January 18, 2022

North Hampton School District
Proposed Budget

FY 2022-23
Education that empowers individuals to be caring, competent, responsible citizens who value learning as a lifelong process.

The proposed FY 2022-23 operating budget reflects an investment in the North Hampton School’s vision to develop caring, kind, and curious students by promoting the following 21st century skills: Communication, Critical Thinking and Problem Solving, Empathy, Integrity and Responsibility, Learner’s Mindset and Perseverance.
In developing the 2022-23 proposed operating budget, we have identified the following goals that are driven by and align with our School Improvement Plan (SIP) objectives:

- Long term development of high quality curriculum and highly effective instructional and assessment practices at all grade levels.

- Support a Multi-tiered System of Support (MTSS) for students that enables us to provide both challenge and intervention for advanced and struggling students.

- Support the enhancement of school culture and climate.

- Identify additional resources and staff to enable us to meet our goals.
The proposed FY 2022-23 North Hampton School Budget has been established with the following priorities:

- Maintain a staffing pattern for classrooms with adjustments for enrollment and for learning loss due to the effects of the pandemic and shortened schedule and periods of remote instruction during the 2021-2022 school year.

- Increase the capacity of our special education department by investing in specialized staff and resources to meet specific student needs, per IEP requirements.

- Incorporate long term planning for technology needs and replacement cycles for equipment. Currently, per our Technology Plan.
The proposed FY 2022-23 North Hampton School Budget has been established with the following priorities:

- Continue to purchase equipment for uniform technology setup in each classroom for interactive instructional presentations and monitor infrastructure technology needs, per our Technology Plan.

- Maintain our commitment to foreign language instruction while examining our program and programmatic needs.

- Continue to address any learning loss or lack of progress resulting from the impact of the pandemic.

- Use grant funding and our expendable trust resources where appropriate.
We anticipate North Hampton School’s enrollment will remain essentially level with a projection of 310 students enrolled in 2022-23. The slight increase is due to a small graduating 8th grade class.
The FY 2022-23 North Hampton proposed operating budget is $9,690,641.

This reflects an increase of +4.23% or a +$393,480 increase from the 2021-22 budget.

The proposed budget is an increase of +1.17% or +$111,773 more than the default budget of $9,578,869.
The following are the significant budget drivers in the proposed 2022-23 North Hampton School District operating budget:

- Reduction of 2.0 FTE classroom teacher positions accounting for School Board recommended class sizes.
- Reduction of 3.0 FTE educational associates to reflect anticipated student need.
- Increased special education expenditures including the budgeted addition of an intensive needs specialist position that was hired in 2021-22 based on IEP needs, a significant increase in the tuition account for out of district placements, and special education transportation.
  - +$395,448 increase (more than the total +$393,480 operating budget increase)
- Under-budgeting health insurance account with the provision to utilize Health Care expendable trust if necessary.
COST OF LIVING ADJUSTMENT

Embedded in the North Hampton operating budget is a cost of living adjustment (COLA) for all non-union and union staff members. The COLA represents an annual salary increase for all staff members within the operating budget. The administration recommends an SAU-wide non-union COLA based upon documented inflation. Whereas, the union COLA’s are bargained and approved via warrant article in the respective collective bargaining agreements (CBA’S).

For non-union staff the COLA is benchmarked to the consumer price index (CPI) for the Portsmouth region. The CPI saw an increase of 4.3% from July 2020 to July 2021 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. This consistent practice equalizes any inequality, by utilizing the same time-frame and index. As such, based upon the inflation benchmark at 4.3%, the administration recommends a COLA of 4.3% SAU-wide for the 2022-23 school year.

Further, the Seacoast Education Association (SEA) CBA for teachers calls for a 2.75% COLA, and the Seacoast Educational Personnel Association (SESPA) CBA for educational associates calls for a 1.00% COLA.

<table>
<thead>
<tr>
<th>Cost of Living Adjustment (COLA)</th>
<th>2021-22</th>
<th>2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Union Employees</td>
<td>0.80%</td>
<td>4.30%</td>
</tr>
<tr>
<td>SEA Union</td>
<td>2.75%</td>
<td>2.75%</td>
</tr>
<tr>
<td>SESPA Union</td>
<td>1.00%</td>
<td>1.00%</td>
</tr>
</tbody>
</table>
BUDGET IN DETAIL

REGULAR EDUCATION
Budget: $2,460,212
Decrease: -$122,391 (-4.74%)
The decrease in Regular Education reflects the reduction of 2.0 FTE classroom teachers based on enrollment, the reduction of 1.0 FTE educational associate based on student need, and an anticipated reduction in supplies and books/print media. The decreases were slightly offset by the SEA and SESPA collective bargaining agreements (CBA) cost of living adjustment and step increases.

SPECIAL EDUCATION
Budget: $1,798,513
Increase: +$280,720 (+18.50%)
The increase in Special Education is primarily due to the increase in out of district placement tuition. Additionally, increased costs include a 2021-22 special education specialist position addition due to student need, cost of living adjustment and steps, and staffing changes resulting in higher salaries. The increases were offset by decreased anticipated costs for professional services and the reduction of 2.0 FTE educational associates, based on student need as dictated by student IEP’s.
STUDENT ACTIVITIES
Budget: $137,195
Increase: +$10,814 (+8.56%)
The increase is due to the need for the outdoor ropes course to be repaired and large sections to be redesigned and replaced entirely.

GUIDANCE
Budget: $90,133
Increase: +$2,412 (+2.75%)
The slight increase in Guidance reflects the SEA collective bargaining agreement (CBA) cost of living adjustment (COLA).

HEALTH
Budget: $78,210
Increase: +$2,554 (+3.38%)
The increase in Health reflects the SEA collective bargaining agreement (CBA) cost of living adjustment (COLA), step increase, and increased nurse substitute availability.
SPEECH SERVICES
Budget: $124,877
Increase: +$16,613 (+15.34%)
The increase in Speech Services is primarily due to IDEA grant funding a portion of the Speech Language Assistant salary transitioned to the operating budget.

IMPROVEMENT OF INSTRUCTION
Budget: $149,201
Increase: +$1,773 (+1.20%)
The increase in the Improvement of Instruction account reflects staff salary cost of living adjustment and steps, offset by a reduction in testing costs (which were a one-time cost).

EDUCATIONAL MEDIA
Budget: $132,759
Increase: +$1,540 (+1.17%)
The increase in Educational Media reflects staff cost of living adjustment, and increased focus on audio books and online resources, with a lesser focus and corresponding decrease in print material.
TECHNOLOGY
Budget: $316,006
Increase: +$7,577 (+2.46%)
The Information Technology accounts represent the school technology plan. The technology budget shows a slight increase from prior year and reflects a 1:1 device plan via lease agreement, staff laptop replacement cycle, year two of two-year Smartboard and Redcat audio installation in all classrooms, wireless network upgrade, and normal laptop, technology replacement cycles. Additionally, a transition to fiber internet and our managed print services contract (that was mistakenly omitted from the prior year budget) contribute to the slight increase.

BOARD OF EDUCATION
Budget: $42,187
Decrease: -$200 (-0.47%) The decrease in the Board of Education account is due to an adjustment in the annual meeting account based upon actual expenditure history.
SAU SERVICES
Budget: $287,542
Increase: +$3,746 (+1.32%)
The slight increase in SAU services reflects the SAU central office budget allocation. The SAU 21 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; while embracing individual school district identity.

SCHOOL ADMINISTRATION
Budget: $301,101
Increase: +$21,196 (+7.57%)
The increase in the School Administration account is due to staffing change, staff cost of living adjustment, and step increases.
BUDGET IN DETAIL

BUILDINGS
Budget: $540,104
Increase: +$38,306 (+7.63%)
The increase in the Buildings account is primarily due to an increase in the renovations account for materials to construct small workspace in the existing garage, property and liability insurance, repair and maintenance costs, and staff cost of living adjustments. Further, our natural gas contract expires June of 2022, and we will be bidding out new energy contracts this spring. We anticipate an increase in natural gas of approximately 25-30%.

GROUNDS
Budget: $45,340
Increase: +$8,690 (+23.71%)
The increase in the Grounds account reflects the 5-year replacement and refurbishing of the softball/baseball infield sand mix. This was deferred a year due to prior year economic conditions.

VEHICLES
Budget: $13,270
Increase: +$0.00 (+0.00%)
There is no anticipated increase for vehicle expenditures.
TRANSPORTATION
Budget: $611,829
Increase: +$129,124 (+26.75%)
The increase in transportation is primarily due to special education transportation, based on student need for in-district and out of district transportation. The remainder of the increase reflects year 4 of the 5-year contract with First Student to supply regular education, athletic, field trip, and other transportation services.

DEBT SERVICE
Budget: $135,299
Decrease: -$1,554 (-1.14%)
The decrease in the Debt Service account reflects the principal and interest payment on the bond issue for the building project. The last payment is scheduled for August 2023.

EMPLOYEE BENEFITS
Budget: $2,203,499
Decrease: -$25,208 (-1.13%)
The decrease in employee benefits is primarily due to the removal of benefits packages for the employee reductions, and underbudgeting health insurance. The reductions were offset by increases to health insurance premiums (5.7% GMR) and anticipated 403(b) contributions.
INTERFUND TRANSFER
Budget: $30,000
Increase: +$10,000 (+50.00%)
The increase in the Interfund Transfer is based upon actual expenditure history.

FOOD SERVICE
Budget: $193,364
Increase: +$7,768 (+4.19%)
The increase in the Food Service fund reflects an increase in food and supplies costs and staff salary cost of living adjustment and steps.
DEFAULT BUDGET
$9,578,869 ($111,773 less than the proposed operating budget of $9,690,641)
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.
The expendable trusts are currently at or near target balances. It is proposed to include a warrant article to fund the Special Education expendable trust in the amount of $35,000, utilizing unreserved fund balance. This will bring our expendable trusts to target levels:

**Special Education Expendable Trust: $35,000 via unreserved fund balance**

Due to the implementation of the technology plan and the technology replacement cycles in place, we plan to spend down the remaining funds in the Technology expendable trust. This will be used to fund wireless infrastructure upgrades and student video equipment. Further, we plan to expend approximately $50,000 from the Building Maintenance expendable trust for the building’s HVAC glycol replacement and greenhouse repairs. The following outlines the current balances for the North Hampton School District’s four established expendable trusts:

<table>
<thead>
<tr>
<th>Expendable Trust</th>
<th>Balance:</th>
<th>Target:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Education</td>
<td>$362,991</td>
<td>$400,000</td>
</tr>
<tr>
<td>Building Maintenance</td>
<td>$142,748</td>
<td>$150,000</td>
</tr>
<tr>
<td>Health Care</td>
<td>$198,572</td>
<td>$200,000</td>
</tr>
<tr>
<td>Technology</td>
<td>$15,607</td>
<td>N/A</td>
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</tbody>
</table>
WARRANT ARTICLES

Long Term Maintenance Warrant Article: $30,000
The North Hampton School District issues an annual long term maintenance (LTM) warrant article to address building, maintenance, and repair projects at the North Hampton School.

The proposed LTM warrant article is $30,000. The project the district intends to address, include but are not limited to upgrades/repair of the main office HVAC system.

Fund Balance Retention Warrant Article: Non-monetary
Additionally, we propose the inclusion of a non-monetary fund balance retention warrant article to safeguard the school district from unusual circumstances that may result in potential over-expenditure of appropriations or to help stabilize the tax rate over time by smoothing out peaks and valleys of appropriations and fluctuations in revenue.
A Collaborative NHS Community

Thank you to the school board, budget committee, teachers, parents, students, staff, and community for the outstanding support of the North Hampton School!