



**Souhegan Cooperative School District**

**Deliberative Session, February 2018**

# Our Foundation

**“Schools change lives...To become educated is to be trained in certain skills and areas of knowledge, as well as, to have that which is in your **mind, body and heart drawn out.**”**

The Souhegan Owner's Manual, 1992

# Our Current Situation

## Community Needs

- Rigorous, outcomes based education for the modern age
- Sustainable, cost effective model
- Education system that attracts young families
- Better resources & communication for parents and caregivers

## Internal Resources

- Deeper learning and performance assessments
- Passionate, experienced educators and staff
- Aging facilities
- Increased need for technology
- Need to streamline operations

## External Environment

- Rapidly aging population in NH
- Increased competition for young families
- Increase in mental health challenges
- SB 193 introduces educational choice

# Our Challenge

How do we **improve** the **QUALITY** of education while simultaneously, **reducing** the **COSTS** in delivering education?

Our current **strategy** work seeks to provide an answer, but we don't have that answer yet.

# Our Budget

Given we need to **improve** the **QUALITY** of education while simultaneously, **reducing** the **COSTS** in delivering education, this budget **serves as a bridge** from the **past to the future**.

# Principal's Message

*America's system of education was built for an economy and a society that no longer exists...50 years ago, it was enough to master the "Three Rs" (reading, writing, and arithmetic). In the modern world, the "Three Rs" simply aren't enough. If today's students want to compete in this global society, they must also be proficient communicators, creators, critical thinkers, and collaborators.*

Preparing 21<sup>st</sup> Century Students for a Global Society

# Principal's Message

## Beliefs:

We consciously commit ourselves to:

- support and **engage** an **individual's** unique **gifts, passions, and intentions.**
- develop and **empower** the **mind, body, and heart.**
- challenge and **expand** the comfortable limits of **thought, tolerance, and performance.**
- **inspire** and honor the active stewardship of **family, nation, and globe.**

# Principal's Message

## Mission:

We inspire each and every student to create a future with no limits.

## Vision:

*A personalized, relevant student experience:*

Engaging, authentic curriculum delivered by inspiring, expertly trained instructors in a 21<sup>st</sup> century facility.



# Principal's Message

*Student mastery of 21<sup>st</sup> century skills should be recognized as one of the most critical outcomes of the teaching and learning process. Therefore, it is necessary to develop and implement curriculum and instructional strategies that-by design-enhance these skills.*

Partnership for 21<sup>st</sup> Century

Skills

Productive Partnerships



# Article 2 - Operating Budget

Howard Brown - Chairperson

# Article 2 - Operating Budget

**Article 2.** Shall the Souhegan Cooperative School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling seventeen million, eight hundred and nine thousand, three hundred and one dollars (\$17,809,301)? Should this article be defeated, the default budget shall be seventeen million, six hundred and fifty-two thousand, eight hundred and ninety-seven dollars (\$17,652,897), which is the same as last year, with certain adjustments required by previous action of the Souhegan Cooperative School District or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only?" Majority vote required.

# Article 2 - Operating Budget - Proposed Amendment

**Article 2.** Shall the Souhegan Cooperative School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling **seventeen million, seven hundred and ninety-five thousand, eight hundred and one dollars (\$17,795,801)**? Should this article be defeated, the default budget shall be seventeen million, six hundred and fifty-two thousand, eight hundred and ninety-seven dollars (\$17,652,897), which is the same as last year, with certain adjustments required by previous action of the Souhegan Cooperative School District or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only?" Majority vote required.



# Appropriation Comparison

| <u>Item</u>   | <u>FY18</u>         | <u>FY19</u>         | <u>Difference</u> |
|---|---------------------|---------------------|-------------------|
| Budget (Article 2)                                  | \$18,014,652        | \$17,795,801        | (\$218,851)       |
| Warrant Articles                                    |                     |                     |                   |
| - PPC Contract (Article 3)                          | \$94,534            | \$225,671           | \$131,137         |
| - Maintenance CRF                                   | \$65,000            | \$0                 | (\$65,000)        |
| - Architectural & Engineering Design<br>(Article 4) | \$0                 | \$150,000           | \$150,000         |
| <u>Total</u>  | <u>\$18,174,186</u> | <u>\$18,171,472</u> | <u>(\$2,714)</u>  |



# Operating Budget: Board Goals

- ▶ Souhegan will be a “destination” high school.
  - ▶ (with the reputation of a Top Public high school)
- ▶ Souhegan will make Student Success a priority.
  - ▶ (related to outcomes, program of studies, etc.)
- ▶ Souhegan will make Fiscal Discipline a priority.
  - ▶ (related to budget and taxpayer cost)
- ▶ Souhegan will be Data Informed.
  - ▶ (data wise, related to operations but also, related to student performance and success)
- ▶ Souhegan will make smart technology investments.
  - ▶ (mostly to enhance and implement the student experience and achievement, aligned to competency based learning and assessment)



# Operating Budget: Key Drivers

- ▶ Completed strategy and plan targeted for June 2018
- ▶ Enrollment trends allow for redistribution of human resources resulting in savings
- ▶ Savings in transportation:
  - ▶ Special education and CTE transportation savings projected
  - ▶ Reduced regular transportation buses
- ▶ Maintenance shared via contract w/ Amherst



# Operating Budget: Staffing Changes

- Reduce Learning Specialist (retirement)
- Reduce Paraprofessional
- Reduce Social Studies teacher (retirement)
- Total Savings: (\$287,584)





# Operating Budget: Transportation

- Special education/career and technical education (“CTE”) transportation savings of \$135,000
- Regular transportation decrease of \$23,850
  - Reduction of buses in FY18
  - Addition of Mont Vernon transportation options adds \$14,000
- Athletic transportation decrease of \$11,200

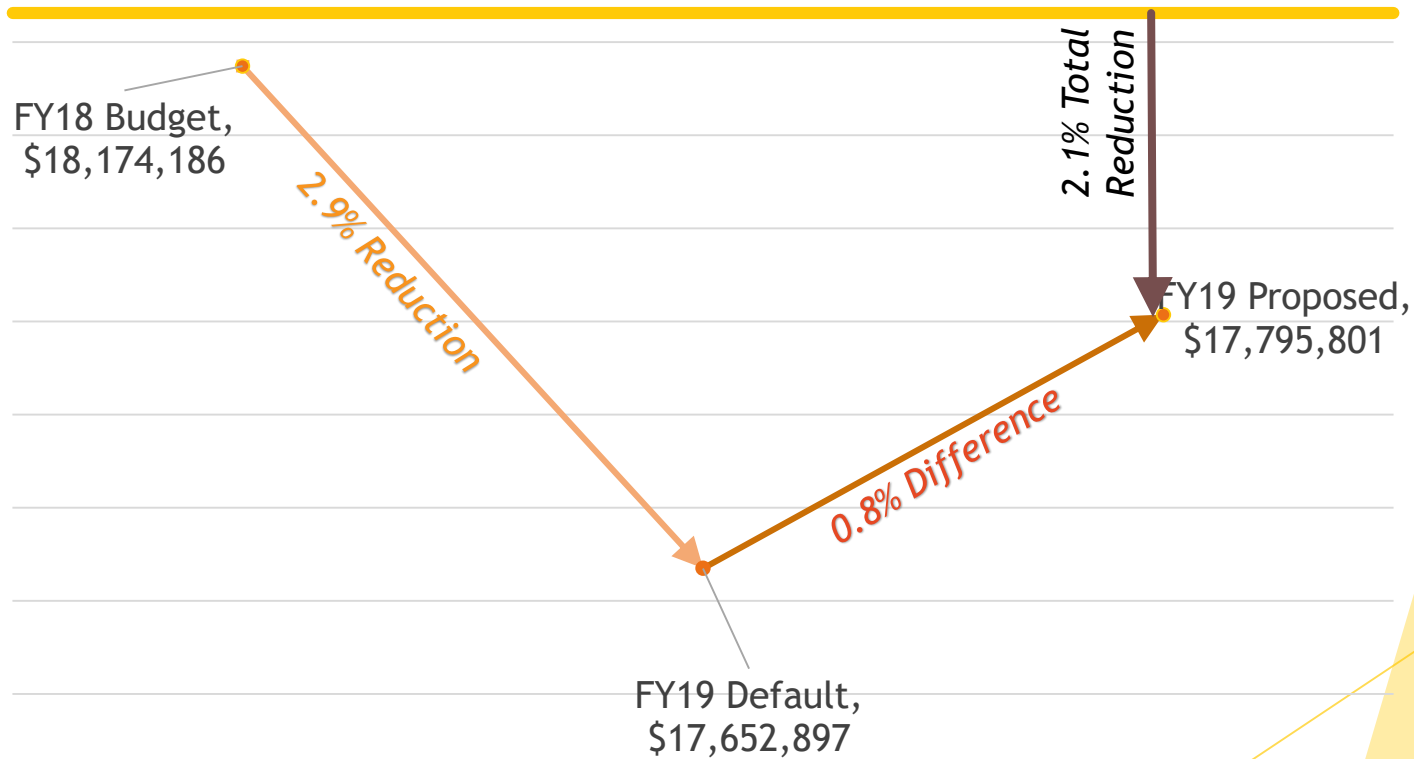


# Operating Budget: Executive Summary

- Decrease of 2.1% (-\$378,385) over FY18:
  - Staffing reductions & grant funding: -2.9% (-\$527,866)
  - Transportation savings: -0.9% (-\$164,949)
  - Security Equipment: +0.1% ( \$ 15,000)
  - SAU 39 Assessment: +0.1% ( \$ 18,024)
  - Health Insurance: +0.3% ( \$ 55,351)
  - Special Education: +0.3% ( \$ 60,848)
  - Facilities Upgrades & Maintenance: +0.4% ( \$ 71,331)
  - Regular Education (PPC step): +0.6% ( \$ 105,115)
  - Everything Else: -0.1% (-\$ 11,239)
- Default budget is a decrease of \$534,789 (-2.9%)
- The difference between the default and the proposed is +0.8%
- Current year enrollment as of 10/1/2017 is 788 (approximately 800 today)
- Projected enrollment for FY19 is 740



# Operating Budget: Overview



# Default Budget: Calculation



|   |                            |                     |
|---|----------------------------|---------------------|
| <b>FY18 Adopted Budget</b>                    | <b>\$18,174,186</b>        |                     |
| Remove Warrant Article                        | (-\$65,000)                | -0.4%               |
| Staffing Changes                              | (-\$527,866)               | -2.9%               |
| Transportation Savings                        | (-\$173,949)               | -1.0%               |
| Technology                                    | (-\$58,469)                | -0.3%               |
| Athletics (Stipends)                          | (-\$19,908)                | -0.1%               |
| Regular Education (PPC Step)                  | \$103,358                  | 0.6%                |
| Facilities (Maintenance)                      | \$65,675                   | 0.4%                |
| Special Education                             | \$60,151                   | 0.3%                |
| Health Insurance                              | \$55,351                   | 0.3%                |
| SAU #39 Assessment                            | \$18,024                   | 0.1%                |
| NEASC Visit                                   | \$14,150                   | 0.1%                |
| Everything Else                               | \$7,194                    | 0.0%                |
| <b><u>FY19 Default Budget Calculation</u></b> | <b><u>\$17,652,897</u></b> | <b><u>-2.9%</u></b> |



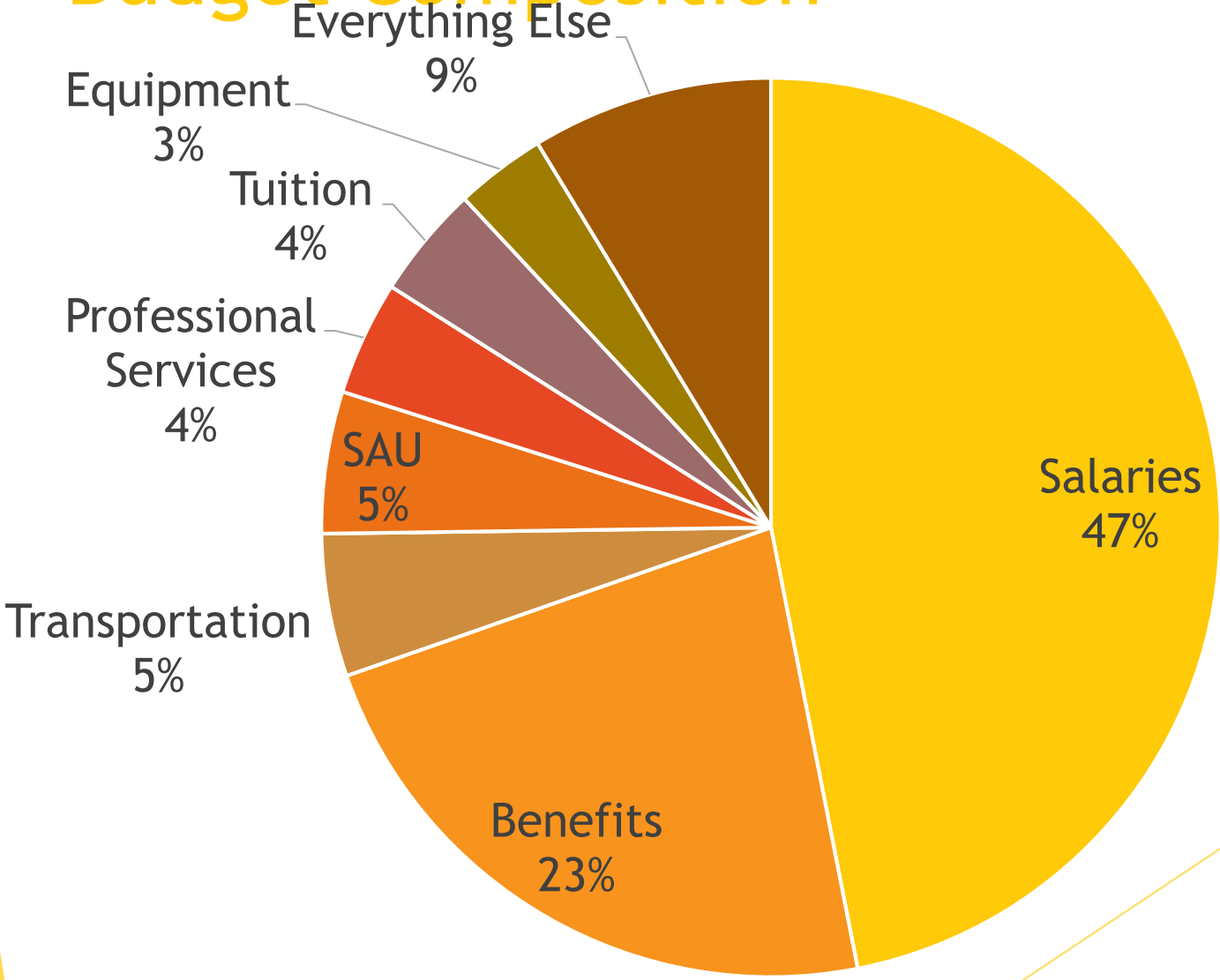
# Proposed Budget: Calculation

| <b>FY19 Default Budget Calculation</b>   | <b>\$17,652,897</b>        |                    |
|--|----------------------------|--------------------|
| Copier Replacement & Tech Infrastructure | \$59,884                   | 0.3%               |
| Athletic Stipend Increases               | \$41,924                   | 0.2%               |
| Security Equipment                       | \$15,000                   | 0.1%               |
| Non-PPC Salary Increase                  | \$14,113                   | 0.1%               |
| Everything Else                          | \$11,983                   | 0.1%               |
| <b><u>FY19 Proposed Budget</u></b>       | <b><u>\$17,795,801</u></b> | <b><u>0.8%</u></b> |

\* Rounding applied



# Budget Composition



# Dissenting Opinion

Dwayne Purvis

David Chen

# Operating Budget: Dissenting opinion concurrence



- ▶ Souhegan will be a “destination” high school.
  - ▶ (with the reputation of a Top Public high school)
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# FY2019 Budget Issues

- ▶ Curriculum staffing should vary with enrollment
  - ▶ Enrollment (FY2018) 5.1% decline; and an increase 10% in Cost per Pupil
  - ▶ Enrollment (FY2019) 6.1% decline; and an increase 2.47% in Cost per Pupil
- ▶ SAFC curriculum calculations include all staff; should affect only curriculum staff
- ▶ Board Consensus: Recurring budget is too high
  - ▶ Board has committed to do a deep dive into the budget in June.

# Comparison with Local Destination Schools

|                  | US News and World Report Ranking 2017 (92 schools) | Student / Teacher Ratio | Cost Per Pupil | Destination School | Assessment Test - Math | Assessment Test - Verbal |
|------------------|--|-------------------------|----------------|--------------------|------------------------|--------------------------|
| Hollis Brookline | 1  | 13 to 1                 | \$ 13,741      | -10.3              | 63%                    | 73%                      |
| Windham          | 3  | 13 to 1                 | \$ 14,093      | 39.3               | 56%                    | 74%                      |
| Bedford          | 9  | 15 to 1                 | \$ 12,362      | 34.8               | 58%                    | 80%                      |
| Souhegan         | unranked   | 11 to 1                 | \$ 18,196      | -15.5              | 44%                    | 73%                      |

# Article 2 - FY2019 budget

- ▶ Safety and Security with Cameras is not addressed in FY19 Budget
  - ▶ The estimated cost of a full Security and Safety upgrade was ~\$225K was removed from the FY19 Budget at recommendation of the SAFC
  - ▶ First Budgeted \$ for cameras will be no earlier than FY2020.
  - ▶ 33 months after investigation was initiated by the Board (October 5, 2016)



*Town of*  
**AMHERST**  
*New Hampshire*

## Advisory Finance Committee

## Budget Analysis FY2019



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# AFC Mission and Process

- ▶ The Souhegan Advisory Finance Committee (AFC) is responsible to review budgets and warrant articles proposed by the Souhegan Cooperative School Board and report on same to the school district
- ▶ 7 AFC members, who collectively deliberate and vote on all Board proposals
- ▶ Each member “owns” a section of the budget for detailed understanding and analysis and feedback (Curriculum, Technology, Food Service, Special Education, Athletics, Facilities, Administration)
- ▶ Each section owner presents their analysis and findings to the AFC for discussion and evaluation to inform subsequent voting

# AFC Recommendation Summary

- ▶ Warrant Article 2: SHS 2019 Operating Budget
  - ▶ AFC Unanimously supports (7-0)

- ▶ Warrant Article 3: SHS Negotiated Salary / Benefits Increases

To better evaluate future salary increase proposals, AFC recommends the Board research comparative, like-for-like pay scales for SHS and other NH teaching professionals

- ▶ Warrant Article 4: SHS A&E Study
  - ▶ AFC Unanimously supports (7-0)

# Macro Trends since 2016

- ▶ CAGR<sup>1</sup> in enrollment -4%
- ▶ CAGR in Budgets +2%<sup>2</sup>
- ▶ CAGR in CPP +5%

Enrollment projected to fall **6%** for the budget period in question

1 - Compound annual growth rate

2 - Reflects a significant spike in 2018 of +8.5%

# Facilities

- ❑ AFC helped push the Board to reduce the budget by \$125,000
- ❑ Protected a critical \$25,000 investment for A & E budget for Souhegan 2.0 and Security



# Key Curriculum Question:

- ▶ With 2019 projected enrollment at **(6%)**, why wouldn't curriculum staffing (the largest variable cost in the SHS budget) also decline at a similar pace?
- ▶ What did we find when we set out to answer this? (Table 1)
  - ▶ HC reductions in this budget line HAVE been declining FASTER than enrollment declines (by average of **(4%)** points each year since 2016)
  - ▶ Simultaneously total expenses (in curriculum staffing \$) have fallen at almost EXACTLY the rate of enrollment decline (+/-1% each year)

We have to cut 4% MORE headcount in curriculum staffing than enrollment decline to achieve budget decline at par with enrollment!

# Curriculum cost reductions have been lower than HC reductions over time

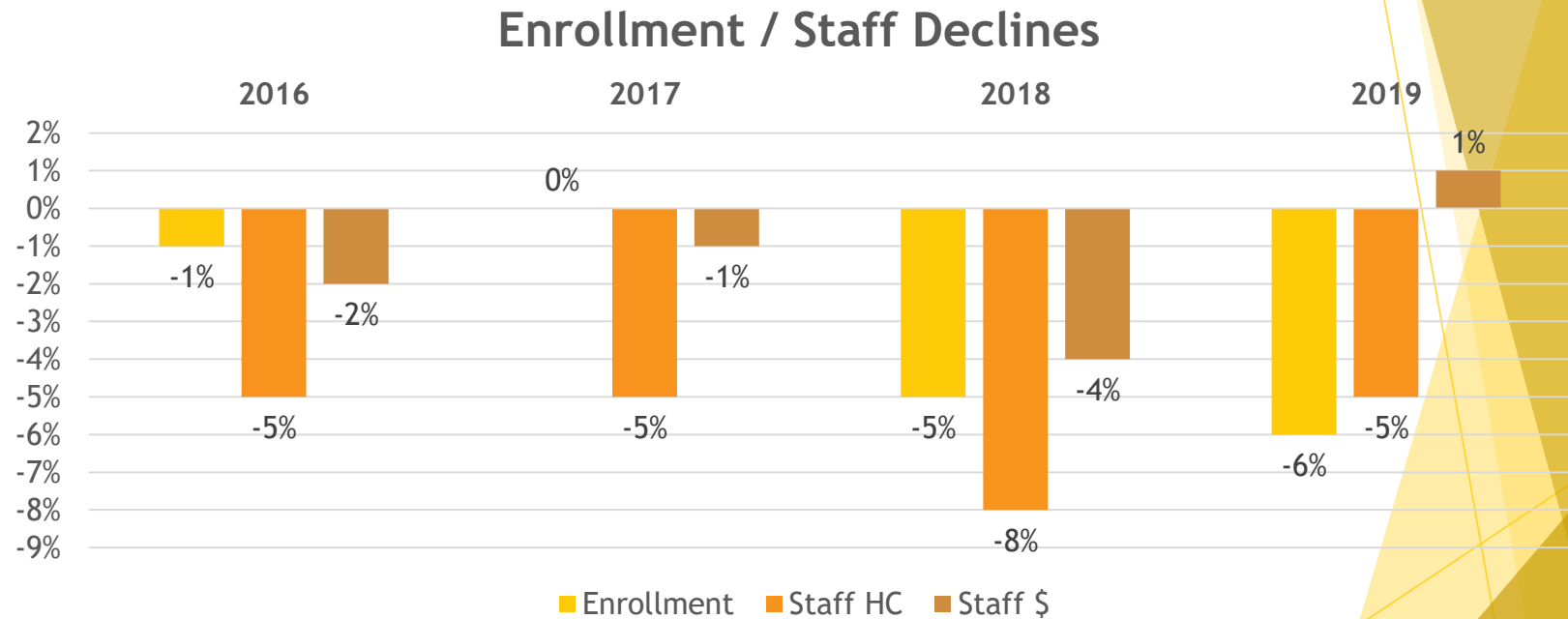


Table 1

# Conclusion

- ▶ We can't indiscriminately CUT our way out of this issue. Cutting 4% more in HC than enrollment will lead to performance decline (7.6 FTEs this year)
- ▶ Yet we must cut staffing and staff cost if we wish to keep variable costs in line with enrollment

## Challenge for SHS Board going forward:

- How can we marry HC # reductions more closely with budget \$ reductions?
- Can we deliver our educational product more efficiently without losing effectiveness?

# Advisory Finance Committee Members

| <b>Member Name</b>                | <b>Position/Term Yr</b> |
|-----------------------------------|-------------------------|
| <b>LISA EASTLAND</b>              | <b>CHAIR (2018)</b>     |
| <b>IAN CORCORAN (MONT VERNON)</b> | <b>MEMBER (2018)</b>    |
| <b>JANE KING (MONT VERNON)</b>    | <b>MEMBER (2018)</b>    |
| <b>SUE BIRCHARD</b>               | <b>MEMBER (2018)</b>    |
| <b>MARTIN GOULET</b>              | <b>MEMBER (2019)</b>    |
| <b>ELLEN GRUDZIEN</b>             | <b>MEMBER (2019)</b>    |
| <b>PEG HARRIS</b>                 | <b>MEMBER (2020)</b>    |

# Article 3 - PPC Agreement

Steve Coughlan

# Article 3 - PPC Agreement

**Article 3.** “Shall the Souhegan Cooperative School District vote to approve the costs included in the agreement between the Souhegan Cooperative School Board and the professional and support staff of Souhegan Cooperative High School which calls for the following increases in salaries and benefits at current staffing levels:

| <u>Fiscal Year</u> | <u>Estimated Increase</u> |
|--------------------|---------------------------|
| 2018-2019          | \$225,671                 |
| 2019-2020          | \$168,053                 |

and further to raise and appropriate the sum two hundred and twenty-five thousand, six hundred and seventy-one dollars (\$225,671) for the 2018-2019 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits over those that would be paid at current staffing levels?” Majority vote required.

# Article 3 - PPC Agreement

| Group                    | FY19                    | FY20                    |
|--------------------------|-------------------------|-------------------------|
| Professional Staff       | \$1,375                 | \$1,000                 |
| Support Staff            | 3.1%                    | 2.2%                    |
| <b><u>Total Cost</u></b> | <b><u>\$225,671</u></b> | <b><u>\$168,053</u></b> |

# Article 3 - PPC Agreement

## Recent History of Professional Staff Increases and CPI

| Year<br>(Jul-Jun)                       | 2012 | 2013  | 2014  | 2015  | 2016 | 2017 | 2018  | 2019    | 2020    |
|---|------|-------|-------|-------|------|------|-------|---------|---------|
| <b>CPI</b>                              | 0.8% | 1.9%  | 1.7%  | 0.7%  | 1.5% | 2.2% |       |         |         |
| <b>COLA,<br/>Professional<br/>Staff</b> | 1.0% | 1.75% | 0.75% | 0.75% | 0.0% | 0.0% | \$750 | \$1,375 | \$1,000 |
| <b>(Max %)</b>                          |      |       |       |       |      |      | 1.74% | 3.13%   | 2.21%   |
| <b>(Min %)</b>                          |      |       |       |       |      |      |       | 0.78%   | 0.56%   |



# Dissenting Opinion

## Article 3 - PPC Agreement

- ▶ Teachers deserve a raise, but the increase is directly incremental to the FY19 cost structure; Board member Chen withdraws his dissenting vote and supports the PPC article
- ▶ Not included in the \$393,724 are 17.36% increase for retirement, 6.2% increase for 403b match, and 1.45% increase for Medicare. FY 2019=\$282,088, FY2020=\$492,155



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*New Hampshire*

## Advisory Finance Committee



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# Article 4 - Learning Environment Upgrade

Steve Coughlan

# Article 4 - Learning Environment Upgrade

**Article 4.** Shall the Souhegan Cooperative School District raise and appropriate one hundred and fifty thousand dollars (\$150,000) for architectural and engineering fees to upgrade the learning environment and to increase the energy efficiency at Souhegan High School including the HVAC systems, lighting, building finishes, and classroom design?" Majority vote required.



# Learning Environment Upgrade

- ▶ Cost: \$150,000 - conservative estimate
- ▶ Purpose:
  - ▶ Air quality, lighting, and acoustic separation concerns
  - ▶ STEM learning environment redesign
  - ▶ A&E fees ahead of project to allow for accurate cost estimation
- ▶ Timeline:
  - ▶ December, 2017 - March, 2018: Interview & select team
  - ▶ March, 2018 - September, 2018: Design, engineering, & cost estimation work
  - ▶ September, 2018 - March, 2019: Prepare bond issue
  - ▶ March, 2019 - June, 2020: Design & initial phases
  - ▶ June, 2020 - August, 2021: Construction phases

# Dissenting Opinion

## Article 4 - Learning Environment Upgrade

- ▶ General Maintenance items should be included in the Budget
- ▶ Major System Upgrades for efficient operations are appropriate
- ▶ STEM learning environment redesign should be driven by a modernized STEM curriculum; not an architect/engineer's vision. This is not an urgent need.
  - ▶ Wait until Long Range Plan and the modernized curriculum are developed.
- ▶ In FY17, unallocated balance funds were spent on an architectural design. At that time, we asked what the curriculum changes would be to require a redesign of the STEM classrooms.



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## Advisory Finance Committee



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# Summary

Steve Coughlan



# Estimated Tax Impact

| Mont Vernon         |                        |                       |                      |                       |
|---------------------|------------------------|-----------------------|----------------------|-----------------------|
| <u>Article</u>      | <u>FY18 Tax Impact</u> | <u>Estimated FY19</u> | <u>Difference</u>    | <u>Average Home</u>   |
| 2: Budget           | \$7.75                 | \$7.69                | -\$0.06              | -\$18.00              |
| 3: PPC Contract     | \$0.06                 | \$0.15                | \$0.09               | \$27.00               |
| 4: Souhegan 2.0     | -                      | \$0.10                | \$0.10               | \$30.00               |
| <b><u>Total</u></b> | <b><u>\$7.81</u></b>   | <b><u>\$7.94</u></b>  | <b><u>\$0.13</u></b> | <b><u>\$39.00</u></b> |

| Amherst             |                        |                       |                      |                        |
|---------------------|------------------------|-----------------------|----------------------|------------------------|
| <u>Article</u>      | <u>FY18 Tax Impact</u> | <u>Estimated FY19</u> | <u>Difference</u>    | <u>Average Home</u>    |
| 2: Budget           | \$6.35                 | \$6.64                | \$0.29               | \$102.08               |
| 3: PPC Contract     | \$0.05                 | \$0.11                | \$0.06               | \$21.12                |
| 4: Souhegan 2.0     | -                      | \$0.07                | \$0.07               | \$24.64                |
| <b><u>Total</u></b> | <b><u>\$6.40</u></b>   | <b><u>\$6.82</u></b>  | <b><u>\$0.42</u></b> | <b><u>\$147.84</u></b> |

The Souhegan Cooperative  
School Board

*We need your support  
to maintain the quality  
of instruction for our  
students.  
Thank you!*