



# Dresden FY24 Budget

January 10, 2023

## **Discussion topics**

### **Budget Committee Recommendations**

**Recommendation #1: FY24 Budget**

**Recommendation #2: Open Staffing Positions**

**Recommendation #3: Substitute Wages**

# Budget Committee Recommendations

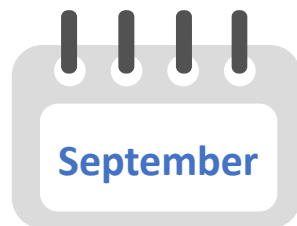
# Dresden Board scheduled to adopt budget tonight with district vote on March 7

## Budget Process – Dresden Board



August

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



September

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



November

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

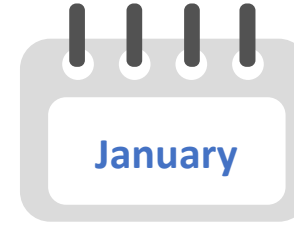
**Nov 21**  
Budget Committee saw second draft with Hanover Finance Committee



December

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

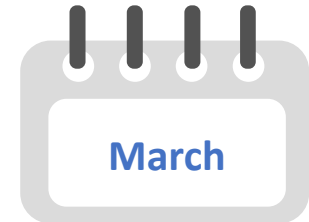
**Dec 20**  
Dresden School Board discusses first reading of budget proposal



January

**Jan 4**  
Dresden Budget Committee made final budget recommendations

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



March

**Mar 2**  
District Meeting / Deliberative Session

**Mar 7**  
District Voting Day

# Dresden Budget Committee recommendations

On January 4 2023, Dresden Budget Committee met jointly with the Hanover Budget Committee to develop final recommendations for the FY24 budget

Dresden Budget Committee unanimously recommended the Dresden Board. . .

- 1. Adopt the budget** as presented in December with +\$200K revised balance carry forward
- 2. Ask Support Staff Negotiations Committee to look into Educational Assistant staffing issues**
- 3. Increase substitute wages** without increasing the budget (vacancy management assumption)

## Recommended Budget FY24 vs FY23

**+4.48%**

Budget  
+\$1,333,968

**+3.64%**

Net assessment  
+\$950,961

**+6.50%**

Hanover share

**-2.34%**

Norwich share

# Recommendation #1: FY24 Budget

# Recommended changes since December budget presentation



## FY24 Budget Changes

### Expenditures

#### **No Budget Change**

Increase Substitute Wages  
(Vacancy management assumption)

**“New” board option  
not included in budget proposal\***

**Up to -\$18K**

RMS Instructional Coach funded with  
Title II grant funds

\* Discussed and agreed in Nov 1 Budget Committee meeting, but was never removed from budget

### Revenue

**+\$200K**

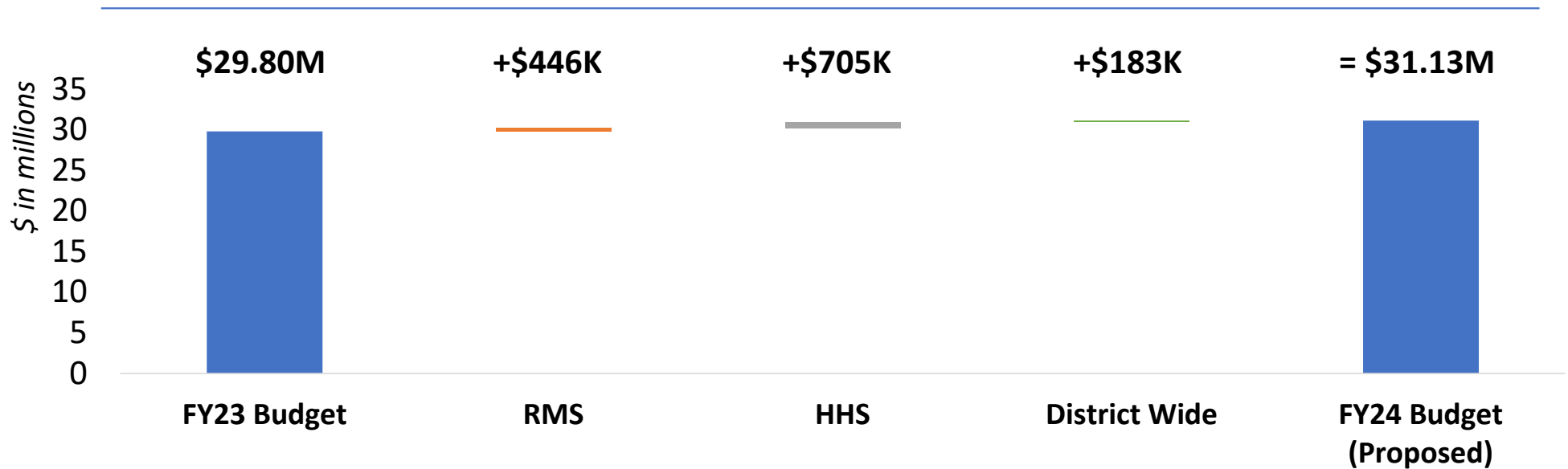
Balance Carry Forward

**Total Net Assessment Improvement: \$200K**

# Dresden FY24 budget is proposed to increase 4.48% or \$1.3M

No change from December version

## Analysis of \$1.3M expenditure increase



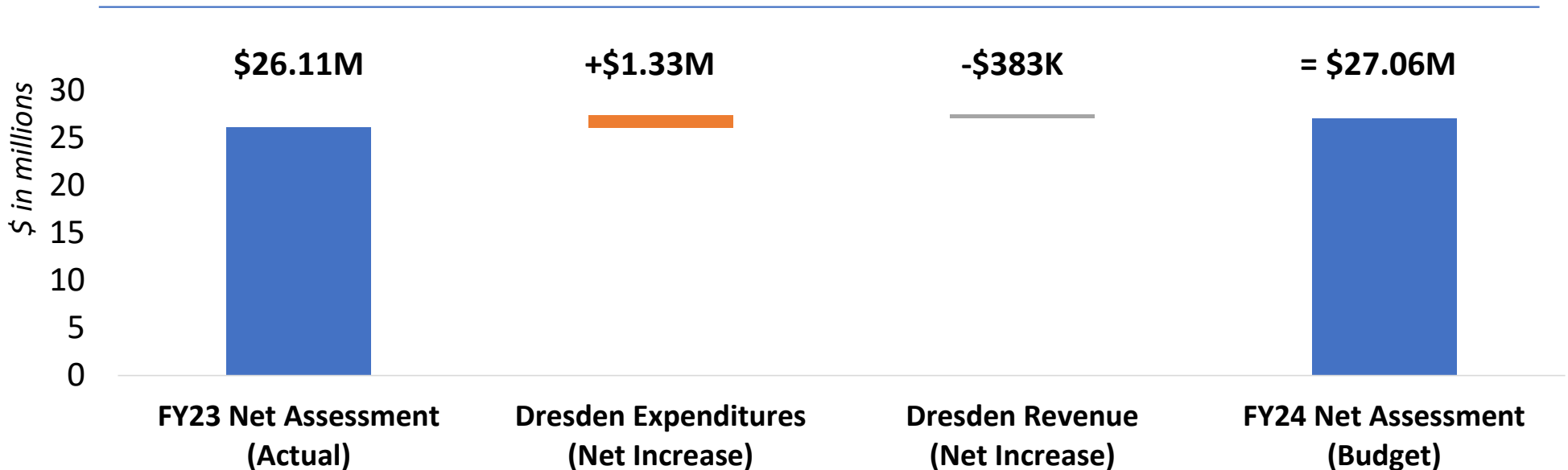
Note: Budget does not include additional warrant articles that may be presented, including expenditures associated with on-going Service Staff negotiations.



# With more revenue projected, Dresden FY24 net assessment is proposed to increase 3.64% or \$951K from FY23 actual

Added \$200K revenue to revised balance carry forward

## Analysis of \$951K net assessment increase

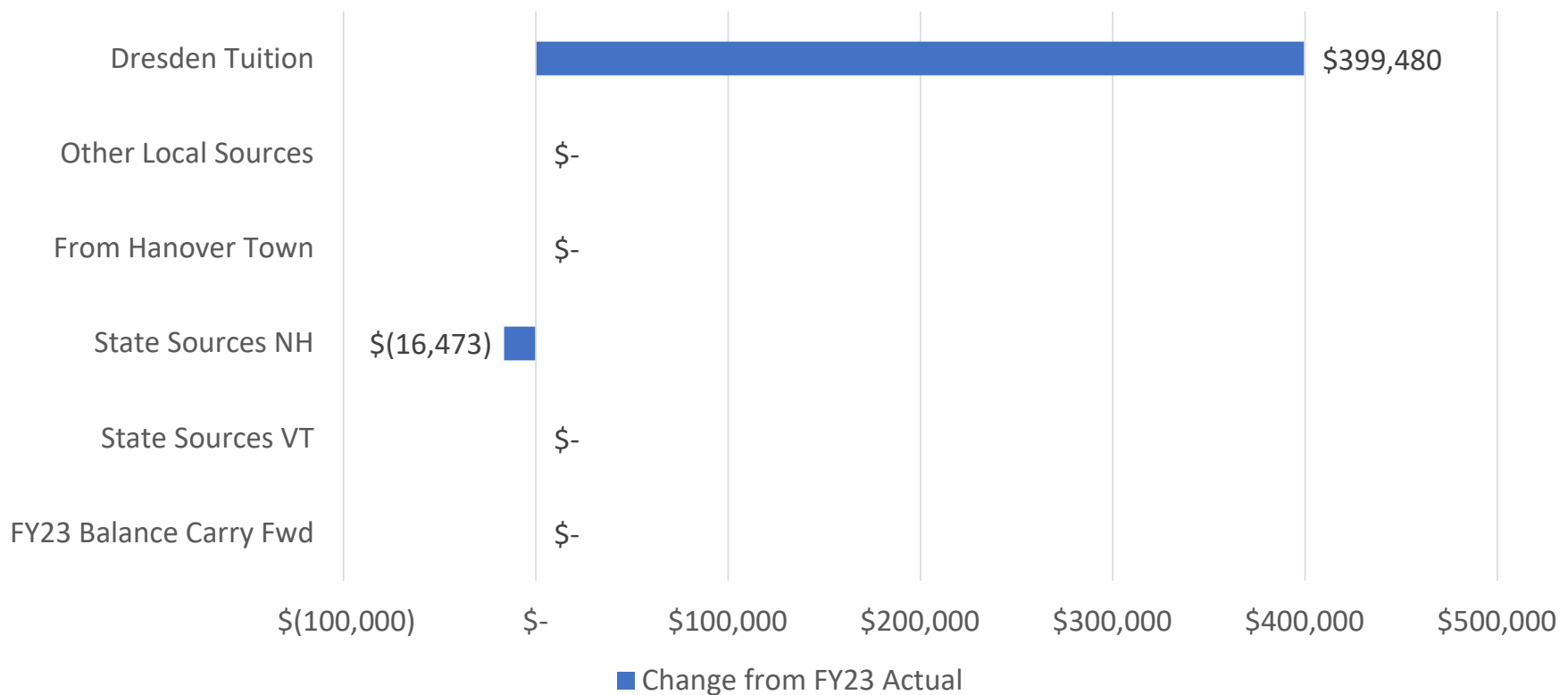


Note: Budget does not include additional warrant articles that may be presented, including expenditures associated with on-going Service Staff negotiations. Figures are rounded.

# More tuition students push total Dresden revenue higher by 10.4%

Added \$200K revenue to revised balance carry forward

## \$383K increase in Dresden revenue

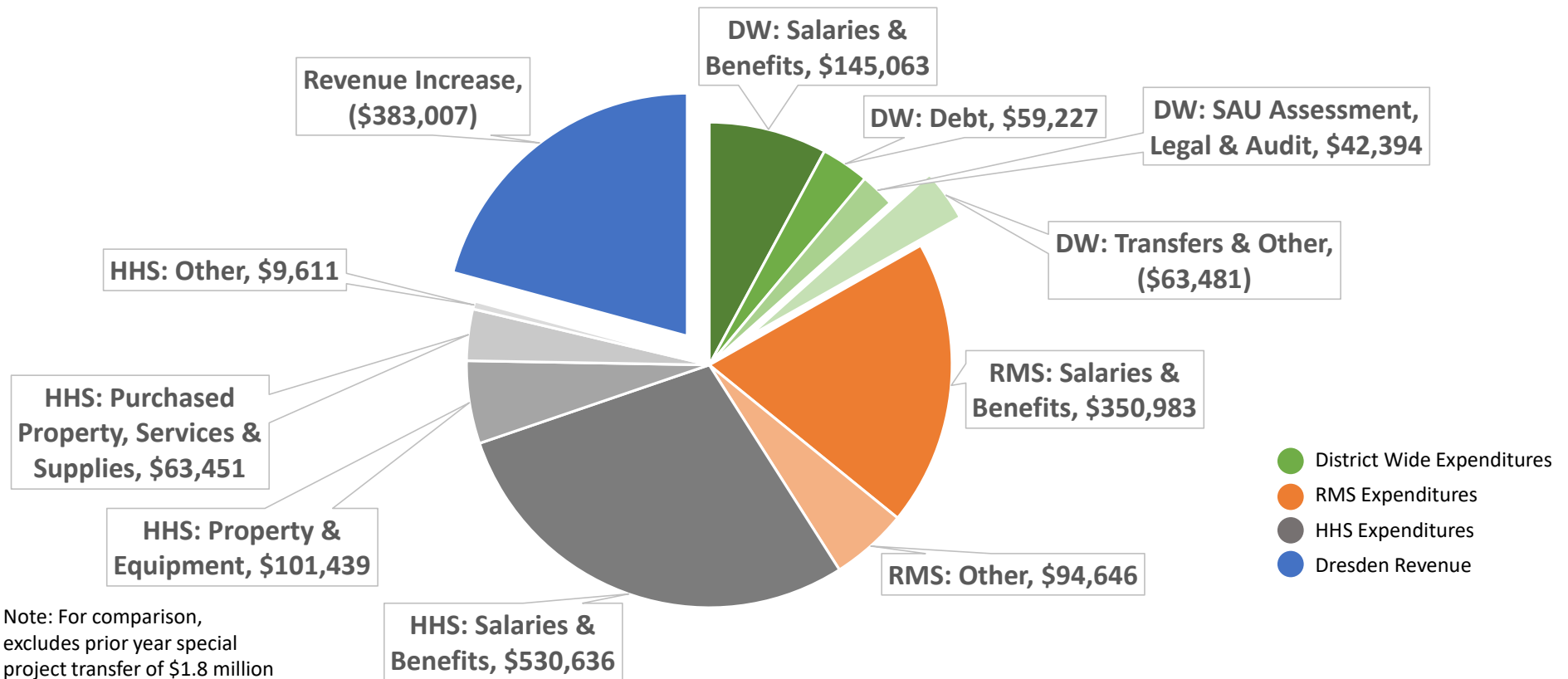


**FY24 Dresden Revenue Total: \$4.07M +\$383K or +10.4% vs FY23 Actual**

# Increase in revenue reduces total Dresden assessment

Added \$200K revenue to revised balance carry forward

## Allocation of \$951K increase in FY24 Dresden net assessment

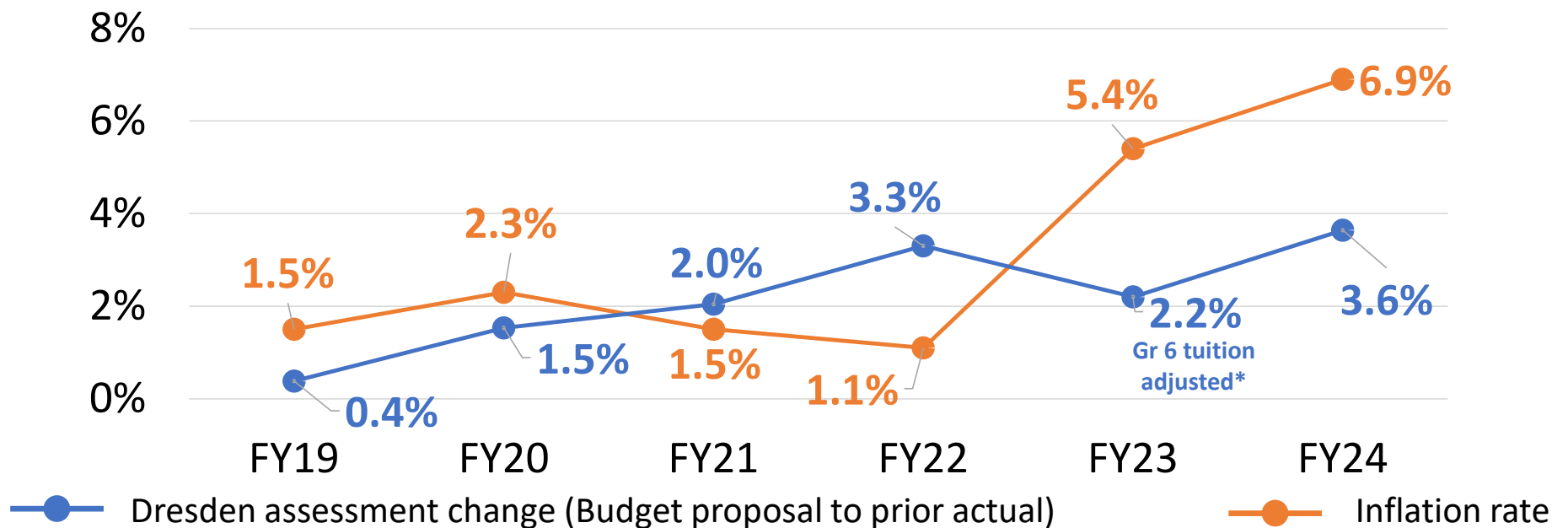


Note: For comparison, excludes prior year special project transfer of \$1.8 million for IT infrastructure upgrade.

# Dresden assessment growth has been near or below inflation

Added \$200K revenue from revised balance carry forward

## Dresden Net Assessment Growth vs Inflation



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

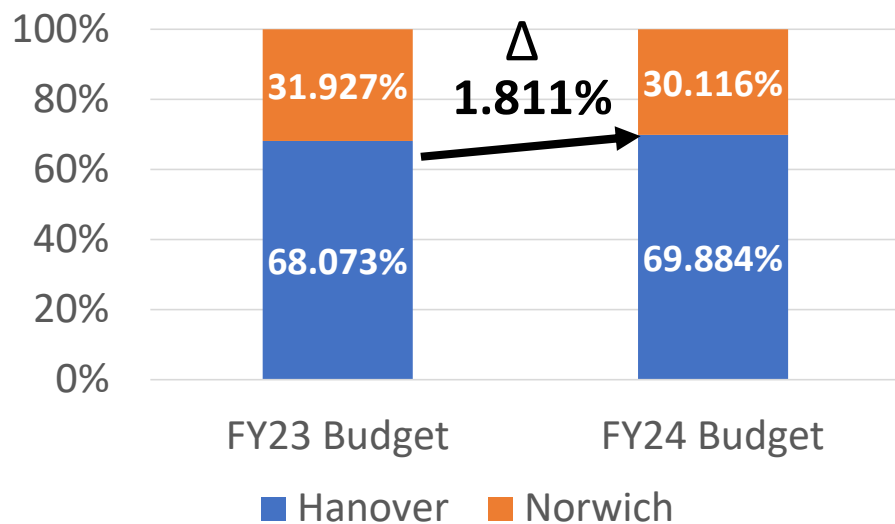
\*FY23 adjusted for new methodology. FY23 was first year that Gr 6 tuition (~\$3M) would be paid as part of the ADM split between Hanover-Norwich (below the Net Assessment line) instead of as Dresden revenue (included in the Net Assessment).

**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

## Finalized ADM adjustments

### Average Daily Membership (Grade 6-12)



### FY24 Dresden Net Assessment \$27,057,570

Hanover	Norwich
x 69.884%	x 30.116%
+/- state/debt adjustments	+/- state/debt adjustments
=	=
<b>Hanover Share</b>	<b>Norwich Share</b>
<b>\$1,148,535</b>	<b>(\$197,575)</b>
<b>+6.50%</b>	<b>-2.34%</b>
<b>vs FY23 Actual</b>	<b>vs FY23 Actual</b>

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

# Hanover education property tax rates projected to increase 6.61%

Hanover School District		Tax Impact Data			
Exhibit 3, V.4 - DISTRICT ASSESSMENTS:		2022-23	2023-24	\$ Chg	% Change
Hanover Assessment (22-23 Adjusted to Actual)		\$11,766,738	\$ 12,718,013	\$951,275	8.08%
Dresden Assessment (without additional articles) 1.8.23		\$17,675,791	\$18,824,326	\$1,148,535	6.50%
		\$29,442,529	\$31,542,339	\$2,099,810	7.13%
<b>Hanover Tax</b>					
<b>ESTIMATED TAX RATES: with adjusted NAV @ \$14M</b>					
Local School Tax Rate (Orig 22-23 Proj. \$9.75)		9.62	10.09	0.47	4.89%
<b>State School Tax Rate</b> (Orig 22-23 Proj. 1.28)		<b>1.27</b>	<b>1.52</b>	<b>0.25</b>	<b>19.69%</b>
Total School Tax Rate (Orig 22-23 Proj. \$11.03)		10.89	\$11.61	0.72	6.61%



A \$500K assessed property would see a \$360 total tax increase (\$30 per month)

# Norwich nominal tax rates *preliminarily* projected to increase 3.64% after Dresden assessment changes



**A \$500k assessed property may see a \$349 total increase (given the volatility in the base amount the tax rate can fluctuate wildly if the base amount goes down, finalized in May)**

Note: In addition to the various state education funding differences between NH and VT, Norwich and Hanover last conducted reassessments in significantly different real estate market valuations. Hanover last conducted a reassessment in FY22 and Norwich will conduct a reassessment in FY24 (not yet occurred, using older valuations). Thus, it is not advisable to compare the “same” \$500k house assessed in Norwich vs Hanover in tax burden.

Line #	Exhibit 3, V.4 Item	Budgeted 2022-23	Estimated 2023-24	Chg	% Chg
1	Marion Cross School	\$6,621,180	\$7,223,622	602,442	9.10%
2	plus Dresden Assessment	8,302,106	<b>8,233,244</b>	-68,862	-0.83%
2a	Total Expenditures	14,923,286	15,456,866	533,580	3.58%
3	less Revenues and Fund Balance (excl Voc Aid)	1,713,532	1,816,653	103,121	6.02%
4	equals Education Spending	\$13,209,754	\$13,640,213	430,459	3.26%
4a	Plus or (minus) net budget changes	\$0	\$0		
5	Estimated equalized pupils - VT AOE	613.06	<b>595.26</b>	-17.80	-2.90%
6	Adjusted ES/Eq Pupil	\$21,547	\$22,915	\$1,367	6.35%
6a	Net Debt per Eq pupil	\$1,498	\$1,598		
6b	Net Special Ed Excess/VSTRS per Eq Pupil	\$67	\$67		
7	Adjusted ES/Eq Pupil for purposes of Excess Spending	\$19,982	\$21,249		
8	Excess Spending Threshold	\$19,977	\$22,204	\$2,227	11.15%
9	Per Pupil Spending above/(below) Threshold - Penalties currently suspended	5	(955)		
10	Per pupil figure for Calculating District Adjustment	\$21,547	\$22,915	\$1,368	6.35%
11	Base Amount - VT AOE (Not finalized-usually May)	\$13,314	<b>\$15,479</b>	\$2,165	16.26%
12	District Spending Adjustment	1.6184	1.4804	-13.80%	-8.53%
13	Statewide Ed Tax Rate	\$1.000	\$1.000	\$0.00	0.00%
13a	Equalized Homestead Tax	\$1.6184	\$1.4804	-0.1380	-8.53%
14	Common level of appraisal	84.39%	<b>74.48%</b>	-9.91%	-11.74%
15	Estimated nominal tax rate	\$1.9178	<b>\$1.9876</b>	0.0698	3.64%
16	Income Sensitivity Percentage	2.70%	2.60%	-0.10%	-3.70%
17	Non Residential Tax Rate	\$1.466	\$1.386	(0.08)	-5.46%
18	Divide by CLA	84.39%	74.48%	-9.91%	-11.74%
19	Nominal Non-Residential Tax Rate	\$1.7372	\$1.8609	0.1237	7.12%

**Note: Tax rate info preliminary and subject to state legislative changes.**

Calculation of Excess Spending Obligation

# “New” option: fund eligible position with grants vs general fund

## Results in \$18K general fund budget reductions

**Title II grant-eligible position  
RMS Instructional Coach  
+\$25K in Budget  
~\$18K Title II funds available**

**Option 1: Plan to grant fund position, remove from general fund**

**Option 2: Keep in general fund budget, grant fund later (as built)**

On November 1, the Dresden Budget Committee discussed funding the Instructional Coach position with grant funding

The Committee, at the time, agreed that it would be a good use of Title II funds, FY23 Title II used for coaching prof. development

However, the Instructional Coach funds have not been removed from the general fund to date

If the Board approves, Dresden budget expenditures would be reduced by up to \$18K.

**This would be a change to the funding source of this position rather than a decision not to support it**

**Budget after  
grant-eligible FTE  
removed  
FY24 vs FY23**

**+4.42%**

Budget  
+\$1,315,968

**+3.57%**

Net assessment  
+\$932,961

**+6.43%**

Hanover share

**-2.41%**

Norwich share



# HHS 20<sup>th</sup> overall in FY22 cost per HS pupil, 5<sup>th</sup> of 8 in Upper Valley (NH)

School District (73)	High School	% Chg from Dresden
<b>State Average</b>	<b>\$18,869.95</b>	<b>-14.6%</b>
1 Pittsburg	35,242.74	59.6%
2 Moultonborough	31,825.08	44.1%
★ 3 Sunapee	29,578.94	33.9%
4 Inter-Lakes Cooperative	29,224.61	32.3%
5 Lisbon Regional	28,177.53	27.6%
6 Profile	25,849.61	17.0%
★ 7 Mascoma Valley Regional	25,812.57	16.9%
8 Hinsdale	25,503.77	15.5%
9 Souhegan Cooperative	24,976.76	13.1%
10 Littleton	24,656.08	11.6%
11 Newmarket	23,906.74	8.2%
12 Lincoln-Woodstock Coop	23,659.40	7.1%
13 Winnacunnet Cooperative	22,971.26	4.0%
14 Contoocook Valley	22,828.52	3.4%
★ 15 Kearsarge Regional	22,817.84	3.3%
16 Hillsboro-Deering Coop	22,360.52	1.2%
17 Berlin	22,340.67	1.1%
★ 18 Lebanon	22,100.36	0.1%
19 Colebrook	22,093.61	0.0%
★ <b>20 Dresden</b>	<b>22,087.41</b>	<b>0.0%</b>
21 White Mountains Regional	21,995.25	-0.4%
22 Pemi-Baker Cooperative	21,960.49	-0.6%
23 Milton	21,868.78	-1.0%
24 Gov Wentworth Regional	21,793.51	-1.3%
25 John Stark Regional	21,720.77	-1.7%
★ 26 Haverhill Cooperative	21,240.89	-3.8%
27 Mascenic Regional	21,004.86	-4.9%
28 Portsmouth	20,908.52	-5.3%
29 Sanborn Regional	20,901.87	-5.4%
30 Monadnock Regional	20,711.72	-6.2%
31 Timberlane Regional	20,673.13	-6.4%
32 Epping	20,567.92	-6.9%
★ 33 Newport	20,510.99	-7.1%

**FY 22 Average  
Cost Per Pupil**

## Cost per pupil definition

- Calculated by NH Department of Education
- Cost per pupil represents current expenditures less tuition and transportation costs
- Any food service revenue is deducted from current expenditures before dividing by ADM in attendance
- Capital and debt service are not current expenditures and are not included

## Hanover High School

- 20<sup>th</sup> out of 73 NH high school districts in FY22 average cost per pupil and 5<sup>th</sup> out of 8 schools in the Upper Valley (NH)

## HHS Tuition

- HHS base tuition cost charged to sending districts: \$18,017  
(vs \$22,087 average cost per pupil, difference of -\$4,070)
- + Add capital cost (debt): **\$3,382**
- Final FY22 HHS tuition cost: **\$21,399**

★ Indicates Upper Valley school district. Claremont (not listed) is #36 at \$20,168.02.

Source: NH Department of Education

## **Budget warrant article recommendation (as built)**

Shall the District raise and appropriate the amount of Thirty-One Million, One Hundred Seventeen Thousand, Five Hundred and Nine Dollars (**\$31,117,509**), for the support of schools, for the payment of salaries for the teachers and other school employees, school district officials, and agents, and for the payment of the statutory obligations of the District for the 2023-24 fiscal year? This sum does not include the sums appropriated in any of the other articles.

Note: Budget warrant article is reduced by \$11,967 because elected official stipends are addressed in separate warrant article

## Recommendation #2: Open Staffing Positions

# Open staffing positions are causing disruptions in educational programming, currently struggling to meet Special Education hours



## Hanover

<u>Position</u>	<u>FY23 Budget</u>	<u>Open</u>
<b>Certified</b>	<b>51.0</b>	<b>3.7</b>
Math Instructional Specialist*		1.0
Reading/Writing Specialist		1.0
K Teacher (not filled/enrollment)*		1.0
Spanish Teacher*		0.4
Band Teacher		0.3
Not budgeted: LTS-Grade 4, admin leave		
<b>Support</b>	<b>54.8</b>	<b>15.4</b>
Reg Ed Asst	11.27	1.47
Spec Ed Asst	20.95	10.4
Other Ed Asst	2.52	0.05
Other Staff	20.1	3.44

\*Funds associated removed from the FY24 Budget



## Dresden

<u>Position</u>	<u>FY23 Budget</u>	<u>Open</u>
<b>RMS</b>		
Certified	45.70+0.80	0
Spec Ed Asst	14.8	5 <sup>+</sup> (need 3)
Other Staff	16.18	0
<b>HHS</b>		
Certified	75.41	0
Spec Ed Asst	15	4 <sup>+</sup>
Other Staff	35.59	5

+ 2.8 FTE RMS and 1 FTE HHS Special Ed Assist removed from FY24 Budget

## **Recommend investigation into Educational Assistant staffing issues and provide appropriate board recommendations**

**Recommended:** Dresden Budget Committee recommends the Support Staff Negotiations Committee begin an investigation into Education Assistant (EA) staffing issues, especially related to special education services, and advise the Board with corrective actions, if any

**Not recommended:** Further reduce unfilled Educational Assistant positions from the budget. Funds generated by EA vacancies may be used in FY24 to solve staffing issues. Any unused funds will result in surplus against tax assessments in FY25

## Recommendation #3: Substitute Wages

# Recommend substitute wages move to \$125/day or \$16.67/hour

District/SU	Teacher	Teacher per hour (based on 7.5 hour day)	Support	Support per hour (based on 7.5 hour day)	Primary Towns
SAU 70	\$100/day	\$13.33	\$75/day	\$10.00	
<b>VT Disticts</b>					
Windsor Central	\$125/day	\$16.67	\$13 per hour	\$13.00	Woodstock, Killington
Hartford	\$110/day	\$14.67	\$110/day	\$14.67	Hartford
White River Valley	\$108/day	\$14.44	\$108/day	\$14.44	Sharon, Strafford, Royalton
Springfield	\$110/day (\$120 w/BA)	\$14.67 - \$16.00	\$110/day (\$120 w/BA)	\$14.67 - \$16.00	Springfield
Two Rivers	\$125/day	\$16.67	\$125/day	\$16.67	Mt. Holly, Ludlow, Cavendish
Thetford Academy	\$100/day	\$13.33	-	-	Thetford
Rivendell	\$125/day	\$16.67	\$125/day	\$16.67	Orford NH, Fairlee & Vershire VT
<b>NH Districts</b>					
Lebanon	\$105/day	\$14.00	\$12/hour	\$12.00	
Mascoma	\$13.80/hr	\$13.80	\$12/hour	\$12.00	Canaan, Enfield
SAU 6	\$14.29/hr	\$14.29	\$14.29/hr	\$14.29	Claremont, Unity
SAU 23	\$100/day	\$13.33	\$90/day	\$12.00	Woodsville, Haverhill, Piermont
Kearsarge	\$15.25/hr	\$15.25	\$15.25/hr	\$15.25	Bradford, New London, Newbury, Springfield, Sutton, Warner, and Wilmot
SAU 75	\$100/day	\$13.33	\$100/day	\$13.33	Grantham

**VT minimum wage:** \$12.55 (increasing to \$13.18 on 1/1/2023)

**NH minimum wage:** \$7.25

### Teacher

**Min: \$13.33 (SAU 70, 23 & 75, TA)**

**Average: \$14.60**

**Max: \$16.67 (Rivendell, Two Rivers, Windsor Central)**

### Support

**Min: \$10.00 (SAU 70)**

**Average: \$13.77**

**Max: \$16.67 (Rivendell), Two Rivers)**