January 11, 2021

South Hampton School District Proposed Budget

FY 2022-23
A community of parents, students and staff, creating a nurturing environment to maximize every student's potential for learning.

The proposed FY 2022-23 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.
In developing the 2022-23 proposed operating budget, we have identified the following goals that support Barnard School’s mission and vision:

- To emphasize the development of the whole child through academic and social-emotional learning (SEL) programming and supports.
- To continue to develop competency-based teaching and grading practices.
- To provide a culture of community.
- To implement a multi-tiered system academic and social-emotional support for students.
The proposed South Hampton School District 2022-23 operating budget was established to provide investment and resource allocation that enhances academic programs and experiences that supports all students. The following outlines the primary budget priorities addressed in the budget that align with the school’s goals:

- Formal adoption of a full-day kindergarten program.
- Continued implementation of the new math program.
- On-going professional development.
- Continued implementation of a robust academic and social emotional curriculum, which includes a multi-tiered system of supports for all students.
We anticipate the Barnard School’s enrollment to slightly increase with a projection of 92 students enrolled in 2022-23.
South Hampton School District high school enrollment projections, based on actual current student enrollment indicates relatively flat enrollment over the next four (4) years.
The FY 2022-23 South Hampton proposed operating budget is $2,876,360, which reflects an increase of +2.95% or a +$82,420 increase from the 2021-22 budget.

Further, the proposed 2022-23 operating budget is -$18,518 or -0.64% lower than the default budget of $2,894,878.
BUDGET DRIVERS

The following are the significant budget drivers in the proposed 2022-23 South Hampton School District operating budget:

➢ Cost of living adjustment and step increases for all staff to reflect CBA for union employees and higher rate of inflation for non-union employees.

➢ Under-budgeting high school tuition account with the provision to utilize Tuition Stabilization expendable trust if necessary.

➢ Higher heating costs to reflect changing energy markets.

➢ Increased special education expenditures including the addition of 2.0 FTE educational associates and increased professional services, out of district tuition, and supplies.

The special education increase represents +$55,708 of the total operating budget increase of +$82,420. Removing this one (1) increase for special education services would result in a 2022-23 budget increase of +$26,712 or a budget increase of +0.96%.
COST OF LIVING ADJUSTMENT

Embedded in the 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 COLAs 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></th>
<th>2021-22</th>
<th>2022-23</th>
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</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>
The following budget detail summarizes each individual budget function with associated significant increase or decrease, and reasoning for the variance:

**REGULAR EDUCATION**  
**Budget:** $682,877  
**Increase:** +$37,270 (+5.77%)  
The primary reason for the increase in Regular Education is due to the SEA and SESPA collective bargaining agreement (CBA) cost of living adjustments and step increases, and a slight increase in supplies due to cost escalation and the new STEM program needs. The increases were slightly offset by a reduction in the books/print media account for the new math program books.

**SPECIAL EDUCATION**  
**Budget:** $570,925  
**Increase:** +$55,708 (+10.81%)  
The increase in Special Education is primarily due to an increase in educational associate support, based on student needs, as well as smaller increases in tuition, professional services, cost of living adjustments and supplies. A reduction in student evaluations/testing needs slightly offsets the increase. 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: $16,033
Increase: +$2,733 (+20.55%)
The increase in Student Activities reflects an uptick in participation levels and demand for our extracurricular activities, which increases the number of coach and advisor stipends, as well as the cost for additional officials and supplies.

GUIDANCE
Budget: $75,907
Increase: +$4,702 (+6.60%)
The increase in Guidance is based on the SEA collective bargaining agreement (CBA) cost of living adjustment (COLA) and step increase.

HEALTH
Budget: $76,704
Increase: +$4,794 (+6.67%)
The increase in Health reflects the SEA collective bargaining agreement (CBA) cost of living adjustment (COLA) and step increase, in addition to a minimal increase in supplies and equipment, based on cost escalation.
OTHER STUDENT SUPPORT SERVICES
Budget: $1
Increase: +$0 (+0.00%)
The Other Student Support Services account is kept open for potential future need.

IMPROVEMENT OF INSTRUCTION
Budget: $14,601
Decrease: +7,766 (+113.62%)
The increase in the Improvement of Instruction account reflects professional development shifting from grant-funded activities to the operating budget, based on availability of grant funding. Additionally, we have seen an increase in staff participating in the course reimbursement offering, per the CBA.

EDUCATIONAL MEDIA
Budget: $182
Increase: +$0 (+0.00%)
No increase to the Educational Media account is budgeted.
TECHNOLOGY
Budget: $51,018
Increase: +$4,684 (+10.11%)
The increase in the technology budget is due to staff salary cost of living adjustment and steps, and chromebook replacement purchasing, offset by a slight decrease in software.

BOARD OF EDUCATION
Budget: $19,195
Increase: +$0 (+0.00%)
No increase to the Board of Education account is budgeted.
SAU SERVICES  
Budget: $61,224  
Decrease: -$295 (-0.48%)  
The decrease 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: $145,101  
Increase: +$8,966 (+6.59%)  
The increase in the School Administration account is due to staff cost of living adjustment and step increases.
BUILDINGS
Budget: $139,654
Increase: +$19,427 (+16.16%)
The increase in the Buildings account reflects a significant anticipated escalation of energy costs with the estimated price of heating oil to increase by 30%-40%, as well as transitioning from in-house custodial to contracted custodial services, and cost escalation of supplies. Projects that are being deferred (or potentially using building maintenance expendable trust funds, if necessary) due to financial considerations include LED lighting upgrades, toilet replacement, and wheelchair lift replacement.

GROUNDS
Budget: $11,100
Decrease: -$1,230 (-9.98%)
The decrease in grounds reflects the off-year for replenishment of playground wood chips.
TRANSPORTATION
Budget: $69,649
Decrease: -$23,743 (-25.42%)
The decrease in transportation is primarily due to a reduction in special education transportation, based on student need as dictated by Individualized Education Plan (IEP) services, mandated by state and federal law. The decrease is offset by the annual increase in contracted transportation, reflecting year 4 of the 5-year contract with First Student to supply regular education, athletic, field trip, and other transportation services.

EMPLOYEE BENEFITS
Budget: $545,870
Increase: +$46,325(+9.27%)
The increase in employee benefits is based on contractual obligations for health insurance premiums (5.7% GMR), New Hampshire Retirement contributions, long term disability insurance, life insurance, dental insurance, and FICA contributions.
HIGH SCHOOL TUITION
Budget: $394,218
Decrease: -$85,482 (-17.82%)
The decrease in high school tuition reflects a reduction of six (6) budgeted high school students, the new reduced Winnacunnet tuition rate (equal to Amesbury), and under-budgeting the account by $35,000 with the intention of withdrawing funds from the tuition stabilization expendable trust, if needed.

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

FOOD SERVICE
Budget: $2,100
Increase: +$795 (+60.92%)
The increase to the Food Service account is based on increased food needs for students who do not bring a lunch to school, with additional required labor.
DEFAULT BUDGET
$2,894,878 (+$18,518 more than the proposed operating budget of $2,876,360)
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 ARTICLES – EXPENDABLE TRUSTS
The administration proposes the inclusion of the following three expendable trust warrant articles, for the March 2022 ballot:

<table>
<thead>
<tr>
<th>Expendable Trust</th>
<th>Balance:</th>
<th>Target:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Maintenance:</td>
<td>$35,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>Special Education:</td>
<td>$15,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>Roof:</td>
<td>$15,000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

For informational purposes, the following outlines the current balances for the South Hampton School District’s six 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>$146,861</td>
<td>$400,000</td>
</tr>
<tr>
<td>Building Maintenance:</td>
<td>$17,687</td>
<td>$150,000</td>
</tr>
<tr>
<td>Capital Reserve - Computers:</td>
<td>$7,144</td>
<td>$21,000</td>
</tr>
<tr>
<td>Tuition Stabilization:</td>
<td>$57,280</td>
<td>$36,000</td>
</tr>
<tr>
<td>Roof:</td>
<td>$4,612</td>
<td>$100,000</td>
</tr>
<tr>
<td>Capital Reserve – Building:</td>
<td>$6,783</td>
<td>None Established</td>
</tr>
</tbody>
</table>
WARRANT ARTICLES

Security Improvements Warrant Article: $20,000 (Raise and Appropriate)
The South Hampton School District has identified security improvements that we feel are prudent to address, per the Homeland Security Audit report recommendations. The cost for the upgrades is a total of $60,000. We propose investing in these improvements over a three (3) year time period with the inclusion of a Security Improvements warrant article of $20,000 each year for the next three years.

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