



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



*Town of*  
**MONT VERNON**  
NEW HAMPSHIRE



# Souhegan High School

Advisory Finance Committee

Recommendations to Board  
(Pre-Board revisions)



# Special Thanks to our SAFC volunteers for their commitment:

<b>Member Name</b>	<b>Budget Section</b>	<b>Board Liaison</b>
Howard Brown (MV)	Athletics & Activities	Pim Grondtsra
Joel Gordon	Curriculum	Jim Manning
Martin Goulet	Food & Transportation	Amy Facey
Peg Harris	Administration	George Torres
Jeanne Ludt	Special Education	Steve Coughlin
John Stover	Technology	David Chen
Charlie York (MV)	Facilities	Laura Taylor
Dan Veilleux	Alternate	
Mark Vincent	Alternate	



# Key Metrics 2020-2021

- Enrollment

- 2019 – 736 actual
- 2020 – 750 10-1-19 actual (↑ 1.9%)
- 2021 - 725 forecast (↓ 3.3%) @

- Inflation (CPI)

- 2019\* – 1.8%
- 2020<sup>#</sup> – 1.9%
- 2021<sup>#</sup> – 2.0%

- Budget

- Adopted 2020 - \$18,098,289
  - 4.0% decrease
- **Proposed 2021 - \$18,780,001**
  - 3.8% increase

- @ - from Budget worksheet “Enrollment R20-22”
- \* - US Bureau of Labor Statistics CPI Index NE Region Sept 2019
- # - FOMC 3-20-19 Open Markets forecast



# \$18,780,001 Budget “reasonableness” checks\* :

- A budget which strictly follows enrollment would be.... → \$17,495,616
- A budget which strictly follows CPI would be.... → \$18,460,254
- A budget which strictly follows Net  $\Delta$  (CPI-enrollment) would be.... → \$17,863,011

\* Based on 2020 Adopted as starting point



# Improvement areas for next year's process

- **Strategic direction** for SHS, articulated consistently to all stakeholders (administration, SAU, SAFC) would help us evaluate more than just the numbers but whether the numbers support the stated objectives
- The **SAU Business Administrator and a designated Board liaison** should be regular, active participants in SAFC meetings
- The continued absence of a broad **capital / building plan, and associated funding strategy**, is worrisome and must be addressed
- Past enrollment projections have been low (by as many as 15-20 students). **Better enrollment forecasting** (starting with tracking forecast accuracy) is required for effective multi-year planning
- A **collaboration location (OneDrive?)** for SAFC work product sharing would be efficient and improve year-year knowledge transfer



# AFC provisional Recommendations

- In an era of declining enrollment and low CPI, **controllable expenses (especially non-SPED) should be better controlled** than the original budget proposes. We ask the Board to work to flatten growth of the non-SPED portions of the budget
- The Board should evaluate whether professional staff salaries should be **frozen at current year levels in the default budget** during renegotiation budget years
- Budget buffers (budget - actual) should be under increased scrutiny (in light of the recent Board vote to explicitly consider excess funds fully discretionary). The Board should scrutinize areas of the budget where **budget versus 3-year average is high**
- We look forward to voting on whatever budget revisions the Board makes to the budget prior to Deliberative



# Appendix



# Special Education

Summary Report





# SPED Summary

- FY21 Budget: FY21 Proposed for Special Education \$4,258,969/ 23% of total budget
  - Change from FY20 Budget: \$597,977/ 16.33% increase
  - The increase to the FY21 budget represents 2.95% of the 3.77% increase in the FY21 proposed budget
  - The main driver of the increase is the expense associated with the movement of 5 special needs students from the Middle School added to the two that are already at Souhegan. All of the 7 students will be educated in district vs. out of district. Meg calculated the savings to the district of bringing students in-house at \$829,379 for one year. The savings were broken down into the following categories.
- 
- Tuition savings: \$630,000 (estimated to be \$90,000 per student if out of district)
  - Related Services Saving: \$ 58,979
  - Transportation Savings: \$140,400 (5 runs vs. 2 runs)
  - Total: \$829,379



# Observations

- Each of the 7 students will have a one on one paraprofessional. Five new paraprofessionals will need to be hired --- the majority of the increase funds the salaries and benefits of these five paraprofessionals as well as related service expenses associated with these in-house students.
- She indicated that last year we hired a staff Board Certified Behavior Analyst (BCBA) and a Speech/Language Pathologist which allows for considerable savings on related services. She believes that eventually we will need to hire our own full time Occupational Therapist to provide necessary in-house services.
- The number of Out of District students is currently 2.
- Regarding a comparison of the number of Special Needs students at Souhegan vs. other neighboring schools, Meg said that she doesn't have access to the numbers at other schools but indicated that the state average is 15% and we have an estimated 12.5% special needs students.
- Current numbers: There are currently 17 paras to support 115 identified special needs students; 89 with 504 plans. Six of the paras are one to one – eight of them are two to one and the remaining three float to support IEP needs across the grades. All five of the additional positions needed next year will be one to one.
- Both Meg and Bill Hagan mentioned that people often choose to send their kids to places with excellent school systems which could explain why Souhegan is attractive to parents of special needs students.
- Major decreases were seen in the ESL and Transitional line items. These items are dependent on the services required by students presently being educated at Souhegan.
- Regarding the blanks in the budget or any questions that Steve or I had, it appeared that the blanks with \$0 associated were either in a different section or not required this year. Any large increases or blanks with \$\$\$ were satisfactorily explained --- most were related to personnel and associated benefits. The blanks will be filled in by Michelle.
- Regarding Catastrophic Aid – Meg and Michelle explained that they submit invoices for students that exceed the cap established by the state. They submit between July 1 and Aug. 1 but don't hear back until October. They are never fully funded. Any reimbursement is credited as revenue to lower the tax rate on the following budget year.
- The increase in the Sped budget is significant but justified. The effort of the Director of Special Needs to minimize the impact by bringing 7 students (2 currently at Souhegan and the 5 additional proposed for next year) in-house vs out of district should be recognized.



# Curriculum

Summary Report



# Key Take-a-Ways and Recommendations

- Salaries and Benefits make up 88% of the Curriculum Budget
- Key driver is staffing levels commensurate with scheduling combined with course offerings to students.
  - This is a policy question for the board to create this balance
- Identified scheduling efficiencies expected to result in future reduction FTEs through voluntary retirement.
  - Mechanism for retirement compensation should be reconsidered to prevent swings in budget needs pre and post retirement budget years.
- Savings in health benefits could be realized by migrating employees to lower cost HSS health plans, and/or incenting third party coverage.



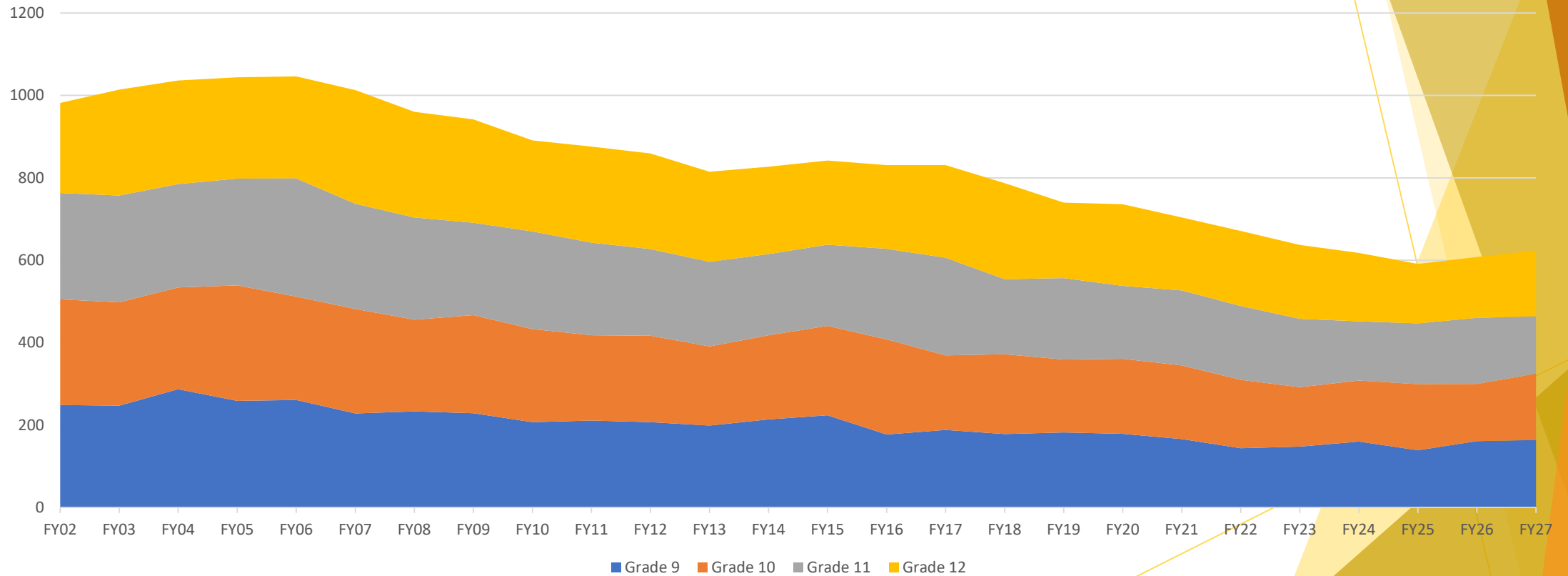
# Major Policy Question

- The current default budget assumes a “contracted” increase in all salaries.
  - The default budget and proposed budget are effectively the same for salaries expense.
- The current compensation policy expires this fiscal year, and the compensation committee is in the process of renegotiating a new salary matrix for the FY2021 budget year.
  - New matrix will not be finalized until after the budgeting process is complete.
- Recommendation: The default budget regarding salaries should be frozen at current year levels as there is no current contractual requirement for an increase.
- Changes resulting from the CC work should be presented to the voters as part of the budgeting process.



# Student Enrollment Actual FY 2002-19, Projected through 2027

Enrollment History/Projected





# People Costs are the Primary Driver to the Curriculum Budget FY2021

	FY'20	Proposed FY'21	
• Total Curriculum Budget:	\$7,234,428	\$7,348,891	↑ 1.6%
• % of Overall Budget:	39.9%	39.1%	
• Total Curriculum Salaries:	\$4,440,312	60.4%	0.19%
• Benefits Expense:	\$2,010,530	27.4%	↑
• Fully Loaded Salary Expense:	\$6,450,842	87.8%	
• Curriculum as % of Total:	46%		
• Proposed Revisions would include a reduction in Salary and Benefits expense of \$300,000, resulting in a decrease YOY of 4.5% and 0.1%, respectively.			



# Curriculum Budget Overview, Cont'd

	<u>FY 2020</u>	<u>Proposed FY 2021</u>	<u>% Change</u>
Other EE Comp	\$48,063	\$106,500	121.6%
EE Development	\$173,190	\$170,270	-1.7%
Classroom Asst	\$35,629	\$35,629	--
Clerical Assist	\$38,816	\$38,816	--
Class Supplies & Texts	\$72,498	\$65,290	-9.6%
Teacher Subs	\$56,533	\$56,533	--
Workers/Unempl comp	\$24,917	\$22,360	-10.3%
Summer School	\$37,500	\$47,250	26.0%
Music Program	\$13,500	\$9,025	-33.1%
Coordinator Stipends	\$51,310	\$49,310	-3.9%
Software/supplies	\$36,905	\$44,860	21.6%
Instructional Materials	\$33,045	\$31,900	-3.5%
Equipment/Repair	<u>\$36,090</u>	<u>\$21,708</u>	<u>-39.9%</u>
Total	657,996	\$699,451	6.3%





## Curriculum - Other

- Other non-salary total \$699,453, up 6.3% over FY20 budget.
- Key drivers to increase include:
  - Retirement Payouts up \$58,437 representing retirements of six senior teaching positions.
  - Summer School up  $\approx$  \$10,000 due to shifting to hourly compensation.
  - Software Supplies up  $\approx$  \$8,000 primarily for placeholder.
- Offsetting these increases are:
  - Equipment and Repair down  $\approx$  \$14,000. This line item schedules individual projects reflecting needs as identified.
  - Other items remained relatively flat YOY.



# Appendix - Curriculum



# Teacher Salary Arrangements

- Teachers do not have a formal union contract.
- SHS operates with “Policy Guidelines” which provides terms and conditions for employment similar to a formal contract.
  - As yet, unclear as to the legal requirements of the policy guidelines
- Compensation Policy (longevity and qualification) [here](#).
  - Teacher compensation is based upon a matrix using longevity and qualifications which each component reflected in specific salary outcomes.
  - The policy has not been updated for the 2020-2021 school year, although the existing policy has provisions for annual step-up outside the existing range.
  - Salary increases for FY2021 have been calculated specifically for each teacher based upon current status, annual step up, and carry over benefit coverage.

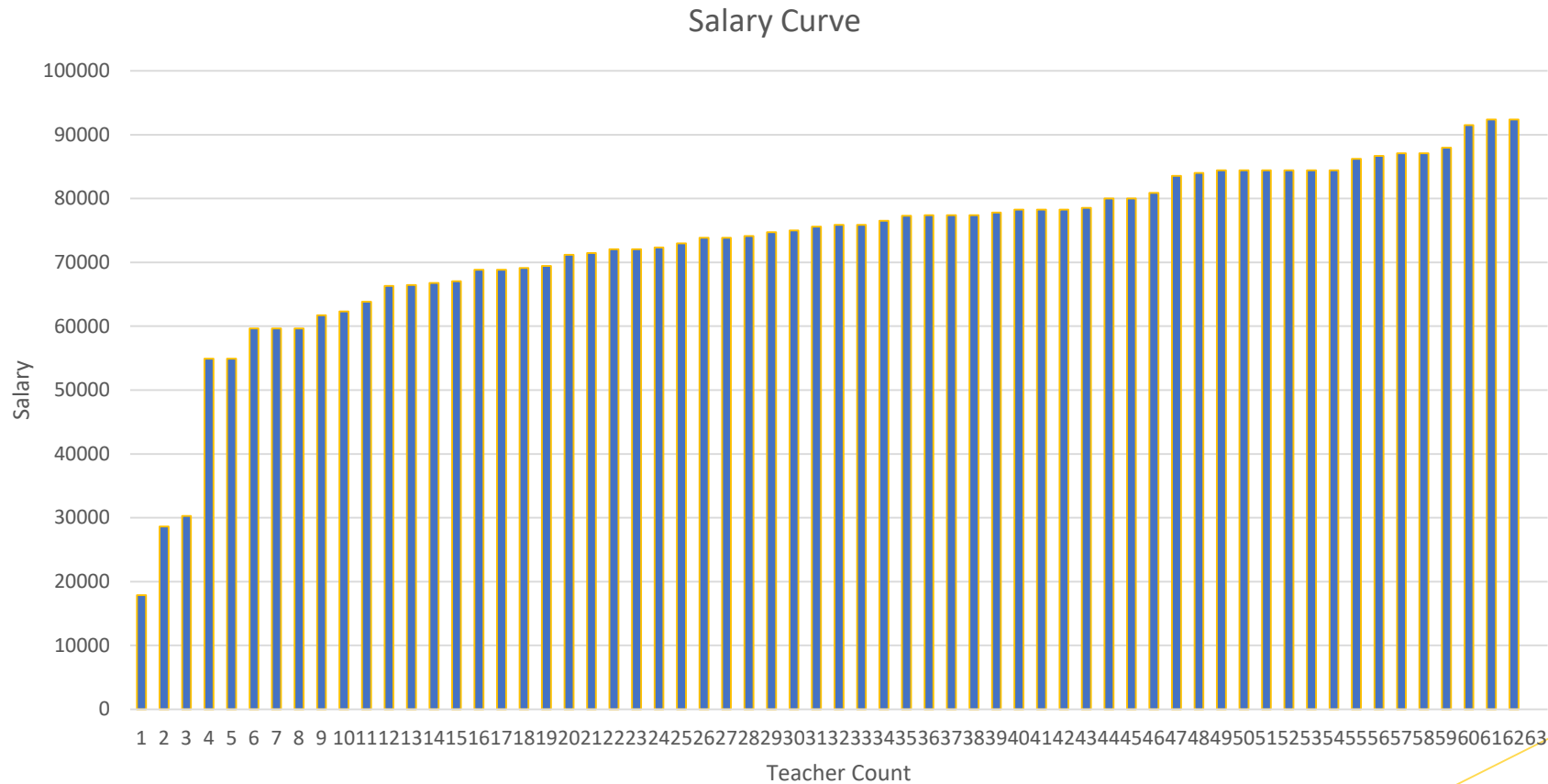


# Compensation Policy Overview

- Pay policy includes 17 steps of increasing compensation based upon longevity within the school system.
  - Each year of continued employments results in a set step up in annual compensation
  - Range from Step 0 to 16 is \$18,960 or approximately \$1,115 per step year.
- Pay policy includes 30 levels of qualifications of increasing compensation based upon earning 10 college credits per level.
  - Each higher level of qualification provides a step up in annual compensations.
  - Range is \$7,938 between lowest to highest -\$885 per step
  - Qualification for advancement must be complete by June 30 of the year prior.
    - For FY2021, qualification must be complete by June 30, 2020, thus it is unclear what part of the increase will be attributed to this component.



# Teacher Salaries: curriculum



Benefits Include: Health, Dental, Life, Disability Insurance, Retirement and 403B

**60.3 Salaried  
Teacher  
Positions**

**\$75,132 Average  
\$76,746 Median**

**Total Teacher  
Salaries:  
\$4,440,312  
(Excludes  
Benefits)**

**Full loaded  
Salary Expense:  
\$6,450,842**



# Other Teacher Benefits

- 10 years of service - \$500 annually
- 15 years of service - \$1,000 additional annually
  - Support staff receive \$500 annually after 15 years (one-time year 16 \$500)
- Retirement payment \$5,000 lump, plus \$8,500 paid over the last year.
  - Requires at least 15 years of service
- Alternative Incentive retirement: \$10,000 or 30% of salary (max \$20,000) plus accrued sick leave.
- Development Reimbursement: \$900 per year, max \$2,500 if available funding.
- Tuition Reimbursement up to total \$15,000 per year graduate level, \$7,500 undergraduate level



# Food & Transportation

Summary Report



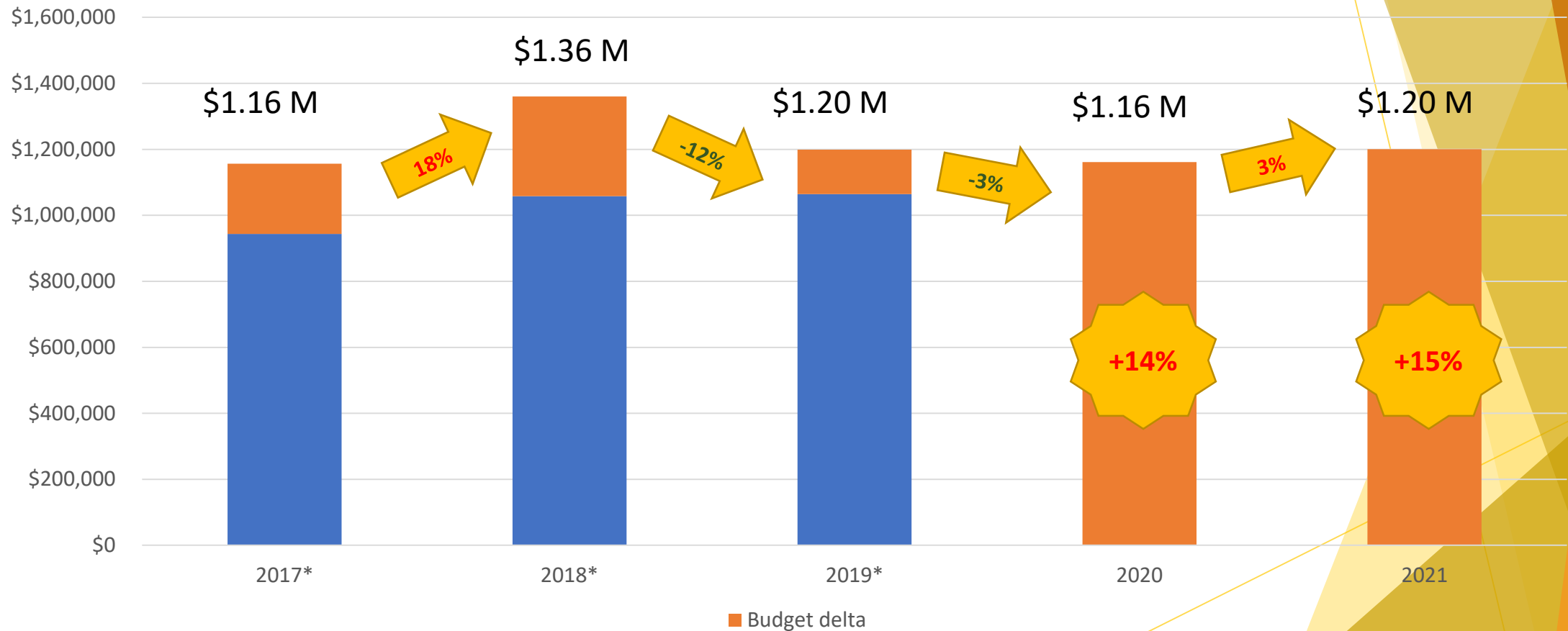
# Financial Summary


- FY21 Budget:
  - \$1,200,238 / 6.4% of total budget
- Change from FY20:
  - \$38,845,644 or 3.3%
  - Adjusted for the reclassification of Food Service Manager salary we are essentially flat from 2020.
- Change from 3-year average:
  - \$184,636 or 18%
  - \$146,248 or 14% when adjusted for FS Manager reclassification
- FY 20 was up \$263,824 or 29% over 3-year average, which had been stable





Food and Transport budget growth is fluctuating a lot, is pretty flat over 5 years, as enrollment declines ~3% per year. There is a significant buffer (~15-20%) built into this budget.



 Above 3-year average



# Food Summary

- Food service is intended to be a break even budget area. It has not broken even (requiring general fund transfers) for the last several years.
- Expecting **~\$38K** break-even shortfall for 2021
- After a schedule-induced drop-off last year, revenue is increasing significantly (16% YTD)
- Only 15% of the Food revenue comes in from “hot meals\*.” 85% is from a la carte items.
- Director Salary, which was previously allocated out of general fund, is now being directly carried out of Food/Transportation accounts. This has no NET effect on the budget overall.
- Forecast is to still not break even next year (this has been a longer term fix but is now on the right trajectory)
- Still no capital plan in place
- Vendor is retiring POS platform, requiring a shift. Selected product has the same annual cost but requires a one time implementation of \$5,000. New system will allow for mobile vending, opening up more revenue opportunities
- Worker’s Comp was down 20% in 2020, back up 20% in 2021. Awaiting an explanation.
- Budget team found one error in the budget, a \$4,500-ish double entry

\* Hot meals are the plated meals served on the line, eligible for Federal reimbursement for free/reduced lunch students



# Transportation Summary

- SPED Transport is budgeted down significantly. Awaiting confirmation, but this is believed to be due to handling more of this load in-house (another benefit of the in-house approach to keep in mind as we evaluate the SPED budget)
- Budgeting for transportation seems to fluctuate significantly (see chart next slide). Is that just due to very conservative budgeting?
- Looking at one HC budget line going up 35% (while HC costs are forecast to rise at ~3%)



# Technology

Summary Report



# Technology

# Financial Summary

- FY21 Budget:
  - \$893,199 / 4.8% of total budget
- Change from FY20:
  - \$ (27,000) = a reduction of 3.0%
  - Replaced full-time staff member with part-time & spread to existing staff
- Change from 3-year average:
  - \$ (13,000) = a reduction of 1.5%
  - Staff reduction offset by upgrade in infrastructure



# Technology Financial Summary

- Largest expense increase
  - 10.2410.650 ( +\$30,000 ) – Computer Software
    - Computer Software (New student information system) 1x fee + annual subscription
    - Switch from PD Express to Frontline (Professional growth software)
    - Yes, we need
  - 10.2410.735 ( +\$10,000 ) – Replacement Equipment
    - Replace 2 copy machines
    - Lease or buy ?
    - Do we need them ?



# Technology

# Summary

- 9<sup>th</sup> grade laptop program assessment needed
  - Track the \$75 per incoming student (4 grades, last 3 years)
  - Is there a surplus or deficit?
  - How many laptops needed to be replaced
- What is the 3-year plan ?
  - Longer-term plan ?
  - Hardware, software and infrastructure



# Facilities

Summary Report





# Facilities Summary

FY21 Budget: \$1,337,238 / 7.1% of total budget

- Change from FY20 Budget: -\$110,415 / -7.63%
- Change from 3-year average: -\$176,811 / -13.2%

(Please note that maintenance salaries are missing from budget but will be submitted to school board with all budget changes. Total estimated impact is \$105,131.)

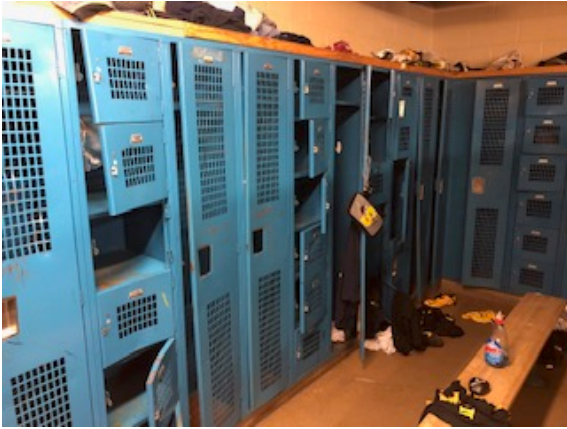
## Recommendations-

- Need to see more efficiencies of the new maintenance team impact the budget. Currently no significant impact YOY.
- Need to identify Safety/Security plan to support budget items.
- Continue to look at vendor savings. Team is doing very well with reducing expense with change to negotiated pricing (WB Mason was example).
- Facility needs repair and board should look at capital reserve funding plan.



# Observations of Facility Repairs Needed

Men's locker room. Underutilized and in need of repair



Water heaters original to building



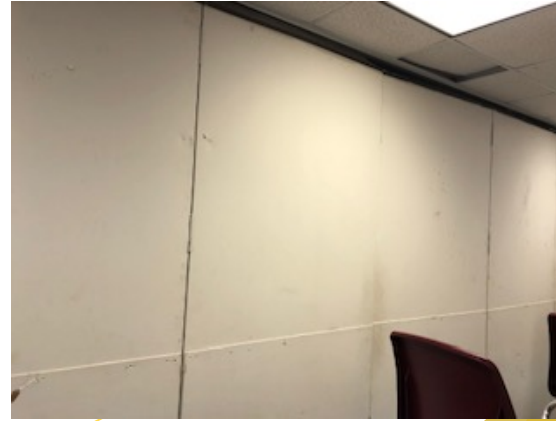
Tile floor cracking at expansion joint



All exterior doors failing



Dividing walls failing with noise bleed between classes





# Administration

Summary Report



# Administration

## Budget totals

- FY21 Budget:
  - \$2,999,397
  - 16.0% of total budget
- Change from FY20:
  - Increase of \$19,516
  - Increase is 0.65%

# Financial Summary

## Primary funding changes related to...

### Salaries and benefits

- SHS portion of the Food Services Manager salary (\$38,378) moved to Food Services
- Administration salaries increased \$19,987  
(primarily salary adjustments)
- Dean of Faculty pay increase
- Health insurance cost increase (\$22,040)

### Other

- SHS portion of district legal services fees increased by \$7,000