

North Hampton School District 2019-20 Proposed Operating Budget Frequently Asked Questions (FAQ)

- 1) What are the biggest differences between this year's 2018-19 budget and the proposed 2019-20 budget?

The proposed 2019-20 total operating budget for the North Hampton School District is \$9,131,074. This reflects a 3.47% increase over the 2018-19 budget, representing a dollar increase of \$306,227. The following FY 2019-20 accounts represent an increase of \$325,012:

Special Education:	+\$75,359
SAU Services:	+\$80,807
Employee Benefits:	+\$132,786
Transportation:	+\$36,060

Removing the cost increases for these contractual or state/federal mandated accounts would result in a 2019-20 operating budget decrease of -\$18,785, or a -0.21% decrease.

Conversely, the four (4) largest decreases in the budget are as follows:

Special Education – Legal:	-\$145,003
Regular Education – Salary Certified Staff:	-\$43,293
Technology – Salary Certified Staff:	-\$19,736
Student Activities – Admissions:	-\$18,680

- 2) Why have we budgeted a new Outdoor Education teacher?

The redefinition of the Enrichment Coordinator to an Outdoor Education Teacher reflects the elimination of overnight field trips (which this position coordinated). The redefined position will be included as a regular part of the Unified Arts schedule for 2019-2020. This was not the case with the previous full-time Enrichment Coordinator position. We hope that by focusing on the Outdoor Education component, we will provide our students a more robust experience, with a net positive impact – as there will be increased student contact time for Outdoor Education. In other words, all students will "have" Outdoor Education more frequently as a scheduled part of their routines.

The proposed Outdoor Education teacher, who will be a part-time (.6) employee, will teach three days a week (presently planned to be Tuesday, Wednesday, Thursday). This person will teach an outdoor and environmental education focused experiential learning curriculum, including age and developmentally appropriate individual and team-building "challenge" activities. "Outdoor Education" will be scheduled as part of the Unified Arts schedule. These activities will also help to enhance and support our social emotional curriculum.

The professional day for this position will consist of the following:
240 min direct and/or collaborative instruction

45 min preparation "period"
45 min collaborative planning time with grade level teams
45 min Lunch and any supervisory/safety duties that *may* be scheduled during the day

375 min (6 hrs 15 min) - accounting for potential instructional time between 8:30-2:45

- For 2019-20, grades 7 and 8 will be included as part of the regular schedule. For 2018-19, grades 7 and 8 are scheduled periodically with the Enrichment Coordinator.

The total number of minutes of student contact time the Outdoor Education teacher will be assigned per week for 2019-20 will be approximately 720 minutes (there will likely be schedule and/or grade-level adjustments when coordinating with the other Unified Arts).

Presently, the Enrichment Coordinator position is scheduled for +/- 382.5 minutes/week of student contact time for experiential learning activities, including outdoor and environmental education and individual and team-building "challenges". These classes meet every other week (which accounts for the ½ minute) and are not part of the Unified Arts schedule. The above minutes do not include grades 7 and 8, which have "class" with the Enrichment Coordinator occasionally, but not on a regularly scheduled basis.

3) Why are you reducing a speech services FTE?

North Hampton currently employs a Speech Language Pathologist and a Speech Language Assistant to the Speech Language Pathologist. These positions provide speech language services across all grade levels PK-8, based on IEP requirements and actual student need. The administration tracks student need and enrollment on an annual basis. As such, an audit of student contact hours indicated that the current level of need only required a 1.0 FTE Speech Language Pathologist and a 0.6 FTE Speech Language Assistant to the Speech Language Pathologist.

4) Why did our transportation cost increase?

North Hampton is completing the last year of a 5-year contract with First Student, and 2019-20 will commence a new 5-year contract. We conducted a formal competitive RFP process to contract a bus carrier to provide student transportation services. First Student and Student Transportation of America (STA) submitted similarly priced bids. First Student was awarded the bid, which represents a 9.5% increase (and, -\$8,000 less than STA).

Student transportation is a very difficult industry with a limited number of carriers. Additionally, there is an extreme driver shortage both statewide and nationwide. School districts in New Hampshire are experiencing increased pricing and lapses in transportation coverage and service. To combat these market conditions, SAU 21 conducted a cooperative bid process with all SAU 21 schools and aligned our RFP timing

with SAU 90 and SAU 50 to encourage outside vendors to potentially move into this geographic area. Further, we analyze bus routes on an annual basis to determine if we can consolidate and eliminate any buses.

5) Why has NHS not qualified for state of NH adequacy aid?

The state of New Hampshire calculated the total cost of an adequate education at \$1,992,652.95 for 2019-20 at the North Hampton School District. This figure is determined by a base per pupil rate of \$3,708.78 per ADM (average daily membership). Further, adequacy includes an additional rate for certain students as follows: \$1,854.38 for a free or reduced-price meal eligible student, \$1,995.21 for a special education student who has an individualized educational plan (IEP), \$725.63 for an English Language Learner receiving English Language instruction, and \$725.63 for each 3rd grade pupil whose achievement score on the state assessment for reading was below the proficient level.

Each town in New Hampshire is responsible for collecting the Statewide Education Property Tax (SWEPT) that funds state adequacy aid. As such, the state has estimated \$2,476,779 in SWEPT tax for North Hampton for 2019-20 to provide the state adequacy aid. However, certain towns cover the entire cost of the adequacy aid with the local collection of SWEPT, due to their high property valuation. North Hampton is one of these towns, so even though it is a statewide tax, North Hampton funds it entirely through local assessment.

6) What are the changes to the proposed teachers' contract? Has health insurance been reduced?

The proposed CBA warrant article was a collaborative negotiation process that all parties felt was both fair to our outstanding teachers, but also fiscally responsible for our community and taxpayers.

The proposed CBA is 4 years in duration with a 2.75% annual cost of living salary adjustment, which is below the rate of inflation at 3.4% (CPI-Portsmouth index). Further, a significant change to the collective bargaining agreement involves adjustments to the health insurance. This includes the removal of a high cost Blue Choice health plan in year 2 of the agreement, a change from 3-tier prescription plan to a 5-tier program, a provision to open negotiations should the Affordable Care Act excise tax take effect, the ability for part-time employees take our health plan at their own cost, and the elimination of an opt out payment for spouses. By eliminating the Blue Choice plan, we will recognize premium cost savings, avoid a potential ACA excise tax, and hope to drive employee behavior to be better smart shoppers for medical and health related services. Our Blue Choice plan has the highest claims utilization, which drives our premiums, so we hope that over time, the premiums will decrease to benefit both the employer and the employee. When budgeting for significant health insurance premium increases, like we saw this past year, it creates a ripple effect on planning and budgeting for other student focused initiatives and curriculum related resources. Unfortunately, when dealing with large monetary increases with health insurance, we are forced to cut back

on other spending that directly impacts our students. We hope these changes will help mitigate future health insurance increases.

Further, the proposed CBA includes slight increases to stipends and course reimbursement. And, language adjustments have been included to help the building leadership better manage the staff and provide for more efficient, high functioning operations at each individual school.

Due to the fact that SAU 21 proposed CBA's have failed 3 times in the last 9 years, there is legitimate concern that staff morale and job satisfaction will suffer with another failed CBA. SAU 21 compensation is trending down relative to surrounding districts – which could negatively impact our ability to attract and retain valuable teachers, and deliver our high educational standards. As such, school administration is concerned that teachers may leave SAU 21 for surrounding districts to regain missed steps and achieve higher salaries.

7) What is required for the teachers' contract to pass?

The CBA is a collaborative agreement (the only one structured in this manner in the state of New Hampshire). As such, the CBA warrant article needs to pass in all five school districts (North Hampton, Winnacunnet, Hampton Falls, Seabrook, and South Hampton) within SAU 21 – in order for it to take effect in any one district. If any single CBA warrant article ballot fails, all the other SAU 21 CBA warrant articles fail. Therefore, all five towns need to vote and pass the warrant article ballots for it to pass and take effect in any one district. In short, North Hampton voters must vote to approve the teachers' contract on both the North Hampton School ballot and the Winnacunnet ballot.

8) What is the key benefit of the SAU? Why has the SAU budget increased so much?

School Administrative Unit (SAU) 21 serves the member school districts of Hampton Falls, North Hampton, Seabrook, South Hampton, and Winnacunnet Cooperative. SAU 21 provides the necessary leadership and administrative services in support of the collective educational mission and vision of the cooperative school districts.

The State of New Hampshire created school administrative units for two primary purposes: 1) administration and, 2) accountability. Every SAU in the State is led by a Superintendent of Schools with School Board oversight. The Superintendent leads the SAU 21 administrative team to deliver essential student services, curriculum and instruction, and business administration services. More specifically, this means that SAU 21 provides coordination of leadership activities, supervision and evaluation of employees, all required state and federal reporting, budget preparation and management, payroll administration, accounts payable, human resources, curriculum development, monitoring of state and local assessment results, special education coordination, and other important school and district related activities. Most importantly, the function of the SAU and the Superintendent's role is as champion of our children and our educators – to deliver PK-12 graduates of good character with the

demonstrated knowledge, skill-set, and engaged citizenship to be successful members in the modern 21st century society – while maintaining guardianship and fiscal responsibility to taxpayers' resources.

The increase in the SAU budget represents the investment in a new organizational structure and philosophy at SAU 21. This November, the Joint School Board approved the SAU 21 proposed FY 2019-20 budget reflecting a significant paradigm shift and investment in creating an aligned, high functioning SAU. A key benefit of the new SAU structure is the ability to identify efficiencies, cost savings, revenue enhancements, and improvement in services that can be achieved through five (5) districts working collaboratively as one entity. The model better affords the member districts the ability to utilize economies of scale, cost efficiencies, consolidation of business functions, and shared personnel to create a better, high-functioning, cooperative unit. For example, the SAU is charged with coordinating and executing joint contracts (student transportation, technology, etc.), collective bargaining agreements, and long-term planning where the size of the SAU (2,400 students) allows for achieving more favorable results for our individual districts and employees than they would be able to achieve separately. This means that the SAU is regularly collaborating with the member districts to identify opportunities for creating shared programming and implementation of important initiatives (student management software, grant applications, curriculum development, special education and 504 handbooks, etc.) – that would be more expensive and less effective for our individual districts to achieve on their own. The proposed model includes the creation of an SAU-level Director of Student Services position, continued implementation of Competency Based Education (CBE) across the entire SAU, implementation of PowerSchool Student Information System (SIS) across the entire SAU (and, associated new SAU-level Database Manager position), and further technology synergies (Hosted Munis, Employee Self Service (ESS), Digitizing processes (paystubs, AP, HR), Absence Management Software, and aligned websites).

9) How is the SAU budget allocated to NHS?

The SAU services apportionment is based on a state mandated formula that accounts for # of students enrolled and property valuation. The North Hampton School District percentage of the SAU budget is 15.77% for 2019-20.

10) How was the cost of living adjustment determined?

The cost of living adjustment is 3.4% for all non-union employees across all school districts in SAU 21. This includes everyone except teachers under the SEA collective bargaining agreement (CBA) and Education Associates under the SESPAs collective bargaining agreement (CBA). This represents our administrators, facilities staff, school nutrition staff, technology staff, and clerical or administrative assistant positions. The SAU recommends the cost of living adjustment for the five school districts, based on the rate of inflation from the previous 12-month period. We utilize the Consumer Price Index (CPI) for the Portsmouth region.

11) Why are North Hampton Special Education costs increasing?

The Special Education function is increasing by 3.63% and the Special Education Transportation function is increasing by 74.11%. The following are the primary drivers for those increases (and the associated increase):

Salaries – Specialists:	+\$88,210
Salaries – Education Associates:	+\$68,386
Salaries – Certified Staff:	+\$23,369
Transportation:	+\$17,950
Professional Services:	+\$15,400

As of 1/16/19, North Hampton School District has 60 identified students, with 9 students currently in the referral/evaluation process. We cannot provide student details or any information that could potentially identify a student. However, the increase in budget is based on student need as dictated by Individualized Education Plan (IEP) services, mandated by state and federal law.

Special Education costs are unpredictable, based on students moving in or out of the school district and changing student need. However, the North Hampton School District is committed to providing the access to an excellent educational experience to ALL our students. We envision that the newly created SAU-level Director of Student Services will help reduce costs in Special Education as well as improve programming and access to our Special Education students. This position will have the ability to take a holistic approach to Special Education to leverage the other SAU 21 resources to provide more cost effective solutions, different staffing options, and the ability to create better Special Education programming. Further, this new position will be responsible for maximizing our current grant funding, and procure additional grant opportunities that otherwise might not have been available for a single small school district.

12) How does the unreserved fund balance work?

The School District's end of Fiscal Year is June 30th of each year. At this point, there is oftentimes a remaining balance – funds that the school district budgeted for, but did not spend. This is called the unreserved fund balance. This balance is either returned to the Town of North Hampton to offset the next year's assessment, or town can vote to utilize a portion of this balance to fund established expendable trust funds.

The North Hampton School District has proposed funding 3 expendable trust funds (Special Education, Health, and Building Maintenance) via unreserved fund balance. So, if we have available funds at the end of the 2018-19 school year – that balance would fund the trust funds. This is opposed to appropriating the funds via a tax assessment through local property tax.