

No. 4: ConVal Trust Funds

There are five (5) separate Warrant Articles included on the March 8 ballot that are related to this subject:

5. Establish and Appropriate to Technology Trust Fund
6. Appropriate to Energy Trust Fund from Fund Balance
7. Appropriate to Building Capital Reserve Fund from Fund Balance
8. Appropriate to Health Trust Fund from Fund Balance
9. Appropriate to Building Capital Reserve Fund from Fund Balance

District Trust Funds

ConVal voters have approved the establishment and funding of six “trust funds”.

- Special Education Reserve Trust Fund
- Building Capital Reserve Fund
- Energy Trust Fund
- Equipment Trust Fund
- Athletic Trust Fund
- Health Trust Fund

Each has a specific purpose that limits how funds in each trust may be spent, but there are two general purposes:

- Emergency or unanticipated expenses (e.g. replacement of failed equipment)
- Levelize the budget (e.g. accumulate funds over several years for a high cost project)

The School Board has the authority to approve expenditures from these funds. A Public hearing must be held prior to Board approval of any expenditure.

Technology Trust Fund - this year the Board is proposing that one additional Trust Fund be established. This new fund would be utilized *“for the purpose of acquiring and maintaining hardware, software, and services as necessary to support the use of digital equipment and technology throughout the District”*.

Funding of the Trust Funds

There are two ways to fund the funds – both of which require voter approval (by simple majority)

- Utilize end of year “Fund Balance”
- Direct appropriation “raise and appropriate”

Fund Balance - Once the “surplus” at the end of each year is determined, \$\$ can be transferred to the various Trust Funds, provided the specific warrant articles for that fund has been approved.

Each Trust Fund Warrant Article defines: the amount to be transferred, the fund to be transferred to, and that the \$\$ come from the prior year fund balance. The order of listing of these Warrant Articles establishes the funding priority in the event the total “surplus” is insufficient to fund all of the approved transfers.

Here's a typical Warrant Article.

Shall the Contoocook Valley School District vote to raise and appropriate the sum of \$XXX,000 to be added to the ____ Trust Fund as previously established? This sum to come from June 30, 2021 fund balance available for transfer on July 1, 2021 with no amount to be raised from taxation.

Note the inclusion of the highlighted clause. If this was not included, then the warrant article would be considered a direct appropriation – and approval would mean additional taxes would be raised.

Direct Appropriation - The proposed Technology Trust Fund would initially use this funding approach:

Article 05: Establish and Appropriate to Technology Trust Fund

Shall the Contoocook Valley School District vote to establish an expendable trust fund under the provisions of RSA 198:20-c, to be known as the Technology Trust Fund, for the purpose of acquiring and maintaining hardware, software, and services as necessary to support the use of digital equipment and technology throughout the District, and shall it raise and appropriate the sum of \$100,000 to be placed in the fund; further to name the school board as agents to expend from this fund.

Note that this warrant article (1) establishes the new fund, (2) defines the purpose of the fund, (3) raises and appropriates monies for the fund, and (4) gives the School Board authority to expend from the fund.

The following is a summary of the Warrant Articles that have been on the ballot for the past several years – and this year. Note that the “raise and appropriate” funding strategy was used when the Energy & Efficiency Trust Fund was established after voters approved that in March 2020.

Trust Fund Warrant Articles							
Ballot (March)	2017	2018	2019	2020	2021	2022	WA
Capital	\$ 250,000	\$ 250,000	\$ 250,000	\$ 550,000	\$ 500,000	\$ 750,000	7,9
Equipment	\$ 100,000	\$ 100,000	\$ 100,000		\$ 50,000		
Health	\$ 100,000		\$ 50,000	\$ 25,000		\$ 50,000	8
Athletics	\$ 100,000	\$ 75,000		\$ 25,000	\$ 25,000		
Special Education			\$ 200,000		\$ 100,000		
Energy				\$ 75,000	\$ 25,000	\$ 100,000	6
Technology						\$ 100,000	5
Total	\$ 550,000	\$ 425,000	\$ 600,000	\$ 675,000	\$ 700,000	\$ 1,000,000	
Voter Approval	Approved	Approved	Approved	Approved	Approved	Proposed	
				New Fund - "Raise & Appropriate"			

The Capital Reserve Trust Fund would be used for several major renovations projects that will need to be addressed over the next several years.

The Energy Trust Fund would be used to “buyout” the new CVHS solar system five years from now, thereby increasing energy savings.

The Health Fund could be used to offset costs associated with the difference between budgeted health insurance premiums and actual costs once the final rates are established. For FY23, the Board chose not to budget to the “maximum” plan rate quoted by our insurance provider.