

Moultonborough
2019-2020 School Budget
Recommendations and Comments



Advisory Budget Committee

February 07, 2019

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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 2019-2020 Budget. The views in this report are not always unanimous to the committee members.

Budget Summary:

The proposed School Operating Budget for 2019-2020 excluding the impact of the recent collective bargaining agreement (to be reported on separately) represents \$13,803,182 compared to \$13,327,926 for the prior budget year 2018-2019. On a comparable basis the year over year increase in operating expense represents \$475,256 or an increase of 3.4 %.

The total budget including the first year of the newly proposed CBA is \$13,974,182 for an increase of \$646,892. The following is a summary of the major cost drivers the increase. See the budget detail for more information.

Wage Related	Increase Over P/Y	Major Cost Driver
New contract costs	\$171,636	First year of CBA wage related benefit increase
Retirement Stipends	\$83,000	Retirement Stipends of 83K
Bilingual Education	\$84,115	Program augmentation
Non-Wage Function	Increase Over P/Y	Major Cost Driver
Special Education	\$100,000	Out of District Placement 100K
Co-Curricular	\$9,000	Mira Vista trip
Computer Assisted Ed	\$38,000	Software(23K), Hardware(15K)
School Board	\$20,000	Contingency
Building Operations	\$19,000	Grounds(9K), Projects(10K)
Transportation	\$67,670	District Bus Contract

Observations & Comments:

- The Administration has reallocated funding to support the education of ESL students in the form of bilingual instruction and materials. The result is a budget increase.
- Special education requirements and costs continue to increase. The ratio of special education expense to regular education expense appear to be similar to the state average.
- The current healthcare plans available are very generous. The school and town must work together to put in place market-consistent healthcare offerings. The budgeted opt-out incentive is an appropriate and proactive change. The market standards have begun to cost-share with new employees taking a higher cost of their premiums and deductibles.
- 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)
- School co-curricular budgets increased substantially. There may be savings and program opportunities available from improved coordination between the school, library and recreation department. The total budget for co-curricular activities has doubled in the last five years.
- There are 40 para-educators supporting 69 teacher and 485 students. The ABC strongly suggests the administration conduct a cost/benefit analysis, while being sensitive to the needs of the students.

Reserves:

- The District maintains a Special Reserve Fund for buildings and grounds projects. The balance in this fund as audited at June 30, 2018 represented \$481,682. The ABC believes the balance in this fund to be adequate to cover ongoing needs.
- The District maintains a Health Self Insurance Fund. The balance in this fund as audited at June 30, 2018 was \$1,099,500. Currently, \$30,000 is being used to offset the 2019-2020 healthcare costs. 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 a June 30 fiscal year end, the budgets are actually prepared 18 months in advance of current spending. At June 30, 2018, as audited, the balance in this reserve was \$442,402. 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:

We welcome the New Superintendent, Patrick Andrew and Business Administrator, Amanda Bergquist. The trajectory of the budget increases and declining enrollments will negatively impact future tax rates. Solutions to these challenges can come from shared resources, where available.

The ABC is also looking forward to working with the administration on a more regular and structured basis. A quarterly review of progress through the budget year can be very informative. We recognize that this budget season has been a learning opportunity for new committee members and administrators.

Respectfully submitted,

Cody Gray, Chair – ABC

Moultonborough Advisory Budget committee

Members:	Cody Gray	(Member at large)
	Chuck McGee	(Member at Large)
	Barbara Rando	(Member at Large)
	Linda Murray	(Alternate at Large)
	Jean Beadle	(Select Board Representative)
	Kathy Garry	(School Board Representative)