Hillsboro-Deering School District

FY 2024-2025 Proposed Budget

> Board Budget Presentation November 27, 2023

Hillsboro-Deering School Board Mission Statement

The mission of the Hillsboro-Deering School Board is to articulate and develop the educational goals of the community and to allocate community resources effectively and responsibly. It strives to create with educational professionals a dynamic learning environment in which all students are inspired to realize their individual potential, learn critical academic skills, develop intellectual curiosity and moral courage, and prepare to be active citizens.

Hillsboro-Deering School Board Goals

- In order to have effective board meetings we shall:
 - Remain consistent in our practice to ensure that each board member has the opportunity to speak & be heard.
 - Engage in productive, task-oriented discussion.
 - Establish a practice to respond to questions from the public.

Hillsboro-Deering School Board Goals

- Foster strong relationships and build partnerships with the community to promote engagement and support for the school district's students, programs, budgets and initiatives.
- Ensure efficient fiscal management to achieve the goals of the educational plans of the district.

Hillsboro-Deering School Board Goals

- Support professional development that aligns curriculum with state standards, advances best instructional practices and broadens the district assessment repertoire to improve student achievement.
- Advocate raising the level of literacy, critical thinking, problem-solving, cooperative learning and overall academics for all students, and determine how to best assess student progress.

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Strategic Plan Priorities

Culture:

 Staff and students thrive in positive learning and work environments where they feel physically, psychologically, and emotionally safe and connected; supported; reasonably autonomous; and driven by a strong sense of purpose and meaning.

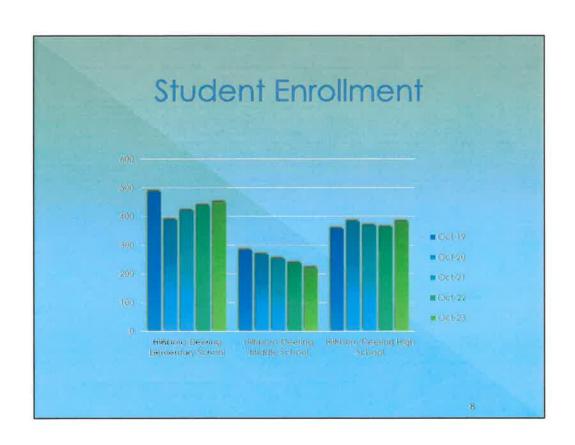
Learning Environment:

Few investments serve as such high-profile demonstrations of how we value the education of our students as the facilities we use. The facilities in which we spend our time together provide the daily cues and clues that affect the learning and work cultures for students and staff, respectively.

Student Success:

 Every student deserves an exceptional education, one grounded in purposes larger than themselves, regular and meaningful opportunities for self-determination, feedback about the increasing difference they are making in matters important to them, and growing relationships.

Stude	nt E	nrol	lme	nt		
School Name	Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022	Oct 2023
Hillsboro-Deering Elementary School	482	486	388	420	437	449
Hillsboro-Deering Middle School	292	282	267	252	237	220
Hillsboro-Deering High School	348	357	382	368	362	381
TOTAL	1,122	1,125	1,037	1,040	1,036	1,050
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Fiscal	Total FTE Teachers	Mediar	Salary	Bacheloi	's Degree	Master's	Degree	Degree I Mast	
Year	H-DSD	H-DSD	State of NH	H-DSD	State of NH	H-DSD	State of NH	H-DSD	State of NH
2023-24	95.3	\$69,342		31.4%	34.9%	63.9%	62.0%	0.0%	2.7%
2022-23	98.3	\$66,775	\$63,925	37.1%	35.4%	61.2%	62.0%	0.0%	2.3%
2021-22	97	\$64,356	\$62,695	40%	35.4%	60.0%	61.5%	0.0%	2.4%
2020-21	101.2	\$63,698	\$61,848	38.3%	35.9%	59.7%	61.2%	2.0%	2.2%
2019-20	103.9	\$61,490	\$59,624	42.9%	37%	56.1%	60.4%	1.0%	2.3%
2018-19	102.2	\$60,064	\$59,198	37.4%	38:1%	62.6%	59.6%	0.0%	1.9%

The number in the Total FTE Teachers column is pulled from lines 2-4 of the NH DOE Class and Staffing Form which accounts for all teachers including Title 1 and English Speakers of Other Languages (ESOL) teachers – but does not include preschool teachers

	D Sta			
ull-time Equivo	ilent (FTE)	Pos	itior
Positions in FTEs3		2023		0.1
	HDES	HDMS	HDHS	Total
Pre-school Teachers	2			2
Kindergarten Teachers	5			5
Regular Ed Teachers	25.2	17.3	27.8	70.3
Special Ed Teachers	9	5	6	20
Regular Ed Paras				
Special Ed Paras	22.4	6	6	34.4
Principals	1	1	1	3
Assistant Principals		1	1	2
Instructional Coordinators/				3.1
Supervisors (new in 20-21)	1	1	2	4
School Counselors	2	1	3	6
Librarians	1	1	1	3
Library/Media Support Staff				man fig.
Non-Teaching Professionals	12.8	4.5	2.5	19.8
Clerical Support	4	2.5	4	10.5
Other Support Staff	9.1	4.3	5.1	18.5
Grand Total	94.5	44.6	59.4	198.5

Definitions:

Regular Ed Teachers - FTE the number of full and part-time regular education classroom teachers. Music, art, physical education, Title I and ESOL teachers are considered classroom teachers.

Instructional Coordinator – FTE of instructional coordinators and supervisors who supervise programs at the school/district.

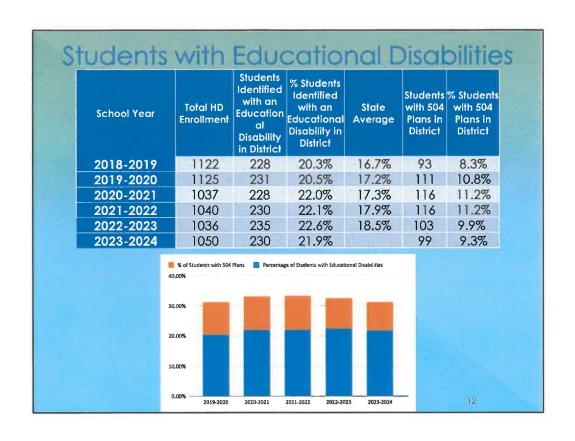
Include supervisors of educational television staff; coordinators and supervisors of audiovisual services; curriculum coordinators or supervisors and in-service training staff, including teacher mentors; Title I coordinators and home economics supervisors; and supervisory staff engaged in development of computer-assisted instruction.

Non-Teaching Professionals - FTE of non-teaching education professionals who have not been reported as teachers such as nurse, resource officer, Occupational/Physical Therapist (OT/ PT), reading specialist, speech pathologist, and psychologist

HDSD Staffing History

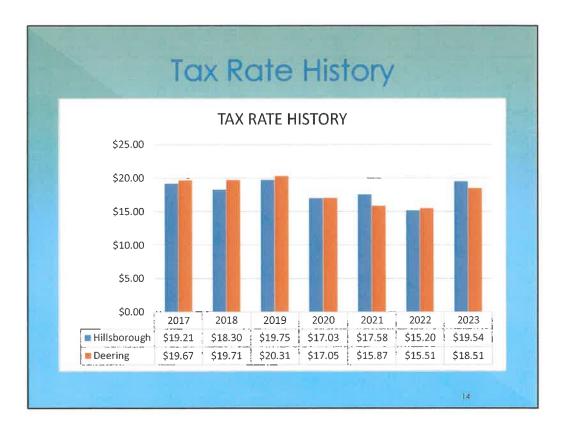
Positions	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Pre-school Teachers	2	2	2	2	3	2
Kindergarten Teachers	5	5	5	5	5	5
Regular Ed Teachers	78.2	76.9	74.2	72.4	73.3	70.3
Special Ed Teachers	19	20	20	18	20	20
Regular Ed Paras	Here		- FEET			
Special Ed Paras	40.2	37.2	33	33.1	34.3	34.4
Principals	3	4	4	4	4	3
Assistant Principals	3	2	2	2	2	2
Instructional Coordinators/ Supervisors (new in 20-21)	25		4.3	4.3	5	4
School Counselors	4	6	6	6	6	6
Librarians	3	3	3	3	3	3
Library/Media Support Staff	144			0.7		
Non-Teaching Professionals	21.5	23.8	19.3	21.9	22.4	19.8
Clerical Support	10.5	10.5	10.5	9	9.5	10.5
Other Support Staff	16.8	16.4	14.9	14.3	15.1	18.5
Grand Total	206.2	206.8	198.2	195.7	202.6	198.5

*Source - NH DOE (A12B) Class and Staffing Form as of 10/15/2023 This chart shows staffed, not budgeted positions



Out of District Placement The number of students placed out-of the school district, including those directed by the court system is shown below: 2018-2019 > 7 students (57% court placed) 2019-2020 Exact numbers suppressed* (20% court placed) 2020-2021 6 students (20% court placed) 2021-2022 Exact numbers suppressed* (25% court placed) 2022-2023 Exact numbers suppressed* (50% court placed) 2023-2024 Exact numbers suppressed* (60% court placed) *When numbers are 5 or below, exact numbers will be suppressed for confidentiality purposes.

Students can be court placed for a variety of reasons, some of which are Foster Care, Health, and involvement with Juvenile Justice.



- This slide shows the history of tax rates since 2017. We have to remember that tax rates are only half of the equation when determining tax bills...property values are the other (and property values have risen dramatically over the past few years)
- Another thing to realize is that the school's operating budget doesn't align with tax rates. For example, last year's budget increased by less than one-tenth of a percent but Hillsboro's tax rate increased nearly 29%
- What drove the tax rates over the past few years is the pandemic and changes in State revenues
- Expenses came in under budget during the COVID years (due to unfilled positions, lower supply requirements, health insurance refunds, etc.) resulting in significant unexpended funds being returned to the municipalities which contributed to lower tax rates in 2020, 2021 and 2022.
- Because of those reasons, in 2022, the school district returned \$3.1M to the municipalities. In addition, the State provided a one-time increase in Adequacy Aid (reducing SWEPT by about \$400K). These factors contributed to a much lower tax rate.
- In 2023, tax rates have returned to the more typical pre-COVID levels actually lower than 2019.

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
SWEPT		\$1,431,618				\$1,473,229	
Adequacy Aid		\$6,339,499					
Total	\$7,250,482				\$7,636,868		
\$ Difference	-\$108,056						\$242,523
% Difference	-1.5%	7.2%	10.1%	-6.5%	-4.5%	1.4%	3.1%

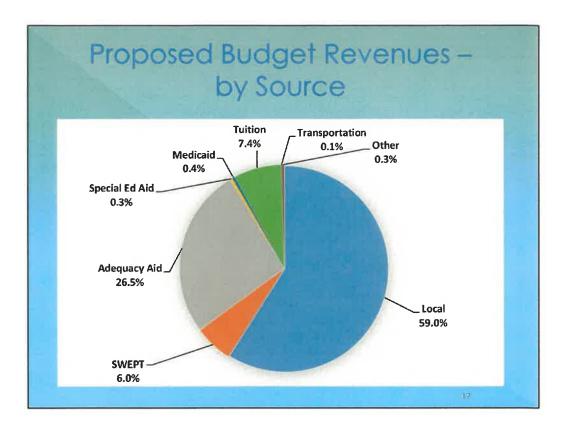
- As mentioned in the notes of the previous slide, the Legislature implemented a 1time decrease in SWEPT in FY2023 to reduce taxes, but it usually comes in between \$1.4 & \$1.5M
- SWEPT is collected locally and is part of the municipality's tax burden.
- SWEPT is based on a rate of \$1.22 per thousand in property values this year the rate is down from \$1.44, but property values are higher which kept the amount fairly level
- Adequacy Aid is a grant that is <u>not</u> part of the municipality's tax burden. It is a complicated formula that starts with a pupil count (average daily membership) which is multiplied by \$4,182 (up from \$4,100). we should note that this amount was ruled unconstitutional on Nov 20, 2023 and that the amount should be a minimum of \$7,356.01 (76% higher than the current factor).
- -- The \$4,182 is then adjusted for factors related to free & reduced meals, special education and English language learner (or ESOL) services; subtracts the SWEPT amount; adds an Extraordinary Grant amount (based on F&R); and finally adds in a hold harmless grant amount to make sure we receive at least a 4% increase over last year's adequacy grant
- Taken together, there is an increase of \$242,523 for FY2025, but the good news is that Adequacy Aid is about \$251K higher than FY 2024 which lowers the local tax burden

Key Budget Revenue Changes (compared to FY2024)

• Adequacy Aid +\$250,866
• Tuition +\$ 70,554
• Interest Income +\$ 29,000

These are the most significant swings for revenue lines...

- Adequacy Aid was discussed on the previous slide. Based on the recent court ruling, it's possible our final aid amount could be significantly higher (nearly \$3M). An increase in adequacy results in a lower tax rate burden.
- Tuition revenue is up nearly \$71K due to changes in student enrollment and slightly higher tuition rates
- Interest income is up dramatically since our rate is variable and it has increased from 0.1% in FY22 to 2.85% this month



- This slide just shows how big a piece of the pie each revenue source makes up; the details are on the next slide
- If the court ruling impacts FY2025 revenues, Adequacy Aid would make up 38.5% of revenues [Base Adequacy would increase approximately \$3M]
- Local = Appropriations from Hillsboro & Deering; In FY24, local appropriations made up 60% of the budget; The court ruling would also dramatically influence local appropriations and resulting tax rates (the % would drop from 59% to only 47%)
- Special Education Aid (Catastrophic Aid) is only received when the cost for an individual student exceeds 3.5 times the average cost per pupil.
- Transportation = Transportation Aid related to bussing costs to Concord Regional Tech Center
- Other = Rent for SAU office space, Interest, and Miscellaneous income

Proposed Budget Revenues

General Fund Revenue	Adopted FY2024	Proposed FY2025	\$ Diff	% Diff
Appropriations Hillsboro	\$10,795,536	\$11,053,175	\$257,639	2.39%
Appropriations Deering	\$3,536,046	\$3,452,313	-\$83,732	-2.37%
State Ade quacy Aid	\$6,271,656	\$6,522,522	\$250,866	4.00%
State Wide Education Tax (SWEPT)	\$1,473,229	\$1,464,886	-\$8,343	-0.57%
Misc. Revenue	\$10,000	\$10,000	\$0	0.00%
Special Education (Catastrophic) Aid	\$76,000	\$85,000	\$9,000	11.84%
Tuition - Windsor/Washington/Other	\$1,751,166	\$1,821,720	\$70,554	4.03%
Transportation Revenue	\$22,500	\$22,500	\$0	0.00%
Interest Income	\$1,000	\$30,000	\$29,000	2900.00%
Medicaid Revenue	\$95,000	\$95,000	\$0	0.00%
Rental Revenue	\$40,000	\$40,000	\$0	0.00%
Total	\$24,072,133	\$24,597,117	\$524,984	2.18%

^{*} FY2024 does not include the impact of the separately approved warrant article for the Support Staff collective bargaining agreement

- The total proposed budget of \$24,597,117 less all revenues from Adequacy Aid thru Rental equals \$14,505,488 and that amount was divided between Hillsboro and Deering using the apportionment percentages from FY 2024 which factors in average daily membership (a student count) and Equalized Valuations with utilities
- -- Deering has a lower percentage of students this year and property values didn't increase as much as Hillsboro, which explains the decrease
- -- The appropriations increase is 1.2% which means much of the budget increase is being covered in non-tax revenues and you would expect tax rates to go up by a similar percentage, but other factors exist such as changes in property values.
- Adequacy and SWEPT have already been discussed
- Misc. Revenue relates to things like rebates or refunds
- Special Education (Catastrophic) Aid has been discussed
- Transportation Rev is a State grant to partially reimburse us for transporting students to Concord Regional Tech Center
- Tuition and Interest lines have been discussed
- Medicaid Revenue: Some student service expenses are eligible for partial reimbursement from Medicaid

Key Budget Expenditure Changes (compared to FY2024)

Increases in:

> Health Insurance	+\$343,432
> Salaries, FICA & NHRS	+\$275,974
> Psychological Services	+\$ 45,600
> Substance Abuse Prevention	+\$ 10,000
Food Service Transfer	+\$ 25,000

Decreases in:

> Outside Placements - \$265,230

 Collective Bargaining Agreements are in place through FY25

- The total operating budget increase is \$447,124; This chart show the cost drivers related to that increase
- Almost all of the school districts in NH belong to the same health insurance pool run by HealthTrust; Due to increased claims, higher costs, and a diminished capital reserve, health insurance rates state-wide have skyrocketed for FY25; Our premium increase is 17.8% and some neighboring communities are seeing an even higher increase; based on last year's health insurance budget we anticipated an increase of nearly \$500K, but do to changes in coverage (e.g., family to 2-P, or coverage to buyout) the total increase came in at \$343K
- The total increase in Salaries, Social Security & NH Retirement Benefits is \$276K or 1.8%; Teacher and Support Staff agreements are in place through FY25, so there won't be any articles related to contracts this year; You would expect the % increase to be higher, but we had some new hire savings; We are proposing the repurposing of a few positions and that will be covered in the next slide
- Psychological services is based on student needs and the increase is largely attributed to higher rates
- While we are hoping to get a grant for substance abuse prevention services, there is a local share requirement which is why we've added \$10,000 to the budget
- The Food Service transfer has been \$50K for several years and with increased staffing costs and enormous increases in food prices, that amount is just not realistic; During COVID, we had an influx of federal funds which covered our costs, but those funds have dried up and we finished FY23 with a deficit of well over \$100K
- Special Education outside placements are based on student needs; We anticipate a significant decrease in those placements in FY25

Proposed Position Changes

- Repurposing three positions
 - > Vacant HS & MS teacher positions and Special Education Transition Specialist
 - > District-Wide Social Worker
 - > IT Helpdesk Technician
 - High School Zone Position shifted 50% of cost from AWARE grant in FY24 and remaining 50% in this budget

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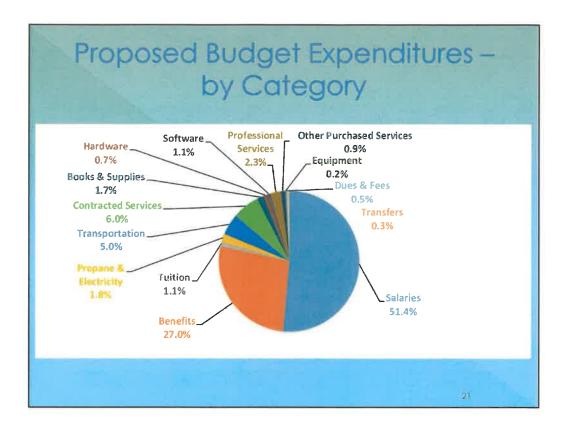
The proposed budget repurposes three currently vacant positions in order to add a district social worker, technology helpdesk technician, and shift the High School Zone position from 50% grant-funded to 100% locally funded since the Project Aware Grant concludes in September of 2024.

These proposed changes result in a budget decrease of approximately \$50K

Through the support of the Project Aware Grant and as part of the overall implementation of a Multi-Tiered System of Supports for Behavior (MTSS-B), H-DHS developed the Hillcat Zone program. The Hillcat Zone provides Tier 1 and Tier 2 services to support the social, emotional, and behavioral needs of students. The Zone staff member supports and coaches students with their academic and behavioral needs, and also supervises the in-school intervention program. The Project Aware Grant supported the full cost of this program in FY22 and FY23. As the grant winds down 50% of the cost (approximately \$35K, which includes salary and benefits) was shifted to the district general fund in FY24 and the remaining 50% is being shifted in FY25. Data shows that 75% of the H-DHS student population accesses the program's support.

During FY20, the Technology Department staffing dropped from three down to two when a mid-year vacancy was not filled. The current staffing of a Director of Technology, responsible for the overall operations and management of technology infrastructure, programming, and a Network Administrator responsible for ensuring all systems and applications are supported and maintained, is no longer sufficient. The proposed FY25 budget repurposes a staffing decrease in another department to create an IT Help Desk Technician. This entry level position will ensure that end user issues and concerns are addressed quickly and efficiently, minimizing the impact on learning and teaching.

There is an increased intensity and complexity of students needs across the district which impacts learning and creates a greater need for related services utilizing multifaceted and cross-disciplinary approaches for service delivery. The increased student needs are seen particularly in the areas of functional and social communication, behavioral, psychological and counseling services to include, but not limited to, evaluation and crisis management. A school district social worker is part of the overall framework to provide these supports.



- As you can see by this graph, salaries & benefits make up over 78% of the overall budget
 - -- When you add in tuition, utilities and transportation, the total is over 86%
- Contracted services is largely related to facilities for requirements such as custodial services and maintenance & repairs
- We've broken out hardware and software from supplies and/or equipment for additional visibility
- Professional services is for requirements like Psychological services, OT/PT services, audiology services, Legal fees, independent audit, instructional tools such as iReady and athletic trainers & referees
- Dues & Fees are largely for graduation and similar celebrations as well as professional memberships
- Fund Transfers is the Food Service transfer discussed earlier

D V	/ Function				
General Fund Expenditures	Approved FY2024	Proposed FY2025	\$ Diff	% Diff	
Regular Instruction	\$9,044,500.15	\$9,883,634.75	\$839,135	9.28%	
Special Education	\$5,569,593.09	\$4,862,591.69	-\$707,001	-12.69%	
Student Services	\$2,506,560.46	\$2,782,359.77	\$275,799	11.00%	
Vocational Education	\$50,000.00	\$50,000.00	\$0	0.00%	
Activities & Athletics	\$370,779.96	\$364,039.81	-\$6,740	-1.82%	
Curriculum & Staff Development	\$142,922.60	\$143,223.00	\$300	0.21%	
District Administration	\$251,926.20	\$242,888.20	-\$9,038	-3.59%	
School Administration	\$1,395,739.07	\$1,390,552.38	-\$5,187	-0.37%	
Media & Technology	\$1,276,611.03	\$1,309,279.83	\$32,669	2.56%	
Facilities	\$2,262,176.46	\$2,273,003.23	\$10,827	0.48%	
Transportation	\$1,229,184.00	\$1,220,544.00	-\$8,640	-0.70%	
Debt Services & Transfers	\$50,000.00	\$75,000.00	\$25,000	50.00%	
Total Operating Budget	\$24,149,993	\$24,597,117	\$447,124	1.85%	
SAU Allocation	\$1,005,714.00	\$971,137.00	-\$34,577	-3.44%	
Transfers to Trust	\$210,000.00	\$270,000.00	\$60,000	28.57%	

- Regular Instruction: Most of the increase (\$575K) is a shift of the HS Alt program from SpEd to RegEd (should have been RegEd all along – these aren't SpEd students); Health insurance accounts for another \$207K (not double-counting HS Alt); Salaries are up \$71K (not double-counting HS Alt); Tuition down \$20K (student transition)
- Special Education: Most of the decrease (\$459K) is a shift of the HS Alt program from SpEd to RegEd; Outside placements (-\$265K);
- Student Services: Increase relates to Health ins (\$92.5K); Proposed D-W social worker (\$91.3K); \$10K for local portion of SAP counseling costs; Increase pysch services based on student needs (\$45.6K) and increased rates
- Media & Technology: Proposed Helpdesk Tech (\$62.3K); H/W and S/W are down \$35K based on known requirements
- Facilities: Decrease due to changes in health coverage offset inflationary increases and higher property & liability ins (\$11.4K); no increase in salaries due to new hire savings
- Transportation: Decrease in anticipated SpEd transportation requirements; more than offsets inflationary increase in routine bussing contract
- Debt Services & Transfers: Food Svc transfer has remained at \$50K even though staffing costs have increased and food prices have skyrocketed; Food Svc had surpluses during COVID due to influx of federal funds, but deficit was over \$100K in FY23 and will likely remain in that range
- The bottom of the chart adds the SAU allocation and Transfers to trust which are separate articles
- -- The SAU allocation is down \$34.5K if the proposed budget passes; the alternative SAU budget would actually increase the allocation by \$3K
- -- We'll talk about the trust transfers on the next slide

	Releves of	FY23 Surplus to Add to	Estimated	Proposed Trust
Trust Fund Description	Balance a/o 6/30/2023	Trust	6/30/2024 Balance	Warrant Articles (FY24 Surplus)
HD Maintenance Fund	\$338,983.82			
HD Roof Fund	\$115,733.90		\$115,733.90	
HD HVAC Fund	\$121,500.59		\$121,500.59	
HD Special Education Fund	\$728,872.01	\$50,000.00	\$778,872.01	\$10,000.00
HD Tech Fund	\$116,856.38	\$10,000.00	\$126,856.38	\$10,000.00
Total Combined Fund Balances	\$1,421,946.70	\$210,000.00	\$1,631,946.70	\$270,000.00

To be clear, trust warrant articles have no additional impact to tax rates and transfers only occur if there is sufficient fund balance at the end of the year

This chart shows Trust Fund balances as of June 30, 2023 and the estimated amounts for June 30, 2024 after we transfer surplus amounts from FY2023 that were approved on warrant articles in March 2023; the amounts will be higher with interest factored in.

It also proposes amounts to include as warrant articles for this budget cycle which would be transferred if there is sufficient surplus at the end of the current fiscal year

We still don't even have enough in the maintenance trust to fund our highest priority item on the capital maintenance plan and at the current rate of transfer, it would take about 60 years to clear the current capital maintenance plan. Bearing that in mind, we're proposing an increase for the maintenance trust from \$150K to \$250K

The Special Education trust is finally at a point where we think we can afford to lower the transfer amount – though we don't want to zero it out completely

We feel the amount for the Tech Trust should remain level at \$10K.