

Moultonborough 2025-2026 School Budget

Recommendations and Comments

Advisory Budget Committee

11 February 2025



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 annual budgets.

This year, the ABC has decided to focus comments on a few big-picture items, rather than the list of detailed recommendations as put forth in the past.

Please remember that not every member of the Committee agrees with everything contained in the budget or this report; we all think differently, and the report strives to include all members' thoughts, ideas, and opinions.

Year to Year Budget Comparisons:

A summary of the current budget (FY25) and proposed budget (FY26) is below. Please note that:

--At the time of this writing, the ABC believes that the FY26 budget is substantially complete

-- A new union of support staff has formed; this budget reflects their first agreement.

--Amounts appropriated for expendable trust funds are funded by dollars remaining at the end of the prior fiscal year.

	Current (FY25)	Proposed (F/Y 26)	Variance	%
Operating Budget	\$18,076,073	\$18,473,282	(\$397,209)	2.1%
Boilers	\$1,059,882	Completed	\$1,059,882	
Expendable trust Funds	\$125,000	\$150,000	(\$25,000)	
Bond Payment- First Year	\$203,830	\$851,659	(\$647,829)	
Teacher Agreement		\$818,914	(\$818,914)	
Support Staff Agreement		\$361,466	(\$361,466)	
Total	\$19,464,785	\$20,655,321	(\$1,190,536)	6.11%

Tax bills are made up of four components: 20% is the State education tax, 32% is local education tax, 33% is Town and 15% is county. The 2024 tax bills reflected increased spending by all entities as well as a huge jump in assessed value with 89% of the increase over 2023 due to the change in

assessed value. We estimate that a home assessed for \$500,000 in 2024 will see an annual increase of about \$95 for the school budget increases.

Last May found the school district budget for FY25 (the current year) focused on addressing some very expensive deferred maintenance items. One of three boilers at the Academy building was no longer functioning, and much of the remaining infrastructure equipment in both buildings is reaching the end of its useful life. The vast majority of this equipment was installed as part of the last major building renovation about 22 years ago, necessitating replacement of a lot of equipment at the same time. At the Annual Meeting, voters approved raising and appropriating in excess of one million to replace all the Academy boilers and controls with a new, propane-fired system. Voters also approved an approximately 8-million-dollar bond to address the highest priority infrastructure needs over the next few years, primarily for work at the Central School.

This March will find the school district budget focusing not only on the increased costs of goods and services due to inflation, but also new salary and benefits agreements. The Committee's independent research and comparison of Moultonborough's teacher salaries to those of the surrounding area, indicate that Moultonborough is indeed significantly lower. Moultonborough is attractive to teachers because of small class sizes and generous resources, but we also need to pay salaries that are at least somewhat comparable to surrounding districts. In addition, there is a need to recruit and retain teachers for the district, the difficulty of which is reflected by the fact that there are currently about 1200 open teaching positions in the State of New Hampshire. A first-time contract for a new support staff union has been negotiated and that agreement has an impact on this budget. Maintenance and upgrading of school infrastructure will also require significant funds going forward.

Staffing and Program Offerings

Moultonborough has been proud to have its own one-town school district that offers so much to its students. However, this is accomplished at a high per student cost and low student/teacher ratio, which will be increasingly difficult to sustain going forward. The ABC believes it is time to take a holistic review and focus as to the future direction the community envisions our schools and education to look like in the not-too-distant future.

Staffing and program offerings have been an overarching theme of our discussions this year because they are intertwined. Salaries and benefits are responsible for about 75% of the school budget. The student population has shown a small increase in enrollment over the past few years, but has declined significantly over the last fifteen years. These two factors play into the cost per student. It is not the role of the ABC to tell the schools what programs and courses to offer, but it does want to note that the more courses and programs offered, the greater the numbers of teachers (and others) necessary to teach these courses and programs. This is particularly an issue at the Academy. The district offers many interesting non-traditional courses, but in some cases, those courses have minimal enrollments. Because we still need teachers that are capable of teaching these courses, cost per student is driven higher and student/teacher ratios are driven lower. The district may no longer be able to try to be all things to all students.

The ABC believes that the district is at a crossroads and needs to take advantage of some of the current staff openings as an opportunity to change the way things are currently being done. This situation is not unique to Moultonborough – neighboring school districts are struggling with the same issues. ABC applauds the recent partnership with Tamworth and encourages continued commitment between both districts. Currently, FY 25 has added one student to Moultonborough and has indicated that potentially 6-8 additional students may opt to transfer to Moultonborough in FY26. The ABC suggests that the administration continue to reach out to other neighboring towns that may be interested in a similar arrangement.

We also suggest forming exploration groups with neighboring schools to look at other possibilities. For example, districts might explore the possibility of combining resources to house a middle school in one district and a high school in the other. Alternatively, one high school could be more STEM focused, while another could offer a more classic education. The same type of creative collaboration could be applied to athletic and co-curricular offerings. There should also be an exploration of collaborative options available for those students who are not going on to college. (We note that the school does currently work with neighboring districts on some of these items). The focus of this process should not be on who pays who how much tuition, rather the focus should be on meeting the needs of all of our students. In the end, the decision may well be to stay as we are now, but it is important that the schools look for a better, more financially sustainable way of providing an academically rich education in the process.

Future Considerations

Over the past year, we have all – State and Town included - been hit hard by inflationary increases in our everyday expenses. NH is facing a revenue gap this year, and if the legislature can't find another income source to tap, we will continue to see costs pushed down to the local level. That has already happened this year with special education reimbursements. There is also the risk that ongoing litigation could result in a return to donor town status, which could cause a significant increase to Moultonborough's taxes. We need to remain vigilant on efforts at the State level for changes to both school funding and school vouchers. In our increasingly politized and polarized communities, we need to not lose sight of the essential need for a quality local public education.

Respectfully submitted,
Moultonborough Advisory Budget Committee

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Joe Adams	(Alternate at Large)
Jean Beadle	(Member at Large)
Karel Crawford	(Select Board Representative)
Kathy Garry	(School Board Representative)
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