

*Moultonborough*  
*2017-2018 School Budget*  
*Recommendations and Comments*



Advisory Budget Committee

*Monday, February 1, 2017*

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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 2017-2018 Budget

The Committee continues to express concern related to the changing town demographics. We understand that current Administration continues proactive long-term strategic planning. We strongly support these ongoing efforts. It is critical that the community continue support the process of selecting and supporting the incoming superintendent to allow Moultonborough to continue to provide excellent educational opportunities for all children in a cost effective and challenging environment. We commend the forward thinking of Administration for addressing the future before it becomes an issue.

#### **Budget Summary:**

The proposed School Operating Budget for 2017-2018 represents \$14,121,682 as compared to \$14,121,685 for the prior year 2016-2017. This represents a decrease of \$3. We note that the budget of \$14,121,682 includes \$106,108. for year two of the 2016-2017 CBA salary and benefit impact from the contract. The decrease is attributable to \$90,707 in salary related costs due to two paraprofessional positions currently not being needed, and a \$30,118 reduction in special education vocational services. Food Service has a reducing in revenues/expenditures of \$54,000. Offsetting the decreases are additional increases including \$189,420 in costs for health coverage, which will be absorbed by the health benefit expendable trust fund, along with an increase to New Hampshire Retirement 1.67%.

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** represent approximately 70+% of the Moultonborough School District budget. These costs are primarily salary and benefits related. This coming year is reflective of a 13.1% increase in health premiums and a 1.67% increase of the New Hampshire retirement contribution.

**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 2017-2018 school-year. With the resources available to this Town, our parents and children should expect and receive a world class 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. We would like to see a diverse selection of courses offered every other year as this promotes larger class sizes and self-management in preparedness for college and or a trade/work life. The

ABC thinks it might be worth looking into a coordinated technology class with a remote class (Wolfeboro Technical School) to reduce the time students spend on the bus. 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 continues to offer 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, 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 note that the 2017-2018 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.

**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. Teacher staffing has 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. The ABC notes that administration has taken an opportunity to realign staffing in areas through attrition to balance enrollment with staff levels. We understand that current Administration has continued 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.

**Technology Education:** While this Committee supports the concept of the 21<sup>st</sup> Century Classroom we believe emphasis needs to be placed on 21<sup>st</sup> Century Technology Education. 21<sup>st</sup> 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 band width 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.

A successful technology education program will require continued support and close coordination with the existing Technology Committee overseeing the implementation of the 21<sup>st</sup> Century Classrooms.

**Reserves:** The District maintains a Special Reserve Fund for building and grounds projects. The balance in this fund as of June 30, 2016 represented \$394,606. 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, 2016 was \$1,031,694. Over the past few years the District had encouraged employees to migrate from the traditional Blue Cross Comp 1000 partially self-insured Heath 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. As 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. At June 30, 2016 the balance in this reserve was \$387,547.

In addition, the District maintains a contingency reserve of \$200,000

#### **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 exceptional education levels. 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:	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)