

Amherst Ways & Means Committee Meeting

Tuesday, November 16, 2021, 6pm at the Brick School

In attendance:

Ways and Means members: Kelly Schmidt, Samantha Linton, Greg Fritz, Christine Grayson (until 6:45pm), Marilyn Gibson (via Zoom), Jeff Candito.

ASD School Board: Beth Kuzma, Josh Conklin (until 6:45 pm).

ASD Administration: Amy Facey

Kelly suggested Ways and Means to start approving the minutes of their meetings, and to then post them online. Kelly brought up the topic of scheduling future Ways and Means meetings. Before or during the next school board meeting in December, she would like to provide the school board with feedback from Ways and Means regarding the operating budget. She stated that updates on warrant article wording and the status of the teacher contract may also be provided by the school board during this board meeting.

Kelly conducted an informal straw poll with Ways and Means to get a general sense of where members stood in terms of supporting the FY2023 operating budget in its present form. These were the results: Kelly leaning yes, Christine leaning yes, Samantha leaning no, Greg leaning no, Jeff no, Marilyn no. There was no significant common thread as to why members voted yes or no; each member had his or her own specific reasons.

Amy mentioned that the FY23 operating budget amount was recently increased for two reasons; one, the SAU allocation cost was increased to accurately reflect the FY23 cost, and two, bus fuel costs are now expected to be higher than initially budgeted.

Greg asked a question about the contractual versus non-contractual areas of the operating budget. He was curious to know more about what made up the costs in the budget lines that are not contractual obligations. General discussion ensued, including the pros and cons of certain curriculum programs, the costs of these programs, and the benefits of these programs in terms of student learning.

Greg asked Beth what her process is when determining whether to support an operating budget. Beth mentioned a variety of factors that she considers when making this decision.

General discussion about masking students, cost per pupil, homeschooling, and zero-balance budgeting ensued. The last topic of discussion was budget priorities. Some Ways and Means members stated that items are not prioritized in the operating budget, and that this makes it difficult to understand what the budget goals/objectives actually are. Samantha mentioned that this concern was brought up last year from Ways and Means as well.

Respectfully submitted,

Jeff Candito

Committee Communications prior to 11/16:

FWD: Domain leaders SAU Meeting

Christine Grayson <cgrayson@sau39.org>

Nov 6, 2021, 10:49
AM

To Kelly Schmidt, Samantha Linton, Jeff Candito, Marilyn Gibson, Greg Fritz

Hello All,

There will be a presentation at the SAU meeting on 11/18 regarding domain leaders at SHS. This would be a good presentation to watch. See Tom Gauthier's email below for more details.

Christine

Sent from my iPhone

Begin forwarded message:

From: Tom Gauthier <TGauthier@sau39.org>
Date: November 5, 2021 at 9:29:12 AM EDT
To: Christine Grayson <CGrayson@sau39.org>
Subject: Domain leaders SAU meeting

Hi Christine,

When we have our SAU meeting Nov. 18 we are going to hear a presentation about Domain Leaders and the impact on the Souhegan budget vs. academic benefits. During our four chairs meeting today we discussed this presentation and wanted to make sure Amherst W&M's committee members knew about it and were invited to attend to hear about these positions. While they don't affect Amherst directly just yet, they will in the future (or potentially will).

Let me know if you have any questions.

Thanks.

Tom

--

Tom Gauthier
Chair, Amherst School Board
tgauthier@sau39.org

REVENUE

Marilyn Gibson <mgibson@sau39.org>

Tue, Nov 9, 10:57
AM

to Kelly, Jeff, Christine, Samantha, Greg

Good morning all;

Recently, I asked Danielle Pray, member of the Amherst BOS about money being returned to the town for educational purposes, from the meals and room tax. The amount is going from 15% to 30% of what is collected through the tax. I then requested from Adam and Stephen O'Keefe documentation of monies received in the past - aka - revenue - over the FY21 and 22 SAU budget.

In the meantime, can anyone send information regarding its use in SAU 39?

Thank you,
Marilyn

Christine Grayson <cgrayson@sau39.org>

Tue, Nov 9, 4:26
PM

to Marilyn, Jeff, Samantha, Kelly, Greg

I don't know anything about it, but I'm curious to hear Adam's answer.

Christine

Sent from my iPhone

Kelly Schmidt <kschmidt@sau39.org>

Tue, Nov 9, 6:08
PM

to Christine, Marilyn, Jeff, Samantha, Greg

Was only Adam asked? It might be a more appropriate question for Amy. I will ask.

The answer might be in the legislation that dictates providing this money.

I am interested in understanding if a change from 15 to 30% will actually be an increase in real money given that overall spending on hotels and restaurants has been lower with the pandemic. Also curious if this is a one-year change or a long-term one.

Marilyn Gibson <mgibson@sau39.org>

Tue, Nov 9, 7:48
PM

to Kelly, Christine, Greg, Jeff, Samantha

The email was sent to Adam and Stephen O'Keefe. I thought of Amy and Christine, since it appears that the money needs to be applied for through grants. (I questioned that, since it is money due to SAUs around the state.)

Jeff Candito <jcandito@sau39.org>

Thu, Nov 11, 7:18
PM

to Christine, Greg, Samantha, Marilyn, Kelly

I'm curious as well. Looking forward to having info on this.

Fwd:

Marilyn Gibson <mgibson@sau39.org>

Wed, Nov 10, 8:54
AM

to Christine, Greg, Jeff, **Kelly**, Samantha

Good morning,
The emails exchanged have info that I feel was essential to the FY 23 budget. However, either I did not ask the right question or the question was ambiguous.

Is the meals tax money meant for education held by the state until grants are written to the DOE for specific purposes and then if approved go to the school district for use?

Any clarity would be enormously appreciated.

Marilyn

----- Forwarded message -----

From: **Marilyn Gibson** <mgibson@sau39.org>

Date: Tue, Nov 9, 2021 at 9:29 AM

Subject:

To: Adam Steel <asteel@sau39.org>, Stephen O'Keefe <sokeefe@sau39.org>

From our BOS:

Sen. Daniels stated that the total amount to all cities and towns is a \$50 mil increase over last year. For Amherst it amounts to an increase in FY22 for Adequate Education Grants of \$312,892. On the town side, FY21 was \$586,941 and FY22 will be \$789,070.

Significant money, offsetting district expenditures.

How was revenue from this tax spent in the past year, FY21? (Please do not send me on a wild goose chase. If it is recorded please where?)

Marilyn Gibson

Kelly Schmidt <kschmidt@sau39.org>

Wed, Nov 10, 4:00 PM

to Marilyn, Christine, Greg, Jeff, Samantha

Marilyn,

Did you get responses to your 11/9 email? If so, can you forward those also? All I see here are your questions, so am not able to follow your question from today.

Kelly

Marilyn Gibson <mgibson@sau39.org>

Wed, Nov 10, 7:47 PM

to me, Christine, Greg, Jeff, Samantha

No, I didn't get them.

Amy said she had no idea about the program, which was the grants to be written.

Fwd: meals tax and...

Marilyn Gibson <mgibson@sau39.org>

Wed, Nov 10, 7:48 PM

to Kelly

Answer to your question regarding meal tax.
----- Forwarded message -----
From: **Amy Facey** <afacey@sau39.org>
Date: Wed, Nov 10, 2021 at 6:29 PM
Subject: Re: meals tax and ...
To: Marilyn Gibson <mgibson@sau39.org>

Hi Marilyn,
I'm sorry I'm not aware of this program.

Thanks,
Amy

On Wed, Nov 10, 2021 at 10:25 AM Marilyn Gibson <mgibson@sau39.org> wrote:
Hi Amy,

I recently inquired regarding the use of state "giving" each school district monies from meals tax. My question to Adam surrounds the following:

Is the meals tax money meant for education held by the state until grants are written to the DOE for specific purposes and then if approved go to the school district for use?

Any clarity would be enormously appreciated.

Can you provide the information or send me to the source of the answer?

Thank you, (interruptions to your day is not pleasant, but I appreciate you taking the time)
Marilyn

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Amy Facey | Business Administrator | SAU #39
Amherst, Mont Vernon, and Souhegan Cooperative School Districts
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Room and Meals tax revenue

Kelly Schmidt <kschmidt@sau39.org>

Mon, Nov 15, 6:08
PM

to Greg, Christine, Marilyn, Samantha, Jeff

Sorry it's taken me so long to write this, but after the ASB board meeting I asked Adam about the room and meals tax revenue and how it gets reflected.

Info from BOS meeting on Educational Grants:

*****FY22 and 23 Amherst gets \$15,164,913 which is an increase from prior law of \$312,892

Room and meals tax \$586,941 for FY21, \$789,070 for FY22, \$815,515 for FY23

Old distribution method paid state out of this fund first, then towns/schools. This meant town/schools got less than expected when short falls occurred. New legislation pays 30% to town/schools first. ****

I think these numbers probably cover what will go to Souhegan as well.

Based on what Adam said, the school is not directly given that money. It feeds into the general adequacy funding. Therefore, unfortunately, there is no breakout that the SAU can give us to easily answer our questions. We'd pretty much need the state to tell where the Adequacy funding values come from. However, taking a look at the monthly agendas posted here- <https://www.sau39.org/Page/127>, this is my general take away (may or may not be 100% accurate):

There are 5 general "Funds" or buckets that money gets put into/taken out of which must remain separate at all times without some sort of approval of transfer (not sure if that approval is by town vote or by ASB vote). The funds are Fund 10 – General, Fund 21 – Food Service, Fund 22- All Other special revenue, Fund 30-Capital projects, Fund 70-Trust/Agency.

I believe the budget categorizes all line items by fund number (hence why almost everything starts by 10) where those eventual expenses will be drawn from.

Food Service is intended to be self-funded (although FY21 we were short 135,915.65 which was covered by the General Fund).

Capital projects keeps the \$ gathered from warrant articles related to significant repairs/bonds.

All Other Special Revenue is where things like unanticipated revenue from things like PTA fund raisers goes (see pages 26 – 30 in Wednesday's packet)

Trust/Agency tracks things like the CRF and Special Services fund that is collected under warrant articles.

General Fund- just about everything else is handled from here. This is where the NH Adequacy Education funds are deposited. It is also where the Town of Amherst taxes based on the voted on budget get put. It is where payroll and all other operating expenses come from. The reports posted in the agendas do not go into detail on internal categories. Where we've been told that the district can decide how they spend that money just about any way they want in order to run the school, I don't think it's possible to say revenue Y was spent on expense X except for in specific cases more related to the other fund categories. There are some internal categories that I am certain they track (special ed related is likely one example).

What I think an increase in adequacy funding does functionally is create a larger unexpected fund balance at the end of the fiscal year(6/30) as long as there aren't major expense changes from the budgeted plan throughout the year. Either way, the standard is for large unexpected changes in plan be discussed with the board and for the board to vote on how they want to spend(or return) the unexpected fund balance.

What I don't know is the timing of how Adequacy funding is paid out. This past Wednesdays Agenda's Treasurer's Cash Journal (page 33) shows a 9/1 deposit of \$545,013 for State of NH Adequate Education. We are in FY22, but is that a FY21 funding payment or a FY22 one? Not knowing means that I don't know if the increase in FY22 funding will impact FY22 years unexpected fund balance or FY23.

What we do know is that Unexpected Fund Balance allocations are voted on during meetings and expense reported in Agenda packets. Look at the 9/7/21 packet page 21. It even shows if the item was part of the Capital expenditure plan and what year it had been planned for. FY 21's UFB expenditure of 300,000 was approved by the board, but project costs actually came to 240,994.50 (30,000+ lower than estimated). I believe the remaining funds get returned to the town as a rate decrease within FY22. The total rate for a FY based on March voting is set each Oct. So those FY21 UFB returns are part of the FY22 town tax rate of \$21.31.

Annually, Annual Financial reports are created. You can see this in the 9/7/21 packet page 21 through 63 for FY21. Tons of great info there. I encourage you all to check it out.

Page 43 shows info regarding the Amortization schedules of outstanding bonds. (note, we know that the first ones has been paid off since this report was created, so is currently no longer in existence)

Page 48 even shows how state Cost Per Pupil is calculated broken down between elementary and middle school!

Looking back through Agendas I found this history of payments for ASB:

9/3/2019 State of NH Kindergarten Grant & Adequate Ed \$490,558.00
11/1/2019 State of NH Adequate Education \$509,347.00
9/1/2020 State of NH Adequate Education \$530,252.00
11/3/2020 State of NH Adequate Education \$520,613.00
9/1/2021 State of NH Adequate Education \$545,013.00

Hope any of that helps!!!

Kelly

Marilyn Gibson <mgibson@sau39.org>

Tue, Nov 16, 5:38
AM

to Kelly, Greg, Christine, Samantha, Jeff

Hi Kelly,

Thank you Kelly. I look forward to a discussion regarding the impact of the monies on our ASD and SAU39.

Marilyn

DRAFT