

10 - ConVal School Budget (Warrant Article 01)

The first (and most important) warrant article on your ballot determines the amount of expenses (costs) that the District can incur during the 2021-22 school year that begins July 1st.

There are some key points to keep in mind as you read the information provided below and decide to support the budget - or not.

Regardless of the vote on this Warrant Article:

- Certain costs to maintain Covid related safety measures will still be incurred
- Costs of employee health benefits and NH State retirement programs are going to increase by \$1.164 million ... see page 3
- The total operating budget is going to increase by at least \$0.715 million... see “Default”
- State revenues are going to decrease
- Local property taxes are going to increase

Approval of the budget will allow the District to implement three key new programs in our Covid driven “[Journey to Resiliency](#)” plan. The total cost of these programs: \$1.35 million.

Warrant Article 01: Operating Budget - School District-SB2

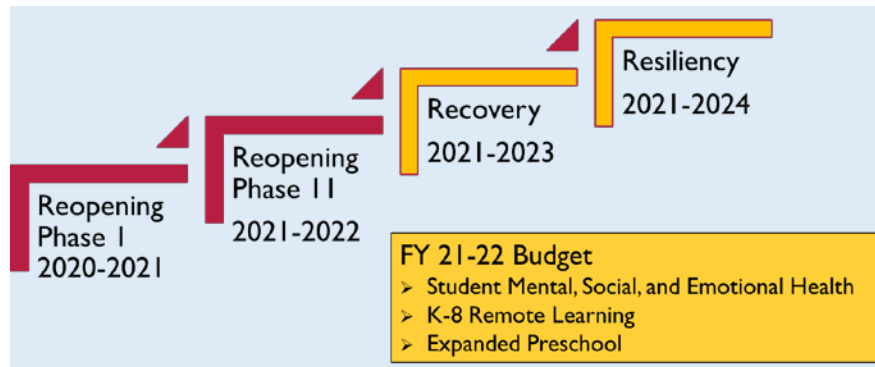
Shall the Contoocook Valley School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$52,583,177? Should this article be defeated, the default budget shall be \$51,065,984 which is the same as last year, with certain adjustments required by previous action of the Contoocook Valley 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. (The ConVal School Board RECOMMENDS adoption of this article by a unanimous vote.)

If this Warrant Article is approved (with a simple majority across the District), the Gross Budget will be \$52.583 million. Voters will have “raised and appropriated” this amount. If the proposed budget is not approved, then the \$51.066M “Default” will be used. This would require a \$1,517,193 reduction in planned programs, staffing, and/or facilities related activities.

FY21-22 Budget Guidance

One of the key roles of the School Board is to provide the Superintendent “guidance” to be followed in the development of the proposed budget. The Board must balance multiple goals as it reviews, modifies, and presents the proposed budget to the voters for approval. In a normal year, those goals include education, cost, equity, student welfare and safety, amongst others. The COVID-19 epidemic raised the importance of some other challenges - including the need to address: remote learning capability, student mental and emotional health, and learning “losses” associated with remote learning and changes in venues throughout the year.

COVID has had an undeniable impact on our costs. The impact was felt last year, more significantly this year, and will likely be a factor for several more years as the District implements our multi-year “Journey to Resiliency”.



The Board is all very much aware of the financial stresses the pandemic has caused for many families in the District. Reductions in

certain state aid and the continuing shift of burden to property owners has not helped. Mandated increases in state retirement rates hit hard. More assistance from the state and federal government is “on the way” – and may help eventually. But we could not include this “aid” in our proposed budget.

As we finalized the budget and considered possible trade-offs, we felt that we must keep our students’ needs as the top priority. We made some tough decisions – the fact that our vote was not unanimous reflects the challenges associated with balancing conflicting goals.

We have included some new programs that will move us along the path to resiliency, recognized the growing presence of technology in the learning process, and scrubbed costs in many areas. Staff has volunteered to forego some of the benefits associated with their professional development as their way of contributing to our collective goals.

We ask that you keep this in mind as you review the proposed budget – and as you decide how to vote.

Budget Structure

Understanding the impact of your vote on the budget is important. That starts with a basic explanation of the structure of the school budget and how local property taxes will be impacted.

The **Gross Budget** amount is what you will vote on. That includes the **Operational Budget** (refer to page 4 for details).

ConVal Budget Structure		
Costs		Revenues
Operational Budget		Local, State, Federal
Other Programs		State Education Tax
Trust Funds		Trust Funds*
Gross Budget	less	Total Revenues
	equals	District Assessment

District Assessment is the difference between the **Gross Budget** and **Total Revenues**. This is the total amount of local property taxes that needs to be collected for the District by the 9 towns in the district.

This article will focus on the proposed Operational Budget for two reasons:

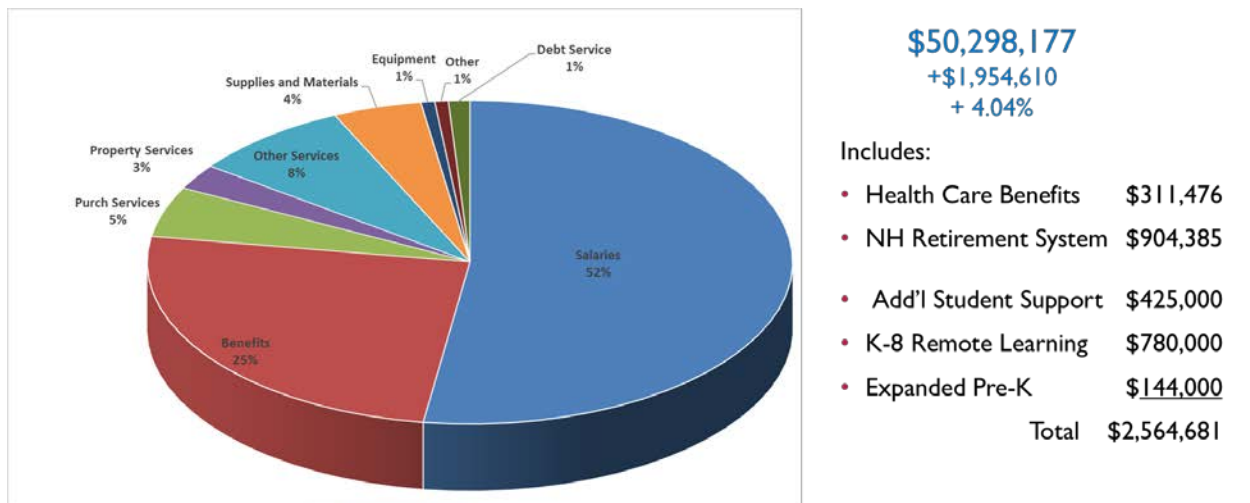
- It is essentially the only the amount the school district can manage and control.
- It determines levels of staffing, programs, facilities, transportation, supplies, etc.

Default Calculation – the “Default” is not actually a budget per se. It is a state prescribed calculation based on the current 20-21 “Approved” budget. “One time” expenses in the current budget are deducted. Increases would include any contractual commitments and other mandated costs. Everything else stays flat.

Operating Budget Comparison		
20-21 Approved	\$48,343,568	Base
21-22 Default	\$49,059,449	\$ 715,881
21-22 Proposed	\$50,298,177	\$ 1,954,609
Proposed V Default		\$ 1,238,728

The 21-22 Default calculation for the Operating Budget is \$715,881 (1.5%) higher than the current year Operating Budget. This increase will happen regardless of the vote. From the voter and taxpayer perspective, the \$1,238,728 (2.5%) difference between the Proposed Budget and the Default is what matters since it determines which programs the District can offer.

Proposed FY21-22 Operating Budget Summary



Note several key points regarding the proposed \$50.298 million operating budget:

- Total proposed increase over current year: \$1.955 million (+4%)
- Salaries and Benefits account for more than 75% of the total costs
- Health care rate increases and other changes: \$311,476
- NH Retirement System (NHRS) employer contribution rates have increased for the coming two-year state budget. District cost increase: \$904,385
- Three new programs associated with our “Journey to Resiliency” account for \$1.349 million
- The net decrease of all other operating costs combined: -\$610,071 This required a significant amount of “scrubbing” and reductions
- The proposed budget does not include the \$847,899 cost increases associated with the proposed one-year extension of the current Collective Bargaining Agreement. That is covered by Warrant Article 02 (we discussed that in an earlier release of this series).

“Journey to Resiliency” - The major new programs being proposed include:

- Additional student support staff
 - Elementary School Counselor, Middle School Counselor, Elementary School ESP
Special Educator - increased Focus on Student Mental, Social, and Emotional Health
 - Technology Integration Specialist for Elementary Schools
- K-8 Competency Based Remote School
 - Remote learning option for all that will continue post pandemic
 - More flexible and personalized experience
- Expanded Pre-K
 - Scaled back expansion of current program for four-year-old children

The following table provides additional information on the Proposed, Default, and Approved 2020-21 Operating budgets. Line by line details of these budgets are available from the School Board website: <https://schoolboard.convalsd.net/budget/>

Description	2021-22 Operating Budget			2020-21
	Proposed	Default	Variance	Approved
100 Salaries	\$ 26,312,402	\$ 25,337,374	\$ (975,028)	\$ 25,111,246
200 Benefits	\$ 12,679,299	\$ 12,654,728	\$ (24,571)	\$ 11,515,056
300 Services	\$ 2,534,357	\$ 3,228,027	\$ 693,670	\$ 2,858,317
400 Property Services	\$ 1,276,388	\$ 828,046	\$ (448,342)	\$ 878,674
500 Other Services	\$ 4,034,891	\$ 4,109,785	\$ 74,894	\$ 4,211,945
600 Supplies & Materials	\$ 2,232,197	\$ 2,142,245	\$ (89,952)	\$ 2,184,825
700 Property Services	\$ 347,431	\$ 326,401	\$ (21,030)	\$ 603,554
800 Other Services	\$ 341,214	\$ 412,412	\$ 71,198	\$ 439,952
900 Debt Service	\$ 540,000	\$ 540,000	\$ -	\$ 540,000
Total Operational Budget	\$ 50,298,177	\$ 49,579,016	\$ (719,161)	\$ 48,343,568

Gross Operating Budget

Warrant Article 01 references the **Gross Budget**, which includes the **Operating Budget** plus costs associated with **Other Programs** and any approved appropriations to **District Trust Funds**.

Other Programs – are costs associated with several federal, state, and local “programs” and funds. Note that these costs are directly offset by equal revenues.

Program	Proposed Budget (21-22)				
	Costs	Total	Federal	State	Local
Title I & II	\$ 550,000	\$ 550,000	\$ 550,000	\$ -	\$ -
Other Federal	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	\$ -
IDEA	\$ 600,000	\$ 600,000	\$ 600,000	\$ -	\$ -
Food Service/Child Nutrition	\$ 810,000	\$ 810,000	\$ 600,000	\$ 200,000	\$ 10,000
Special Revenue Fund	\$ 75,000	\$ 75,000		\$ -	\$ 75,000
Total	\$ 2,285,000	\$ 2,285,000	\$ 2,000,000	\$ 200,000	\$ 85,000

District Trust Funds – the ballot includes separate warrant articles (04-09) for various District “Trust funds”. These were discussed in a previous release in this series.

Total Revenues

Revenues come from local, state, and federal sources as shown in the adjoining table. Note that the estimate of Total Revenues is \$1,058, 418 (-6.66%) lower than FY20-21. Details of revenues are included page 10-7.

Local Sources – the \$916,000 decrease in revenue from local sources shown is partly the result of the exclusion of Trust Fund Appropriations from the Proposed Budget. The \$1,582,000 in the FY21 Budget includes \$670,000 for Trust Fund transfers.

	Revenues			
	Approved FY21	Proposed FY22	V\$	V%
Local Sources	\$ 1,582,000	\$ 666,000	\$ (916,000)	-57.90%
State Sources	\$ 8,312,504	\$ 7,898,622	\$ (413,882)	-4.98%
Federal Sources	\$ 1,706,535	\$ 2,000,000	\$ 293,465	17.20%
State Education Tax	\$ 4,281,725	\$ 4,259,724	\$ (22,001)	-0.51%
Total Estimated Revenues	\$ 15,882,764	\$ 14,824,346	\$ (1,058,418)	-6.66%
Ex Trust Funds				
Local Sources	\$ 912,000	\$ 666,000	\$ (246,000)	-26.97%
Total Estimated Revenues	\$ 15,212,764	\$ 14,824,346	\$ (388,418)	-2.55%

An “apples-to apples” comparison would show a \$246,000 reduction in the estimated local revenues. This is driven by necessarily conservative estimates for Special Revenues and Child Nutrition.

State Sources - the -\$413,882 (-4.98%) reduction in estimated state revenue is driven by the expected reduction in our State Adequacy Grant. You may have read about this state-wide issue for school districts. NH calculations for adequacy is based on the student count in October – and numbers were down this past October due to COVID. We must budget for the lower amount. But we will also advocate for legislation to use the previous year student date to avoid the reduction. If that happens before tax bills are issued next December, the District Assessment would decrease accordingly.

District Assessment

District Assessment is the difference between the Gross Budget and Total Revenues. This sum is the total amount of local property taxes that needs to be collected for the District by the 9 towns in the district. This will increase regardless of the vote. Note that the Proposed/Default difference is 4%.

	Approved FY21	Proposed FY22	Default FY22
Operating Budget	\$ 48,343,568	\$ 50,298,177	\$ 49,059,449
Other Program Costs	\$ 2,221,535	\$ 2,285,000	\$ 2,006,535
subtotal	\$ 50,565,103	\$ 52,583,177	\$ 51,065,984
Trust Funds	\$ 670,000	Warrant Articles 04 through 09	
Gross Budget	\$ 51,235,103	\$ 52,583,177	\$ 51,065,984
Revenues	\$ 15,882,764	\$ 14,824,346	\$ 14,824,346
District Assessment	\$ 35,352,339	\$ 37,758,831	\$ 36,241,638
		Warrant Article I Approved	Warrant Article I Not Approved

School District Budget History

The table below shows the impact of several combinations of votes on the various Warrant Articles:

- The “Proposed” 2021-22 Budget includes costs associated with Warrant Article 01 only – and is shown in comparison to several years of previously approved budgets. All of the prior year budgets include approved voter approved Collective Bargaining Agreement (CBA) increases. The “Proposed” amount does not.
- The “All-In” 2021-22 Budget includes the Proposed Budget (Warrant Article 01) **plus** the proposed CBA extension (Warrant Article 02) **and** the \$700,000 proposed for District Trust Fund appropriations (Warrant Articles 04 through 09).

ConVal Budget History					
	All In	Proposed	Approved		
	2021-22	2021-22	2020-21	2019-20	2018-19
Operating Budget	\$ 51,146,076	\$ 50,298,177	\$ 48,343,568	\$ 46,815,658	\$ 45,065,863
V%	5.80%	4.04%	3.26%	3.88%	4.59%
Gross Budget	\$ 54,131,076	\$ 52,583,177	\$ 51,235,103	\$ 49,637,193	\$ 48,712,398
V%	5.65%	2.63%	3.22%	1.90%	7.51%
Revenues	\$ 15,524,346	\$ 14,824,346	\$ 15,882,764	\$ 16,504,233	\$ 16,930,155
V%	-2.26%	-6.66%	-3.77%	-2.52%	37.38%
District Assessment	\$ 38,606,730	\$ 37,758,831	\$ 35,352,339	\$ 33,132,960	\$ 31,782,243
V%	9.21%	6.81%	6.70%	4.25%	-3.65%

Summary

COVID-19 has had a significant impact on the District. Direct costs associated with personnel protection, cleaning, and remote learning are not the only costs we must address in the proposed budget. It is widely recognized that the mental, social, and emotional health of students across the state and the country has been impacted by the pandemic. Remote learning is the new norm. Our proposed budget allows us to make that more effective and more tailored to the students that choose that option after the COVID emergency is declared over.

The ConVal School Board recognizes that the proposed budget will increase the local education portion of your property taxes. We all would prefer that they go down – we’re taxpayers too. The difficulty associated between choosing to support our students or to minimize property taxes is reflected in the split vote of the Board on the proposed budget – but we voted to support the students by a significant 2:1 margin.

Finally, we’re aware that additional federal and/or state funding is “in the works” and that may allow us to reduce the impact before taxes are calculated at the end of the year.

We encourage you to vote “YES” and support the proposed budget.

Revenue Code	Description	Proposed 2021-2022	Approved 2020-2021	Difference Increase (Decrease)	Percent
1000	Revenue from Local Sources				
	Regular Ed, Preschool, Sped Tuition	\$ 115,000	\$ 115,000	\$ -	0.00%
	Voc Ed Tuition	\$ 16,000	\$ 16,000	\$ -	0.00%
	Total Tuition	\$ 131,000	\$ 131,000	\$ -	0.00%
	Unreserved Fund Balance	\$ 250,000	\$ 250,000	\$ -	0.00%
	Transfer to Building Capital Reserve	\$ -	\$ 550,000	\$ (550,000)	-100.00%
	Transfer to Sped Trust Fund	\$ -	\$ -	\$ -	0.00%
	Transfer to Health Maintenance Trust Fund	\$ -	\$ 25,000	\$ (25,000)	-100.00%
	Transfer to Athletic Trust	\$ -	\$ 25,000	\$ (25,000)	-100.00%
	Transfer to Equipment Trust	\$ -	\$ -	\$ -	0.00%
	Transfer to Energy Trust	\$ -	\$ 70,000	\$ (70,000)	-100.00%
	Earned Interest	\$ 10,000	\$ 31,000	\$ (21,000)	-67.74%
	Special Revenue Fund	\$ 75,000	\$ 200,000	\$ (125,000)	-62.50%
	Child Nutrition	\$ 200,000	\$ 300,000	\$ (100,000)	-33.33%
	Total Local Sources	\$ 666,000	\$ 1,582,000	\$ (916,000)	-57.90%
3000	Revenue from State Sources				
	Adequacy Grant	\$ 7,725,622	\$ 8,062,504	\$ (336,882)	-4.18%
	Special Education Aid	\$ 38,000	\$ 110,000	\$ (72,000)	-65.45%
	Vocational Aid	\$ 25,000	\$ 25,000	\$ -	0.00%
	Child Nutrition	\$ 10,000	\$ 15,000	\$ (5,000)	-33.33%
	Medicaid	\$ 100,000	\$ 100,000	\$ -	0.00%
	Total State Sources	\$ 7,898,622	\$ 8,312,504	\$ (413,882)	-4.98%
4000	Revenue from Federal Sources				
	All Special Ed	\$ 600,000	\$ 475,000	\$ 125,000	26.32%
	Title I & II	\$ 550,000	\$ 403,535	\$ 146,465	36.30%
	Child Nutrition	\$ 600,000	\$ 585,000	\$ 15,000	2.56%
	Other Federal Sources	\$ 250,000	\$ 243,000	\$ 7,000	2.88%
	Total Federal Sources	\$ 2,000,000	\$ 1,706,535	\$ 293,465	17.20%
5000	Revenue from Other Sources				
	Bond Sales	\$ -	\$ -	\$ -	0.00%
	Total Other Sources	\$ -	\$ -	\$ -	0.00%
	State Education Tax	\$ 4,259,724	\$ 4,281,725	\$ (22,001)	-0.51%
	TOTAL ESTIMATED REVENUES	\$ 14,824,346	\$ 15,882,764	\$ (1,058,418)	-6.66%
	PROPOSED GROSS BUDGET	\$ 52,583,177	\$ 51,235,103	\$ 1,348,075	2.63%
	Less Revenues	\$ 14,824,346	\$ 15,882,764	\$ (1,058,418)	
	DISTRICT ASSESSMENT	\$ 37,758,831	\$ 35,352,339	\$ 2,406,493	6.81%