

Hopkinton School District

Budget Committee Review
FY 18

January 11, 2017

www.hopkintonschools.org

Background - The Unique FY 18 Budget Development Process

- October, 2016: The Hopkinton School District is informed of the health insurance guaranteed maximum rate of increase, 23.6%, almost \$600K.
- The Hopkinton School Board (HSB) invites the Hopkinton Education Association (HEA) to reopen negotiations November 15, 2016.
- HEA votes to reopen negotiations November 22, 2016.
- Hopkinton School Board and Hopkinton Education Association ratify a tentative agreement on January 4, 2017.

School Board Budget Meeting: December 6, 2016

- Superintendent presents initial budget to School Board
- Zero-based (maintenance uses three-year rolling average)
- Supporting the “Above All, Care” Mission
 - The inclusion of a Director of Curriculum, Social Worker, Kindergarten Teacher
 - Increase in 1st grade, decrease in grade 5
 - Classroom technology (maintenance and replacement)
 - Compliance with state and federal law for special education
 - Enrollment up 42 students this year (7 Pre-School)

School Board Budget Meeting: December 13, 2016

- A retrospective on FY 17 reductions is presented
- Review of projected revenues from state and federal sources
- Board directs Superintendent to present tiered reductions to get to \$1.00 increase in the tax rate and zero increase in the tax rate
 - Programs and Staff
 - Educational Objectives
 - Efficiency of Operations

School Board Budget Meeting: December 20, 2016

- Tiers of Reductions are presented
- Funding levels are proposed for:
 - Unreserved fund balance: \$485K
 - Withdrawal from Tax Rate Stabilization Fund: \$200K
 - Withdrawal from Health Insurance Fund: \$75K
 - Establishment of Contingency Fund: \$100K
 - Contributions to School Building Repair and Maintenance Fund: \$50K
 - Vehicle Replacement Fund: \$10K

School Board Budget Meeting: January 3, 2017

- Review revised tiers of reduction
- Announces negotiating teams (HSB, HEA) have reached a tentative agreement
- Reviews agenda for January 4, 2017
 - The ratifying of the tentative agreement
 - The determination of the FY 18 funding level

School Board Budget Meeting: January 4, 2017

- School Board ratifies the tentatively agreed upon Collective Bargaining Agreement
- School Board votes on FY 18 Operating Budget
 - Eliminated Social Worker
 - Moved positions to Contingency Fund (Kindergarten Teacher/IA, Science, Admin Retirement Benefit, Transportation)
- School Board votes on establishing a \$100K Contingency Fund
- School Board authorizes contribution to Vehicle and

Maintenance Repair Trust Funds

School Board Budget Meeting: January 10, 2017

- Revises FY 18 to include federal projects, food service, and other funds
- Adjusts budget, taking out HEA CBA savings as those are included in a separate warrant article
- Adopts Hopkinton School Board Budget Value: \$19,788,043.00

HEA Collective Bargaining Agreement (\$274,861)

- Tax Rate Impact: Decrease of \$0.45/1000

FY 18 Operating Budget of \$19,788,043

- Increase of 6.1%
- Tax Rate Impact of \$1.31/1000

Contingency Fund - \$100,000

- Tax Rate Impact of \$0.16/1000

Repair and Maintenance Trust Fund Contribution

- Add \$50,000 from FY 17 end-of-year surplus (last year \$50,000)
- \$0.08/1000 (Impacts revenue calculation of the tax rate, not expenditure)

Vehicle Capital Reserve Fund

- Add \$10,000 from FY 17 end-of-year surplus (last year \$10,000)
- \$0.02/1000 (Impacts revenue calculation in the tax rate, not expenditure)

HEA CBA

- Decrease of \$274,861 due to a change in health insurance and salary
- Health Insurance: 100% of the premium paid, \$1000/\$3000 deductible (First 50% paid by District), Site of Service Plan, higher co-payments
- Salary: Yr 1: 2.5% - 2%, Yr 2: 2%, Yr 3: 2%.
- Language changes including an additional day (curriculum development or student day)

Operating Budget of \$19,788,043

- Increase of \$1,121,301 (6.01%)
- Costs for programs/services and facility maintenance
- Contractual salary and benefits for HESS (year two of three) and Teamsters (year two of two)
- Nonunion staff: salary adjustment/merit pool of 2.5% (significant change in health insurance, savings of (\$77,241))
- Up to \$750K in federally funded special projects budgeted as expense and as a revenue

Budget is Educationally Sound and Fiscally Responsible

- Drivers Include:
 - Health Insurance +\$415,693
 - Salaries +\$301,290
 - Retirement +\$103,456
 - Transportation +\$52,571 (In and Out of District)
 - Curriculum Director (Salary and Benefits) +\$113,663
 - Instruction, Behavior, and Related Services *\$310,224

*The values of salary and benefits increases are also included above

General Contingency Fund

- \$100,000
- Reduce risk associated with highly variable budget items (enrollment, administrator retirement benefit, athletic transportation)

Repair and Maintenance

- Proposed transfer of \$50,000 from FY 17 end-of-year surplus
- Current balance end of FY16 \$228,028
 - Doors and Locks Replacement Project Slated for FY 17 and FY18, \$40K
- Projects planned for FY 18
 - Heating plant at the middle and high schools, may be done with facility project
- For purpose of timely addressing major equipment repair/replace

Vehicle Capital Reserve Account

- Proposed transfer of \$10,000 from FY 17 surplus
- Current balance end of FY 16 \$55,991
- Next expenditure planned for FY 17
 - Withdrawal for Bus 99 replacement anticipated of \$46,638

Revenue Picture – A Conservative Approach

- Use of Savings (Article X funds) \$200,000
- Use of Health Insurance Capital Funds \$75,000
- Increase in State Adequacy Aid \$94,721
- Tuition up \$3,800
- Projecting \$485,000 from FY 17 surplus (last year was projected to be \$468,000 and came in at \$486,087)
- Tax rate set in October after all revenue numbers are in

Estimated Tax Impact of \$1.02/1000

- Includes a (\$0.45) reduction from the negotiated agreement
- Operating Budget
- The establishment of a \$100K Contingency Fund
- Includes local and state tax rates
- Includes end-of-year fund balance to reduce taxes
- Includes use of Article X funds to reduce taxes
- Last year, the estimated tax impact was an increase \$0.26/1000 and it came in at a decrease of (\$0.08/1000)

Update - HSD Facility Project

- Enrollment Increase (70 in Kindergarten)
- October, HSB Revised Charge - School Configuration Project to School Renovation Project
- Report due from the Facility Steering Committee - presenting options to the Hopkinton School Board
- School Board makes final approval of scope of project
- Bring a proposal to the voters in March 2018 (Last bond payment is made FY18)

Hopkinton “Makes the Grade” for an Average Cost

- Cost per pupil remains in line with the average of all districts in New Hampshire, with a third of all districts spending more per student (Source: NH DOE, updated 1/3/17) [56th of 161 districts]

Note: 14 - 15 36th of 160 districts

- 93% of recent graduates plan on attending 2 or 4 year colleges
- Best High School in New Hampshire – three years in a row
- Consistently receives Blue Ribbon awards for volunteerism



Thank you