

Mont Vernon School District
FY 16 Budget & Other Articles

Deliberative Session

February 4, 2015

Mont Vernon Village School

7:00 p.m.

Warrant Article 3

Shall the Mont Vernon School District approve the cost items included in the collective bargaining agreement reached between the Mont Vernon School Board and the Mont Vernon Education Association which calls for the following increases in salaries and benefits at current staffing levels:

Year	Estimated Increase
2015 – 2016	\$57,863
2016 – 2017	\$54,729
2017 – 2018	\$55,396

And further to raise and appropriate the sum of \$57,863 for the 2015 – 2016 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits over those of the appropriation at current staffing levels paid in the prior fiscal year.

Majority ballot vote required to pass.

MVEA Agreement

- No step increase if a teacher is on an improvement plan
- Freeze on more expensive health insurance plan
- Change to lower cost dental plan
- Change of wording in Reduction in Force (RIF) Clause
- Change calculation of Professional Development (PD) Budget
- Payment for one unused personal day
- Accelerated timeline for recognition of service
- Increased pay for the nurse position
- Additional day added to year for Professional Development
- Three year agreement

□ History of the Cost Components of the MVEA Agreement

- Cost of Living Adjustments (COLAs) for MVEA teacher contract have been minimal over the last several years:

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
COLA	1.00%	1.50%	1.50%	0.00%	0.00%	0.00%

- Starting and Average teacher salaries for MVSD are lower than the other SAU 39 districts:

		<u>Starting Salary</u>		<u>Average Teacher Salary</u>
MVSD	\$	33,488	\$	54,684
ASD	\$	39,504	\$	67,353
SCSD	\$	42,887	\$	68,129

MVEA Agreement Cost Items

	Year 1	Year 2	Year 3
COLA % Increase	1.95%	1.75%	1.95%
Total COLA + Steps %	3.86%	3.62%	3.62%
\$ Cost of Salary Increase	\$45,308	\$44,138	\$44,661
\$ Cost of Benefits	\$10,566	\$10,293	\$10,415
Dental Plan Savings	(\$6,251)		
Student Council Stipend	\$ 937		
Additional Day	<u>\$ 8,241</u>	<u>\$ 298</u>	<u>\$ 320</u>
Total Cost	\$57,863	\$54,729	\$55,396

MVEA Agreement Tax Impact

	Cost of Agreement Increases	Estimated Tax Impact
Year 1	\$57,863	\$0.23/\$1000
Year 2	\$54,729	\$0.22/\$1000
Year 3	\$55,396	\$0.22/\$1000

Warrant Article 4

- Shall the Mont Vernon School District, if Article 3 is defeated, authorize the governing body to call one special meeting, at its option, to address Article 3 cost items only?

- Majority ballot vote required to pass.

Mont Vernon School District Budget Committee

Warrant Article 2

Shall the Mont Vernon School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amount 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 **\$4,725,302**? Should this article be defeated, the operating budget shall be **\$4,637,058**, which is the same as last year, with certain adjustments required by previous action of the Mont Vernon 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 ballot vote required to pass.

FY16 Initiatives

- Major Curriculum and Instructional Initiatives:
 - Ongoing implementation of the new standards
 - Ongoing implementation of our new framework supporting teacher effectiveness
 - Exploration and implementation of STEM-based programming (*Science, Technology, Engineering and Math*)
 - Continued focus on Response to Instruction (RTI), a multi-tiered system of support for students

FY16 Initiatives – Cont'd

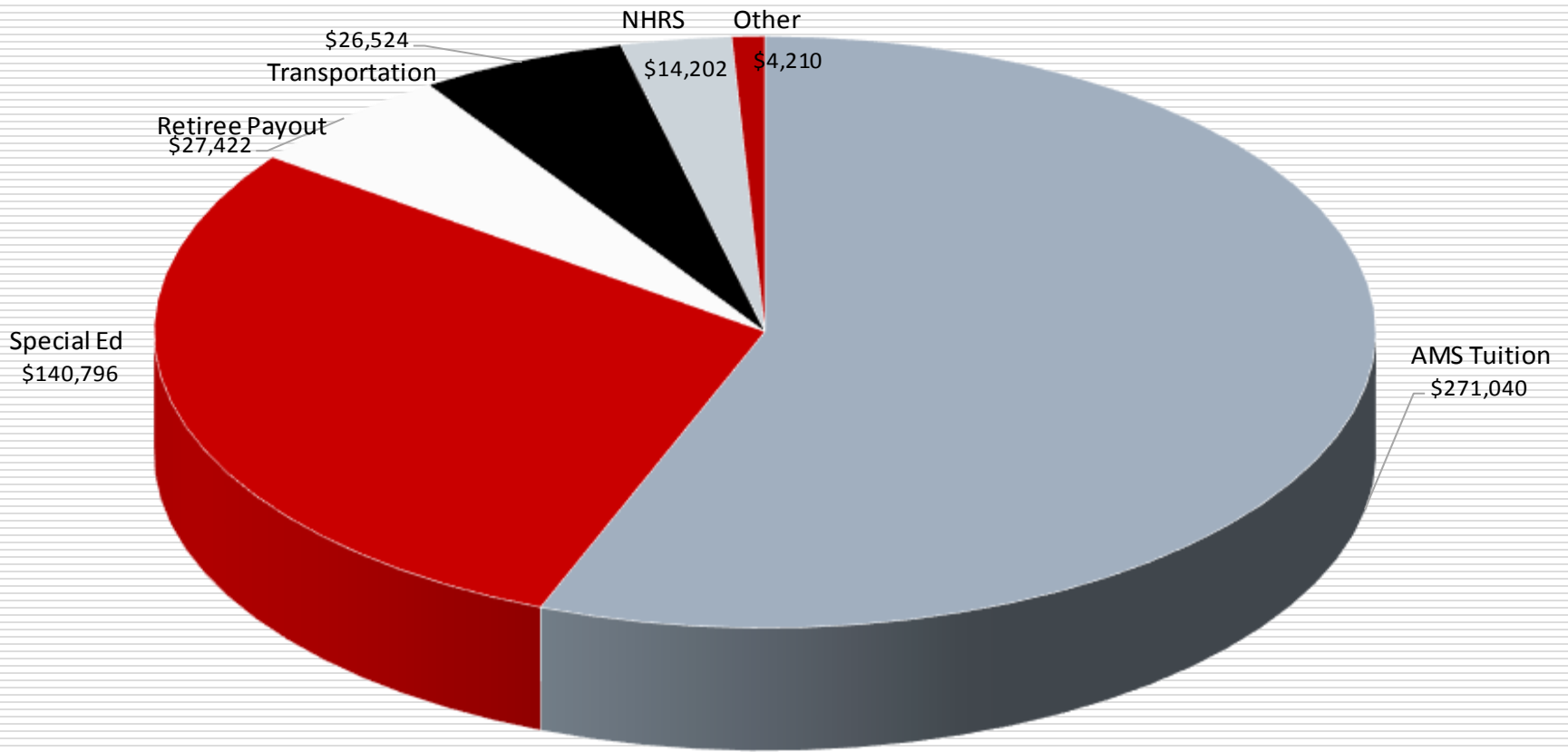
- Facility and Maintenance Initiatives:
 - Replace exterior library sheet rock ceiling
 - Fluorescent light diffuser replacement program (40 per year)
 - Initiate window replacement program (4 per year)
 - Replace asbestos flooring

Budget Summary

2016 Proposed Budget	\$4,725,302
2015 Voted Budget (Default)	<u>\$4,241,108</u>
Increase	<u>\$ 484,194</u> or 11.42%
<u>Estimated Tax Impact of Proposed Budget = \$2.48/\$1000</u>	

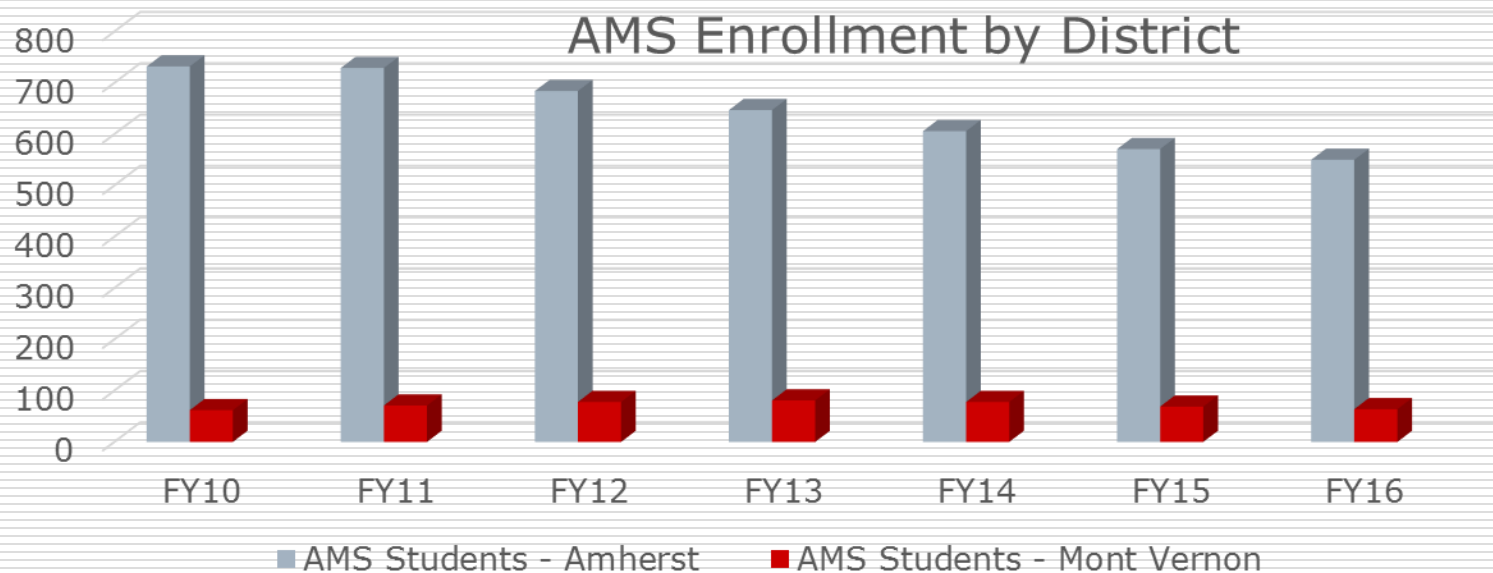
2016 Default Budget	\$4,637,058
2016 Proposed Budget	<u>\$4,725,302</u>
Decrease	<u>(\$ 88,244)</u> or (1.87%)
<u>Estimated Tax Impact of Default Budget = \$2.16/\$1000</u>	

Major Drivers of the \$484,194 Increase



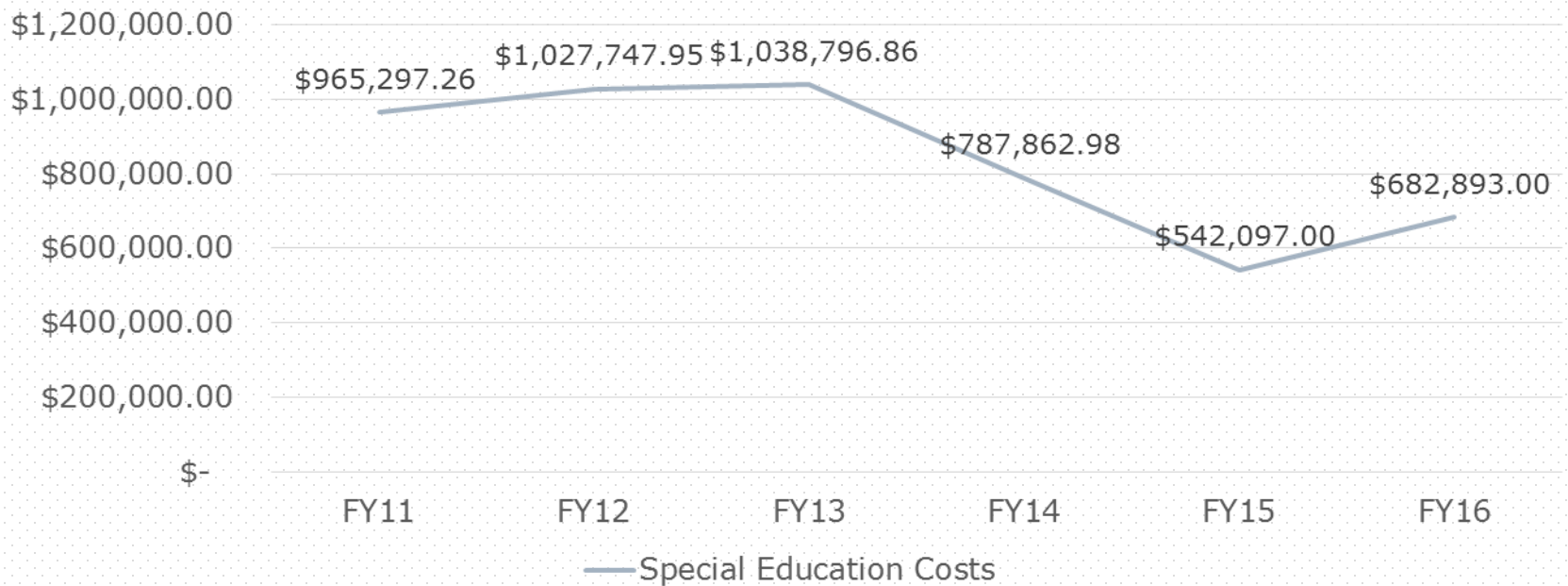
Why are these costs increasing?

- AMS Tuition – major driver is fixed costs against a declining enrollment base



The Volatility of Special Education

Special Education costs are volatile and difficult to budget.
They are federally mandated expenses.



Why are these costs increasing?

- Transportation: Regular Education – contract expires FY15 and new contract is increasing 25%, despite two bidding processes
- NHRS – will increase 10% for certified staff and 3% for non-certified staff.

Source of Budget Increases

Over 99% of the \$ 484,194 increase is due to Non-Discretionary costs attributable to:

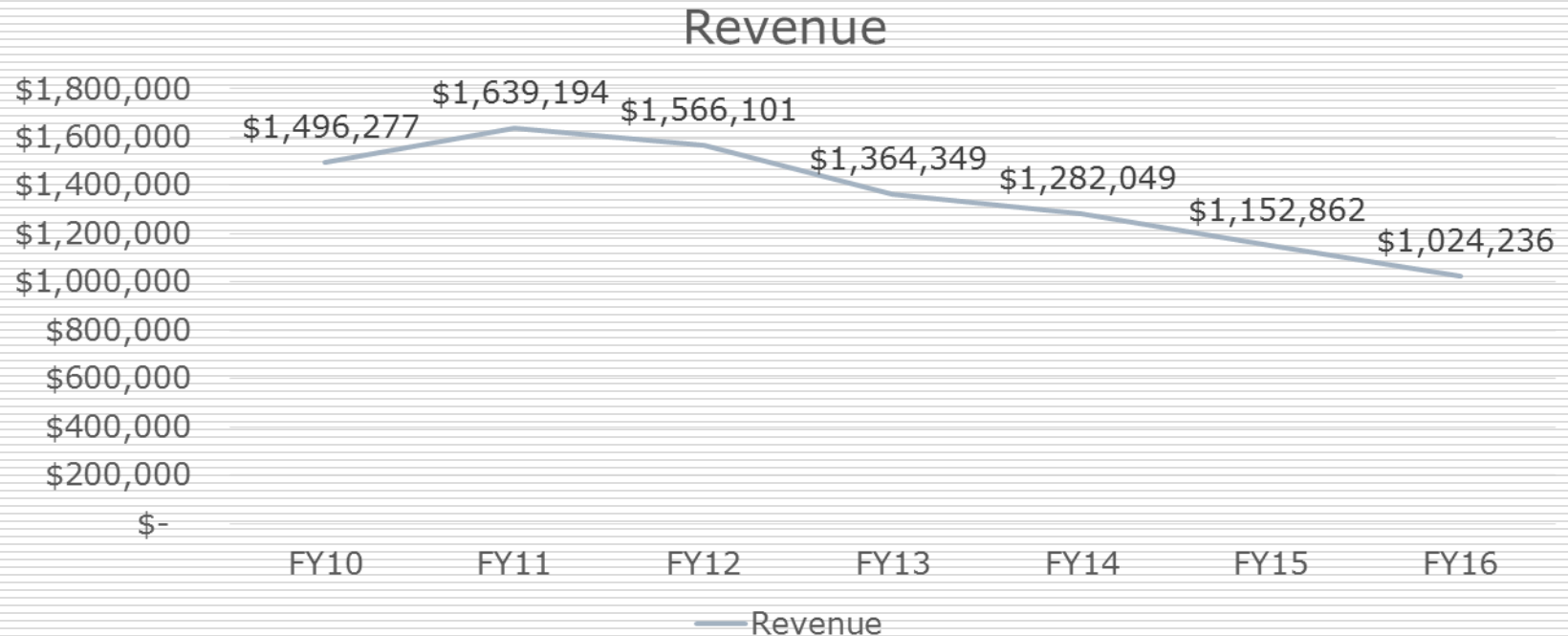
	\$ Increase	% Increase
AMS Tuition	\$271,040	6.40%
Special Education	\$140,796	3.33%
Retiree Payment	\$ 27,422	0.64%
Transportation Increase	\$ 26,524	0.62%
NH Retirement Increase	\$ 14,202	0.34%
Other Budget Increase	<u>\$ 4,210</u>	<u>0.09%</u>
Total	\$484,194	11.42%

Source of Tax Impact

		Tax Impact
Increase in Budget	\$484,194	\$1.96
Decrease in Revenue	\$142,597	\$0.58
State Tax Retention		(\$0.06)
Total Tax Impact	\$626,791	\$2.48

The Decline of Revenues (excluding local taxation revenue)

Mont Vernon has experienced a 32% decline in revenue between 2010 and the estimate for 2016.



FY16 Revenue Estimate – Proposed Budget

Item	2014-2015 DRA	2015-2016 Estimated	Change
General Fund Expenditures	\$4,081,263	\$4,569,566	\$488,303
Special Revenue and Food Service	\$159,845	\$155,736	(\$4,109)
Budgeted Expenditures (All Funds)	\$4,241,108	\$4,725,302	\$484,194
Unreserved Fund Balance	\$97,923	\$50,328	(\$47,595)
Subtotal: State Aid	\$50,562	\$800	(\$49,762)
Subtotal: Federal Aid	\$146,000	\$136,000	(\$10,000)
Subtotal: Local Revenue	\$46,197	\$49,807	\$3,610
Fund Balance + Revenue	\$340,682	\$236,935	(\$103,747)
Total Appropriation	\$3,900,426	\$4,488,367	\$587,941
Less State Property Tax - MV Portion	\$368,908	\$354,937	(\$13,971)
Less Adequate Education Aid	\$812,180	\$787,301	(\$24,879)
Raised from Local and State Tax	\$2,719,338	\$3,346,129	\$626,791
Total estimated Mont Vernon School District Tax Rate (Local + State)	\$12.50	\$14.98	\$2.48

Default Budget

- **RSA 40:13, IX (b) "Default budget" as used in this subdivision means the amount of the same appropriations as contained in the operating budget authorized for the previous year, reduced and increased, as the case may be, by debt service, contracts, and other obligations previously incurred or mandated by law, and reduced by one-time expenditures contained in the operating budget. For the purposes of this paragraph, one-time expenditures shall be appropriations not likely to recur in the succeeding budget, as determined by the governing body, unless the provisions of RSA 40:14-b are adopted, of the local political subdivision.**

Default Budget Analysis

FY16 Proposed vs. FY16 Default

	Salary & Benefits	Prof & Contracted Services, Dues, Travel, PD	Instructional & Non-Instructional Materials and Supplies	Technology	New & Replacement Equipment	Facility & Site Repair	Totals
Regular Education	\$5,450	\$2,074	\$12,084	\$16,520	\$0	\$0	\$36,129
Special Education	\$4,755	\$0	\$1,505	\$0	\$0	\$0	\$6,260
Co Curricular	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Student Services	\$0	\$20	\$535	\$0	\$0	\$0	\$555
Instructional Staff Services	\$525	\$0	\$1,472	\$0	\$0	\$0	\$1,997
School Board	\$0	\$1,000	\$0	\$0	\$0	\$0	\$1,000
Administration	\$0	\$360	\$1,075	\$633	\$0	\$0	\$2,068
Building & Grounds	\$0	\$24,005	\$491	\$900	\$0	\$0	\$25,396
Transporation	\$0	\$0	\$182	\$0	\$0	\$0	\$182
Technology	\$0	\$4,532	\$2,020	\$2,655	\$0	\$0	\$9,207
Support Services - Other	\$5,451	\$0	\$0	\$0	\$0	\$0	\$5,451
Food Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$16,181	\$31,991	\$19,364	\$20,708	\$0	\$0	\$88,245

Budget Goals – What does \$88K Support?

□ **Instructional**

- Materials & Supplies
- Equipment & Technology

□ **Building and Grounds**

- Maintenance prescribed by Facility Needs Analysis

Instructional

□ **Materials & Supplies**

- Novel/texts & other reading materials to align with new state standards
- Materials to support implementation of STEM program

□ **Equipment & Technology**

- I-39 Subscription
- Timely Replacement of Equipment
- Educational software
- MS Office Licenses
- Wide Area Software – filters, firewalls, etc.

Building and Grounds

- ❑ Replace exterior library sheet rock ceiling
- ❑ Fluorescent light diffuser replacement program (40 per year)
- ❑ Initiate window replacement program (4 per year)
- ❑ Replace asbestos flooring
- ❑ Fuel Oil, Service Contracts & Repair budgets all are defaulting March/2010 pricing

Full Day Kindergarten

- ❑ There is no additional cost to fund a full day kindergarten program in FY16 due to enrollment and staffing
- ❑ 94 plus districts across NH currently offer full day kindergarten programs
- ❑ 82% of 5 year olds have kindergarten nationally
- ❑ The new NH state standards are based on a full day program funneling into first grade
- ❑ Full day kindergarten will eliminate the nearly impossible challenge of attracting and retaining a part time highly qualified kindergarten teacher

Enrollments / Class Sizes

Grade	FY14 Enrollment (Oct 1, 2013)	FY15 Enrollment (Oct 1, 2014)	FY16 Enrollment Projection
K	23	23	14
1	20	27	25
2	28	24	27
3	27	29	24
4	29	26	29
5	28	32	26
6	33	26	32
Sub-Total – MVVS	188	187	177
7	30	38	26
8	48	31	38
Sub-Total – AMS	78	69	64
Total	266	256	241

Certified Staff

Certified Staff	FY13	FY14	FY15	FY16	Change – FY16 versus FY15
K-6	13	12	12	12	-
Art	0.4	0.4	0.4	0.4	-
Music	0.4	0.4	0.4	0.4	-
Physical Education	0.6	0.6	0.6	0.6	-
Technology/Library	1.5	1	1	1	-
World Language	0.6	0.6	0.6	0.6	-
Guidance	1	1	1	1	-
Math Coach	0	0.5	0.5	0.5	-
Reading Specialist	0.5	0.5	0.5	0.5	-
Special Education	2	2	1.5	2	0.5
Speech	1	1	1	1	-
Psychologist	0.5	0.5	0.5	0.5	-
Nurse	1	1	1	1	-
TOTALS	22.5	21.5	21	21.5	0.5

Non-Certified Staff

Non-Certified Staff	FY13	FY14	FY15	FY16
Admin Assistants	2.5	2.5	2.5	2.5
Special Ed. Aides	5.0	5.5	6.0	6.0
Custodians	2 FT, 1 PT	2 FT, 1 PT	2 FT, 1 PT	2 FT, 1 PT
Computer IT	0 PT	0 PT	0 PT	0 PT
Food Service	2 PT	2 PT	2 PT	2 PT

Mont Vernon School District Budget Committee

Warrant Article 5

- To transact any other business that may legally come before the meeting.

Questions/Discussion

Please vote on March 10
Mont Vernon Village
School
7 am – 7 pm