

**HILLSBORO-DEERING SCHOOL
DISTRICT**

**FY 2024-2025
PROPOSED BUDGET AND
WARRANT ARTICLES**

**DELIBERATIVE SESSION
FEBRUARY 5, 2024**

MODERATOR'S RULES

By John Segedy
School District Moderator

Call to order, pledge, introduce Board and Staff

1. The Moderator will not follow Robert's Rules but will use general rules of procedure, whose main purpose is to keep the meeting moving but allow all voters a fair chance to debate the warrant.
2. The Moderator will motion to grant permission from the meeting for authority to allow certain non-voters who are at the meeting to speak. In particular, the School District Legal Counsel, the Superintendent and the Business Manager. Other similar permissions will be sought if needed.
3. Barring objection, the Moderator will dispense with the reading of the entire Warrant.

4. The body will consider each Article, as follows:
 - a. The Moderator will announce the Article number and will then recognize a member of the School Board or the petitioner (if a petitioned Article) to move the adoption of the Article. If the Motion is seconded, the recognized presenter will explain the article.
 - b. The Meeting will debate the Article.
 - c. No one may have the floor unless they are recognized by the Moderator.
 - d. Those registered voters wishing to speak to an article should stand and line up at the microphone and once the Moderator recognizes you, you must state your name and town.

- e. Only one person, the one recognized by the Moderator, may speak at a time.
- f. Even if a voter does not have the floor, a voter may speak to raise a Point of Order, to challenge a Moderator's ruling, or to overrule the Moderator.
- g. All speakers are expected to address the Moderator, and no back and forth conversations to other at the meeting will be allowed.
- h. When voters or permitted non-voters are granted the floor to speak, the speaker's remarks shall be confined to the issue under consideration, or the speaker may be ruled out of order.
- i. The Moderator will allow only one motion on the floor at a time. Proposed amendments must be in writing.

- j. The Moderator shall not recognize a Motion to Call the Question, if in the Moderator's opinion, the voters have not yet had an adequate opportunity to speak and discuss an issue.
- k. The Moderator will not accept negative motions.
- l. All speakers must be courteous and must speak to the issues, not the individuals raising them. The Moderator will not allow loud outbursts, personal attacks or any type of inappropriate language. If any person behaves in a disorderly manner, and after notice (warning) from the Moderator, persists

in such behavior, or shall in any way disturb the Meeting, or willfully violate any rule of proceeding, the Moderator may impose a \$1 fine or have a police officer remove such person from the meeting.

m. With the exception of initial presentations on the Articles which are limited to ten (10) minutes, all speakers in debate will be limited to three (3) minutes.

n. Each speaker may only speak once until everyone has spoken.

- o. If the Moderator's ruling on the outcome of a voice vote or show of cards is questioned by at least seven (7) voters, the issue will be decided by secret ballot. Such a call for a secret ballot must be made before any other business occurs.
- p. Any five (5) voters may require that the vote on any Article or question be by secret ballot. The request must be presented in writing to the Moderator prior to voting begins.

John Segedy, School District Moderator



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 and be heard.
 - Engage in productive, task-oriented discussion.
 - Establish a practice to respond to questions from the public

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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.
- 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 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.

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ARTICLE 1

- **Election of Officers**

- Two School Board Members At Large for a 3-year term
 - Krista Davison
 - Stacey Morin
 - Benny Valenzuela
- One Moderator for a 1-year term
 - John Segedy

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ARTICLE 2

- **Salaries of School Board and Compensation of Other Officers**

- School Board Chair \$1,800
- School Board Members \$1,000 each
- School Treasurer \$5,000
- District Clerk \$100 per meeting
- Moderator \$100 per meeting
- Ballot Clerks \$10 each per voting session

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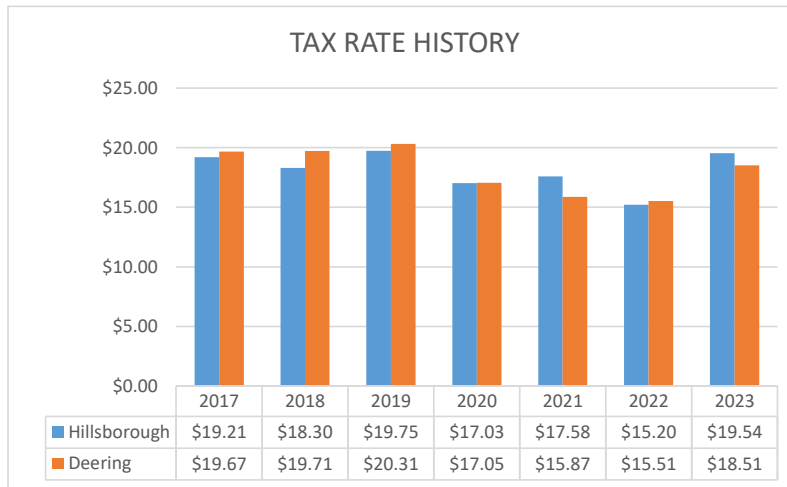


ARTICLE 3

- **Hillsboro-Deering School District Operating Budget approved by the School Board on 1/2/24:**
 - **\$24,597,117**
- Does not include appropriations by special warrant articles and other appropriations voted separately (except article 2)
- **If article is defeated, operating budget will be \$24,482,642**

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TAX RATE HISTORY



- 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.

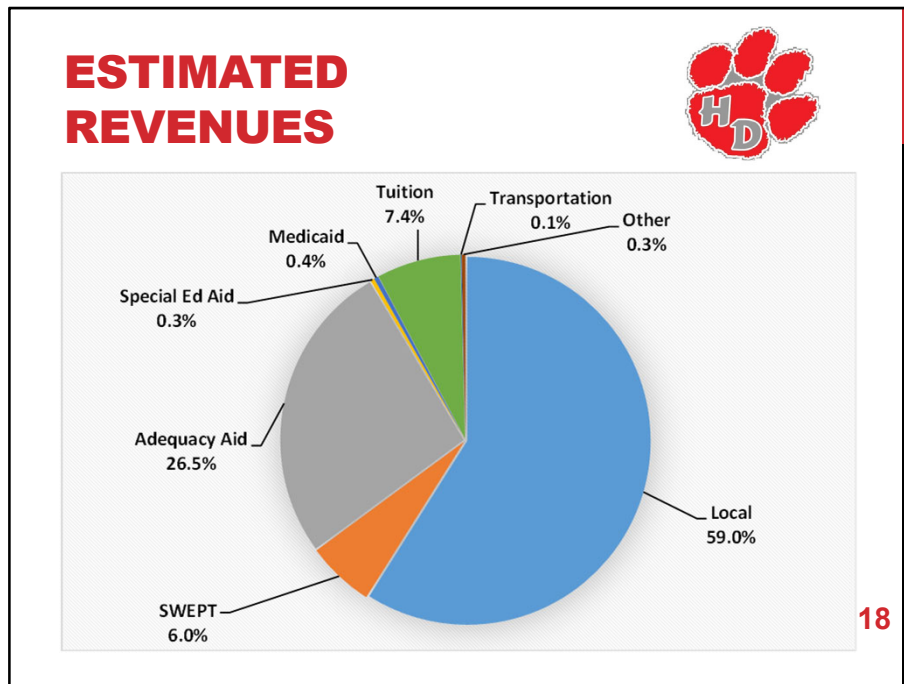
ESTIMATED REVENUES



	FY2024 BUDGET	FY 2025 PROPOSED BUDGET
Local Tax	\$ 14,331,582	\$ 14,505,488
Federal & State Funding	7,915,885	8,167,408
State Education Tax (SWEPT)	1,473,229	1,464,886
State Adequacy Aid Grant	6,271,656	6,522,522
School Building Aid	0	0
Special Education Aid (CAT Aid)	76,000	85,000
Medicaid	95,000	95,000
Tuition	1,751,166	1,821,720
Transportation	22,500	22,500
Rental, Interest, Misc	51,000	80,000
Anticipated Revenue	\$ 24,072,133	\$ 24,597,117

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- The FY2024 Budgeted Revenues don't include the \$77,860 that related to the Support Staff Collective Bargaining Agreement which was approved as a separate article last year
- The Local Tax line balances revenues with expenses and is an indicator of what may happen with the tax rate next year. Since local tax revenue is only increasing 1.2%, the tax rate increase should be minimal
- The Statewide Education Property Tax (SWEPT) & Adequacy Aid are both part of the "Adequacy Formula" which starts with our student count and gets adjusted by multiple factors
 - The SWEPT amount is subtracted and we're left with the Adequacy Aid amount
 - If the SWEPT rate/amount goes down (like it did in FY2023 to reduce taxes), the Adequacy Aid will go up. If SWEPT goes up (like it does in FY2024), Adequacy Aid goes down
- School Building Aid went away in FY2023 since we paid off our bond
- We're estimating an increase in our Special Education (or Catastrophic) Aid. This aid is based on prior year expenses, so there's a one-year lag for reimbursement
- We're estimating Medicaid revenue will remain stable at \$95K
- Tuition revenues should increase somewhat, but tuition is always a moving target that could change with transitioning students.
- The increase in the Rental, Interest, Misc line is due to interest rates being much higher than a few years ago



- The pie charts shows the percentages of each revenue.
- As you can see the local portion is 59% or 65% if you add SWEPT (which is a State-Wide factor, but is raised locally)
- Adequacy Aid is only 26.5% of our estimated revenues; A Superior Court ruling on Nov 20, 2023 ruled the current amount of adequacy per student (\$4,182 for FY2025) is unconstitutional and said the minimum amount should be \$7,356.01; This increase of nearly \$3,200 could increase our Adequacy Aid by over \$3M ($\$3,200 \times \text{about } 1,000 \text{ students}$) if the ruling is implemented for FY2025; This would also decrease the amount to be collected locally and reduce tax rates

EXPENSES AND SERVICES



General Fund Expenditures	Proposed FY2025	% of Total
Regular Instruction	\$9,883,635	40.2%
Special Education	\$4,862,592	19.8%
Student Services	\$2,782,360	11.3%
Vocational Education	\$50,000	0.2%
Activities & Athletics	\$364,040	1.5%
Curriculum & Staff Development	\$143,223	0.6%
District Administration	\$242,888	1.0%
School Administration	\$1,390,552	5.7%
Media & Technology	\$1,309,280	5.3%
Facilities	\$2,273,003	9.2%
Transportation	\$1,220,544	5.0%
Debt Services & Transfers	\$75,000	0.3%
Total Operating Budget	\$24,597,117	100.00%

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- The **Proposed Budget of \$24,597,117** is **\$447,000 (or 1.85%) higher** than the FY2024 approved budget
96% of the **Regular Instruction** requirement is salaries & benefits - 95% of the **Special Education** requirement is salaries & benefits & another 4.6% is for tuition and professional services.

Student Services consist of Guidance, School Resource Officer (SRO), Nurse, Psychological, Speech & Language, Occupational & Physical Therapy, and Interpreter services.

Vocational Education is strictly tuition to the Concord Regional Technology Center

Activities & Athletics are sports programs and other afterschool/summer school activities [athletics = 76% and is consistent with last year's percentage]

Curriculum & Staff Development is staff Professional Development which consists largely of teachers & support staff tuition reimbursement and stipends for committee work

District Administration is for legal fees, Workers Comp/Unemployment Insurance, audit fees, NHSBA dues, board stipends, advertising, and other expenses

96% of the **School Administration** requirement is for salaries & benefits for principals and office staff. Other requirements include graduation costs, supplies, dues, etc.

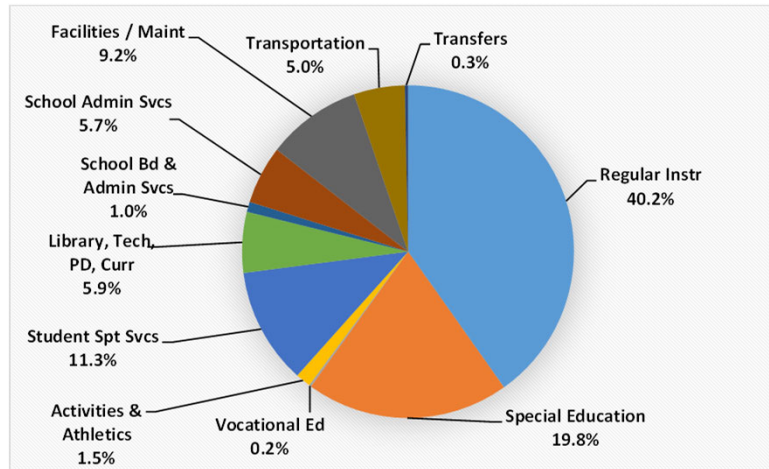
About 54% of the **Media & Technology** requirement is for Information Technology & Library salaries/benefits. Another 41% is for Hardware, Software, and telephone/internet

Facilities includes salaries/benefits for 3 employees, utilities, property & liability insurance, contracted services for custodial, grounds maintenance as well as repairs and maintenance of the buildings.

55% of the **Transportation** is for regular, daily bus transportation. About 30% relates to Special Education. Another 7% is for vocational transportation. The balance is for field trips/athletics

Debt services & Transfers would include bond payments, but since we no longer have any, it only includes a transfer to Food Service

EXPENSES AND SERVICES



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This pie chart shows the breakdown of the different expenditure areas within the budget.

BUDGET KEY FACTORS



Increase / Decrease in Obligations:

• Health Insurance	\$ 343,432
• Salaries, FICA & Retirement	\$ 275,974
• Psychological Services	\$ 45,600
• Substance Abuse Prevention	\$ 10,000
• Food Service Transfer	\$ 25,000
• Outside Placements	\$(265,230)
• Miscellaneous	<u>\$ 12,348</u>
Total Increase	\$ 447,124

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- 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 due 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 VS. DEFAULT BUDGET



General Fund Expenditures	Proposed FY2025	Default FY2025	\$ Diff
Regular Instruction	\$9,883,635	\$9,247,156	-\$636,479
Special Education	\$4,862,592	\$5,652,622	\$790,030
Student Services	\$2,782,360	\$2,519,088	-\$263,271
Vocational Education	\$50,000	\$50,000	\$0
Activities & Athletics	\$364,040	\$372,367	\$8,327
Curriculum & Staff Development	\$143,223	\$142,923	-\$300
District Administration	\$242,888	\$251,926	\$9,038
School Administration	\$1,390,552	\$1,404,362	\$13,810
Media & Technology	\$1,309,280	\$1,282,684	-\$26,596
Facilities	\$2,273,003	\$2,280,331	\$7,327
Transportation	\$1,220,544	\$1,229,184	\$8,640
Debt Services & Transfers	\$75,000	\$50,000	-\$25,000
Total Operating Budget	\$24,597,117	\$24,482,642	-\$114,475

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- The default budget is lower than the proposed budget by \$114,475. The default budget begins with the prior year voter-approved budget and is only adjusted for specific reasons. As an example, Teacher and Support Staff bargaining unit pay raises are included in the Default budget since those contracts were voter-approved. Other raises and inflationary increases are not included.

- The health rate increase isn't included in the default, but the outside placement savings isn't either. Since most of our positions are covered under collective bargaining agreements, most of the salary, FICA and retirement increase is in both the proposed and default budgets. The re-purposing of three positions is not included in the default – the original positions are included and the cost is actually about \$50K higher than the proposed budget.

- The large swing between Regular Instruction and Special Education is due to shifting the HS Alternative Program from Special Education to Regular Instruction in the Proposed Budget (since it really isn't a Special Education program), but leaving it in Special Education for the Default Budget

- The large decrease in Student Services is due to the Proposed Budget including a Social Worker (one of the repurposed positions), \$10K toward substance abuse prevention and increased costs for psychological services (\$46K); The Default Budget doesn't include any of those increases

(The Default Budget for Media & Technology doesn't include a Helpdesk Technician repurposed positions) and the Default Budget for Debt Services & Transfers doesn't include an increase for anticipated Food Service deficit)

BUDGET SUMMARY



• Proposed FY 2025 Budget	\$24,597,117
• HD Apportionment of SAU Budget	<u>\$971,137</u>
• Proposed FY 2025 Budget with SAU	\$25,568,254
• FY 2024 Approved Budget with SAU	\$25,155,707
• Proposed Increase	\$ 412,547
• Percent Increase	1.64%

23

When you incorporate the SAU apportionment to include the total amount raised from taxation, FY 2025 1.64% higher than FY 2024 which is better than we anticipated when we were faced with the 17.8% health rate increase.



ARTICLE 4

- **Funds from State and Federal Aid**
- Food Service \$800,000
- Federal and State Projects \$1,750,000
- Total \$2,550,000
- These appropriations have offsetting revenues from school lunch sales and State and Federal revenues and do not affect the tax rate.

24

Article 4 is allowing the district to accept federal and state funds for Title I, Title II, IDEA, food service and others.



ARTICLE 5

SAU #34 Budget

- Hillsboro-Deering Apportionment is **\$971,137**
- SAU Proposed Budget is **\$1,156,115**
- Washington & Windsor are also assigned apportionments
- Majority vote of all the school district voters – Hillsboro, Deering, Washington and Windsor
- If defeated, Hillsboro-Deering Apportionment is \$974,522 (an increase of \$3,385) and SAU Alternative Budget is \$1,160,145

25

Article 5 is the SAU#34 budget apportionment for HD. SAU #34 provides oversight and services to three School Districts; Hillsboro-Deering, Washington and Windsor. The Approved Budget is proportionally split up between the districts - Each School District's Warrant has an SAU Budget Article for their portion. The SAU expense budget less revenues is \$1,156,115 which is lower than FY2024 due to increased revenues (Indirect Costs for executing federal grants and higher use of fund balance). The Hillsboro-Deering apportionment is \$971,137 which is \$34,577 lower than FY2024. If the article doesn't pass, the alternative SAU budget and Hillsboro-Deering apportionment are actually higher since the alternative budget does not assume an increase in indirect cost revenues (if the expense budget is reduced and the SAU has a lower ability to obtain contracted service assistance, it could lower their ability to collect indirect costs).



ARTICLE 6

- **Appropriate \$250,000 to the School Building Maintenance Trust Fund from any unreserved fund balance available at the end of FY 2023-2024**
- Only occurs if FY2024 ends with a sufficient surplus
- Used to fund Capital Maintenance items or other unbudgeted requirements which include facilities / grounds maintenance expenses

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The Trust Fund transfers proposed in Articles 6, 7 and 8 will only occur if there is sufficient surplus at the end of the current year (FY 2024) and there is no additional amount being requested for the FY 2025 budget. If there isn't sufficient surplus to fund all transfers, they will be funded in the order they appear (Maintenance trust is first).

The current fund balance in the Maintenance Trust is estimated at **\$489K** (includes \$150K recently added from FY 2023 surplus)

Funds could be used for items on the current capital maintenance list which totals \$9.1M. The #1 priority item is HS boiler replacement for \$700K and this \$250K would get us up to that amount.

A Public Meeting would need to occur in order to withdraw funds from any Trust.



ARTICLE 7

- **Appropriate \$10,000 to the Special Education Expendable Trust Fund from any unreserved fund balance available at the end of FY 2023-2024**
- Only occurs if FY2024 ends with a sufficient surplus
- Used to fund mandatory, but unbudgeted Special Education expenses

27

The current fund balance is estimated at **\$779K**

This is a very important trust fund. One student could cost a district over \$500K per year. Last year's article was for \$50K, but since we have fairly healthy balance, we're proposing a lesser amount of \$10K this year



ARTICLE 8

- **Appropriate \$10,000 to the Technology Expendable Trust Fund from any unreserved fund balance available at the end of FY 2023-2024**
- Only occurs if FY2024 ends with a sufficient surplus
- Used to purchase new or replace existing technology

28

The current fund balance is estimated at \$127K



ARTICLE 9

- **Accept the reports of agents, committees and officers chosen as printed in the Annual Report**

29

Per RSA 32:5,VII (a), the annual report shall be made available to the public a week before the voting session.

The HD annual report will be available online at hdsd.org by mid February. Printed copies will be available the first week of March.



ARTICLE 10

- **By Petition**

- Shall the voters of the Hillsboro-Deering Cooperative School District vote to direct the Hillsboro-Deering Cooperative School Board to terminate the 3-year landscaping and snow plowing contract with the vendor, effective, April 30, 2024, due to breach of contract and the H-D School district's:
 1. failure to enforce the scope of work requirements specified as "shall perform" items Appendix A, pages 9-11, of the "Request for Proposals: Grounds Maintenance Services, Landscaping and Snow Removal"
 2. failure to obtain competitive bids as specified in the school district's bidding policy.
 3. lack of transparency and accountability for the use of taxpayer funds.

30

This article was submitted by petition and is not recommended by the School Board.



ARTICLE 11

- **By Petition**
 - Shall the voters of the Hillsboro-Deering Cooperative School District vote to rescind authority for the H-D School Board to enter into any multi-year procurement agreement for \$50,000 or greater and to require a warrant article to authorize agreement, which shall be voted by the legislative body of the Hillsboro-Deering Cooperative School District.

31

This article was submitted by petition and is not recommended by the School Board.



ARTICLE 12

- **By Petition**
 - Shall the voters of the Hillsboro-Deering Cooperative School District vote to prohibit the Hillsboro-Deering School Board from using taxpayer money to fund lobbyists, including indirect funding through membership organizations such as, but not limited to, NHSBA.

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This article was submitted by petition and is not recommended by the School Board.

BALLOT VOTING

- **Tuesday, March 12, 2024**
 - **Hillsborough Voters**
 - **7:00am – 7:00pm**
 - **Hillsboro-Deering Middle School
Gymnasium**
 - **Deering Voters**
 - **8:00am – 7:00pm**
 - **Deering Town Hall**