



Dresden FY24 Budget Proposal

December 20, 2022

Agenda

Budget Process

Economy

Budget Summary

Richmond Middle School (RMS)

Hanover High (HHS)

District Wide

Net Assessment

Budget Options

Warrant Considerations

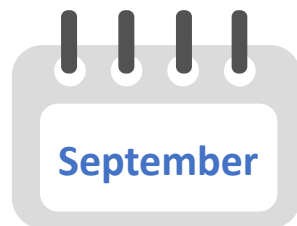
Budget Process

Dresden Board will discuss the first reading of the budget tonight, adopt in January and district vote in March

Budget Process – Dresden Board



Aug 3
Dresden Budget Committee reviewed local economic conditions, strategic initiatives, and Dresden quick model to provide guideline recommendation to Board



Sept 27
Dresden Board approved budget guidelines, 3% expenditure cap based on quick model developed in August



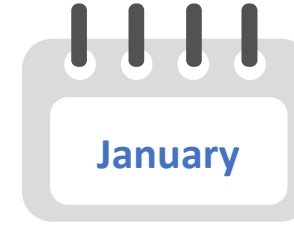
Nov 1
Budget Committee reviewed first draft budget, expenditures & enrollment only

Nov 21
Budget Committee saw second draft with Hanover Finance Committee

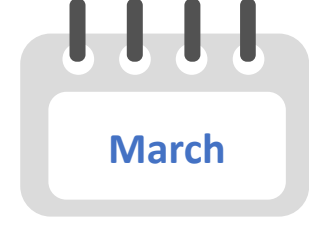


Dec 12
Dresden / Hanover Finance Committee gave feedback on school budgets

Dec 20
Dresden School Board discusses first reading of budget proposal



Jan 10
Dresden School Board discusses second reading of budget proposal and adopts budget



Mar 2
District Meeting / Deliberative Session

Mar 7
District Voting Day

Dresden Budget Committee aims to prepare draft budget that best supports our students and community



Membership

Rick Johnson, Board Chair
Kim Hartmann, Budget Committee Chair
Garrett Palm, Board Member
Jay Badams, Superintendent
Jamie Teague, Business Administrator
Julie Stevenson, Principal – HHS
Tim Boyle, Principal – RMS
Debra Beaupre, Associate Principal – HHS
Liz Murray, Associate Principal – HHS
Anissa Morrison, Associate Principal – RMS
Janice Starkey, Financial Assistant – RMS

Also, met jointly with Norwich, Hanover and SAU 70
Budget Committees:

- 1) August: Recommend budget guidelines
- 2) November: Review second draft budget proposals



Role

Prepare draft budget that best supports our students and community while adhering to board guidelines

If these goals conflict, the Budget Committee will provide enough information for the Board to act

The Board will decide whether to change guidelines or change budget

District voters will have final say

Before Budget Committee reviews budget, RMS building level budget committee prepares draft



Budget Process – RMS



Late Aug
RMS budget process began, convened building level budget committee



Sept
Building level discussions revealed areas for investment and divestment, continue 4+1 model

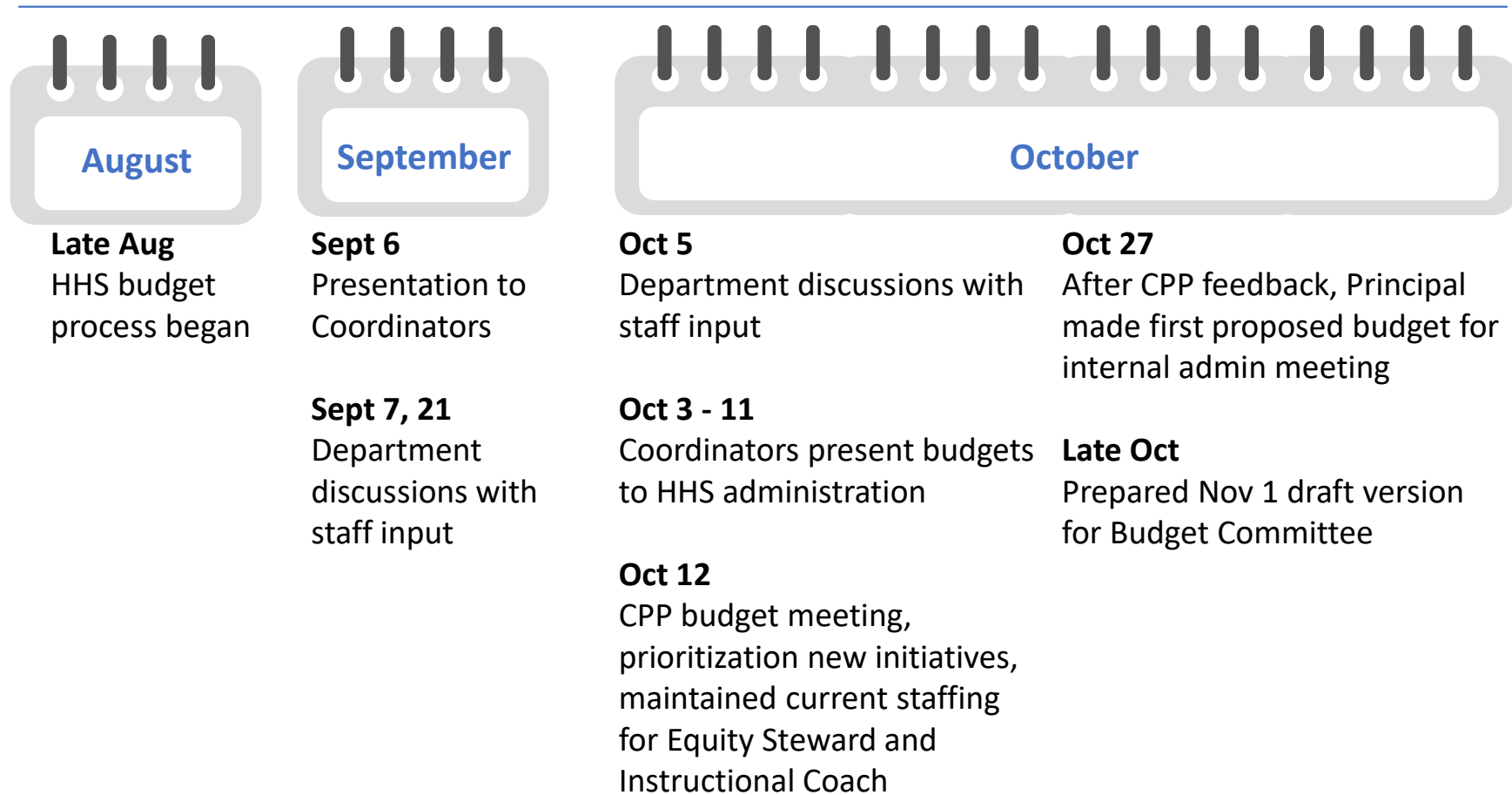


Oct
Developed draft budget version, line by line examination of large/small expenditures – in line with mission, took feedback from parent and student surveys

HHS administration gathered staff input in various budget discussions



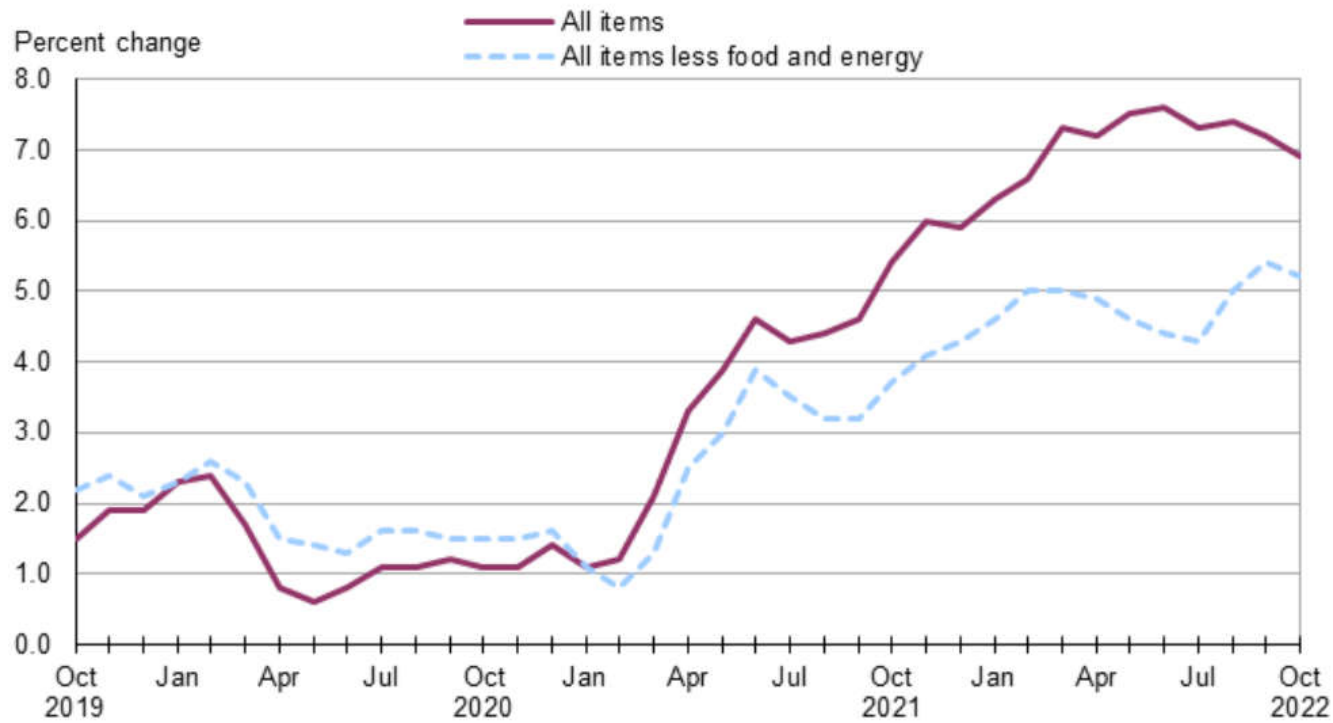
Budget Process – HHS



Economy

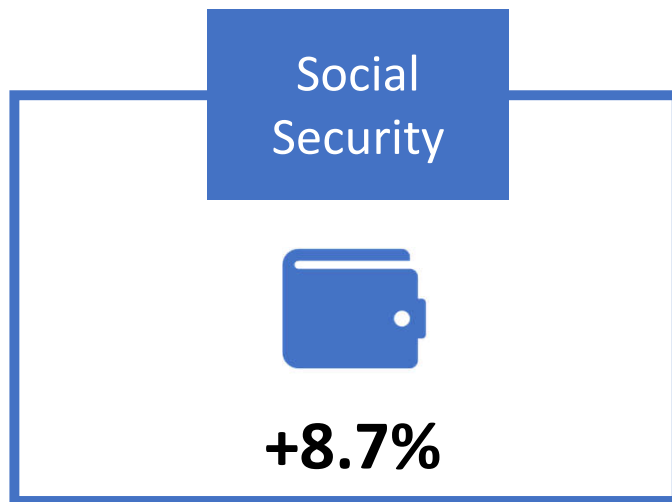
Inflation has risen sharply over the past two years, currently at 6.9% (October 2022), putting pressure on school budgets

Over-the-year percent change in CPI-Northeast region

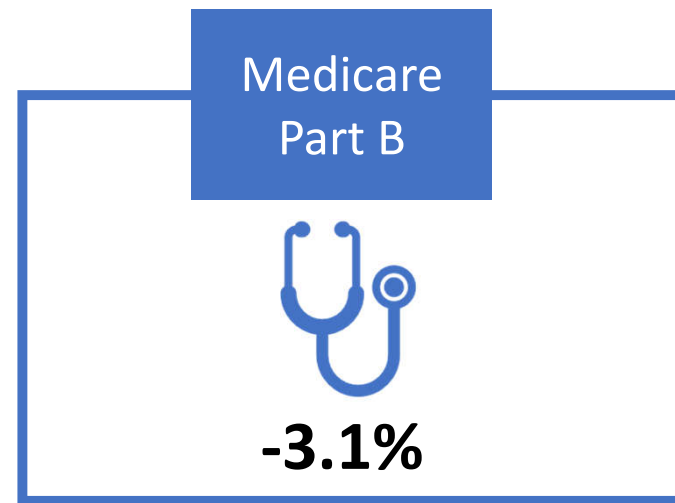


Source: U.S. Bureau of Labor Statistics.

Social Security payments going up and Medicare Part B premiums going down in 2023



- +8.7% Cost of Living Adjustment, largest increase in benefits since 1982



- -3.1% standard monthly premium for Medicare Part B (physician services)
- -3% decrease in Part B annual deductible

Source: US Government, CMS.gov

Wage growth in Upper Valley has grown at least 4.3% since last year

Grafton County, NH



+4.3%

All industries

+4.6%

Education and Health sectors

Windsor County, VT



+6.9%

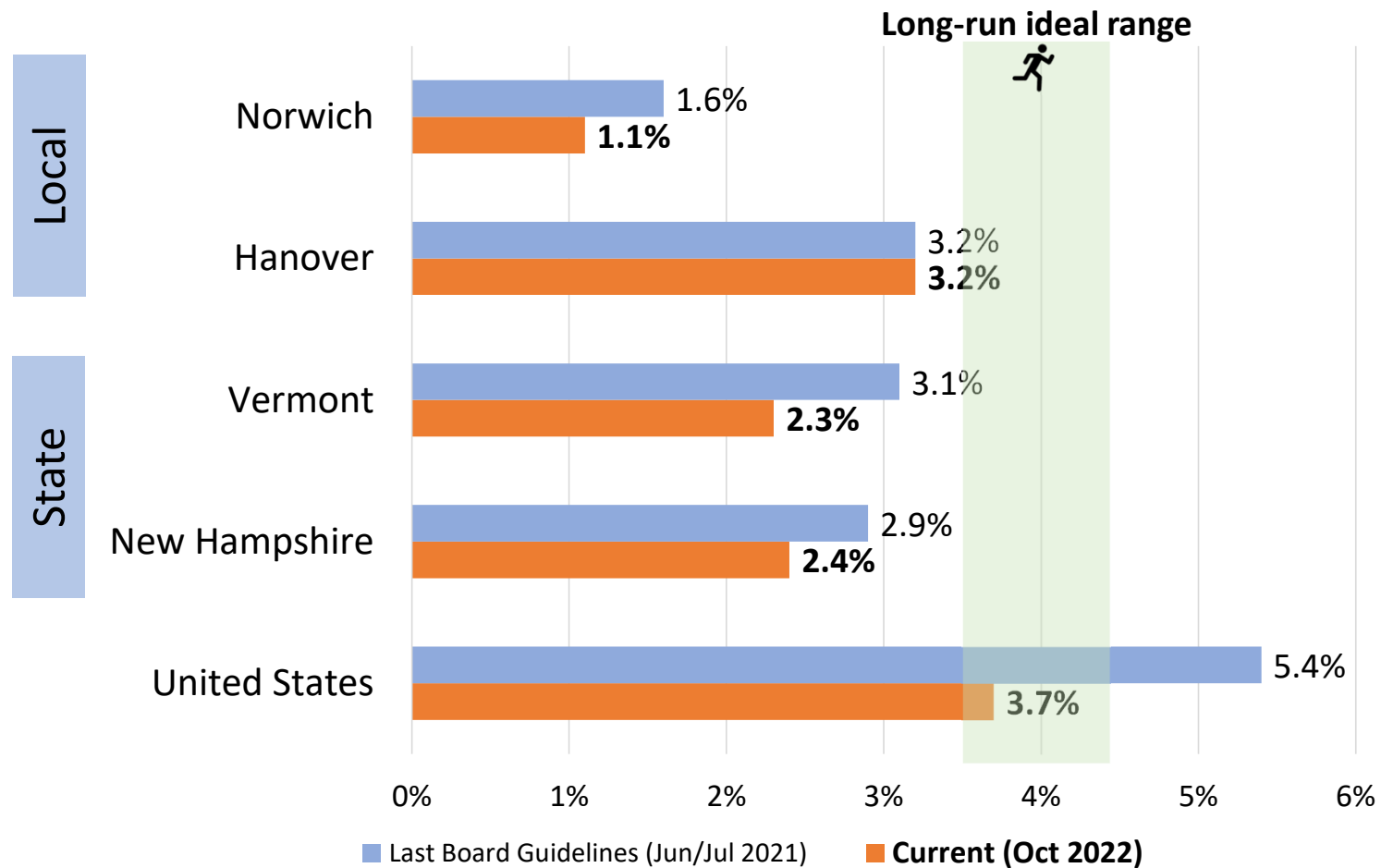
All industries

+9.3%

Education and Health sectors

*Source: US Bureau of Labor Statistics, 12-month % change in average weekly wage (June 2021-2022)
– Q2 2022 report*

Unemployment rates remain low in SAU 70 towns

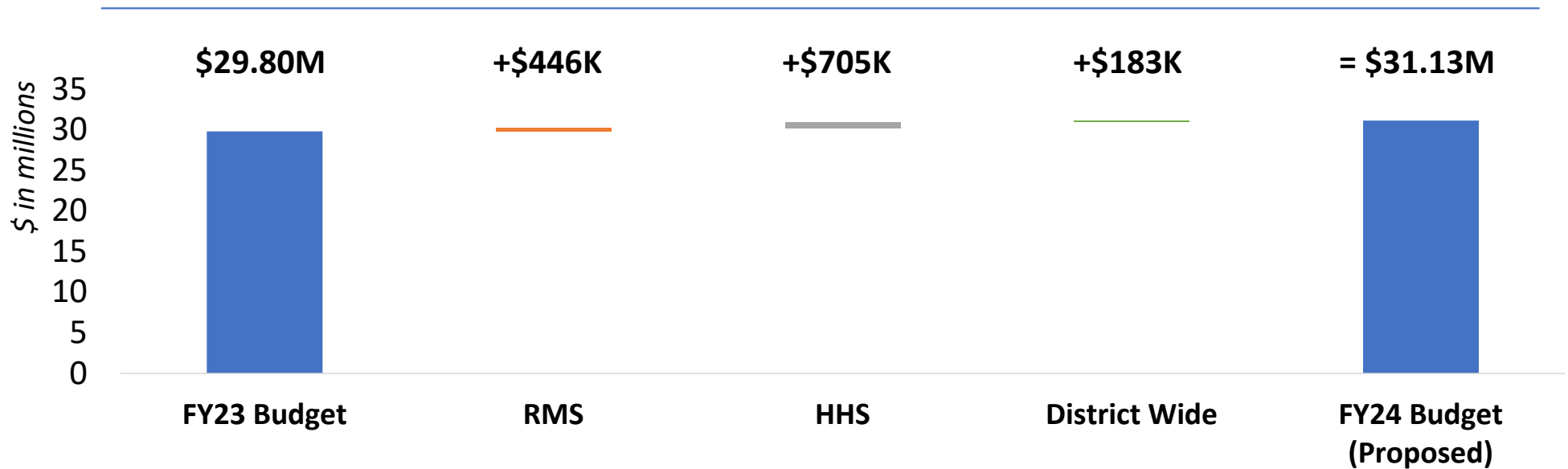


Source: Economic & Labor Market Information Bureau, Federal Reserve, State of Vermont, State of New Hampshire

Budget Summary

Dresden FY24 budget is proposed to increase 4.5% or \$1.3M, driven by inflationary pressures, mainly health insurance

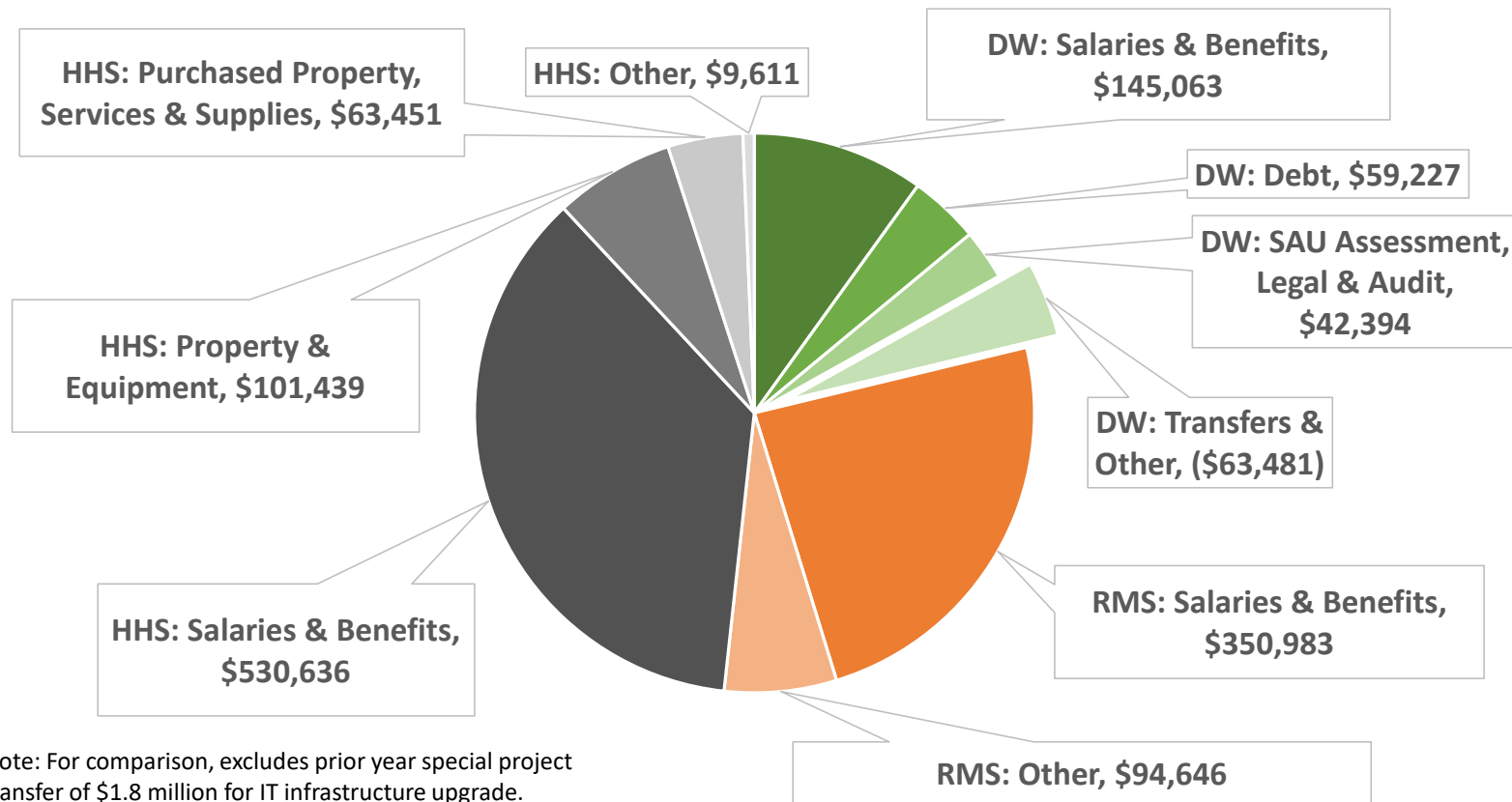
Analysis of \$1.3M expenditure increase



Note: Budget does not include additional warrant articles that may be presented, including expenditures associated with on-going Service Staff negotiations.

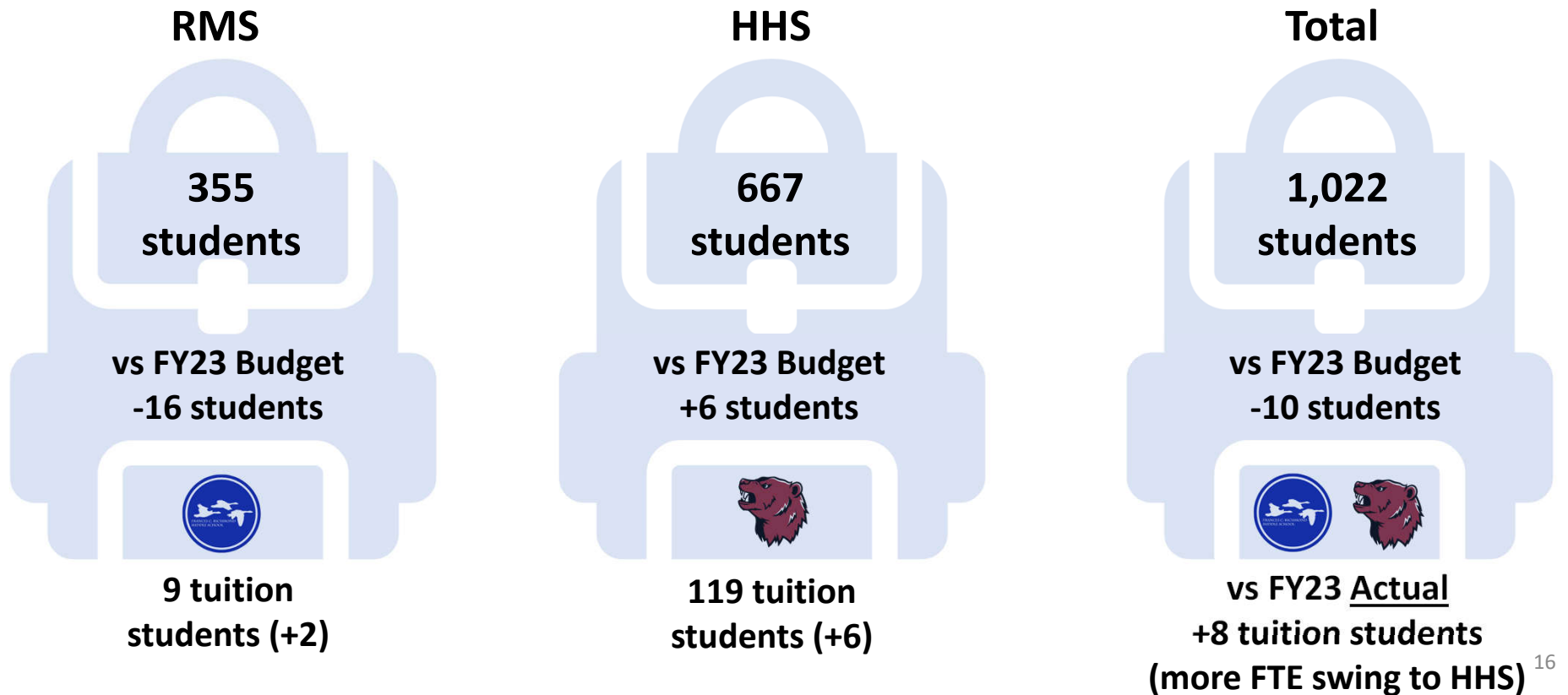
Nearly all the increase is due to inflationary pressure or previously contracted district agreements

Allocation of \$1.3M increase in FY24 Dresden budget



Dresden enrollment is expected to be higher at HHS and lower at RMS, more tuition students compared to FY23 actual

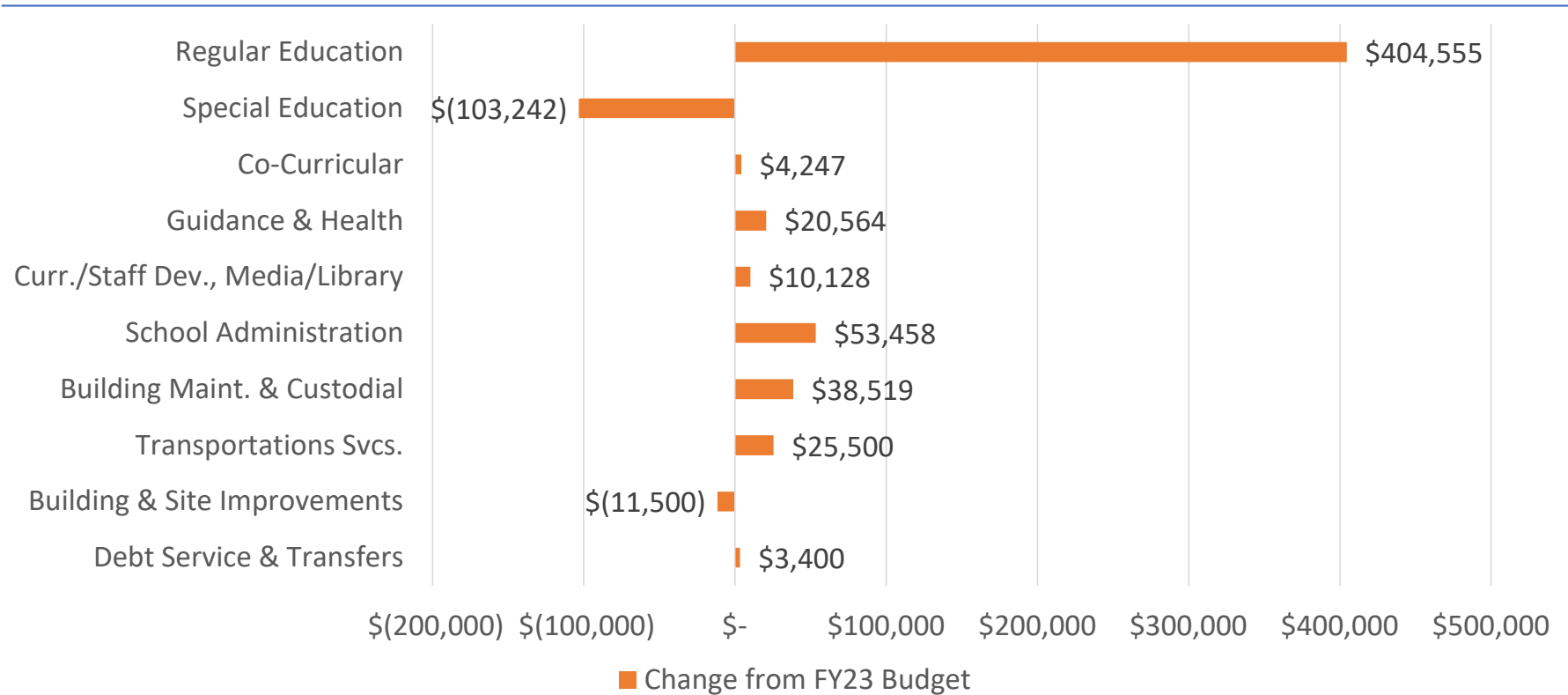
Projected FY24 Dresden Enrollment



Richmond Middle School

RMS is projected to require fewer Special Education resources with attrition and restructuring, most changes due to salary & benefits

\$446K total increase in RMS expenditures



FY24 RMS Budget Total: \$8.94M +\$446K or +5.25% vs FY23

Health insurance rate increase of 13% is one of the most significant changes to RMS expenditures

Significant changes to RMS expenditures



Salaries: Contracted union wage increase, 2.5% COLA non-union base, (1.8) total FTE decrease	+\$171,621
Benefits: 13% health insurance rate increase and election changes, small NHRS rate decrease	+\$136,472
Retirees: Health insurance adjustments (election and rate)	+\$22,333
Reg Ed: Continuation of RMS best interest placement	+\$40,700
Reg Ed: Grade 8 Immersion field trips to NYC/Spanish or Montreal/French (rest paid by fees/donations)	+\$25,000
Building Maint./Custodial: Supplies and utilities inflation	+\$15,850
Technology: Equipment purchased in FY23	-\$11,293
Building & Site Improvements: Purchased property services	-\$11,500

Significant Changes (see above)	+\$389K
+ Other Changes: New English, Art, Math (IM) materials, “+” classes (Gr 7 & 8), et al	+\$56K
Total RMS Expenditure Change vs FY23 Budget	\$446K

Not Included: Considerations for service staff negotiations or changes to substitute compensation.

RMS plans a net 1.80 FTE decrease for FY24

RMS Full-time equivalent (FTE) change vs FY23 Budget

	Increase	Decrease	Total FY24 Proposed Budget
 Certified Staff	+ 1.00 Reg Ed Teachers	None	46.70 FTEs + 1.00
 Other Staff	None	- 2.80 Special Ed. Aides	28.18 FTEs - 2.80
Total Staff			74.88 FTEs - 1.80

RMS restructured schedule to operate more like a traditional middle school with interdisciplinary teams

Student Experience

Students have 8 period day
Join one team for 4 of 5 core academics
No more double English (Grade 7 & 8)

Academic Team 1

English

Math

Science

Social Studies

Academic Team 2

English

Math

Science

Social Studies

World Language

“+” Class

Elective

Elective

Teacher Experience

Teacher teaches full 5 period teaching load:

- 4 sections of assigned subject area in same academic team for English, Math, Science, Social Studies
- +1 class of enrichment/skill building
World Language, elective and “+” classes are not teamed

New “+” Class Offerings

Financial Literacy

Engineering and Design Challenges

Public Speaking (Teach us something)

Create a Country/UN Sustainability Goals

Blogging and e-Publishing

Storytelling as History/Culture

Logic Puzzles and Games

Engineering of Flight

Scholarship supports new model creates higher performing, more meaningful learning environments

Interdisciplinary team benefits

- **More meaningful learning environments** - (Arhar, 1997; Boyer & Bishop, 2004)
- **Increased student achievement scores** - (Mertens et al., 1998)
- **More challenging, integrative and exploratory curriculum** - the 4 + 1 model allows for adaptability and student choice
- **Improved social and emotional learning** - “true” teaming model best supports the importance of centering developmental and social/emotional needs when building middle school structures and curricula (developmentally responsive)
- **Fulfills the promise of true middle school model** - Alverson, R., DiCicco, M., Faulkner, S. A., & Cook, C. (2021). America’s Middle Schools: Examining Context, Organizational Structures, and Instructional Practices. *Middle Grades Review*, 7(3)
- **Normalizes instructional coaching between colleagues** - flexibility to create model not reliant on administrators

RMS implemented team approach this year with promising results

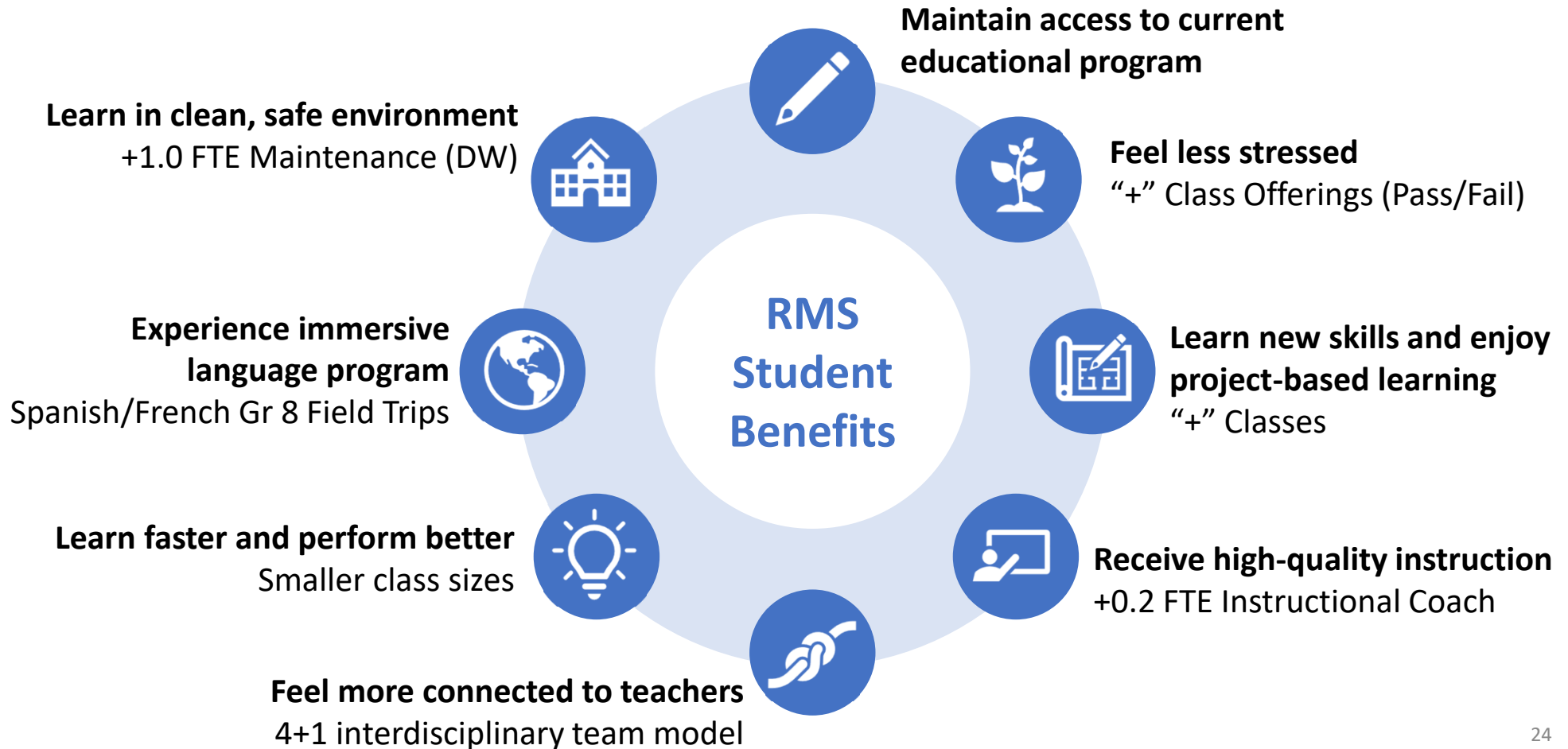
RMS results

- **Increased enrichment opportunities:** meeting needs of students easier
- **Stronger Social-Emotional Learning:** reduced cases of serious emotional issues across grade levels in spite of long-term guidance counselor absence
- **Smaller class sizes:** for more personal, meaningful learning environment

Grade 7/8 student feedback on “+” classes

- **Taught me skills regular classes did not:** 66% of students agree that the “+” classes teach skills that regular classes do not, with only 8% of students disagreeing
- **Allowed me to connect with my teacher in a way regular classes do not:** 38% felt that the class offered a new way to connect to teachers, with 17% disagreeing
- **Offered learning without adding stress:** 58% of students felt the class offered learning without adding stress. Preliminary analysis reveals that our most “stressful” “+” class involved public speaking - a reflection of the nature of public speaking rather than the class itself
- **Enjoyed project-based learning and choice:** Majority of students enjoy the project-based learning approaches with the creativity/personal choice allowed
- **Areas of improvement depends on topic/preference:** mostly focused on the nervousness of public speaking and individual dislike (not widespread) of either writing or math

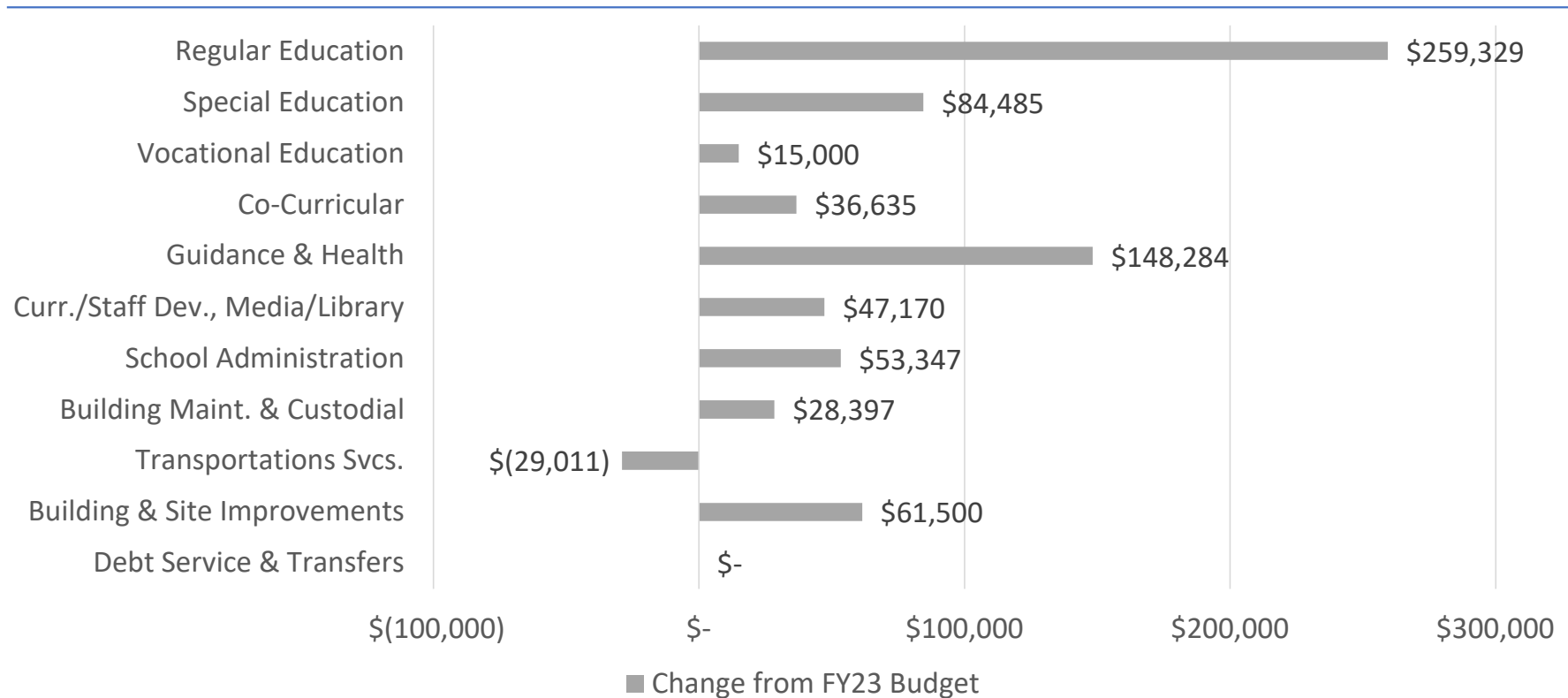
RMS budget proposal offers many educational benefits



Hanover High School

With growing enrollment, HHS plans for a \$705K or 4.4% growth in budget expenditures, despite 1.0 FTE decrease

\$705K total increase in HHS expenditures



FY24 HHS Budget Total: \$16.58M +\$705K or +4.44% vs FY23

Aside from salary and benefits, HHS plans to replace classroom furniture and rebuild firebox in woodchip plant



Significant changes to HHS expenditures

Salaries: Union wage increase, 2.5% COLA non-union base, (1.0) total FTE decrease	+\$310,086
Benefits: 13% health rate increase and election changes, small NHRS rate decrease	+\$196,261
Retirees: 1 additional retirement (salary and benefits)	+\$24,289
Reg Ed: Classroom furniture and ed. equipment to baseline standard, begin replacement cycle	+\$112,211
Building Improvements: Rebuild firebox in woodchip plant	+\$79,000
Building/Custodial: Supplies and utilities (propane, electricity, heating fuels) inflation	+\$29,675
Transportation: Reduced some athletic and sending school bus transportation	-\$29,011
Significant Changes (see above)	+\$722K
+ Other Changes	-\$17K
Total HHS Expenditure Change vs FY23 Budget	\$705K

Not Included: Considerations for service staff negotiations or changes to substitute compensation.

Various FTE changes at HHS results in net 1 FTE loss in total staffing

HHS Full-time equivalent (FTE) change vs FY23 Budget

	Increase	Decrease	Total FY24 Proposed Budget
 Certified Staff	+ 0.10 Special Ed. Therapists		75.41 FTEs No change
	+ 0.20 ESOL	- 1.10 Reg Ed Teachers	
	+ 0.80 Guidance Counselors		
 Other Staff	+ 0.05 Reg Ed Assts	- 0.05 Media Assts	49.59 FTEs -1.00
		- 1.00 Special Ed Assts	
Total Staff			125.00 FTEs -1.00

Furniture replacement to create baseline then will be put on cycle

Department	Item	Est. Cost	Reason
Art	Office chairs	\$500	<ul style="list-style-type: none"> Replace chairs in Art office
English	3 Classroom sets	\$13,500	<ul style="list-style-type: none"> The chairs are cracking and pinching students. The desks' laminate is unglued and falling off causing distraction for students and teachers
Info Services/Library	9 mobile tables for comp lab	\$27,000	<ul style="list-style-type: none"> The tables in the computer lab cannot be moved easily, they were purchased when desktop computers were still being used. Students need more flexibility with their Chromebooks The library is used daily by numerous students – the furniture is worn from usage and being moved. The furniture is 17 years old.
	Replace 5 tables, seating	\$7,500	
	Floor seating/ottomans	\$20,000	
		\$13,500	
Math	3 Classroom sets	\$13,500	<ul style="list-style-type: none"> The desks are unstable and small. They tip easily and cannot accommodate larger students
Music	30 Orchestra chairs	\$3,000	<ul style="list-style-type: none"> These chairs are stackable so they can be stored and moved easily. 30 more chairs are needed so everyone in the class has a chair
Science	Replace broken dishwasher	\$650	<ul style="list-style-type: none"> Dishwasher and sink broke and need to be replaced so they can be used The compartment tables are specific for science labs so items can be moved off the top of the table but still within reach
	Replace sink in front lab area	\$350	
	2 Paper towel dispensers	\$600	
	2 Replacement bulletin boards	\$300	
	5 Compartment tables	\$5,000	
	Standing desk	\$300	
Social Studies	Chairs	\$1,359	<ul style="list-style-type: none"> Replace plastic chairs that pinch students' finger and break and crack
World Language	2 Classroom sets	\$9,000	<ul style="list-style-type: none"> These classroom sets are the older style that are all one piece - they do not fit larger students or accommodate left-handed students Teachers need additional white board and corkboard space A worktable is needed in the Resource Ctr for the printer, paper cutter, comp. workstation
	3 White Boards	\$500	
	3 Cork Boards	\$500	
	Worktable	\$100	

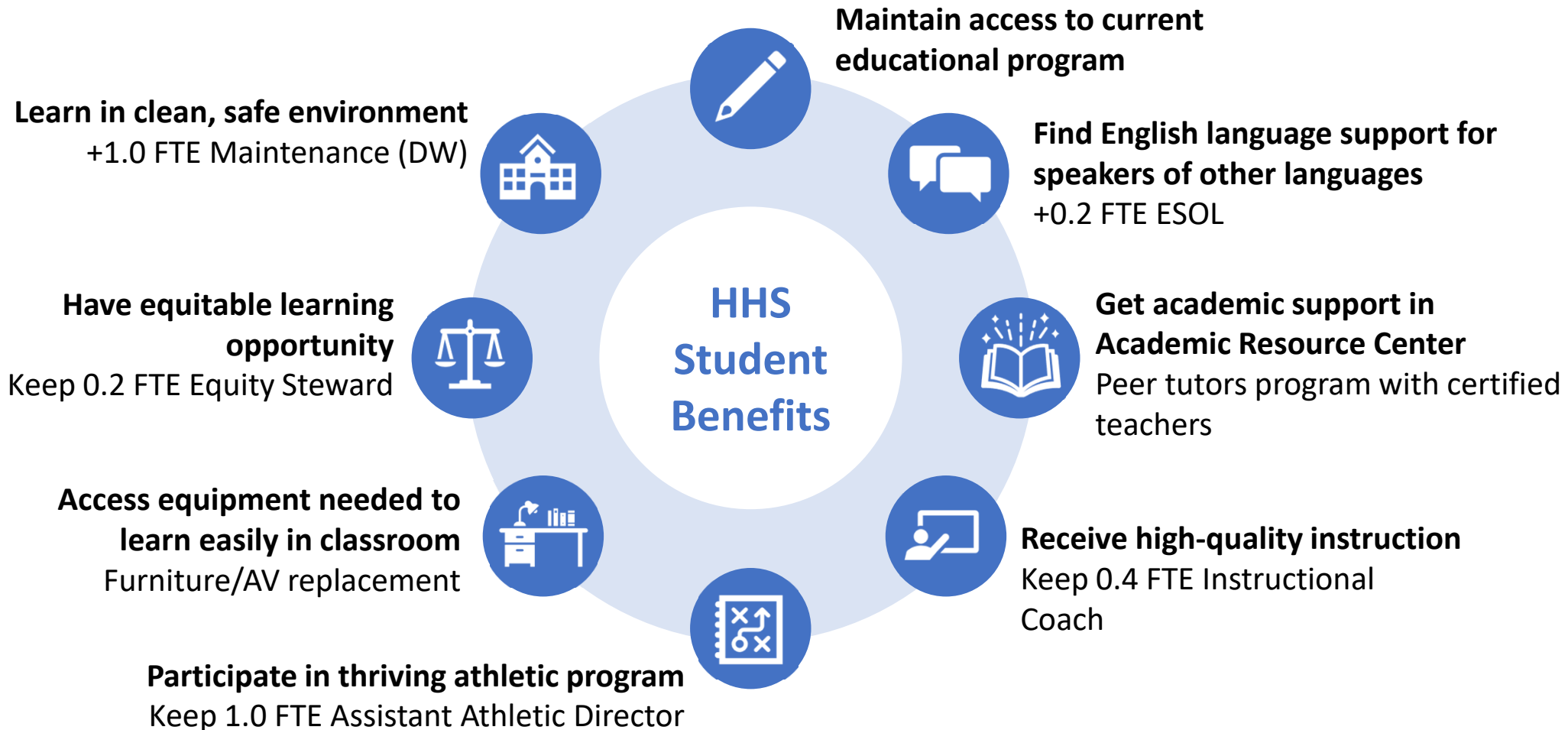
Examples of small or damaged furniture



Some replacement furniture and equipment may be purchased in FY23 if funds available



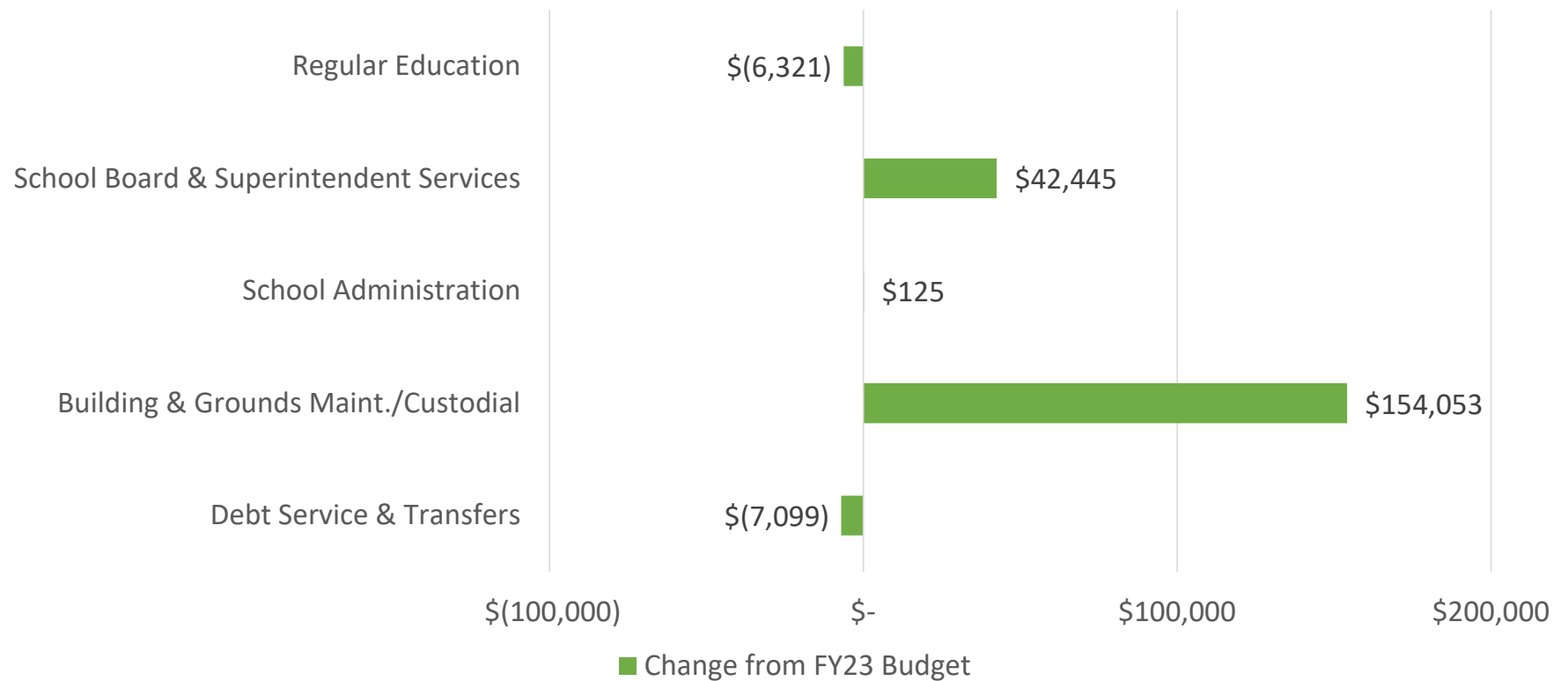
HHS budget proposal offers many educational benefits



District Wide

Changes in SAU 70 assessment and hiring in Building & Grounds impact the District Wide expenditures

\$183K total increase in District Wide expenditures



FY24 District Wide Budget Total: \$5.61M +\$183K or +3.38% vs FY23

Adding one maintenance employee enables SAU 70 to provide service equal to one staff member per school building (4:4)

Significant changes to District Wide expenditures

Salaries: Contracted union wage increase, 2.5% COLA non-union base, +1.0 Maintenance FTE	+\$70,857
Benefits: 13% health insurance rate increase and election changes, small NHRS rate decrease	+\$82,412
SAU 70: Dresden share of SAU 70 Services Assessment	+\$42,394
Building & Grounds: General Insurance	+\$7,490
Debt: No changes to debt schedule	-\$7,099
Retirees: Final retiree payment completed in FY23 (salary/benefit)	-\$8,206

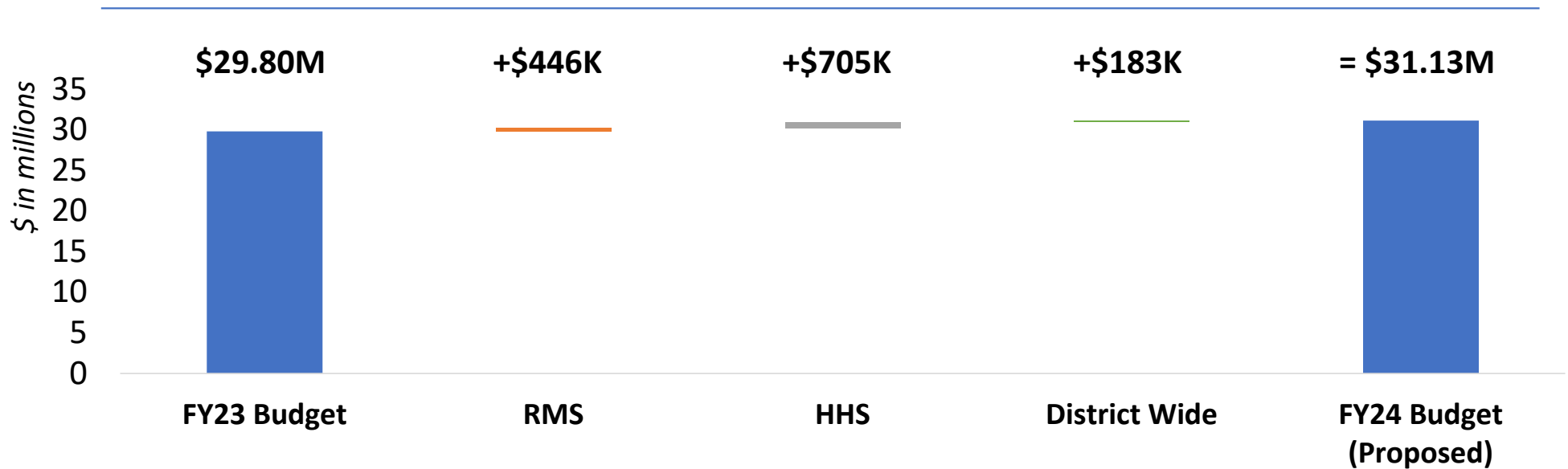
Significant Changes (see above)	+\$188K
+ Other Changes	-\$5K
Total District Wide Expenditure Change vs FY23 Budget	\$183K

Not Included: Considerations for service staff negotiations.

Net Assessment

Recap: Dresden FY24 budget is proposed to increase 4.5% or \$1.3M

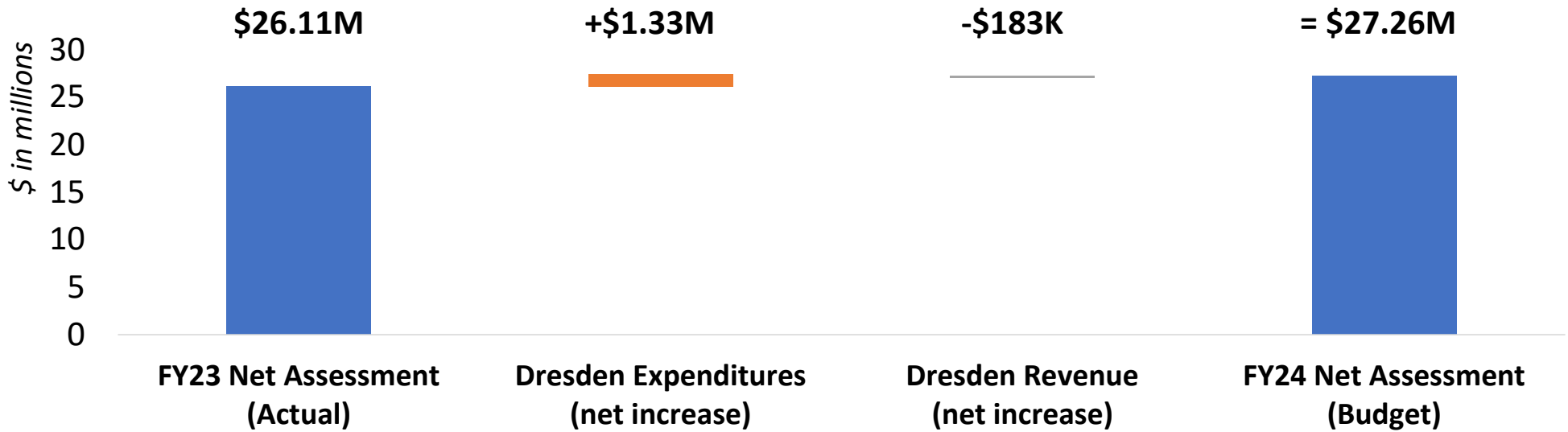
Analysis of \$1.3M expenditure increase



Note: Budget does not include additional warrant articles that may be presented, including expenditures associated with on-going Service Staff negotiations.

With more revenue projected, Dresden FY24 net assessment is proposed to increase 4.41% or \$1.2M from FY23 actual

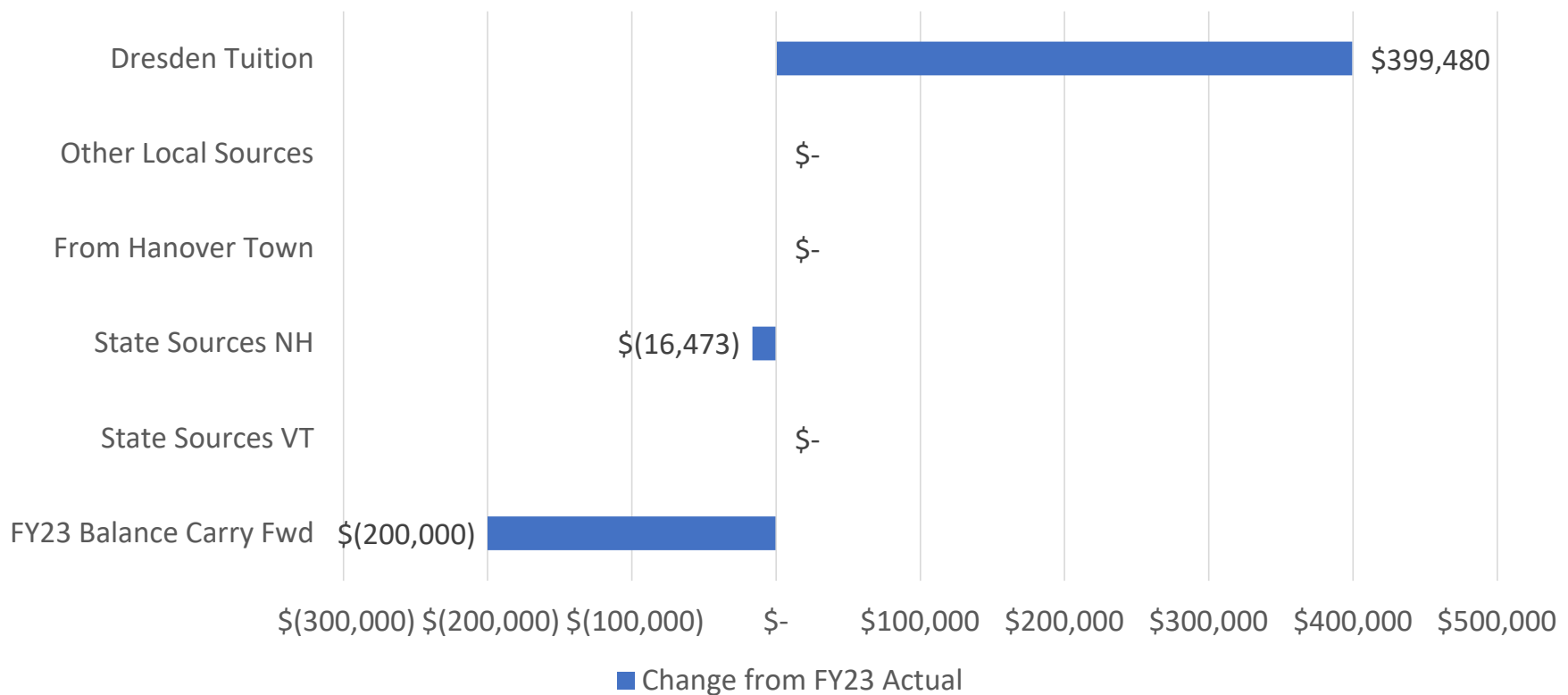
Analysis of \$1.2M net assessment increase



Note: Budget does not include additional warrant articles that may be presented, including expenditures associated with on-going Service Staff negotiations.

More tuition students, offset by lower estimate of prior year surplus, push total Dresden revenue higher by 4.96%

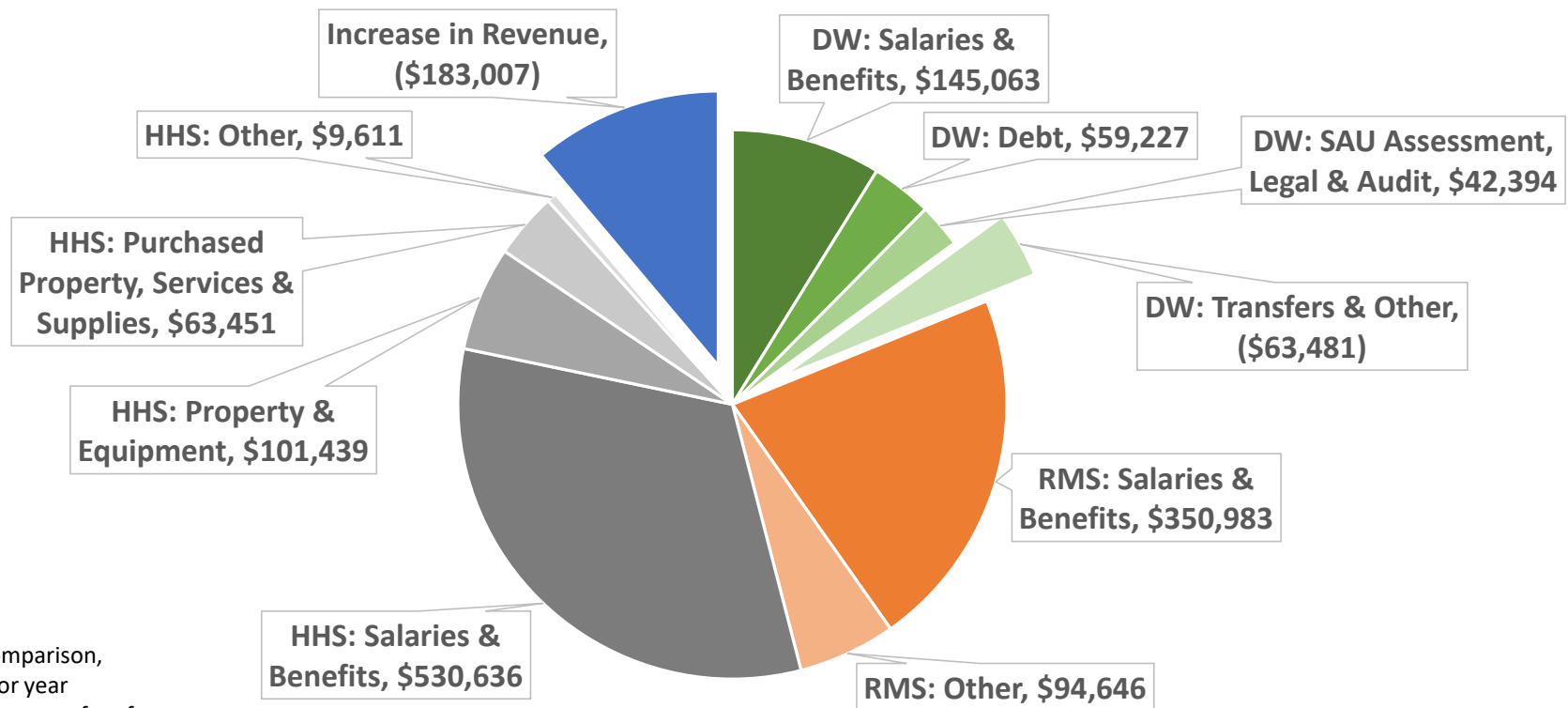
\$183K increase in Dresden revenue



FY24 Dresden Revenue Total: \$3.87M +\$183K or +4.96% vs FY23 Actual

Increase in revenue reduces total Dresden assessment

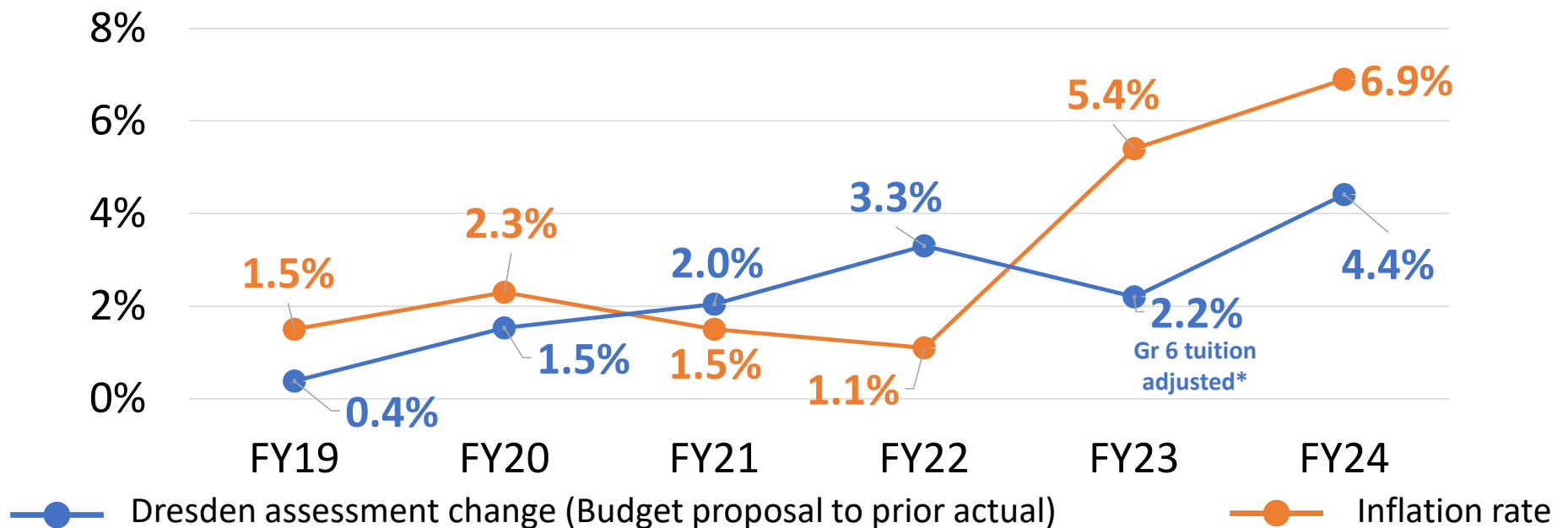
Allocation of \$1.2M increase in FY24 Dresden net assessment



Note: For comparison, excludes prior year special project transfer of \$1.8 million for IT infrastructure upgrade.

Dresden net assessment growth has been trending near, if not below, inflation

Dresden Net Assessment Growth vs Inflation



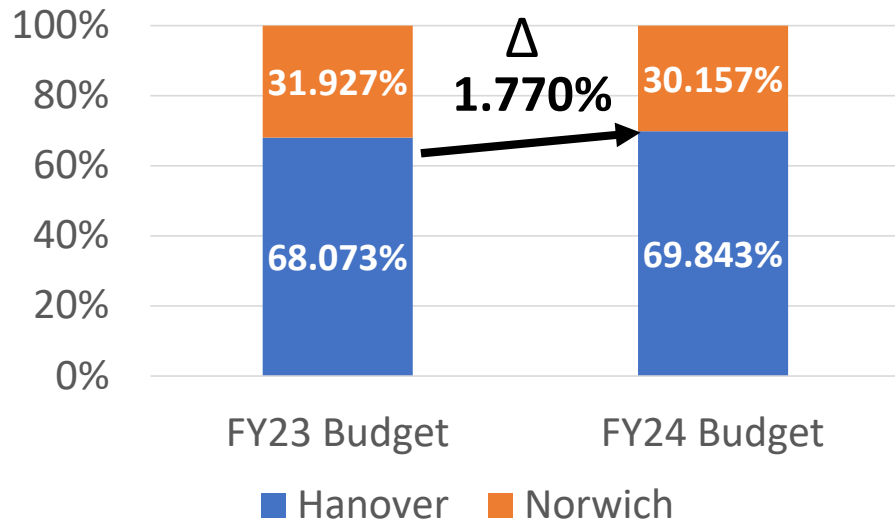
Note: Inflation is 12-month average CPI-Northeast as of October of budget building year.

*FY23 adjusted for new methodology. FY23 was first year that Gr 6 tuition (~\$3M) would be paid as part of the ADM split between Hanover-Norwich (below the Net Assessment line) instead of as Dresden revenue (included in the Net Assessment).

FY23 has been adjusted to account for this one-time change and a more accurate representation would be a 2.2% increase yoy.

Net assessment is shared between Hanover and Norwich taxpayers based on student enrollment; swing to Hanover in FY24

Average Daily Membership (Grade 6-12)



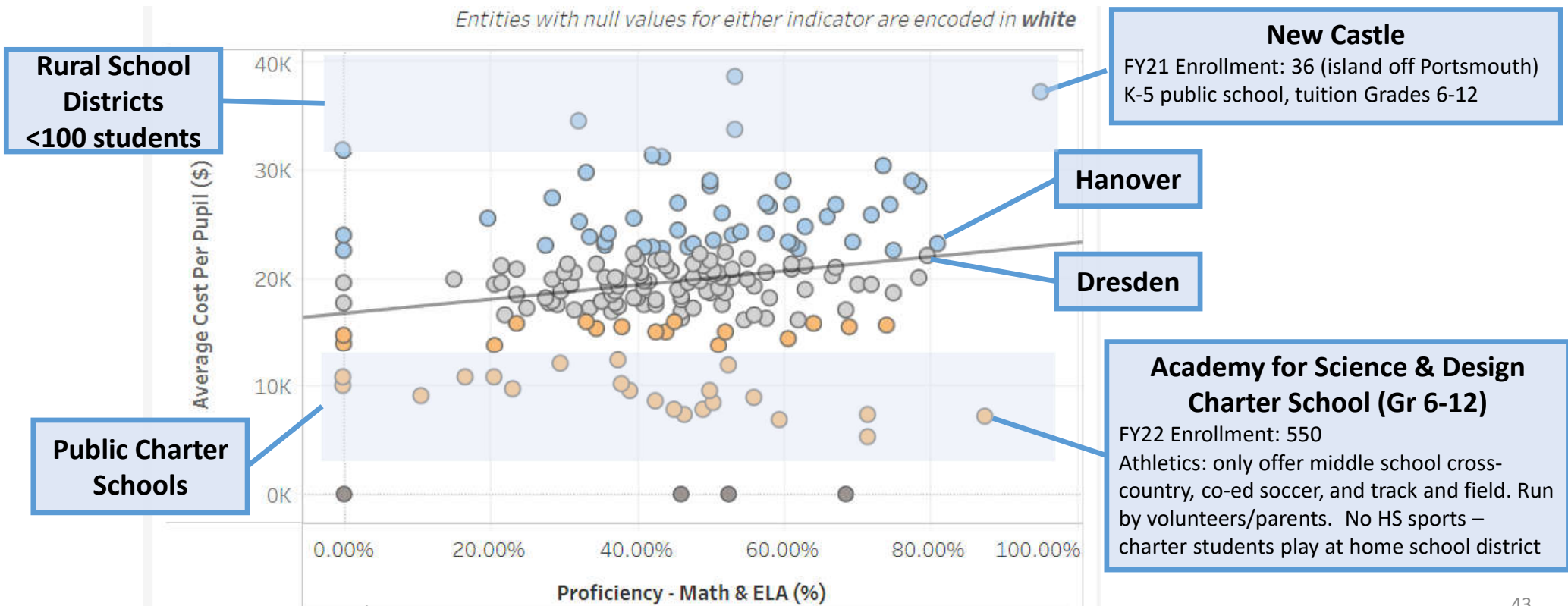
FY24 Dresden Net Assessment \$27,257,570

Hanover	Norwich
x 69.843%	x 30.157%
+/- state/debt adjustments	+/- state/debt adjustments
=	=
Hanover Share	Norwich Share
\$1,276,992	(\$126,032)
+7.22%	-1.49%
vs FY23 Actual	vs FY23 Actual

Note: Beginning in FY23 Budget, Hanover Grade 6 has been designated as Dresden ADM students.

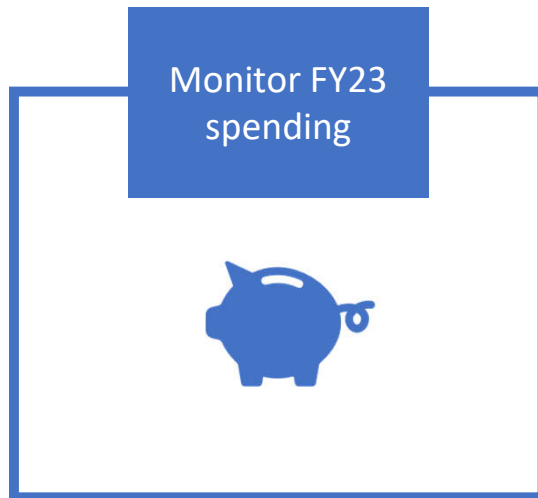
Dresden delivers extraordinary academic results at an ordinary cost per pupil

FY21 Cost per Pupil vs Math/English Proficiency % Dresden District vs NH School Districts

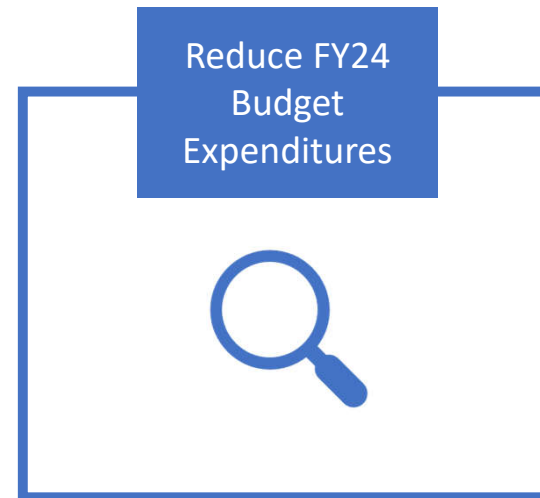


Budget Options

Board options to possibly return to 3% growth on budget expenditures per Board guidelines



- Monitor balance carry forward estimate as FY23 progresses
- Amount will be reviewed, may be favorable or unfavorable (unlikely)



- Review potential reductions to budget expenditures and take action

Board options to reduce RMS budget expenditures should not include changes to team-based structure and schedule



Potential reductions to RMS budget expenditures

To get to 3.75% RMS budget expenditure increase

Instructional coach: eliminate proposed position	\$25,000
Field trips: reduce even more than the new Immersion trips added	\$32,000
Crossing guard: reduce crossing guard, staff would take on that role	\$6,000
Assorted: reduce supplies, staff dev., travel and other teacher-related expenses	\$68,000

To get to 3% RMS budget expenditure increase

All the above plus...

Personnel reductions:

0.2 FTE World Language teacher increasing class size, availability	\$20,000
1.0 FTE Non-Special Ed Education Assistant (all-in)	\$43,000

HHS furniture replacement could occur in FY23, but may reduce updated surplus projections



Potential reductions to HHS budget expenditures

To get to 3.75% HHS budget expenditure increase

Furniture: Use broken, ill-fitting desks not for larger/left-handed students	\$90,000
Equity Steward: 0.2 FTE helps train/support staff and students on equity	\$20,000

To get to 3% HHS budget expenditure increase

All the above plus...

Peer Tutors: No certified teachers, EAs “tutor” students in resource center	\$60,000
iMac Lease: Cost will move to next budgets	\$21,000
Chromebooks: Students bring own devices (equity), device shortage during SATs	\$10,000
Floating Elective: 0.1 FTE reduction means less student class choice	\$12,000
Classroom Materials: Biology and Art will not have the equipment needed	\$16,000

Without adjusting SAU 70 assessment, maintaining current maintenance staffing levels would get to 1.58% District Wide increase

Potential reductions to District Wide budget expenditures

To get to 3% District Wide budget expenditure increase (1.58% increase)

Maintenance: New position (all-in), existing staff maintain aging buildings **\$97,030**

Most of Hanover and Dresden relief funds have already been spent or earmarked related to pandemic response

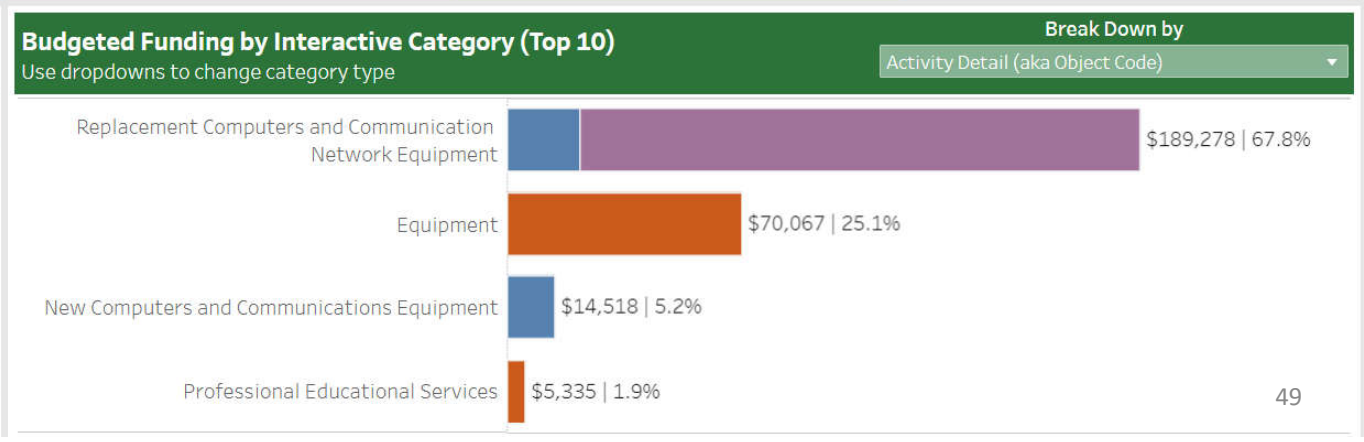
iGrant, new report on relief funds (NH Dept of Ed) – Hanover & Dresden

Lebanon: \$3.7M
Claremont: \$10.1M

	ALL RELIEF FUNDS	CARES-ESSER Funds available through 09/30/2022	CRRSA-ESSER II Funds available through 09/30/2023	ARPA ESSER III Funds available through 09/30/2024
ALLOCATED	\$281,199 Total allocated	\$36,036 Total allocated	\$75,480 Total allocated	\$169,683 Total allocated
BUDGETED	\$279,198 99% of allocated funds	\$36,036 100% of allocated funds	\$75,402 100% of allocated funds	\$167,760 99% of allocated funds
APPROVED	\$279,198 100% of budgeted activities	\$36,036 100% of budgeted activities	\$75,402 100% of budgeted activities	\$167,760 100% of budgeted activities
REIMBURSED	\$210,808 76% of approved budget	\$36,036 100% of approved budget	\$72,302 96% of approved budget	\$102,470 61% of approved budget

School Type: Districts + Charters | Funding Category: Budgeted

\$0K | \$78,116K



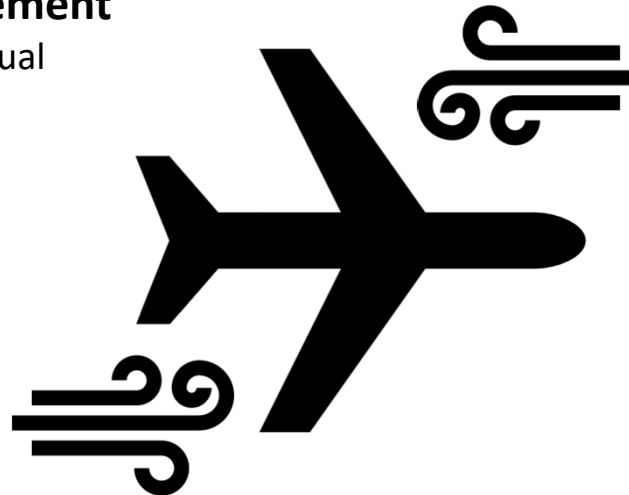
Source: NH Department of Education

Potential headwinds and tailwinds exist in looking ahead to the FY25 Dresden budget

Tailwinds

Large Dresden debt retirement

Approximately \$2.3 million annual debt payment rolls off in FY25



Headwinds

No more Hanover town payments

In FY25, linked to the debt retirement, Hanover town will no longer pay Dresden \$100K per year

Lower tuition revenue

Under current formula, tuition cost per student will be reduced by share of debt retirement

Reduced State of NH building aid

In FY 25, linked to the debt retirement, Dresden will no longer receive NH building aid as project payment is complete (no direct impact to Norwich)

VT pupil weighting law

New law takes effect in FY25, estimated up to ~30% property tax increase for Norwich over 5 years (no direct impact to Hanover)

Warrant Considerations

Budget-related warrant articles under consideration

In addition to the budget warrant article, Dresden School Board may consider taking action on the following (Budget Committee guidance noted in blue):

Approve warrant articles for each school district fund (under investigation)

- 1) Per audit (GASB Statement No. 34), School District adopts an annual budget for all funds on a gross basis (not only general fund with liabilities related to other funds included in general fund)