WARRANT ARTICLE 1: OPERATING BUDGET

Shall the 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 $2,536,312? Should this article be defeated, the default budget shall be $2,539,326, which is the same as last year, with certain adjustments required by previous action of the 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 vote required.)

Note: Warrant Article #1 (operating budget) does not include appropriations in any other warrant articles.
The South Hampton Community

A community of parents, students and staff, creating a nurturing environment to maximize every student's potential for learning.

The proposed FY 2020-21 operating budget reflects an investment at the Barnard School to provide our students an environment that emphasizes the development of the whole person, provides a program of strong academics, and offers a center of community focus.
The proposed South Hampton School District 2020-21 operating budget was established to provide investment and resource allocation that enhances academic programs and experiences that supports all students. The following outlines four (4) primary objectives:

1) Investment in world language program to provide adequate course scheduling for grades 6-8 to meaningfully address the transition to high school world language curriculum requirements.

2) Focus on student learning to fully maximize and leverage the implementation of our SAU-wide Competency Based Education (CBE) initiative.

3) Support social and emotional learning (SEL) programming in K-8.

4) Provide appropriate funding and allocation to provide the opportunities and education that empowers individuals to be caring, competent, responsible citizens who value learning as a lifelong process – while being cognitive of fiscal responsibility to the community and taxpayers of South Hampton.
South Hampton School District enrollment projections conducted by the New England School Development Council (NESDEC) indicate an increase in enrollment over the next three (3) years for grades K-8.
South Hampton School District high school enrollment projections, based on actual current student enrollment indicates another increase for 2020-21 with relatively flat enrollment over the subsequent three (3) years.
The FY 2020-21 South Hampton proposed operating budget is $2,536,312, which reflects an increase of +8.28% or a +$193,987 increase from the 2019-20 budget.

Further, the proposed 2020-21 operating budget is -$3,014 or -0.12% less than the default budget of $2,539,326.

The budget reflects significant reductions and/or level funding on discretionary accounts – with the overall increase due to contractual and legally mandated expenditures.
BUDGET DRIVERS

The following four (4) FY 2020-21 budget components represent +$187,680 of the total +$193,987 increase:

**Special Education: +$57,758**
Increases for special education services, per students’ individualized education plans (IEP) as mandated by state and federal law.

**High School Tuition: +$47,477**
Due to the increase in the incoming 9th grade class for 2020-21.

**Employee Benefits: +$38,502**
Reflects increased health insurance reflecting staffing changes resulting in plan election changes and a 1.8% GMR for premiums as well as increases to retirement contribution, FICA/Medicare, and LTD insurance due to increased salaries based on the new CBA.

**Seacoast Education Association (SEA) CBA Salaries: +$43,943**
Represents 2.75% cost of living adjustment (COLA) and step increases per new collective bargaining agreement (CBA).

Removing these four (4) increases would result in a 2020-21 budget increase of +$6,307 or a slight increase of +0.27%.
COST OF LIVING ADJUSTMENT
Embedded in the South Hampton School District operating budget is a cost of living adjustment (COLA) for all non-union staff members and a cost of living adjustment for union employees as dictated by their respective collective bargaining agreement (CBA).

The non-union COLA represents an annual salary increase as recommended and aligned SAU-wide based upon documented inflation. We utilize the consumer price index (CPI) for the Portsmouth region. The CPI saw an increase of 2.0% from July 2018 to July 2019 for our specific geographic region. The budget process is such that we forecast a year in advance, and inflation data looks at 12 months in arrears. So, although the COLA will never match CPI on an annual basis, this consistent practice equalizes any inequality, by utilizing the same time-frame and index. As such, the administration recommended a non-union staff cost of living adjustment of 2.0% SAU-wide for the 2020-21 school year.

The Seacoast Education Association (SEA) collective bargaining agreement for teachers calls for a 2.75% COLA, and is included in the 2020-21 operating budget.

The Seacoast Educational Personnel Association collective bargaining agreement expires at the end of the FY 2019-20 school year. Any COLA increase for FY 2020-21 will be included in a separate warrant article and is not included in the operating budget.
BUDGET IN DETAIL

REGULAR EDUCATION
Budget: $609,980
Increase: +$48,446 (+8.63%)
The increase in Regular Education reflects the new SEA collective bargaining agreement (CBA) cost of living adjustment and step increases, and an increase in the substitute teachers accounts, based on actual expenditure history. Additionally, the 0.2 FTE world language position has been adjusted to 0.3 FTE to provide adequate course scheduling for grades 6-8 to meaningfully address the transition to high school world language curriculum requirements. The increases were slightly offset by the creation of a more cost efficient SAU-wide full-time ESOL teacher.

SPECIAL EDUCATION
Budget: $471,217
Increase: +$46,593 (+10.97%)
The increase in Special Education is primarily due to increases in professional services (speech/language and BCBA service needs) and the staff cost of living adjustment and step increases. Expenditure adjustments in Special Education is based on student need as dictated by individual education plan (IEP) services, mandated by state and federal law.
STUDENT ACTIVITIES
Budget: $14,300
Increase: +$1,481 (+11.55%)
The primary driver for the increase in Student Activities is due to the anticipated full participation of all athletic teams and groups. Previous years were under budgeted based on less anticipated participation numbers.

GUIDANCE
Budget: $14,414
Increase: +$893 (+6.60%)
The increase in Guidance reflects the SEA collective bargaining agreement (CBA) cost of living adjustment (COLA) and step increase.

HEALTH
Budget: $67,539
Increase: +$10,510 (+18.43%)
The increase in Health reflects the SEA collective bargaining agreement (CBA) cost of living adjustment (COLA), step increase, and an anticipated track advance from 9B to 9M.
IMPROVEMENT OF INSTRUCTION
Budget: $8,076
Decrease: -$1,575 (-16.32%)
The decrease in the Improvement of Instruction account reflects slight decreases in curriculum salaries, testing, in service training, and professional development based on actual expenditure history.

EDUCATIONAL MEDIA
Budget: $201
Increase: +$0 (+0.00%)
No increase to the Educational Media account is budgeted.
TECHNOLOGY
Budget: $46,491
Decrease: -$6,215 (-11.79%)
The reduction in the technology budget is due to decreases in technology salary due to staffing changes, slightly offset by an increase in software (note: we consolidated all software expenditures into this account to better reflect all software and subscription purchasing in a single account).

BOARD OF EDUCATION
Budget: $18,803
Increase: +$470 (+2.56%)
The slight increase in the Board of Education account reflects adjustments to legal, postage, and advertising based upon actual expenditure history.
SAU SERVICES
Budget: $60,541
Increase: +$4,094 (+7.25%)
The increase in SAU services reflects higher allocation for South Hampton based on increased enrollment, and an enhanced vision of the SAU, envisioned to better serve all of our districts. The new SAU 21 organizational model provides an aligned, high functioning structure that utilizes economy of scale, operational efficiencies, and shared personnel – to provide cost, performance, and efficiency benefits to each individual district.

SCHOOL ADMINISTRATION
Budget: $134,425
Decrease: -$1,598 (-1.17%)
The slight decrease in the School Administration account is due to a reduction in budget salary, telephone, and postage.
BUILDINGS
Budget: $116,641
Decrease: -$7,786 (-6.26%)
The decrease in the Buildings account reflects a reduction in the repair/maintenance and bottled gas, fire protection, and salary accounts, based on actual expenditure history. The decrease was slightly offset by an increase to our budgeted water (testing, filtration, and service) expenditures.

GROUNDs
Budget: $12,330
Decrease: -$450 (-3.52%)
The decrease in the Grounds account is due to a slight decrease in the Snow Removal account based on actual expenditure history.
TRANSPORTATION
Budget: $79,199  
Increase: +$13,095 (+19.81%)
The increase in transportation is primarily due to special education transportation, based on student need as dictated by Individualized Education Plan (IEP) services, mandated by state and federal law. The remainder of the increase reflects year 2 of the 5-year contract with First Student to supply regular education, athletic, field trip, and other transportation services.

EMPLOYEE BENEFITS
Budget: $383,950  
Increase: +$38,502 (+11.15%)
The increase in employee benefits primarily reflects a 1.8% guaranteed maximum rate (GMR) for health insurance premiums and increases in FICA and retirement due to salary increases based on the new SEA collective bargaining agreement.
HIGH SCHOOL TUITION
Budget: $496,898
Increase: +$47,477 (+10.56%)
The increase in high school tuition reflects the addition of four (4) high school students, reduced by $15,000 with the intention of withdrawing funds from the tuition stabilization expendable trust.

INTERFUND TRANSFER
Budget: $1
Increase: +$0 (+0.00%)
No increase to the Interfund Transfer is budgeted.

FOOD SERVICE
Budget: $1,305
Increase: +$50 (+3.98%)
The adjustment in the food service account reflects an increase in milk consumption.
BUDGET IN DETAIL

DEFAULT BUDGET

$2,539,326 (+$3,014 more than the proposed operating budget of $2,536,312)

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 and by salaries and benefits of positions that have been eliminated in the proposed budget. For the purposes of this paragraph, one-time expenditures shall be appropriations not likely to recur in the succeeding budget, and eliminated positions shall not include vacant positions under recruitment or positions redefined in the proposed operating budget, as determined by the governing body, unless the provisions of RSA 40:14-b are adopted, of the local political subdivision. In calculating the default budget amount, the governing body shall follow the statutory formula which may result in a higher or lower amount than the proposed operating budget.
WARRANT ARTICLE 2:
SEACOAST EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

To see if the School District will vote to approve the cost items included in the collective bargaining agreement reached between the South Hampton School Board and the Seacoast Educational Support Personnel Association which calls for the following increases in salaries and benefits at the proposed staffing levels:

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Salary Increase (including Salary Driven Benefits)</th>
<th>Estimated Health Insurance Increase</th>
<th>TOTAL Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>$4,200</td>
<td>$0</td>
<td>$4,200</td>
</tr>
<tr>
<td>2021-22</td>
<td>$3,398</td>
<td>$3,813</td>
<td>$7,202</td>
</tr>
<tr>
<td>2022-23</td>
<td>$2,480</td>
<td>$4,195</td>
<td>$6,674</td>
</tr>
<tr>
<td>2023-24</td>
<td>$2,410</td>
<td>$5,720</td>
<td>$8,130</td>
</tr>
</tbody>
</table>

and further to raise and appropriate the sum of $4,200 for the 2020-21 school year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at proposed staffing levels in accordance with the current collective bargaining agreement. (Majority vote required.) The School Board and the Budget Committee recommend this article.

Note: In order for this article to be adopted, it must be approved by the voters of the school districts of Hampton Falls, North Hampton, Seabrook, South Hampton and the voters of the Winnacunnet Cooperative School District (which includes Hampton voters).
The proposed collective bargaining agreement (CBA) for our invaluable SESPA employees provides improved compensation and benefits to better retain and attract vital educational associates, contractual language to better manage these employees efficiently, and safeguards against potential Affordable Care Act (ACA) IRS penalties.

**DURATION**
Four (4) year agreement spanning July 1, 2020 to June 30, 2024 to ensure consistency and stability.

**COMPENSATION**
- **Year 1:** inclusive of a 2.5% cost of living adjustment
- **Year 2:** inclusive of a 1.0% cost of living adjustment and addition of step 11
- **Year 3:** inclusive of a 1.0% cost of living adjustment
- **Year 4:** inclusive of a 1.0% cost of living adjustment

Further, an extra longevity stipend for achieving 20 years of service is included for an additional $200.

**NOTE:** The average SAU 21 SESPA employee currently has an annual salary of $21,150.25.
HEALTH INSURANCE
The agreement offers health insurance for employees at full-time, 30 hour status in a tiered, multi-year approach to minimize costs to the district. The following summarizes the proposal:

- SESPA Employees will be eligible for **single** medical insurance coverage, under the Anthem Site of Service (SOS) low cost plan.

- The following is the percentage of premium the district (employer) will contribute:
  - Year 1: 0%
  - Year 2: 40%
  - Year 3: 60%
  - Year 4: 80%

- SESPA employees who worked 35 hours and were previously eligible for health insurance are grandfathered under the previous coverage.

IMPORTANT NOTE
- Two (2) SAU 21 districts have been levied with ACA IRS penalties for not offering affordable health care insurance to SESPA employees. This coverage will eliminate this exposure and cost liability.
- The lack of health insurance coverage is the #1 reason cited for SESPA employee turnover and difficulty hiring.
The following language adjustments are intended to help the school administration to operate more efficiently, maintain morale, and manage the team more effectively:

➢ All SESPA employees will be assigned one (1) thirty minute work period per week for SESPA employees to complete necessary paperwork, relevant meetings, or other activities as assigned by supervisor.

➢ All SESPA employees will be required to attend a monthly staff or department meeting after school hours at their normal rate of pay.

➢ The sick leave bank language has been streamlined and simplified for better management and execution of sick bank donations and withdrawals.

➢ Allowance of one SESPA member to attend NEA-NH Assembly of Delegates for one day, once a year at no loss of pay.

➢ Sick and personal leave abuse language has been included to minimize unnecessary use of sick and personal days.
The following language adjustments are intended to help the school administration to operate more efficiently, maintain morale, and manage the team more effectively:

- The sick leave language has been adjusted to allow for more roll-over of sick leave on an annual basis – to minimize the potential for employees to utilize sick leave when not necessary.

- Personal days for SESPA employees have been capped at 1 personal day per school on the same day during the months of May and June.

- Bereavement language has been adjusted to allow for special approval of bereavement leave outside of the employee’s immediate family.

- Other language adjustments include clarification of arbitration process, use of facilities, and hiring practice.
WARRANT ARTICLE 2:
SEACOAST EDUCATIONAL SUPPORT PERSONNEL ASSOCIATION

SCHOOL DISTRICT COSTS:
The following summarizes the cost to the school district for the proposed SESPA collective bargaining agreement (CBA):

<table>
<thead>
<tr>
<th>SOUTH HAMPTON</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Step</td>
<td>$1,433.90</td>
<td>$2,228.16</td>
<td>$1,292.48</td>
<td>$1,212.95</td>
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<tr>
<td>Cost of Living Adjustment</td>
<td>$2,766.08</td>
<td>$1,160.20</td>
<td>$1,186.60</td>
<td>$1,197.00</td>
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<tr>
<td>Health Insurance</td>
<td>$0.00</td>
<td>$3,813.41</td>
<td>$4,194.75</td>
<td>$5,720.11</td>
</tr>
<tr>
<td>South Hampton TOTAL</td>
<td>$4,199.98</td>
<td>$7,201.77</td>
<td>$6,673.82</td>
<td>$8,130.06</td>
</tr>
</tbody>
</table>
IMPACT TO SCHOOL DISTRICTS
SESPA employees represent a significant portion of overall school district staff, providing essential personalized interaction with students both in a special education and regular education capacity. These often overlooked team members are on the front lines working with our students with greatest need, assist with those students needing extra attention, or simply provides the classroom teacher another helpful hand.

The SAU suffers from a 25% turnover rate of these important educational associates and long vacancies due to difficulties hiring qualified personnel for open positions. The #1 oft-cited reason is a lack of health insurance coverage. 76% of the positions are not currently covered by health insurance. The proposed agreement will cover all but 3% of these positions.

Comparable SAU's in our geographic area all offer health insurance and more competitive compensation packages. As such, SAU 21 is at a significant competitive disadvantage.
IMPORTANT NOTE
Historically, due to the mechanisms of passing a CBA warrant article – it has been difficult to pass the SESPA CBA. When this occurs, SESPA employees do not receive pay increases or steps. And, this further perpetuates a compensation differential with surrounding SAU’s.

The CBA is a collaborative agreement at SAU 21. As such, it is important to note that the CBA warrant article needs to pass in all five (5) school districts within SAU 21 – in order for it to take effect in any one district. If any individual school district CBA warrant article fails, they all fail.

Therefore, all five districts need to vote and pass the warrant article, for it to take effect in any one district. The following are the towns and ballots that are included:

- **Seabrook**: Seabrook CBA and Winnacunnet CBA
- **Hampton Falls**: Hampton Falls CBA and Winnacunnet CBA
- **North Hampton**: North Hampton CBA and Winnacunnet CBA
- **Hampton**: Winnacunnet CBA
- **South Hampton**: South Hampton CBA
To see if the School District will vote to raise and appropriate the sum of $10,000 to be added to the existing Tuition Stabilization Expendable Trust fund to supplement the funding of high school tuition costs? The School Board and the Budget Committee recommend this appropriation. (Majority vote required.)
WARRANT ARTICLE 3:
TUITION STABILIZATION
EXPENDABLE TRUST

AMOUNT: $10,000                  FUNDING SOURCE: Raise and Appropriate

The Tuition Stabilization Expendable Trust was established for the purpose of supplementing and safeguarding the school district against anticipated increases in high school tuition, due to projected enrollment increases.

Important Note: The proposed 2020-21 operating budget includes a reduction of $15,000 from the Tuition account, with the anticipation of withdrawing those funds from the Tuition Stabilization Expendable Trust.

<table>
<thead>
<tr>
<th>Expendable Trust:</th>
<th>Balance:</th>
<th>Target:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition Stabilization:</td>
<td>$41,451</td>
<td>$36,000</td>
</tr>
</tbody>
</table>
WARRANT ARTICLE 4:
ROOF EXPENDABLE TRUST

To see if the School District will vote to raise and appropriate the sum of $15,000 to be added to the existing Roof Expendable Trust fund for the purpose of repairing or replacing roofs on the South Hampton School District buildings? The School Board and the Budget Committee recommend this appropriation. (Majority vote required.)
WARRANT ARTICLE 4: ROOF EXPENDABLE TRUST

AMOUNT: $15,000  FUNDING SOURCE: Raise and Appropriate

The Roof Expendable Trust was established for the purpose of setting aside funds for anticipated roof replacement at the Barnard School.

Important Note: The gymnasium roof condition has worsened in the last year. We continue to expend funds to temporarily patch the roof, however, the roof seam remains an issue with persistent leaking. The concern of water damage has lead the Board to prioritize this roof replacement when sufficient funding is available.

Expendable Trust: Balance: Target:
Roof: $44,781 $100,000
To see if the School District will vote to raise and appropriate $15,000 to be added to the existing Special Education Expendable Trust Fund, with up to $15,000 to be funded from the June 30, 2020 unassigned fund balance available for transfer on July 1, 2020? No additional amount to be raised from taxation.

The School Board and the Budget Committee recommend this appropriation. (Majority vote required.)
WARRANT ARTICLE 5:
SPECIAL EDUCATION EXPENDABLE TRUST

AMOUNT: $15,000  
FUNDING SOURCE: Unreserved Fund Balance

Budgeting and associated funding for special education continues to present fiscal challenges to the district.

The Special Education Expendable Trust was established for the purpose of funding unanticipated special education costs. As such, it is beneficial to replenish the Special Education Expendable Trust to safeguard and mitigate future unexpected costs.

Important Note: Funding for the Special Education Expendable Trust comes from any potential available year-end fund balance – not raised via additional taxation.

<table>
<thead>
<tr>
<th>Expendable Trust:</th>
<th>Balance:</th>
<th>Target:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Education:</td>
<td>$142,552</td>
<td>$400,000 (updated to reflect increased out of district placement costs)</td>
</tr>
</tbody>
</table>
To see if the School District will vote to raise and appropriate $20,000 to be added to the existing Building Maintenance Expendable Trust Fund, with up to $20,000 to be funded from the June 30, 2020 unassigned fund balance available for transfer on July 1, 2020?  No additional amount to be raised from taxation.

The School Board and the Budget Committee recommend this appropriation. ( Majority vote required.)
WARRANT ARTICLE 6: BUILDING MAINTENANCE EXPENDABLE TRUST

AMOUNT: $20,000  
FUNDING SOURCE: Unreserved Fund Balance

The Building Maintenance Expendable Trust was established for the purpose of funding and safeguarding the school district against building and facility related costs, or building maintenance related expenditures.

Important Note: Funding for the Building Maintenance Expendable Trust comes from any potential available year-end fund balance – not raised via additional taxation.

<table>
<thead>
<tr>
<th>Expendable Trust:</th>
<th>Balance:</th>
<th>Target:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Maintenance:</td>
<td>$35,386</td>
<td>$150,000</td>
</tr>
</tbody>
</table>
WARRANT ARTICLE 7:
DISCONTINUE GENERATOR EXPENDABLE TRUST

To see if the School District will vote to discontinue the Generator Expendable Trust Fund created in 2014. Said funds, with accumulated interest to date of withdrawal, are to be transferred to the municipality's general fund. The School Board and the Budget Committee recommend this appropriation. ( Majority vote required.)
WARRANT ARTICLE 7: DISCONTINUE GENERATOR EXPENDABLE TRUST

AMOUNT: $10,900

The proposed warrant article will dissolve the Generator Expendable Trust and return the unexpended funds to the town to offset assessment.
WARRANT ARTICLE 8:
CITIZEN’S PETITION –
HIGH SCHOOL TUITION

To see if the School District will vote to authorize the School Board to negotiate a tuition agreement with the Winnacunnet Cooperative School District to allow South Hampton students to attend Winnacunnet High School in Hampton, NH on such terms and conditions as the South Hampton School Board shall determine are in the best interest of the South Hampton School District. If the tuition rate is more than the tuition rate under the Amesbury agreement, the South Hampton School District will pay the full amount. In any event, the parents would be responsible for providing the student with transportation. CITIZEN’S PETITION by 25 or more registered voters of the Town of South Hampton.

The School Board and the Budget Committee do not recommend this article. (Majority voted required)
Thank you to the school boards, parents, students, staff, and community for the outstanding support of the Barnard School!