective way in a challenging environment. The current conversation of moving the sixth grade to the middle school portion of the Academy building has many academic benefits which will allow for the continued success of our students. We commend the forward thinking of Administration for addressing the future before it becomes an issue.

The following report represents the independent opinions and suggestions of the majority of the Advisory Budget Committee Members. We note that selected opinions expressed in this report do not carry 100% Committee support. Opinions and suggestions offered by the ABC represent our best efforts to maximize efficiencies and spending power and to consolidate redundancies between various elements of Town-wide Administration (School, Library, and Town). None of our suggestions or opinions should be viewed as a negative reflection of the dedicated work done by the School Board Members, Superintendent or School Administrative Staff and Teachers.

Budget Summary:

The proposed School Operating Budget for 2016-2017 represents \$14,121,685 as compared to \$14,133,096 for the prior year 2015-2016. This represents a decrease of \$11,411. We note that the budget of \$14,121,685 includes \$163,102 related to the 2016-2017 salary and benefit impact from the recent contract negotiations. The decrease is attributable to \$148,945 in salary related costs due to the partial reduction in force for staff members due to declining enrollment, \$76,687 decrease for a reduction for a bus run, and a \$24,691 reduction in technology equipment. Offsetting the decreases are additional increases including \$177,858 in costs for contracted services (for SPED services), \$45,375 for athletic fields and track maintenance, \$10,810 in assessment software, and \$4,872 in dues and fees.

The ABC provides additional observations and comments on the following issues, some of which are repetitive from prior reports. It is the belief of this Committee that they are still valid and ongoing concerns:

OBSERVATIONS & COMMENTS:

Salaries & Benefits/Contract Negotiations: At the time of this report, contract negotiations have been concluded. The budget impact for the contract will be voted separately (\$13,958,583 excluding contract impact and \$163,102 representing the 2016-2017 contract increase). The costs driven by the Collective Bargaining Agreement represent

approximately 70+% of the Moultonborough School District Budget. These costs are primarily salary and benefits related.

The District Collective Bargaining Agreement contract will cover three years beginning August 1, 2016, and ending July 31, 2019. Many of the terms and conditions remain the same as the current contract. The new contract has eliminated the incentive retirement award that has been in place over the past several years. In addition, the traditional Blue Cross Comp 1000 Health plan has been replaced with less costly alternative options. The following represents the increased negotiated costs by year which primarily represent salary and waged based benefits (e.g. FICA, retirement, workers' comp).

2016-2017	\$ 163,102
2017-2018	\$ 132,762
2018-2019	\$ 130,685

Course curriculum: Moultonborough's economically diverse population and high property tax base affords us a unique opportunity to provide, for all our children, a level of education that most other communities of similar size in the State find cost prohibitive. The Town will vote to spend approximately \$14,000,000 to educate our children during the 2016-2017 school-year. With the resources available to this Town, our parents and children should expect and receive a excellent education.

The ABC commends and supports the efforts undertaken by the Moultonborough Central School over the past three years to realign their schedule with major emphasis on "Core Curriculum." "Core Curriculum" at the elementary level is the foundation that all future higher learning is based on.

The committee supports the current efforts underway at the Academy to alternate some courses biannually and consolidate classes where feasible. The ABC is encouraged to learn that the District has added two STEM related courses at the Middle School level. In addition, a course in Coding has been added at the High School level. We understand that the Administration is exploring additional STEM related alternatives to be included in future course offerings. To be competitive in today's economy, one needs a solid foundation in Math, Science and Technology or be highly skilled in a vocational trade.

The Committee notes that the Region 9 Lakes Region Technology Center in Wolfeboro offers vocational education courses to MA students in the following subject areas: Administrative Business and Office Systems, Agricultural Science I and II, Automotive Science I and II, Auto Collision repair, Child Care I and II, Construction Trades I and II, Culinary Arts I and II, Health Science and Technology I and II, Computer Network Systems I and II, Marketing Education I and II, Hospitality Education I and II, and Multimedia Communications I and II. The program is designed to have all students upon graduation either enrolled in higher education or immediately ready to enter the skilled workforce. It is our opinion that this is a world class program. These programs while made available to MA students are not widely attended. We noted that the 2016-2017 budget for vocational education is increased slightly (\$1,915) from the prior year. We continue to believe that all students should be strongly counseled to avail themselves of maximum participation in these vocational offerings. We understand that Moultonborough is limited by formula to the number of students that can participate; however, this program is currently underutilized. We are encouraged to learn that there is a new effort underway at the Academy to introduce and emphasize the value of this program to all MA students and parents at an eighth grade level versus the current High School level. We strongly support this effort. We are disappointed that these programs are not more widely attended. We believe every student not bound for higher education and others with a particular interest in a specific vocational skill should be fully engaged in this program.

We have reviewed the current Academy course offerings in detail and continue to believe that non-core educational courses should be offered as afterschool co-curricular programs. We believe that by selectively eliminating these courses, the Administration could use the existing resources to offer more Math, Science and Technology courses. Students presently enrolled in the non-core educational courses would have the option to

either take the newly offered Math, Science and Technology offerings or take further advantage of the Vocational opportunities in Wolfeboro.

We understand that the Administration's reluctance to move non-core offerings to after school co-curricular is a concern that with declining enrollment, increased after school co-curricular activities could detract from athletic participation. With a limited and declining enrollment, it becomes a challenge to provide an adequate depth of educational opportunities that will prepare all students to either productively enter the workforce or seek higher education. Part of an effective education is learning to make choices in life.

Staffing levels: As mentioned above, the Board and Administration have undertaken a significant effort to address the issue of balancing declining enrollment with adequate and appropriate education for all students. While enrollments continue to decline, teacher staffing will continue to become increasingly complex and challenging. Estimating when the decline will level off, (the projected future "normal") is critical to the long term success of the decisions currently being made. We understand that current Administration has begun proactive long-term strategic planning with the assistance from independent professionals. We strongly support these ongoing efforts.

We continue to support the approach to evaluate alternatives. We support the efforts currently underway to alternate courses between years, combine classes, and seriously evaluate "Distance Learning" with our neighbors at Interlakes and Kingswood. Distance Learning has been effective at the college and university level for 15 + years. We further note that "Distance Learning" does not have to be restricted to our neighboring towns. In many cases "Distance Learning" would provide the students with the opportunity to interact with a large and intellectually diverse student body. This atmosphere will be aligned with the college experience many will encounter post high school graduation. As an alternative to Distance Learning, we suggest the administration explore joint contractual arrangements for certain faculty with neighboring school districts.

The ABC supports the addition of a Curriculum Director position in the 2016-2017 budget. This position will provide Moultonborough School District with academic and professional development support. This position will work closely with the Superintendent to provide cohesion between grade levels and facilitate vertical teaming. As the District moves forward with 21st Century education the Curriculum Director along with the Superintendent will provide the conduit for increased student achievement through coaching and personalized professional development for staff and interested stakeholders. It will be the unified thread.

Technology Education: While this Committee supports the concept of the 21st Century Classroom, we believe emphasis needs to be placed on 21st Century Technology Education. 21st Century Classrooms are a component in a well-defined Technology Education program, not the end product. This committee supports the school in their efforts to upgrade the bandwidth to the school buildings and encourages them to look to the future when the final discussion is considered.

We continue to believe that the district needs to turn its focus to technology education. We feel strongly that there is a great opportunity to integrate problem solving skills with technology. We strongly encourage the Administration to develop additional or similar opportunities.

The Committee suggests the Administration convene a Technology Committee for the purpose of exploring technology education. The Administration and ABC are in agreement that the new committee may require a separate and distinct skill set from the Technology Committee charged with the 21st Century Classrooms. A successful technology education program will require continued support and close coordination with the existing Technology Committee overseeing the implementation of the 21st Century Classrooms.

We would like to suggest horizontal teaming with the Library and teachers and the repurposing of technology equipment (I pads, tablets etc.) between school and library

Reserves: The District maintains a Special Reserve Fund for building and grounds projects. The balance in this fund as of June 30, 2015 represented \$432,273. The ABC believes the balance in this fund to be adequate to cover ongoing needs.

In addition, the District maintains a Health Self Insurance Fund. The District has historically purchased a high deductible health insurance policy, and self-insured a portion of the deductible. The balance in this fund at June 30, 2015 was \$817,002. Over the past few years, the District had encouraged employees to migrate from the traditional Blue Cross Comp 1000 partially self-insured Health Plan to less costly options currently being offered. We note that effective with the current Collective Bargaining Agreement, effective July 1, 2016, this plan will no longer be offered. Currently, this reserve is being utilized to offset a portion of the District's rising health costs. While the ABC believes this is an appropriate and effective use of "excess dollars" that may reside in this fund, we caution that each year the District continues to fund health insurance premium increases through this fund, the amounts needed to subsidize the annual increases become cumulative. At some point there will not be sufficient dollars in the reserve fund to cover this cumulative increase. At that point the District will be looking to absorb this cost in the general operating budget. The committee does not want the taxpayer to lose sight of the potential future budget impact of this practice.

The District maintains a reserve for unanticipated special education costs. Since the School District is on a June 30 fiscal year end the budgets are actually prepared 18 months in advance of current spending. It is difficult for the Administration to anticipate the specialized education needs and potential special education enrollment that far in advance. As of June 30, 2015 the balance in this reserve was \$385,552.

In addition, the District maintains a contingency reserve of \$140,000.

Conclusion:

Looking beyond the immediate dollar impact of the next twelve months operating budget, it is our observation that the School District is researching and exploring all possibilities to maintain the education levels while faced with the continued decline of student enrollment. Moultonborough's ability to continue exploration of both "Innovative" and "Out of the Box" solutions to provide excellent educational opportunities for all children in a cost effective and challenging environment is imperative. The ABC believes this is a Town-wide issue. We believe the Town Select Board and the School Board should join with Community Leaders in continuing to seek professional guidance to adopt a proactive approach toward formulating long term contingency plans to address the impact of declining enrollment on future educational opportunities for the children of this District. Change of this kind can be difficult. The ultimate goal is to provide the most valuable education we can to our students. In order to accomplish this goal, it is imperative that the entire community work together in an open and cooperative manner to support the efforts currently undertaken to enhance the education of our children.

Respectfully submitted,

Amanda Bergquist, Chair - ABC

Moultonborough Advisory Budget committee

Members:	Alan Ballard	(Member at Large)
	Amanda Bergquist	(Member at large)
	Cody Gray	(Member at Large)
	Linda Murray	(Alternate at Large)
	Jean Beadle	(Select Board Representative)
	Kathy Garry	(School Board Representative)