

*Moultonborough*  
*2020-2021 School Budget*  
*Recommendations and Comments*



Advisory Budget Committee

*January 23, 2020*

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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 completed its comprehensive review of the 2020-2021 Budget. The views in this report are not always unanimous to the committee members.

**Budget Summary:**

The proposed School Operating Budget for 2020-2021 represents \$14,444,091 compared to \$13,954,774 (\$13,783,174 operating budget plus \$171,600 for the first year of the approved Collective Bargaining Agreement) for the prior budget year 2019-2020. On a comparable basis the year over year increase in operating expense represents \$489,317 or an increase of 3.5%.

The following is a summary highlights the major changes in this budget.

| <b>Wage Related</b>      | <b>Increase<br/>Over P/Y</b> | <b>Major Cost Driver</b>                  |
|--------------------------|------------------------------|---|
| Salary & Benefits        | \$128,636                    | Year 2 of CBA, non-CBA increases          |
| Math Coach               | \$60,000                     | Additional amount from grant funds        |
| Resource Officer         | \$60,000                     | Shared position with Town                 |
| Health Insurance         | \$76,334                     | Premium increase & plan selection changes |
| <b>Non-Wage Function</b> | <b>Increase<br/>Over P/Y</b> | <b>Major Cost Driver</b>                  |
| Replacement Equip        | \$18,700                     | Computer equipment replacement            |
| Transportation           | \$41,300                     | Student transportation contract           |
| Special Ed               | \$57,600                     | Transportation                            |
| Special Ed               | \$23,000                     | Prof services, net of tuition reduction   |
| Computer                 | \$18,700                     | Computer equipment rotation               |

## **Observations & Comments:**

- The current healthcare plans available are very generous. The school and town must work together to put in place market-consistent healthcare offerings. The market standards have begun to cost-share with new employees taking a higher cost of their premiums and deductibles.
- The experience of retirees who choose to continue on the school's health insurance plan is factored into the health insurance use of the entire group and is reflected in the continuing premium increases. It's likely that most retirees stay with the District's plan out of a sense of comfort and security. The reality is that those retirees may actually be paying more than they would with coverage elsewhere. An education session for retirees using an independent third party to explain options could result in a win-win: the District's experience could be reduced and the retirees could save money.
- Declining enrollment must lead to a continued effort to track certifications and more fully utilize teacher talent. Other opportunities exist in sharing specialized teachers from other districts. (or move students to offsite classes)
- Options to retain full-time staff positions in an environment of declining enrollment could include sharing staff between neighboring schools, offering virtual courses to other schools especially for specialized classes, and offering an adult education program.
- Consider sharing specialized staff members like electricians, HVAC, plumbers, with neighboring schools or towns.
- Planning needs to continue in anticipation of potential boiler replacement in the near future; consideration should be given to renewable energy options.
- In an effort to provide for future opportunities in technology and professional trades, the ABC continues to recommend STEM and Tech-Ed programming be emphasized.

## **Reserves:**

- The District maintains a Special Reserve Fund for buildings and grounds projects. A significant portion of this fund is planned to be expended this year for roofing repairs. The ABC recognized the importance of these reserves for managing significant repairs necessary to maintain the school infrastructure. The Balance in this reserve at December 31, 2019 was \$504,866.
- The District maintains a Health Self Insurance Fund. The balance in this fund as audited at June 30, 2019 was \$937,462. Currently, \$0 is being used to offset the 2020-2021 healthcare costs. However, the District expects to see a reduction in the Fund balance during the 2019-2020 school year. We recommend the continued practice of utilizing this fund to offset healthcare costs.

- The District maintains a reserve for unanticipated special education costs. As the School District is on June 30 fiscal year end, the budgets are actually prepared 18 months in advance of current spending. At December 31, 2019, as audited, the balance in this reserve was \$417,080. The cost of out-of-district student placement can be very costly, the needs of even a single student can use this entire fund.
- In addition to the above, the District maintains a contingency reserve of \$200,000.

**Conclusion:**

The trajectory of budget increases and declining enrollments will continue to impact future tax rates. We need to continue to work together to balance community resources with the needs for a vibrant, rigorous school system.

Respectfully submitted,

Cody Gray, Chair – ABC

Moultonborough Advisory Budget committee

Members:

|               |                               |
|---------------|-------------------------------|
| Cody Gray     | (Member at Large)             |
| Kay Peranelli | (Member at Large)             |
| Chris Mason   | (Member at Large)             |
| Linda Murray  | (Alternate at Large)          |
| Jean Beadle   | (Select Board Representative) |
| Kathy Garry   | (School Board Representative) |