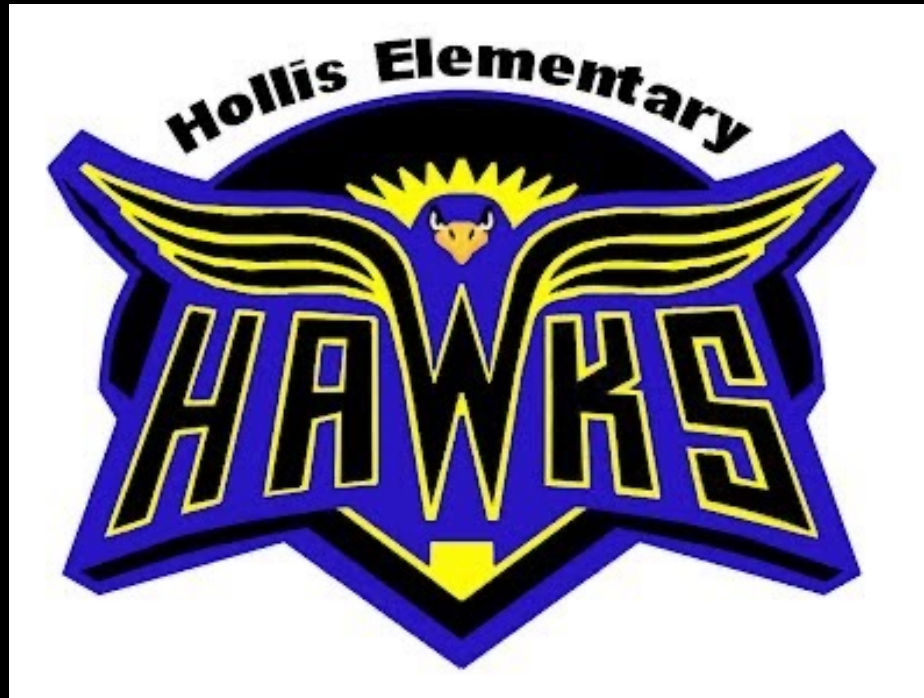


**Hollis School District  
Public Hearing  
2023 Warrant & FY2024 Budget  
February 7, 2023**





# Budget Committee Members

- Tom Gehan – Chair
- Mike Harris – Vice Chair
- Mike Leavitt – Secretary
- Chris Hyde
- Lorin Rydstrom
- Darlene Mann
- Amy Kellner – Hollis School Board's Representative
- Mark LeDoux – Select Board's Representative

# School Board Members

- Amy Kellner – Chair
- Carryl Roy – Vice Chair
- Tammy Fareed – Secretary
- Brooke Arthur
- Rob Mann

# School Administration

- Andy Corey – Superintendent, SAU 41
- Gina Bergskaug – Assistant Superintendent, SAU 41
- Lauren DiGennaro – Director of Student Services, SAU 41
- Kelly Seeley – Business Administrator, SAU 41
- Candi Fowler – Principal, Hollis Upper Elementary School
- Paula Izbicki – Principal, Hollis Primary School

# Agenda

- Budget Committee Presentations
  - Budget Process
  - Overview of Warrant Articles
  - Projected Tax Rates
- Open Public Budget Hearing
  - Presentation of Individual Articles & Public Input
- Close Public Budget Hearing
- Budget Committee Discussion & Vote on Articles
  - Public may observe; no further public input
- Adjourn

# Budget Process

# Budget & Meeting Calendar 2023

- Thu, Feb 2 – COOP Public Hearing
- Mon, Feb 6 – Town Public Hearing
- Tue, Feb 7 – HSD Public Hearing
- Mon, Feb 13 – Town Bond Hearing
- Mon, Feb 20 – COOP Bond Hearing
- Wed, Mar 8 – COOP Annual District Meeting
- Tue, Mar 14 – Town Elections
- Wed, Mar 15 – HSD Annual District Meeting
- Sat, Mar 18 – Town Meeting



# Budget Process

- Town of Hollis is a Municipal Budget Law district under RSA 32
- Budget Committee responsible to create & present to voters the Town and Hollis School District Operating Budgets
- Budget Committee also reviews and makes recommendations to voters on other monetary articles.
- Hollis has three Separate Budgets – Town, Hollis Schools & COOP Schools
  - We advise the Town and Hollis Schools
  - COOP Budget Committee advises COOP
- We provide guidance to Selectmen & School Board and ask them to create a budget that fits within that guidance.
- Budget Committee votes on warrant articles after the Public Hearing, considering public inputs, economic environment, historic perspective, relevant comparable data, and effect on tax rate.

# HSD Budget Assumptions & Biases

- Assumptions
  - Local economy remains strong
  - Inflation remains a concern
  - Tax base will increase 2.0% in coming year
  - Some leading indicators suggest population growth may create strain on services
  - Schools must be responsive to potential changes in revenue from Federal and State sources
- Biases
  - Committed to provision of high-quality education for Hollis children
  - Support compensation, benefits and work environment structures that enable Hollis Schools to attract and retain high quality employees.
  - Class sizes consistent with Hollis Educational Specifications
  - Staffing and Budgets should, over time, show linkage to the trends of student population
  - Decrease locally-controlled unfunded liabilities that have long term budget impact (e.g. medical & retirement plans)
  - Manage the number of employees (adding staff increases the budget in multiple ways)
  - Manage Debt Service burden by avoiding additional bonding until older debt is retired

# Guidance to School Board

- Guidance Budget increase of 0%
  - Special education costs and salaries increased by union contracts are exempt from guidance
- Resulting Guidance Operating Budget
  - \$15,758,407
- Proposed Warrant Article Operating Budget
  - \$15,786,280
    - \$27,873 over guidance
    - Relief from guidance approved by BudCom

# Information & Data

# Hollis Demographics

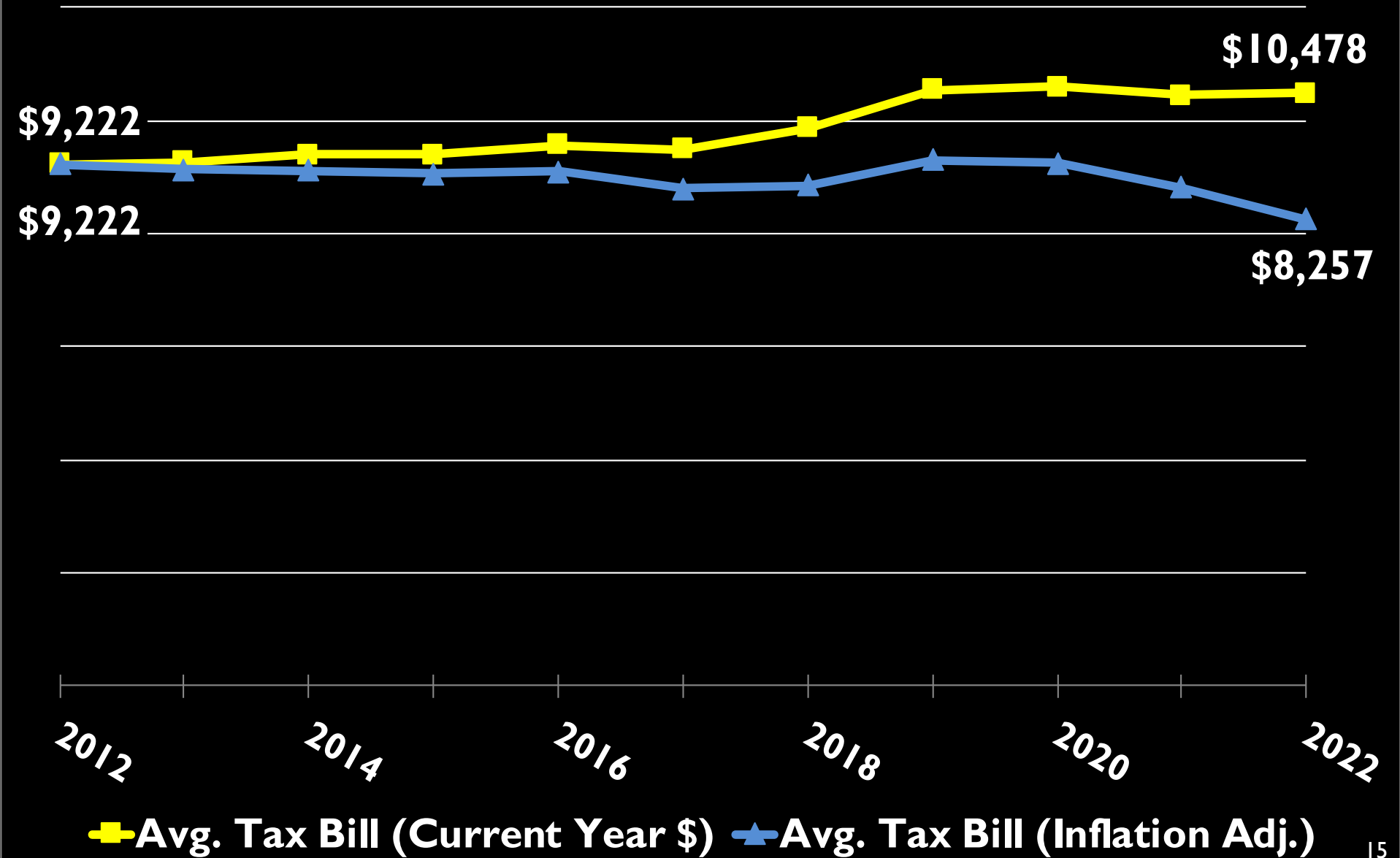
- Hollis 2021 Estimated Population = 8,519
  - Increase of 2% from 2020
  - Increase of 11% from 2010
  - Increase of 21% from 2000
- Hollis 2021 Households = 3,223
- Hollis 2021 Median Household Income = \$144,514
- Total Town Property Valuation 2022 = \$1,450,060,561
  - Increased 2.4% from 2021
- Average Single Family Home Value 2022 = \$464,244
  - Increased 0.8% from 2021
- Average Single Family Home Tax Bill 2022 = \$10,456
  - Increased 0.2% from 2021

# Hollis School District Employees

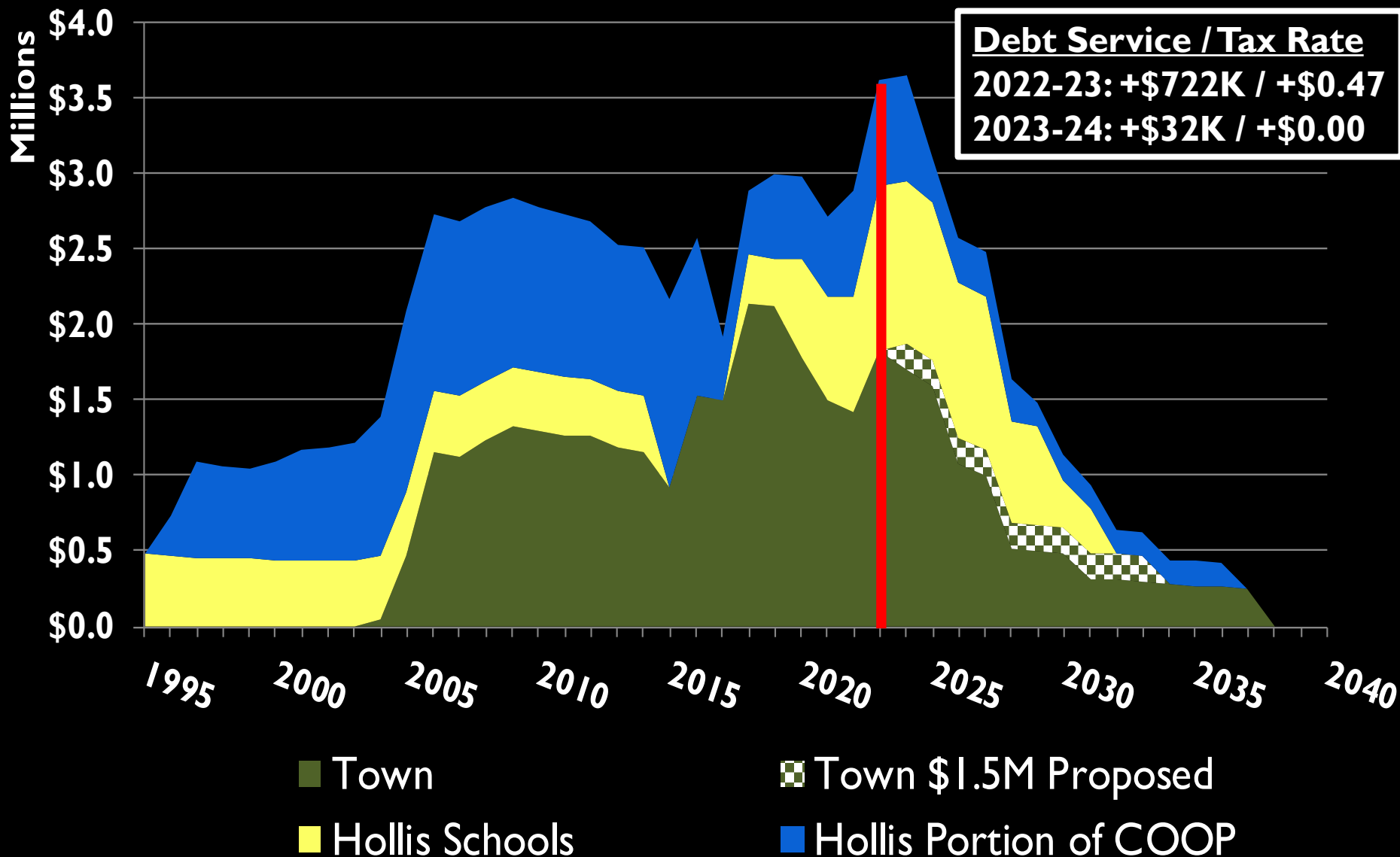
Role	Full-Time	Part-Time	Union	
Teachers	57	2	59	HEA
Special Ed Teachers	12	0	12	
Classroom Support	6	2	8	HESSA
Special Ed Classroom Support	30	2	32	
School Admin Support Staff	3	2	5	
Food Service	2	3	5	
Maintenance & Custodial	7	1	8	
School Administration	3	-	-	
Special Ed Professional Support	4	3	-	
Curriculum Coordinator	1	-	-	
Technology Support	1	-	-	
Total	126	15	129	

Note: The union employee total is a subset of the full-time and part-time employees, not an additional group of employees.

# Average Hollis Tax Bill Single Family Residences

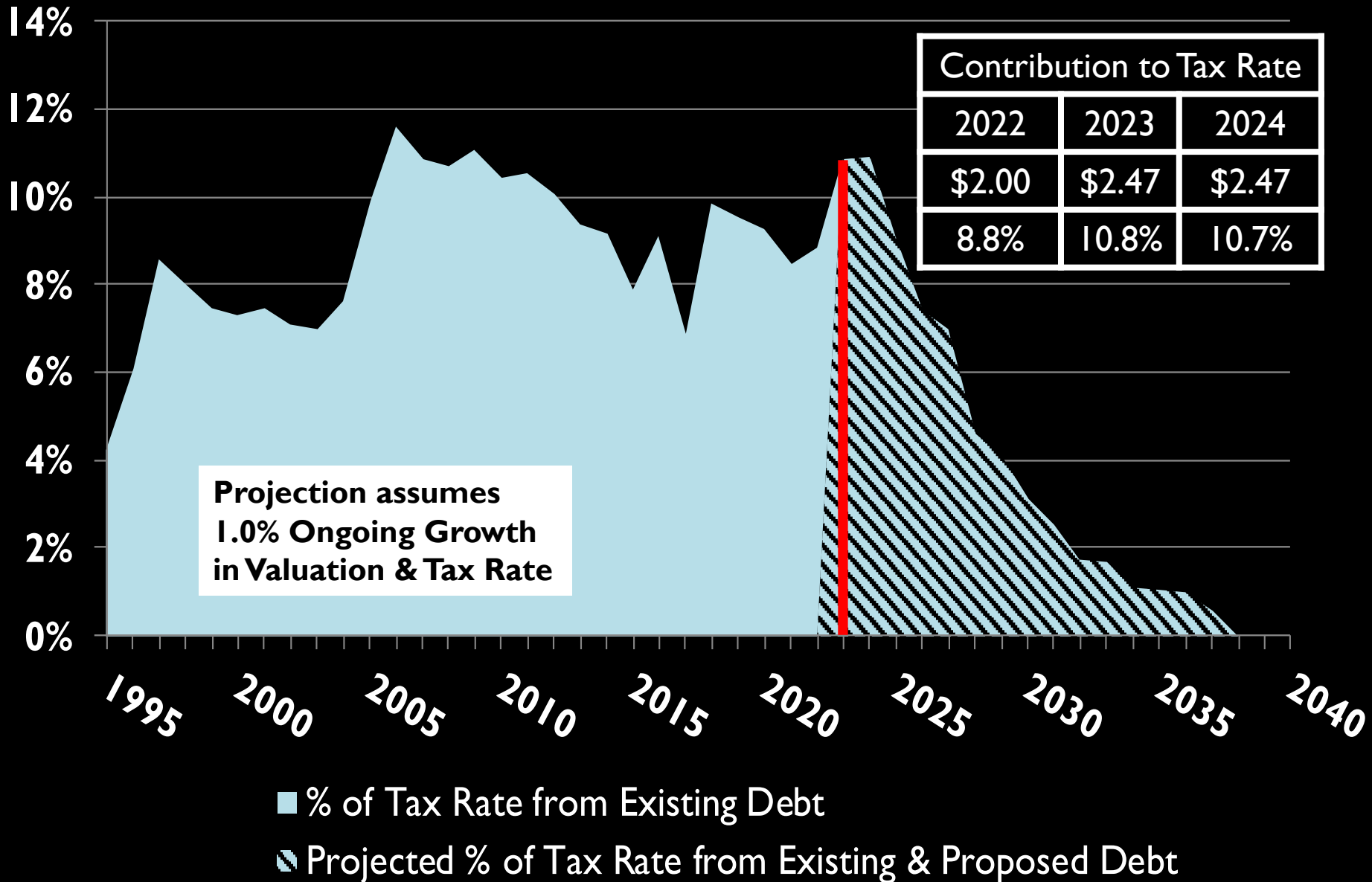


# Total Town/School/COOP Bonded Debt and Capital Lease Annual Payments

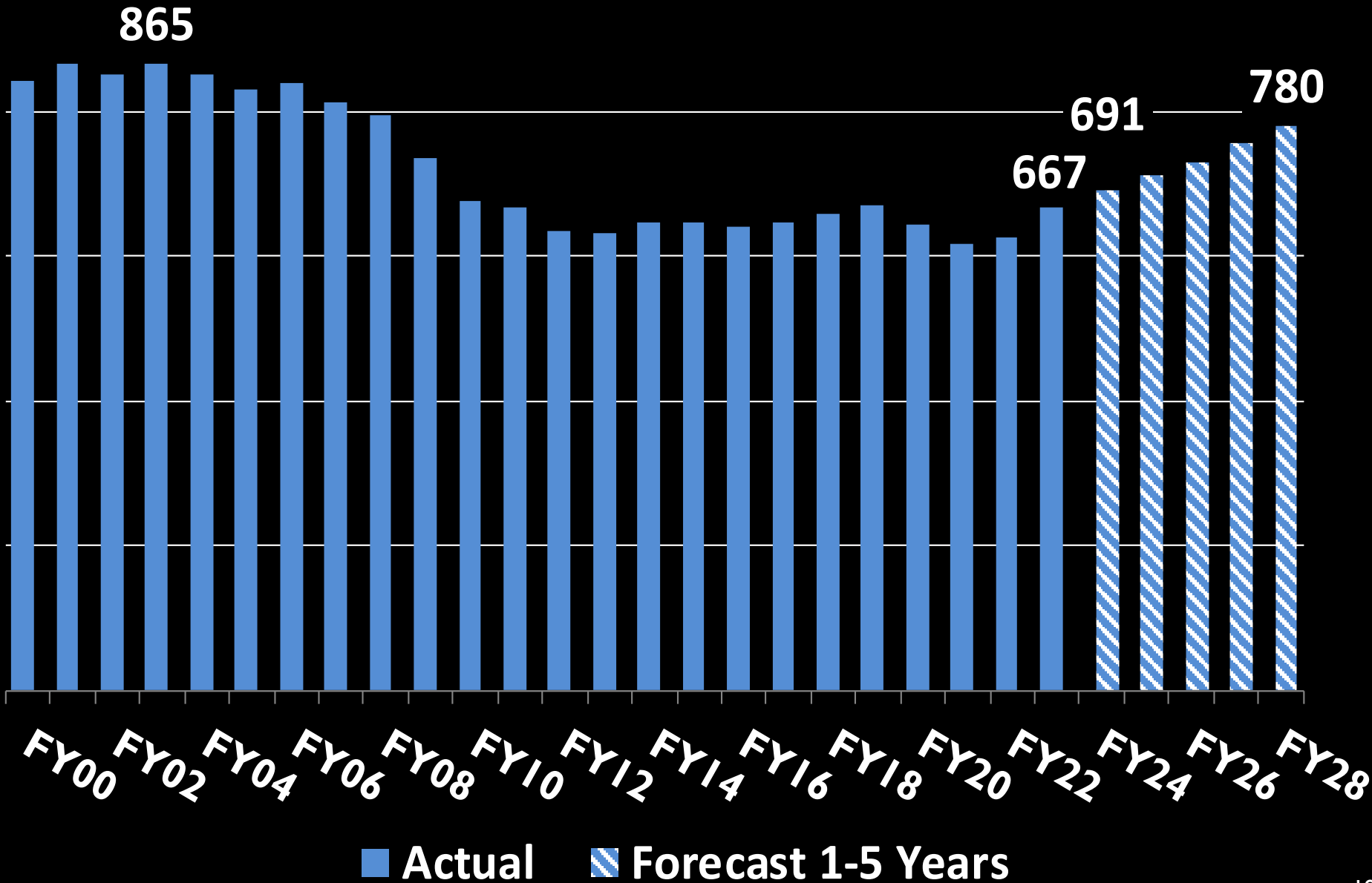




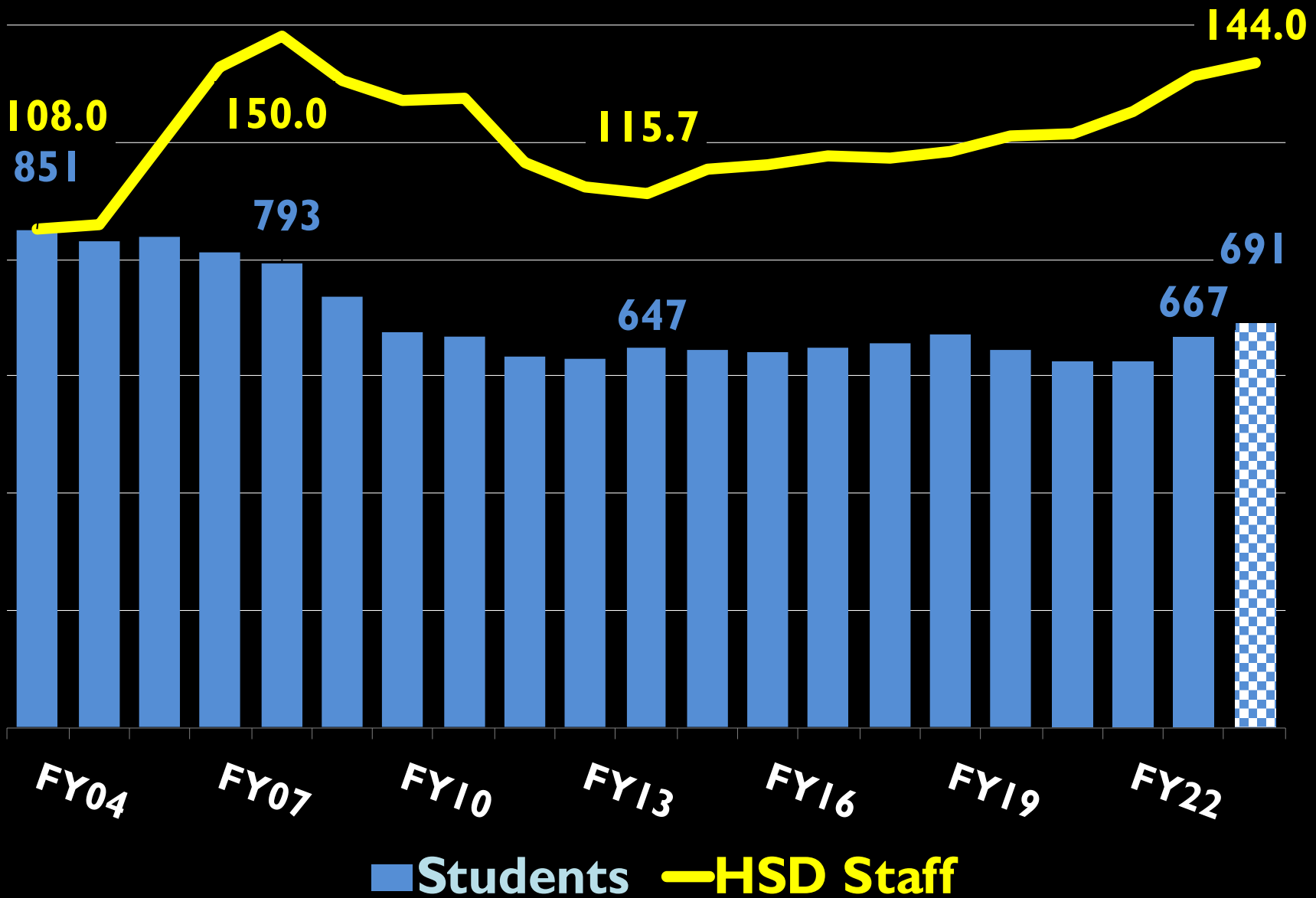
# Current Town/School/COOP Bonded Debt and Capital Lease Payments as % of Total Tax Rate



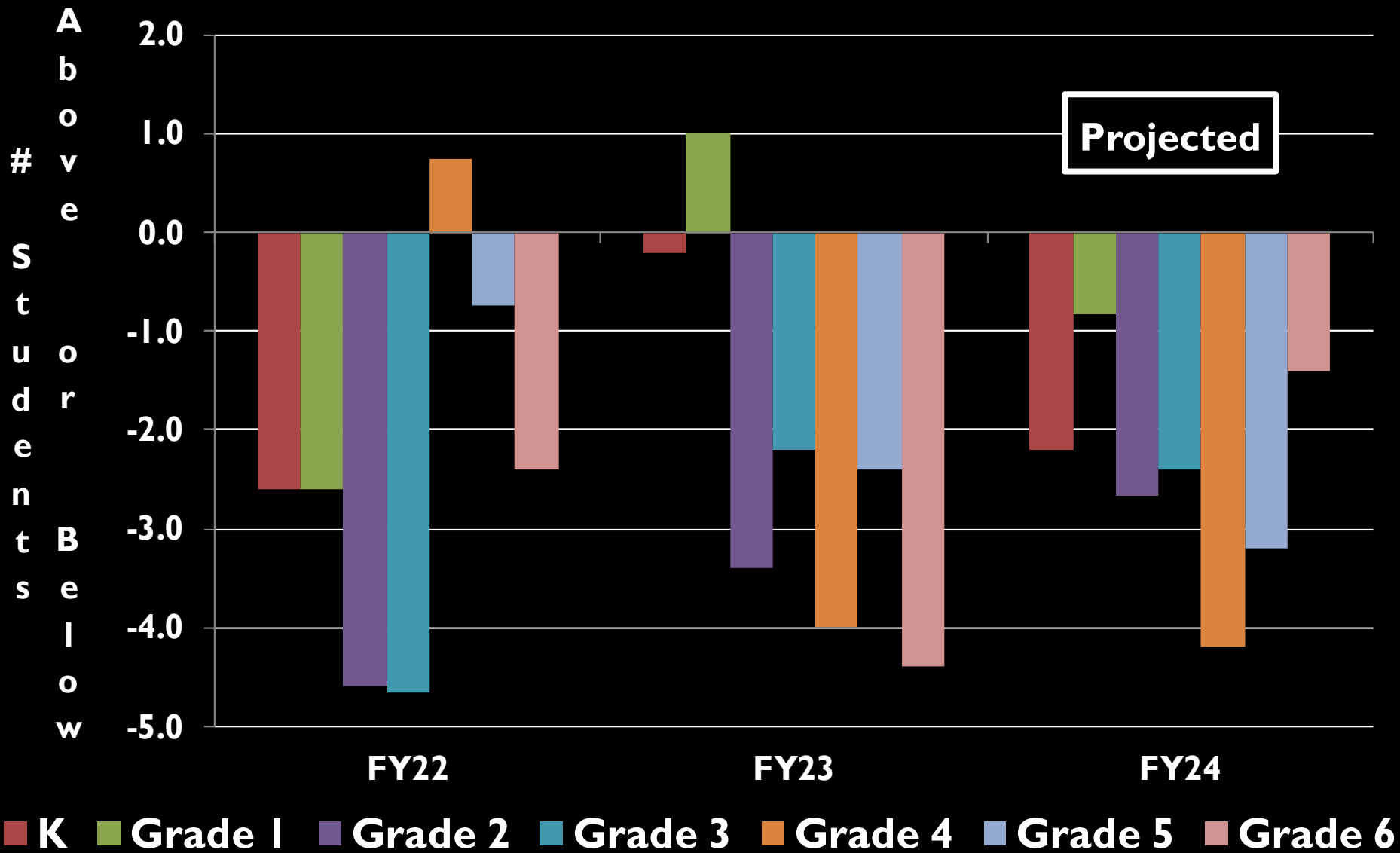
# Enrollment History & Forecast



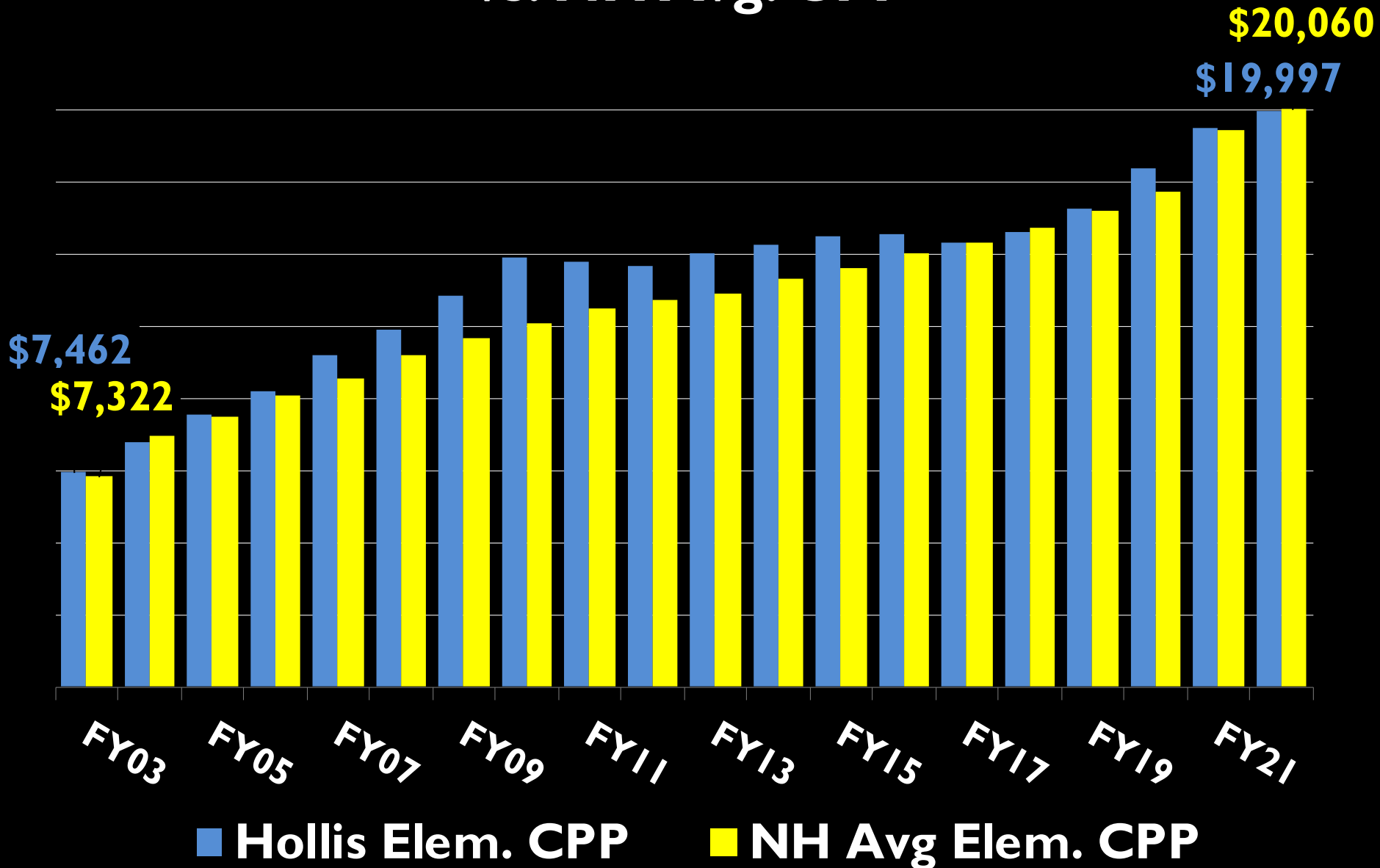
# HSD Staff vs. Student Population



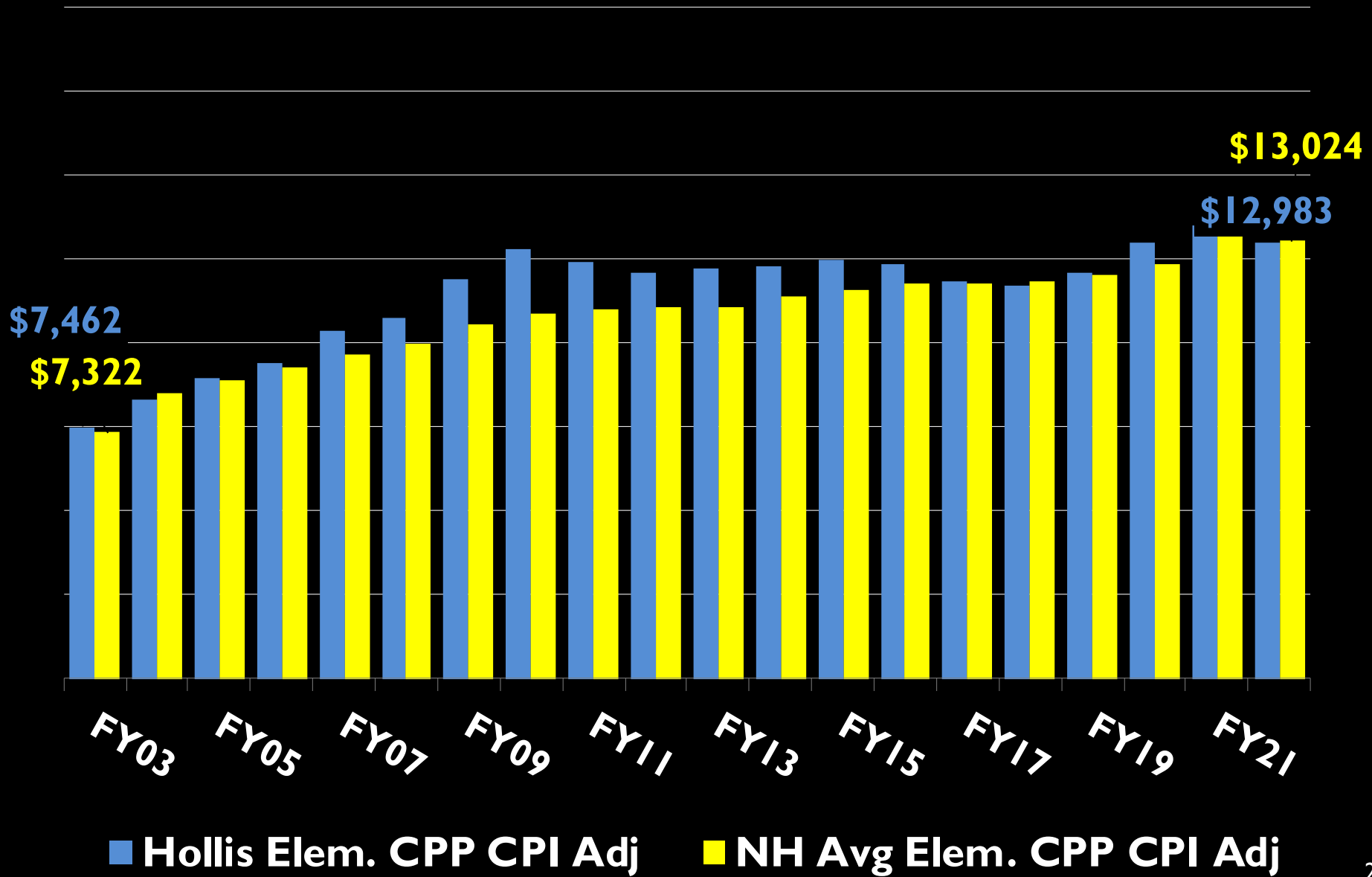
# Hollis Education Specifications vs. Projected Class Size



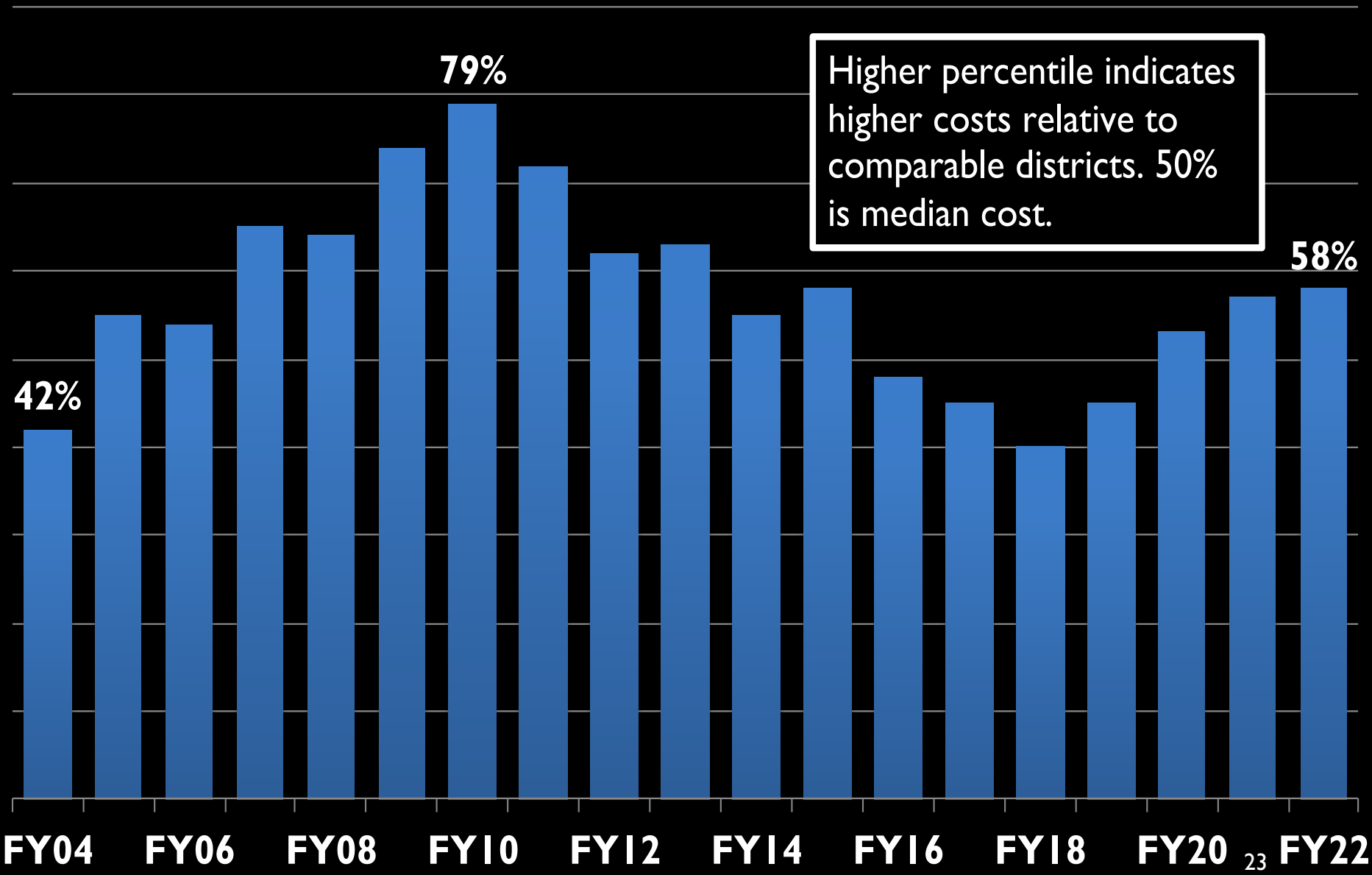
# Hollis Elementary Cost Per Pupil (CPP) vs. NH Avg. CPP



# Hollis Elementary Cost Per Pupil (Inflation Adj.) vs. NH Avg. CPP



# Hollis School District Cost Per Pupil Percentile Among 119 Comparable NH School Districts



# Warrant Overview



# 2023 Hollis School Warrant

Art	Summary	Amount
1	Support Staff Contract Year 2 of 3	\$89,225
2	SAU Budget Assessment	\$677,360
3	SAU Building Maintenance Trust	\$23,970
4	School Building Maintenance Trust	\$95,000
5	Special Education Trust Fund	\$25,000
6	Contingency Fund	\$95,000
7	Operating Budget	\$15,786,280
8	Any Other Legal Business	-

# Projected Tax Rates

# Tax Rate Forecasting Limitations

- Approved Appropriations (spending) are unknown until after Annual Town and School District Meetings
- Prior year fund balances that may become revenue for the coming year are unknown until the books are closed
- Other Revenues for the coming year may vary, e.g. Special Education Aid or Medicaid reimbursements
- State education aid (Adequacy Grant and Retained State Education Tax) are estimates at this time and may change
- The Assessed Value (aggregate property value of entire Town) which is the denominator for tax rate calculation is an estimate and will not be finalized until later in the year
  - This presentation assumes 2.0% increase in tax base
- State Dept. of Revenue Admin. (DRA) does not set Tax Rate until October / November

# Spending – Only Part of Tax Rate

Approved Appropriations:

*Total spending approved by Voters*

- Revenue

*Special Education Aid, Medicaid, Prior-Year Unexpended Funds,  
etc.*

- State Adequacy Grant

= Tax Effort or Net Appropriations

*Amount to be raised by Property Taxes*

The tax rate will go up even when spending goes down  
if revenue and state aid go down by a greater amount

# Revenue Estimate vs. Prior-Year Actual Decreased \$1,038,417

- Major Drivers:
  - Fund Balance - \$1,019,599
    - High fund balance in FY22 largely result of unexpended budget due to open positions
    - NHRS contribution reimbursement \$84,818

# State Aid Estimates Increased \$170,612

- Adequacy Aid decreased \$318,850
- Retained Tax increased \$489,462
- Large shifts due to single-year state funding change last year

# Hollis School District Tax Rate

Assumes all Articles, approved as written	Year 2022 (HSD FY23)	Year 2023 (HSD FY24)	Change
Operating Budget	\$14,297,406	\$15,786,280	+ 10%
Warrant Articles	\$1,276,151	\$1,005,555	- 21%
– Revenue	(\$1,807,887)	(\$769,470)	- 57%
– State Aid Grant	(\$1,619,641)	(\$1,300,791)	- 20%
– Retained State Tax	(\$963,567)	(\$1,453,029)	+ 51%
= Total Tax Effort	\$11,182,462	\$13,268,545	+ 19%
<b>HSD Tax Rate</b>	<b>\$7.71</b>	<b>\$8.97</b>	<b>+ 16%</b>
+ HSD State Tax Rate	\$0.67	\$0.99	+ 48%
<b>Total HSD Rate</b>	<b>\$8.38</b>	<b>\$9.96</b>	<b>+ 19%</b>

Assumes 2.0% increase in tax base

# Hollis School District Tax Rate

- Revenue substantially drives the Hollis School District's local tax rate
- The higher revenue last year was due mainly to unexpended budget and was returned to voters to reduce the 2022 tax rate
- Decreased revenue contributes nearly as much as additional spending to the increase in the HSD local tax rate in FY24

Spending Increase	\$1,218,278	54%
Revenue Decrease	\$1,038,417	46%



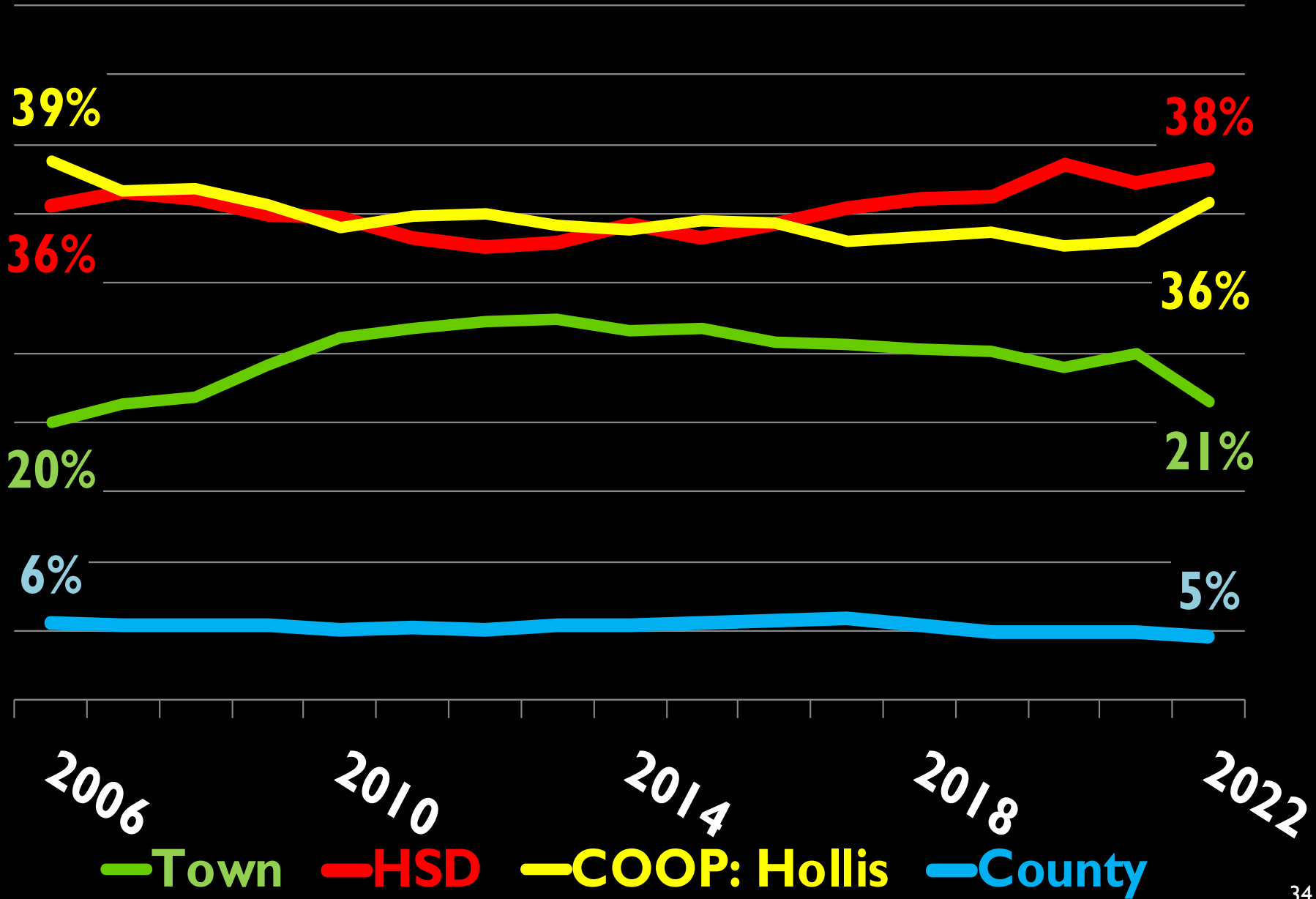
# Hollis Total Tax Rate

Assumes all Articles, approved as written	2022	Projected 2023	Change
<b>Town</b>	<b>\$5.65</b>	<b>\$6.39</b>	<b>+ 23%</b>
<b>HSD Local Tax</b>	<b>\$7.45</b>	<b>\$8.97</b>	<b>+ 16%</b>
HSD State Tax	\$0.67	\$0.99	+ 48%
<b>COOP Local Tax</b>	<b>\$7.13</b>	<b>\$8.11</b>	<b>+ 14%</b>
COOP State Tax	\$0.69	\$0.92	+ 34%
County Tax	\$1.18	\$1.16	- 2%
<b>Hollis Tax Rate</b>	<b>\$22.57</b>	<b>\$26.54</b>	<b>+ 18%</b>

**Controllable at the Town / School District Level**

Total tax rate may not equal sum of components due to rounding

# Hollis Tax Rate Split



# Public Hearing Call to Order

# Conduct of Public Hearing

- All Warrant Articles that appropriate money must be presented and public input taken at a properly noticed public hearing.
- Most articles may be modified at Annual meeting.
- School Board may remove articles, except petition articles, but may not add any.
- School Board may change wording of non-budget, non-petition articles, up until the Warrant is posted. Wording may also be changed at town meeting.
- At conclusion of public hearing, the Budget Committee will deliberate and vote on warrant articles; must vote on articles that appropriate money; may vote on non-appropriating articles.
- Dollar value of budget article may be changed by Budget Committee. Increases are limited to specific amounts discussed during the public hearing.

# Public Hearing – Rules for Tonight

- Articles will be presented as they are expected to appear on the final warrant (though the order may later change)
- Speakers will be recognized by the Chair
- Please state your Name and Address for the record
- Voters may speak once for 2 minutes. May be recognized to speak again on an issue after all others have had an opportunity to speak once.
- If your point has been substantially made by others, please be brief.
- Comments should be addressed to the Chairperson. Do not engage or debate other members of the public.
- Please tell us what specific action or change you would like to see. For example ask that the Operating Budget be modified up/down by specific dollar amount.
- Input will be restricted to Hollis residents of voting age (exceptions for administration & others to answer questions, or as allowed by the Budget Committee for the purpose of clarifications)
- Reminder: Turn off electronic devices or set to silent mode
- Please remain respectful and calm. Everyone wants excellent services and good value for our taxes dollars, we may disagree on how to get there

# Warrant Articles

# Article 1: HESSA (Support Staff)

## Year 2 of 3-Year Contract

To see if the School District will vote to approve the cost items included in the three-year collective bargaining agreement reached between the Hollis School Board and the Hollis Education Support Staff Association for the 2023-24 school year, which calls for the following increases in support staff salaries and benefits at the current staffing levels:

FY 24
\$89,225

and further to raise and appropriate the sum of \$89,225 for the second year (2023-24 school year), such sum representing the negotiated increase over the 2022-23 salaries and fringe benefits.

- Recommended by School Board 0-0-0
- Recommended by Budget Committee 0-0-0
- Estimated Net Tax Impact
  - $\cong$  \$0.05 / \$1,000 (Tax Rate)
  - $\cong$  \$22 / \$464,000 (Average Single-Family Residence)

# HESSA FY24 - FY25 Agreement Highlights

## 3 Year Term, Not Sanbornized

<b>Increases</b>		<b>FY24</b>	<b>FY25</b>
ON/OFF Step Increase		\$60,856 (3.5%)	\$72,097 (4.5%)
Increase in Insurance Caps		\$2,400	\$2,400
\$500 Towards Insurance Premium (Part-Time)		\$6,000	\$2,400
Total (Previously Negotiated)		\$69,256	\$74,497
NEW Components		\$19,629	\$12,682
Total		\$89,225	\$87,179

**Total of all 3 years = \$264,065**



# HESSA FY24-FY25 New Components

- Retention stipends provided in FY 23 (\$1,000 or Step 6 Equivalent)
- New Components FY24 (\$19,969)
  - All support staff are Off-step
  - Some category shifts
  - Adopt FY24 COOP On-step grid for new hires
  - Adjustments to some Off-step rates due to new On-step grid
  - \$500 stipend for eligible employees

# HESSA FY23-FY25 Costs

- Contract is NOT Sanbornized
  - Each year of the three-year agreement must be approved individually by voters at each year's Annual District Meeting
  - FY24 provisions are the only portion of agreement under consideration at this year's Annual District Meeting
  - Disclosure of future year costs does not equate to approval from the Annual District Meeting

FY23	FY24	FY25	Total
\$87,661	\$89,225	\$87,179	\$264,065

# Article 2: SAU Budget

Shall the School District vote to raise and appropriate the sum of \$677,360 as the Hollis School District's portion of the SAU budget of \$2,264,374 for the forthcoming fiscal year? This year's adjusted budget of \$2,247,208 with \$672,225 assigned to the school budget of this school district will be adopted if the article does not receive a majority vote of all the school district voters voting in this school administrative unit.

- Recommended by School Board 0-0-0
- Recommended by Budget Committee 0-0-0
- Estimated Net Tax Impact
  - ≅ \$0.37 / \$1,000 (Tax Rate)
  - ≅ \$169 / \$464,000 (Average Single-Family Residence)

# Article 2: SAU Budget

<b>FY23 Budget</b>	<b>FY24 Proposed Budget</b>	<b>\$ Change</b>	<b>% Change</b>	<b>FY24 Adjusted Budget</b>
\$2,107,176	\$2,268,374	\$161,198	7.6%	\$2,251,208

<b>Major Budget Drivers</b>	<b>Increase over FY23 Budget</b>	<b>Details</b>
Board Approved Support Staff Salary Adjustments and Associated Benefits	+\$74,139	<ul style="list-style-type: none"> <li>• \$33,807 Board approved salary adjustments for FY23</li> <li>• \$18,318 Board approved December salary adjustments</li> </ul>
Budgeted Salaries and Associated Benefits	+\$82,254	<ul style="list-style-type: none"> <li>• 3.5% annual increases</li> </ul>

# Article 3: SAU Building Maintenance Fund

To see if the School District will vote to raise and appropriate up to the sum of \$23,970 to be added to the previously established MAINTENANCE FUND FOR ADMINISTRATIVE AND ASSOCIATED STRUCTURES at 4 Lund Lane in Hollis, Map 56, Lot 2. This amount to come from the unassigned fund balance available for transfer on July 1 of this year. This amount represents rental proceeds and unexpended maintenance funds to be received from SAU 41.

- Recommended by School Board 0-0-0
- Recommended by Budget Committee 0-0-0
- Estimated Net Tax Impact
  - None

# Article 3: SAU Building Maintenance Fund

- Background:
  - HSD owns and maintains the SAU offices of 4 Lund Lane
  - HSD charges SAU4I rent for this space
- Purpose of the Article:
  - Expendable Trust is a “Savings Account” used to carry forward SAU4I rental income on 4 Lund Lane for major maintenance
- Funding:
  - From SAU4I rental income
- Oversight:
  - Major Expenditures proposed by the Administration
  - School Board evaluates and presents plan to BudCom for input
  - School Board makes final approval of expenditures

# Article 3: SAU Building Maintenance Fund

FY24 Projected Opening Balance	\$75,000
FY24 Proposed Funding	\$23,970
FY24 Proposed Projects:	
Portable Office / Conference Room Unit	\$30,000
Projected FY24 Ending Balance	\$68,970

# Article 4: School Buildings Maintenance Fund

To see if the School District will vote to raise and appropriate up to the sum of \$95,000 to be added to the previously established SCHOOL BUILDINGS MAINTENANCE FUND from the Hollis School District's June 30, 2023 unassigned fund balance available for transfer on July 1, 2023.

- Recommended by School Board 0-0-0
- Recommended by Budget Committee 0-0-0
- Estimated Net Tax Impact
  - No rate increase. The Unassigned Fund Balance is the sum of unspent taxes and revenues. Expending \$95,000, that could *potentially* be returned as revenue, equates to foregoing a *potential* rate reduction:
    - $\cong (\$0.05) / \$1,000$  (Tax Rate)
    - $\cong (\$24) / \$464,000$  (Average Single-Family Residence)



# Article 4: School Buildings Maintenance Fund

- Purpose:
  - “Savings account” to carry forward funds for major building maintenance
- Funding:
  - Unreserved Fund Balance Surplus
- Oversight:
  - Major Expenditures proposed by the Administration
  - School Board evaluates and presents plan to Budget Committee for input
  - School Board makes final approval of expenditures

# Article 4: School Buildings Maintenance Fund

FY24 Projected Opening Balance		\$175,000
2024 Proposed Funding		\$95,000
FY24 Proposed Projects:		
Classroom / Hallway Flooring	HPS	(\$30,000)
Univents – Outside Units - Rebuild	HPS	(\$25,000)
Exterior Doors	HPS	(\$15,000)
Classroom / Hallway Flooring	HUES	(\$30,000)
Hot Water Pump	HUES	(\$10,000)
Transfer Switch – Rocky Pond	Both	(\$10,000)
FY24 Projects Total Cost		(\$120,000)
Projected FY24 Ending Balance		\$150,000

# Article 5: Special Education Expendable Trust Fund

To see if the School District will vote to raise and appropriate up to the sum of \$25,000 to be added to the previously established Special Education Expendable Trust Fund. The sum to come from the Hollis School District's June 30, 2023 unassigned fund balance available for transfer on July 1, 2023.

- Recommended by School Board 0-0-0
- Recommended by Budget Committee 0-0-0
- Estimated Net Tax Impact
  - No rate increase. The Unassigned Fund Balance is the sum of unspent taxes and revenues. Expending \$25,000 that could *potentially* be returned as revenue, equates to foregoing a *potential* rate reduction:
    - $\cong (\$0.01) / \$1,000$  (Tax Rate)
    - $\cong (\$6) / \$464,000$  (Average Single-Family Residence)

# Article 5: Special Education Expendable Trust Fund

- “Savings account” to carry forward funds for major unexpected Special Education costs
- Examples of unanticipated expenses:
  - A student could move into the district in the summer and require special education services in excess of \$100K
  - Change in student placement mid-year could add \$40K in transportation cost
  - Student injured during the year could require \$60K of occupational therapy services
- Use of Trust would lessen risk that ongoing educational programs would be reduced to fund unforeseen special education costs
- Gradual funding from unassigned fund balance
  - Trust balance non-statutory cap \$280K
  - FY24 opening balance \$100,000

# Article 6: Contingency Fund

To see if the School District will vote to establish a contingency fund for the current year for unanticipated expenses that may arise and further to raise and appropriate a sum of \$95,000 to go into the fund. This sum to be raised by taxation. Any appropriation left in the fund at the end of the year will lapse to the general fund.

- Recommended by School Board 0-0-0
- Recommended by Budget Committee 0-0-0
- Estimated Net Tax Impact
  - ≅ \$0.05 / \$1,000 (Tax Rate)
  - ≅ \$24 / \$464,000 (Average Single-Family Residence)

# Article 7: Operating Budget

To see if the School District will vote to raise and appropriate a sum of \$15,786,280 for the support of schools, for the payment of salaries for the school district officials and agents and for the payment of statutory obligations of the district. This appropriation does not include appropriations voted in other warrant articles.

- Recommended by School Board 0-0-0
- Recommended by Budget Committee 0-0-0
- Estimated Net Tax Impact
  - ≅ \$8.51 / \$1,000 (Tax Rate)
  - ≅ \$3,947 / \$464,000 (Average Single-Family Residence)

# Article 7: Operating Budget Guidance

Description	Total	Variance from Guidance
Guidance Budget	\$15,758,407	-
Proposed Budget	\$15,786,280	\$27,873

# Article 7: Operating Budget Staff Changes

- Total adds to staff: 6.5 Full-Time Equivalentents
  - + 1.0 Regular Education teacher at HPS  
Anticipated enrollment increase
  - + 1.0 Board Certified Behavioral Analyst Assistant at HPS
  - + 3.0 Registered Behavioral Technician Paraeducators at HPS
  - + 1.0 Pre-K Intensive Needs Teacher at HPS
  - + 0.5 Occupational Therapist at HUES



# Article 7: Operating Budget

## Major Increases

Description	FY24 Proposed	% Change	\$ Change
Debt Service	\$1,086,066	43%	\$327,623
New Special Ed Positions	\$257,403	100%	\$257,403
Teacher Salaries Contract approved 2022	\$3,877,417	5%	\$262,622
Special Education Contracted Services	\$240,220	200%	\$160,310
Health Insurance	\$1,418,159	11%	\$141,677
Transportation	\$540,183	8%	\$42,031

# Article 7: Operating Budget

## Major Decreases

Description	FY24 Proposed	% Change	\$ Change
Retirement Benefits	\$61,295	- 51%	- \$64,341
Support Teacher Salaries	\$272,008	- 18%	- \$58,383
Vision Services	\$2,000	- 95%	- \$40,250
Employer Retirement Contributions	\$1,388,479	- 3%	- \$35,719
Teacher Lane Changes	\$42,015	- 16%	- \$8,210

Article 8: To transact any other business that may legally come before said meeting.

# Budget & Meeting Calendar 2023

- Thu, Feb 2 – COOP Public Hearing
- Mon, Feb 6 – Town Public Hearing
- Tue, Feb 7 – HSD Public Hearing
- Mon, Feb 13 – Town Bond Hearing
- Mon, Feb 20 – COOP Bond Hearing
- Wed, Mar 8 – COOP Annual District Meeting
- Tue, Mar 14 – Town Elections
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- Sat, Mar 18 – Town Meeting

# Conclusion of Public Input