

*Moultonborough*  
*2022-2023 School Budget*  
*Recommendations and Comments*



Advisory Budget Committee

*February 7, 2022*

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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 annual budgets. The Committee has completed its comprehensive review of the Moultonborough School District 2022-2023 Budget. Please note that the views in this report are not always unanimous.

**Budget Summary:**

This past year has seen cost increases and supply chain issues affect our own household budgets; the same holds true for schools. The regional Consumer Price Index (CPI) is up by about 5.3%, and even Social Security has recognized these increases by boosting 2022 payments by 5.9%.

At the time of this report, the proposed School Operating Budget for 2022-2023 (version 4), stands at \$15,541,613 (excluding the estimated impact of the current CBA) compared to \$14,998,056 for the prior budget year 2021-2022. The year over year increase in operating expense represents \$543,557 or an increase of 3.5%. On a comparable basis (including the estimated impact of \$352,707 related to the CBA) the year over year increase will approximate \$896,264, representing a 5.98% increase in operating costs.

Major drivers of this increase include a 6% increase in health insurance premiums, increased costs for replacing equipment, the addition of an athletic trainer (in part to comply with insurance company recommendations), increased mental health services (formerly covered by the Town), increased professional development (a reflection of a younger and less experienced workforce), athletic field and scoreboard improvements, increased technology needs, and increases in grounds and transportation contracts. These increases are partially offset by new staff coming in at pay rates lower than that of retiring staff, and the reduction of one-half of a teaching position.

Salaries are up throughout the budget. The ABC has done an independent comparative analysis of District salaries and has determined that the pay rates, especially in the case of paraprofessionals and teachers, are quite a bit lower than surrounding Districts; in some cases, they are several thousand dollars lower.

A separate warrant article covers the costs for a three-year CBA with the teachers. Estimated increase for 2022-2023 is \$352,707, \$167,194 for 2023-2024, and \$150,341 for 2024-2025. This represents an increase of 8.5% in teacher salaries over the three year period. However, teachers

will be responsible for paying an additional 10% towards their health insurance, and new hires will be limited to the least expensive high deductible plan offered.

### **Observations & Comments:**

- Public employees enjoy generous healthcare plans, and we are pleased to see that the proposed CBA calls for increased employee contributions. We are also pleased to see that new hires will be limited to the lower cost, higher deductible plan. Now that the Town has moved to a fiscal year, the possibility of combining the town and school groups should be explored, as it may yield some cost savings to both groups.
- Retiree health insurance use is factored into the group's overall experience, which is reflected in continuing premium increases. Retirees likely feel more comfortable remaining on the school's plans, yet they may actually be paying more than they would elsewhere. An education session for retirees using an independent third party to explain options was suggested two years ago, and planning for such a session was cut short because of the COVID pandemic. An education session should be scheduled once things return to 'normal'.
- Continue to take advantage of retirements and resignations to review/revise staff needs. Consider devising incentives to encourage staff to earn additional certifications.
- Continue looking at opportunities to retain valued staff by sharing specialized teachers and classes with neighboring schools.
- Take advantage of lessons learned through hybrid and remote learning experiences and consider expanding this option as part of both regular curriculum offerings and higher level /specialty courses. Logistical challenges to sharing courses with neighboring districts might be partially overcome by offering such classes virtually.
- The ABC would like to especially note how well the Moultonborough schools responded when faced with the sudden switch to remote schooling forced by the COVID pandemic. Thanks to the District's technology staff and 1:1 initiative, District schools were far better prepared than most. Technology staff also ensured that all instructional staff hit the ground running, with access to whatever help was needed to provide rigorous and engaging remote lessons.
- We encourage the schools to hold an open house to engage the community with the facility and the many programs offered to our students, as well as to demonstrate the value

of investing in our education system. We also suggest offering adult education and/or enrichment courses offered in collaboration with the Library and the Recreation Department.

- For those students who do not wish to follow a college path, more emphasis should be placed on training available in the trades, STEM, and healthcare career paths. The Committee notes that the Region 9 Lakes Region Technology Center in Wolfeboro continues to offer vocational courses to Moultonborough Academy students. We believe every student not bound for higher education and others with a particular interest in a specific vocational skill should be offered the opportunity to be fully engaged in this program.
- Consider sharing specialized staff members like electricians, HVAC, plumbers, with neighboring schools or towns.
- Continue moving forward with planning for a boiler replacement and investigating alternative energy options.
- Develop a formal 6-year capital improvement plan, and share it with the Town's Capital Improvement Planning Committee.
- We recommend the Board consider using unreserved fund balance at June 30 to fund the scoreboards and athletic field improvements currently included in the regular budget. An alternative source of funds might be the Buildings & Grounds Expendable Trust.
- Continue to work with Inter-Lakes on sharing regular, co-curricular, and athletic transportation as much as possible. Transportation expenses in the proposed budget account for almost 5% of the budget, totaling \$703,205.
- The District needs to remain vigilant on efforts at the State level to change both school funding and school vouchers. A return to donor town status or an expansion of the school voucher program could have a serious impact on school budgets going forward.

**Reserves:**

- The District maintains an Expendable Trust Fund for buildings and grounds projects. The ABC recognizes the importance of this reserve for managing significant repairs necessary to maintain the school infrastructure. The balance in this reserve at December 31, 2021 was \$520,103.
- The District maintains a Health Self Insurance Fund. The balance in this fund as audited at June 30, 2021 was \$566,969. Consistent with its purpose, this fund has helped cushion health insurance increases over the past few years, which is reflected in its significantly

reduced balance. Currently, none of these funds are expected to be used to offset the 2022-2023 healthcare costs. We recommend continuing the practice of utilizing this fund to offset healthcare costs in a prudent manner with an eye to retaining a healthy balance.

- The District maintains a reserve for unanticipated special education costs. At December 31, 2021, the balance in this reserve was \$391,018. Out-of-district student placement can be very costly; the needs of even a single student could use the entire balance of the reserve.
- Last year, it was voted to establish a Technology Reserve Fund for the purpose of funding the acquisition, replacement, or maintenance of hardware, software, and other technology equipment; it was funded with an initial deposit of \$50,000 at June 30, 2021.
- In addition to the above, the District maintains a contingency reserve of \$200,000.

**Conclusion:**

School and municipal budgets seem to be ever increasing. Given current economic drivers, this is to be expected this year, but we need to continue to work together to balance community resources with the needs of a vibrant, rigorous school system.

Respectfully submitted,

Moultonborough Advisory Budget committee

Kay Peranelli	(Chair)
Joe Adams	(Member at Large)
Mary Phillips	(Member at Large)
Linda Murray	(Alternate at Large)
Jean Beadle	(Select Board Representative)
Kathy Garry	(School Board Representative)