

## Pittsfield School District

### Proposed 2016-2017 School District Budget – Summary – December 2, 2015

New Hampshire School Boards are required by statute (RSA 189:1-a) “to provide, at district expense, elementary and secondary education to all pupils who reside in the district, until such time as the pupil has acquired a high school diploma or who has reached age 21, whichever occurs first...” In doing so, School Boards are further required to “... establish instructional goals based upon available information about the knowledge and skills pupils will need in the future.” These two tasks have become ever more challenging goals for our Boards.

First, New Hampshire’s system of funding local schools places an unusual and inequitable burden on many local communities. School funding is supported by three main sources, the first of these is federal funds. According to a recent national, state-by-state analysis of public school funding, the National Center for Educational Statistics reports that districts in New Hampshire average 6.6% in federal funds, which is the second lowest percentage of support of all states. In terms of state funding, New Hampshire is the seventh lowest state at 36.0%.

Then, we have local property taxes which, on average, account for 57.4% of the local education funding in New Hampshire, the second highest level of all states. (By comparison, the four states with the lowest local education property tax burden require between 0 and .1% funding from local sources, and the fourteen next lowest local tax burden states all require less than 25% funding from local sources.) The national average contribution of local property tax funding for its public schools is 44.6%. In a system with such a high reliance on local property taxes, inequity in educational opportunities certainly favors some students over others, based solely on the town in which their parents choose to raise them.

Second, in our world that is so quickly and constantly changing, the Board’s responsibility to forecast the knowledge and skills that “pupils will need in the future” is even more daunting than the funding challenges. Considering that today’s kindergarten students will likely still be in the workforce in 2080 (assuming a retirement age of 70) – fifty-five years from now – most of us would be hard-pressed to anticipate the “knowledge and skills” that would be required of them as our kindergartners approach the 22<sup>nd</sup> Century.

When we think about our students’ school experiences, we think back nostalgically to our own school days in much simpler, calmer times and wonder why today’s schools don’t more closely mirror our cherished (mostly!) memories of our past; anticipating future needs is certainly not the least of the reasons for drastic changes in schools in our current era. As evidenced by the many visitors from other institutions across our country to Pittsfield’s schools in recent years, we can take pride in our efforts to design an educational system that will serve our students’ future needs, to the greatest extent that we can forecast such needs.

The bottom line of the Board’s proposed school district budget for the 2016-2017 school year is \$9,846,477.30, an increase of \$42,606.38 when compared with the current year budget. This increase represents an operating budget increase of approximately .4%. This modest increase has been achieved without severely impacting class size or course options for Pittsfield’s students.

On the other side of the ledger, the revenue side, the district is facing a significant decrease. The state's estimate for the annual adequacy grant is reduced by more than \$199,000. This is due to three factors: (1) a lower projected enrollment, (2) a decrease in the "stabilization grant," and (3) an increase in the state education tax. The district's enrollment history reveals a slow decline through the current year (2015-2016 – 558 students; 2014-2015 – 600 students; 2013-2014 – 560 students; 2012-2013 – 575 students; 2011-2012 – 579 students, 2010-2011 – 571 students), and the state is estimating our 2016-2017 enrollment to be 504 students. The stabilization grant is intended to soften the flow of reduced state aid over time; this year, the stabilization grant is decreased by 4%. Additionally, the district will have to withstand an increase in the state education tax of more than \$25,000.

When the proposed budget is considered in the context of the estimated revenues, the budget represents an estimated increase of \$1.53/thousand on the tax rate.

Increases of note included in this proposed budget include:

- a. Health Insurance Costs: our guaranteed maximum health insurance cost increase averages in the 11-12% for range all employees effected;
- b. Salary Increases, Collective Bargaining Agreement: teachers and other professional positions included in the collective bargaining agreement with the Education Association of Pittsfield will be in the third year of their three-year contract; the contract includes varying increases for employees based on their education levels and length of service;
- c. Salary Increases, Support Staff: support staff employees – custodians, office staff, paraprofessionals, others – are not included in the collective bargaining agreement are provided with a 2% salary increase in the proposed budget;
- d. Staffing Increases: following the adoption of last year's budget, the Board responded to student needs by adding two additional positions – a district-wide behavior consultant (an individual previously provided a heavy schedule of consultation for individual students) and a PMHS science and math teacher (opening up further options for students). In addition, the former support staff position of student behavior specialist at PMHS was upgraded to a professional position, providing students in need with a certified guidance counselor in this role. These positions are included in the proposed budget for the first time, but have been serving our students since August.

It should further be noted that, at the present time, an increase in special education out of district placements and associated transportation would add another \$224,000 to the bottom line. However, since the district strives to educate all students within the district whenever possible and because the actual student needs here are always in flux, these anticipated costs are not included in the proposed budget. Additionally, the district currently has approximately \$225,000 in its special education reserve fund, which may be accessed when needed.

Of course, the district continues to supplement the annual district allocation with grant funds, and we are fortunate to continue our Nellie Mae Education Foundation grant again this year and for two additional years. A number of current positions are included, either in whole or in part, in this and other grants.

Finally, the School Board does not intend to bring forward any additional cost-related warrant articles for consideration at the March 2016 school district meeting.

### Budget Overview by Function

Description	Amt. Expended	Current Budget	Proposed Budget	\$ Difference	% Difference
	13-14	14-15	15-16		
Regular Education Programs	\$ 2,936,326.24	\$ 3,140,053.26	\$ 3,269,042.05	\$ 128,988.79	4.11%
Special Education Programs	\$ 1,922,483.77	\$ 2,007,846.60	\$ 1,912,053.65	\$ (95,792.95)	-4.77%
Vocational Education Programs	\$ 22,326.11	\$ 40,000.00	\$ 40,000.00	\$ -	0.00%
Other Programs, Athletics & Co-curricular	\$101,905.33	\$ 130,931.51	\$ 131,657.26	\$ 725.75	0.55%
Guidance Services	\$ 338,997.29	\$ 367,397.47	\$ 391,560.09	\$ 24,162.62	6.58%
Health Services	\$ 90,549.64	\$ 99,520.55	\$ 106,035.56	\$ 6,515.01	6.55%
Psychological Services	\$ -	\$ 9,200.00	\$ 9,450.00	\$ 250.00	2.72%
Speech Pathology Services	\$ 129,369.24	\$ 131,180.06	\$ 133,958.49	\$ 2,778.43	2.12%
Physical Therapy	\$ 22,506.75	\$ 34,250.00	\$ 34,250.00	\$ -	0.00%
Occupational Therapy	\$ 104,692.69	\$ 114,726.16	\$ 114,791.76	\$ 65.60	0.06%
Other Support Services - Vision	\$ 22,614.75	\$ 30,700.00	\$ 10,360.00	\$ (20,340.00)	-66.25%
Improvement of Instruction Services	\$ 104,352.94	\$ 184,556.87	\$ 177,064.85	\$ (7,492.02)	-4.06%
Media & Technology Services	\$ 352,743.68	\$ 392,037.97	\$ 415,689.53	\$ 23,651.56	6.03%
School Board Services/Moderator/Treas	\$ 75,010.48	\$ 78,629.94	\$ 78,830.00	\$ 200.06	0.25%
Office of Superintendent	\$ 308,654.51	\$ 317,391.04	\$ 319,659.59	\$ 2,268.55	0.71%
Community Liason	\$ -	\$ -	\$ 27,571.54	\$ 27,571.54	100.00%
Office of School Principal	\$ 760,339.16	\$ 789,457.78	\$ 830,894.79	\$ 41,437.01	5.25%
Maintenance of Buildings	\$ 977,453.94	\$ 881,284.93	\$ 898,938.40	\$ 17,653.47	2.00%
Pupil Transportation	\$ 522,138.68	\$ 425,246.10	\$ 561,868.60	\$ 136,622.50	32.13%
Acquisition & Construction	\$ -	\$ 1.00	\$ 1.00	\$ -	0.00%
Building Improvement	\$ -	\$ -	\$ -	\$ -	N/A
Debt Service	\$ 369,608.76	\$ 355,033.76	\$ 340,193.76	\$ (14,840.00)	-4.18%
Transfer to Capital Reserve Fund	\$ 100,000.00	\$ 150,000.00	\$ -	\$ (150,000.00)	-100.00%
<b>TOTALS</b>	<b>\$ 9,262,073.96</b>	<b>\$ 9,679,445.00</b>	<b>\$ 9,803,870.92</b>	<b>\$ 124,425.92</b>	<b>1.29%</b>