

FY24 Budget Hearing

February 2, 2023

Hollis Brookline Cooperative School District

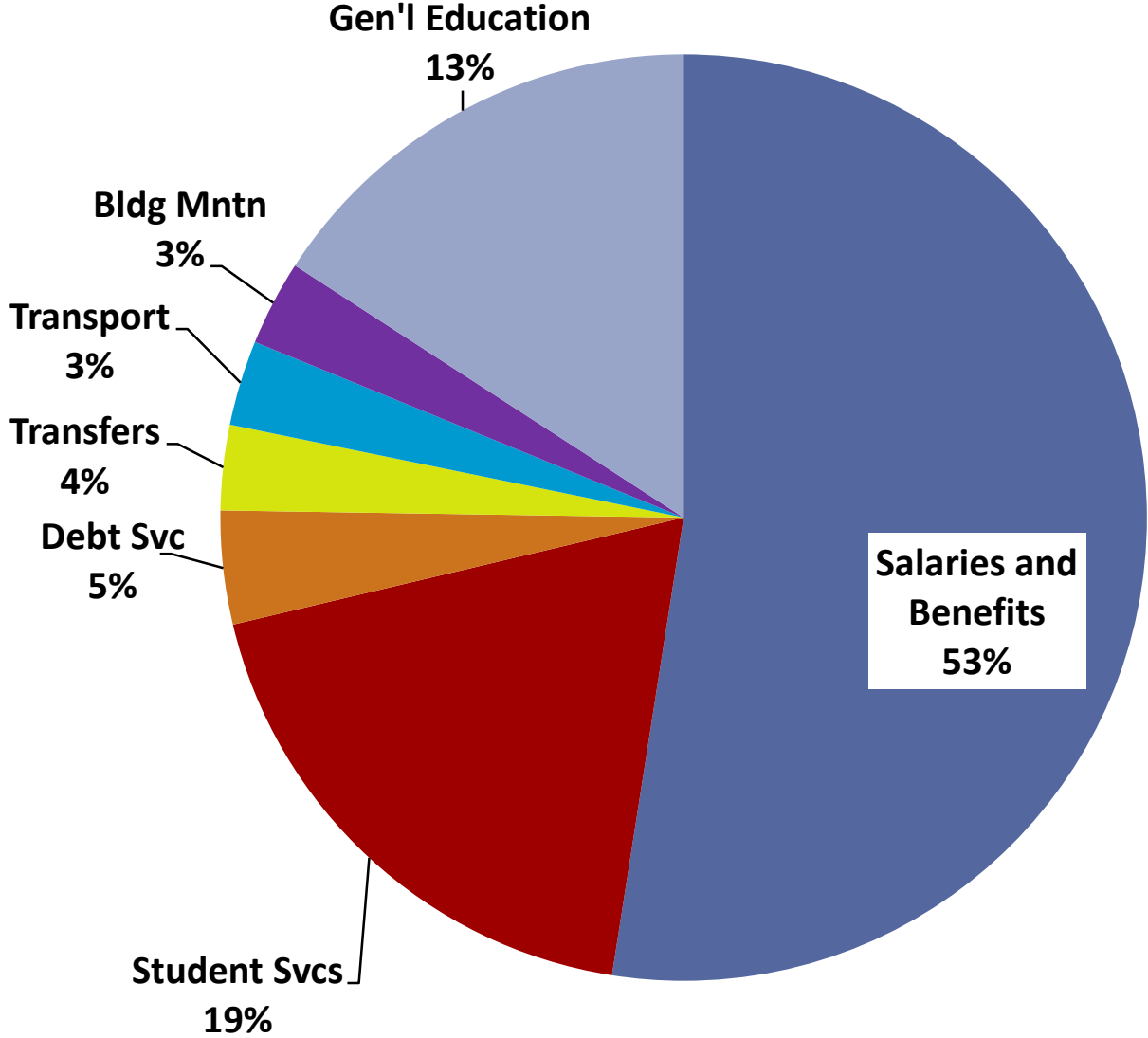
Presented by:

Hollis Brookline Cooperative Budget Committee

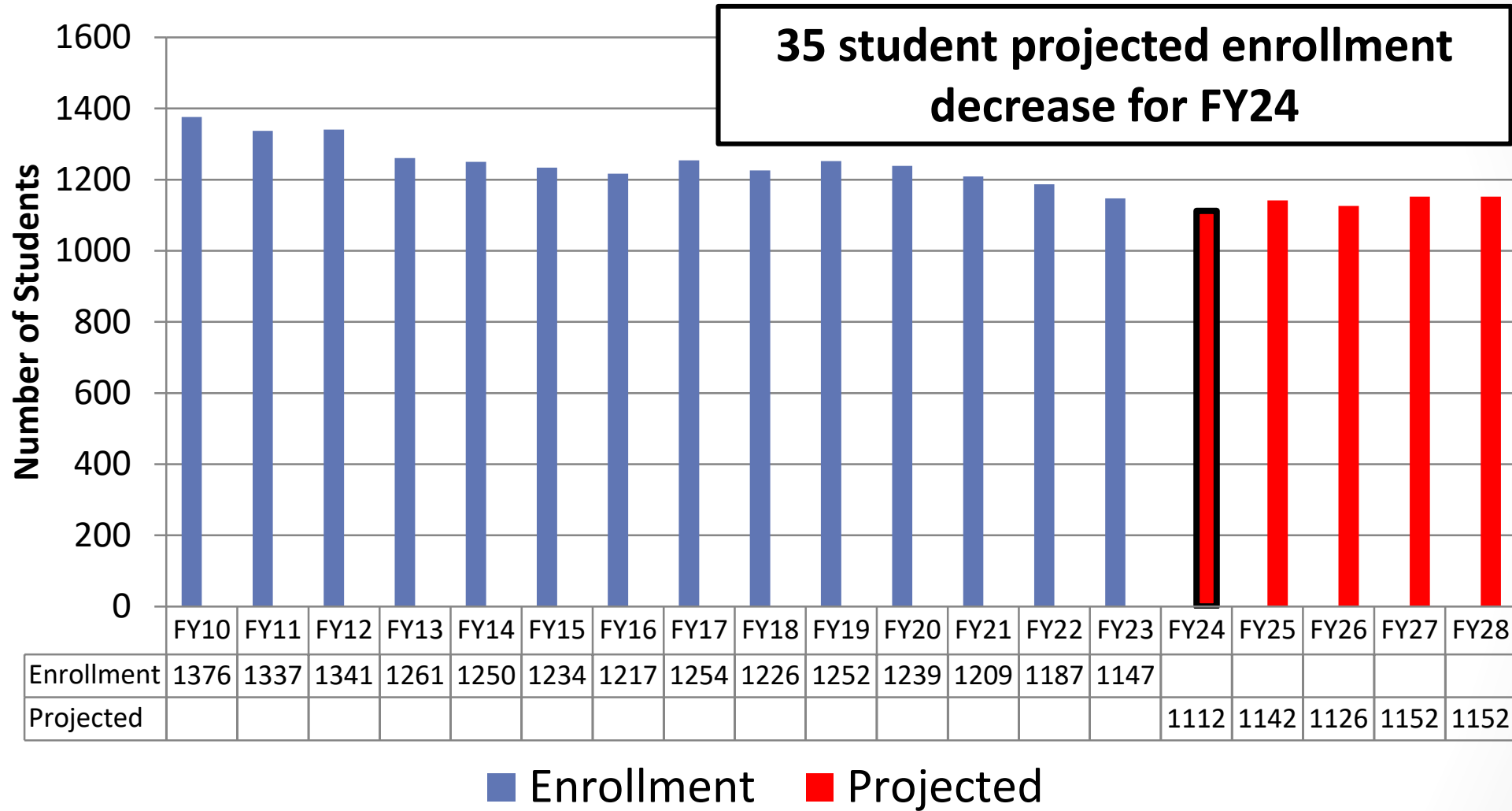
FY24 Warrant Summary

Article	Content	\$ Amount
Article 1	Energy Efficiency Upgrades	\$291,272
Article 2	HESSA Contract	\$162,006
Article 3	School Operating Budget	\$26,499,039
Article 4	SAU Budget	\$1,140,822
Article 5	Facilities Maintenance Trust	\$300,000
Article 6	Special Education	\$25,000
	Total \$ if all pass as written	\$28,543,139 6.1%

FY24 Budget Distribution

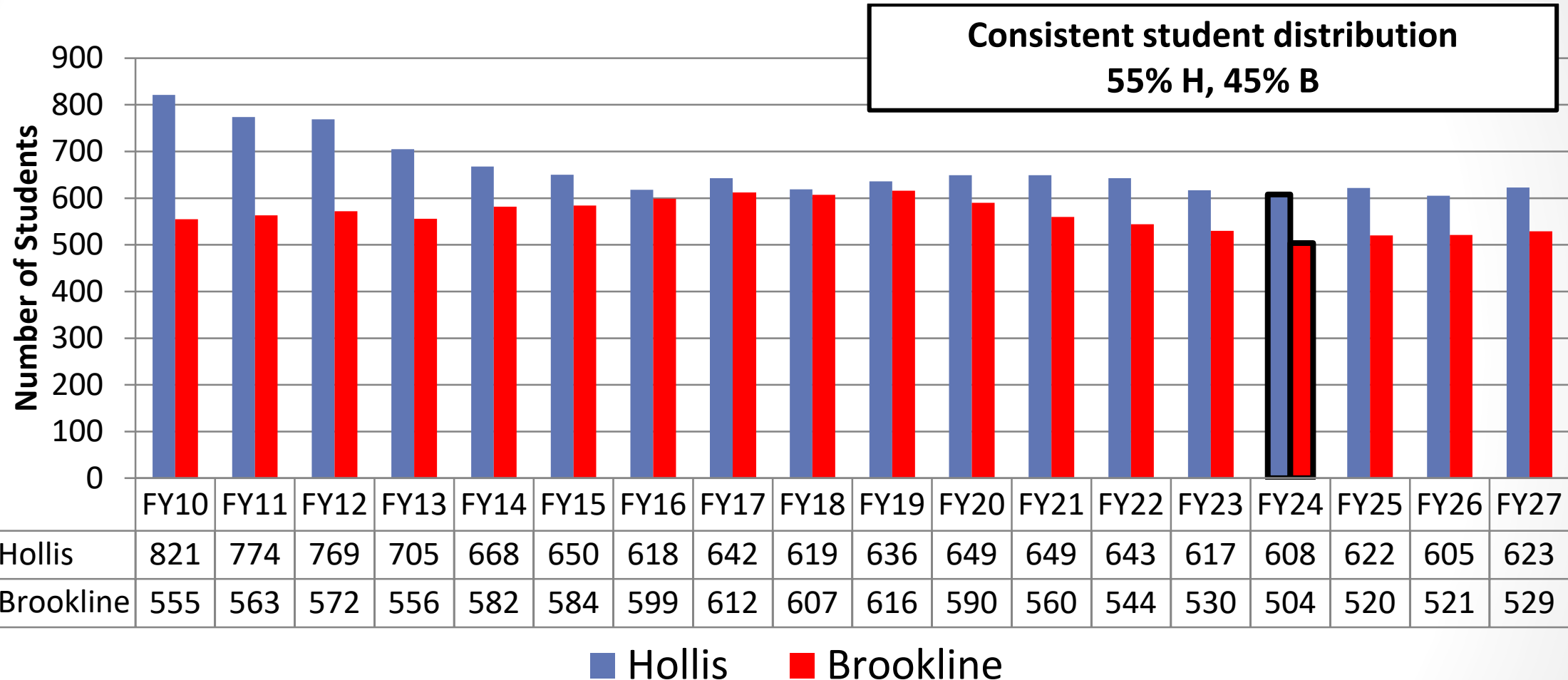


COOP Student Enrollment



Source: 10/2022 NESDEC

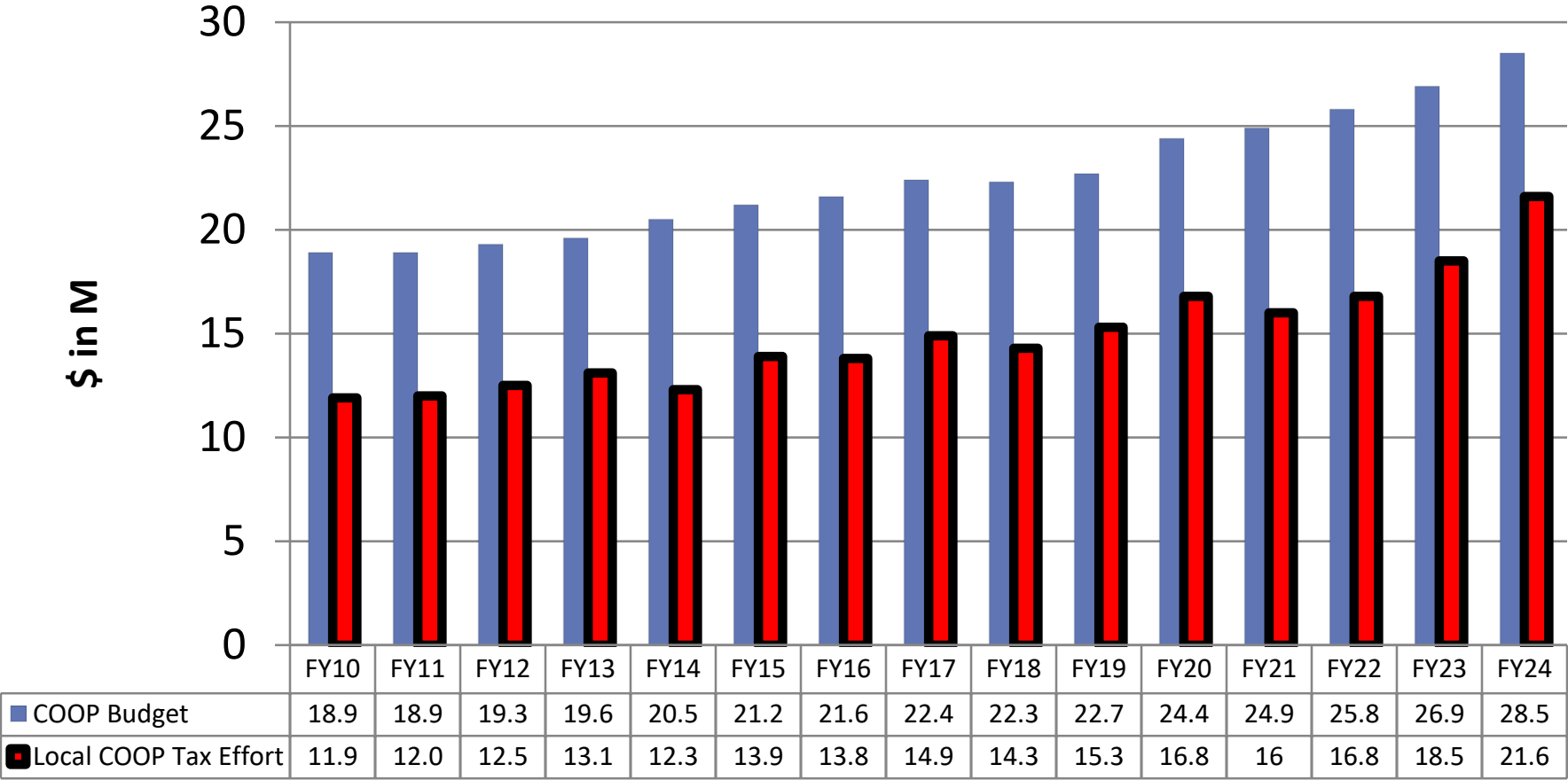
Enrollment Composition



SOURCE: 10/2022 NESDEC

Local COOP Tax Effort Trend

FY23 Tax Effort lower than estimated due to budget underruns resulting in return of significant unreserved fund balance

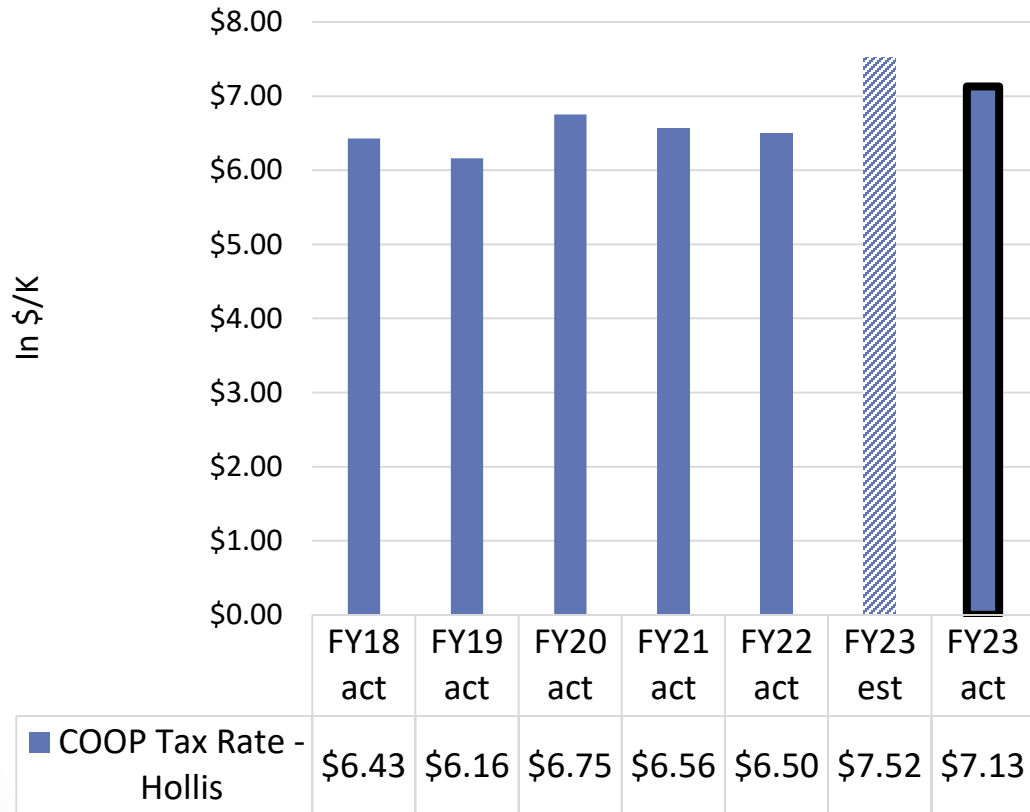


■ COOP Budget ■ Local COOP Tax Effort

Tax Effort Impact on Tax Rates

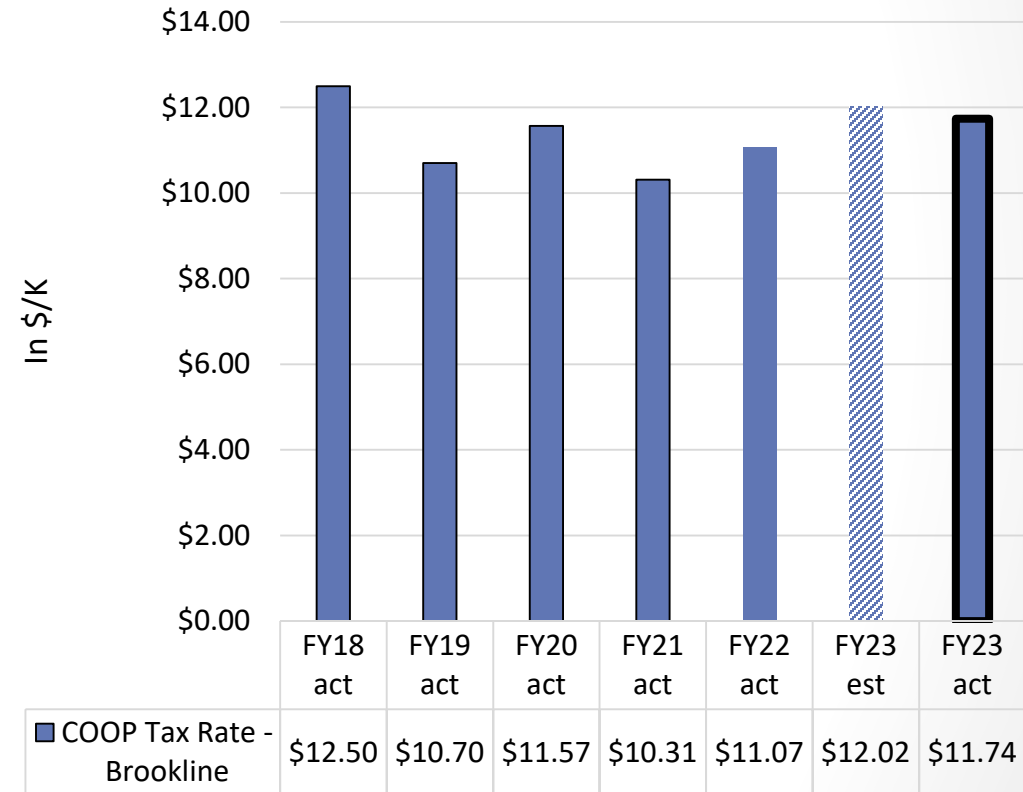
The return of higher than expected Unreserved Fund Balance resulted in COOP tax rates that were lower than estimated.

COOP Tax Rate - Hollis



FY23 Total Tax Rate change \$\$.63/k

COOP Tax Rate - Brookline



FY23 Total Tax Rate change +\$.67/k

Rates not adjusted for inflation

COOP Revenue & State Aid

COOP REVENUE	FY23	FY24	\$ change
Total COOP Revenue	\$3,219,491	\$1,853,862	(\$1,365,629)

Estimated reduction in Unreserved Fund Balance

STATE AID	FY23 Hollis	FY24 Hollis	\$ Change	FY23 Brookline	FY24 Brookline	\$ Change
Adequacy Grant	\$1,564,241	\$1,166,567	(\$397,674)	\$2,193,069	\$1,956,910	(\$236,159)
SWEPT	\$985,001	\$1,349,341	\$364,340	\$453,809	\$606,738	\$152,929
TOTAL STATE AID	\$2,549,242	\$2,515,908	(\$33,334)	\$2,646,878	\$2,563,648	(\$83,230)

Estimated reductions in aid due to anticipated enrollment change

Drivers of Change in FY24 Tax Effort

Revenue and aid reductions account for 47% of the estimated increase in Tax Effort

	\$ impact in \$M	Directional Change	Impact to Tax Effort
Budget	\$1.645	↑	↑
Revenue	\$1.366	↓	↑
State Aid	\$0.117	↓	↑
Total Change in Tax Effort	\$3.128	↑	↑

Summary of Financial Impacts

Increased Local Tax Effort due lower COOP revenue and reduced state aid

<i>Assumes all articles pass as written</i>	FY24	\$ change From FY23
Total Budget	\$28,543,139	\$1,644,696
<i>less</i> COOP Revenue	(\$1,853,862)	(\$1,365,629)
Amount to be Apportioned	\$26,689,277	\$3,010,325
<i>Less</i> Retained Tax (SWEPT) Reimbursement	\$1,956,079	(\$517,269)
<i>Less</i> Adequacy Grant	\$3,123,477	\$633,833
Local Tax Effort*	\$21,609,721	\$3,126,889

*Local Tax Effort represents amount to be raised by Local COOP tax rate by both Hollis and Brookline.

Apportionment

95% ADM/5% EV on non-bonded costs, 100% EV on bonded costs +\$1H

FY24 Apportionment	FY23 ADM est	2022 EV est	Net App %	Local Tax Effort %
Hollis	53.1%	69%	54.4%	55.5%
Brookline	46.9%	31%	45.6%	44.5%

ADM = Average Daily Membership, EV = Equalized Value

Estimated Tax Impacts by Town

FY24	TOTAL COOP	Hollis	Brookline
Total appropriations	\$28,543,139		
COOP Revenue	(\$1,853,862)		
Net to be Apportioned	\$26,689,277	\$14,514,701	\$12,174,576
Less State Aid	(\$5,079,556)	(\$2,515,908)	(\$2,563,648)
Local Tax Effort	\$21,609,722	\$11,998,793	\$9,610,928
FY24 EST COOP Local Tax Rate/k		\$8.11	\$13.56
FY23 COOP Local TAX RATE/k		\$7.13	\$11.74
% change in TOTAL COOP Tax Rate		13.7%	15.5%
% change in Total Tax Bill		4.2%	6.6%

Public Hearing

Public Hearing

- Introduce the articles with stated financial impact to be voted on at District Meeting
- Public Input may be provided per article
- After Public Hearing of all articles, the Budget Committee and School Board will deliberate and take positions on all warrant articles
- Amount of budget article may be amended by Budget Committee
- 10% Maximum Allowable Appropriation limits the maximum appropriation amount which may be recommended at the District Meeting

Public Input

- Input is restricted to Hollis and Brookline residents of voting age
- Exception may be made for administration or others as necessary for clarification
- Input will be requested per article
- Once recognized, please state your name and address for the record
- Any questions should be directed to the Chair
- Speaking time of 2 minutes
- May speak again to an article after all others have had an opportunity
- Please be brief if your point has been made by others

Energy Efficiency Upgrades

Article 1. To see if the School District will vote to appropriate the sum of \$3,076,806 (gross budget) to finance the acquisition and installation of energy efficient LED lighting and propane boilers with associated costs for oil tank removal for both the Hollis Brookline High School and Middle School; to authorize the issuance of not more than \$3,076,806 in bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33); to authorize the School Board to issue, negotiate, sell and deliver such bonds or notes and to determine the rate of interest thereon and the maturity and other terms thereof; and to raise and appropriate an additional sum of \$291,272 to pay debt service on such bonds or notes in the 2023-2024 fiscal year. (3/5 ballot vote required) **The school board recommends the appropriation 5-0-1. The budget committee recommends this appropriation 7-0-1.**

Estimated Tax Impact	HOLLIS	BROOKLINE
\$/K	\$.11	\$.10
\$/100K	\$11	\$10

Project Overview

School	Improvement	Component	Estimated \$	Yearly Savings	Potential Rebates
HBHS	LED Lighting		\$558,603	\$42,036	\$40,000
HBHS	Propane Boilers			\$47,670	\$16,000
		Oil Tank Removal	\$52,000		
		Install Tanks	\$75,000		
		Install Boilers	\$1,053,000		
HBMS	LED Lighting		\$423,702	\$26,810	\$30,000
HBMS	Propane Boilers			\$30,921	\$16,000
		Oil Tank Removal	\$48,500		
		Install Tanks	\$60,000		
		Install Boilers	\$806,000		
TOTAL			\$3,076,805	\$147,437	\$102,000

Term	Interest Rate	Payment
10 years	3.8%	\$364,000
15 years	5.0%	\$291,272

New DES requirement results in \$150K pipe replacement cost per school (\$300k total) if boiler/lighting lease is not approved.

Support Staff Contract

Article 2. To see if the school district will vote to approve the cost items for the third year of a four-year collective bargaining agreement reached between the Hollis Brookline Cooperative School Board and the Hollis Education Support Staff Association for the 2021-22, 2022-23, 2023-24 and 2024-25 school years, which calls for the following increases in support staff salaries and benefits at the current staffing levels:

Fiscal Year	Estimated Increase
2023-24	\$162,006

and further to raise and appropriate a sum of **\$162,006** for the third fiscal year (2023-24 school year), such sum representing the additional costs attributable to the increase in support staff salaries and benefits required by the new agreement over those that would be paid at current staffing levels. **The school board recommends this appropriation 6-0-0. The budget committee recommends this appropriation 7-0-1.**

Estimated Tax Impact	HOLLIS	BROOKLINE
\$/K	\$.05	\$.08
\$/100K	\$5	\$8

NEW TWO YEAR HESSA CONTRACT

HIGHLIGHTS

- **OPENED TO RE-EXAMINE WAGE STRUCTURE**
- **CLEANED UP SALARY TABLES**
 - **ELIMINATED BASE STEP**
 - **ADDED STEP 9**
- **RETAINED INSURANCE CAPS**
 - **\$50 INCREASE ANNUALLY FOR SINGLE, \$25 FOR FAMILIES**
- **INCREASED STARTING SALARY TO \$15/HR**

NEW TWO YEAR HESSA CONTRACT

COST HIGHLIGHTS

- **SALARY \$144,006**
- **HEALTH INSURANCE - \$18,000**
- **ON STEP - 8-9%**
- **OFF STEP - 8%**

Operating Budget

Article 3. To see if the school district will vote to raise and appropriate a sum of **\$26,499,039** 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. **The school board recommends this appropriation 6-0-0. The budget committee recommends this appropriation 8-0-0.**

Estimated Tax Impact	HOLLIS	BROOKLINE
\$/K	\$7.63	\$12.83
\$/100K	\$763	\$1283

Summary of Operating Budget Changes

	FY23 Budget	FY24 Budget	\$ Change	% Change
Op Budget	\$25,602,496*	\$26,499,039	\$896,544	3.5%

- FTE changes
- Maintenance/Safety Items
- Technology
- Academics
- Athletics

* FY23 Operating Budget reflects Operating Budget plus Professional & Support Staff article approved March 2022

Major Changes – INCREASES

Category	FY24 Budget Amount	\$ change	% change	Reason
Salaries	\$9,233,541	\$159,210	1.8%	Contracted increases
Student Svcs	\$5,427,580	\$275,346	5.3%	Programming changes, 1 add'l para
Athletics	\$676,358	\$32,129	5.0%	Revised stipend structure which addresses longevity
Replacement Computers	\$187,720	\$112,770	150.5%	Staff and student laptops, interactive flat panels, audio system updates
New Items	\$494,321			Rigging system, doors, classroom lab desks, MPR tables, facilities maintenance items

Major Changes – DECREASES

Category	FY24 Budget Amount	\$ change	% change	Reason
Retirement	\$51,908	(\$102,791)	(66.5%)	Fewer teacher retirements
NHRS Professional Staff	\$2,034,292	(\$67,726)	(3.3%)	Biennial rate change
Professional Development	\$134,050	(\$16,700)	(11.1%)	Adjustment based on actuals
Textbooks	\$23,161	(\$27,477)	(54.3%)	Reduced consumable text materials

SAU Budget

Article 4. Shall the District vote to raise and appropriate the sum of **\$1,140,822** as the Hollis Brookline Cooperative 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 \$1,132,174 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. **The school board recommends this appropriation 6-0-0. The budget committee recommends this appropriation 8-0-0.**

Estimated Tax Impact	HOLLIS	BROOKLINE
\$/K	\$.33	\$.55
/\$100K	\$33	\$55

SAU Budget

FY23 Budget	FY24 Proposed Budget	\$ change	% change	FY24 Adjusted Budget
\$2,107,176	\$2,268,374	\$161,198	7.6%	\$2,251,208

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

Facilities Maintenance Expendable Trust

Article 5. To see if the school district will vote to raise and appropriate up to the sum of **\$300,000** to be added to the previously established School Building and Facilities Maintenance Expendable Trust Fund. The sum to come from the Hollis Brookline Cooperative School District's June 30, 2023 unassigned fund balance, available on July 1, 2023. **The school board recommends this appropriation 5-1-0. The budget committee recommends this appropriation 8-0-0.**

Estimated Foregone Tax Impact	HOLLIS	BROOKLINE
\$/K	(\$.11)	(\$.19)
\$/ \$100K	(\$11)	(\$19)

Fund Utilization

FY24	in \$K
Beginning Balance	\$123,066
FY24 Proposed Funding	\$300,000
HBMS - Flooring	(\$21,200)
HBMS - HVAC	(\$10,000)
HBMS - Elevator	(\$25,000)
HBHS Roof – Phase 8	(\$110,000)
HBHS Road Paving – Phase 2	(\$120,000)
Ending Balance	\$136,866

Additional \$266,375 in facilities maintenance items included in Operating Budget.

Retained Fund Balance

Article 6. Shall the school district vote to authorize the School Board to continue to retain year-end unassigned general funds in an amount, in any fiscal year, not to exceed **2.5 percent** of the current fiscal year's net assessment in accordance with RSA 198:4-b a, II as amended in 2020, which requires the School Board to hold one public hearing before expending this retained fund balance, and requires the School Board to provide an accounting of the activities of this retained fund balance to the District in its annual report? (Majority vote required).

(Please note: The School Board is currently authorized to retain up to 1% of the District's net assessment in year-end unassigned general funds as an ongoing contingency fund. However, RSA 198:4-b was amended in 2020; thus, failure to pass Article 7 will cast doubt on the School Board's continued authorization to retain up to 1% under the new version of the law). **The school board recommends this appropriation 6-0-0. The budget committee recommends this appropriation 8-0-0.**

Special Education Trust

Article 7. To see if the Hollis Brookline Cooperative School District will vote to raise and appropriate up to the sum of **\$25,000** to come from the June 30, 2023 unassigned fund balance available for transfer on July 1, 2023 to be added to the previously established Special Education Expendable Trust Fund. No amount to be raised from taxation. **The school board recommends this appropriation 6-0-0. The budget committee recommends this appropriation 8-0-0.**

Estimated Foregone Tax Impact	HOLLIS	BROOKLINE
\$/K	(\$0.01)	(\$0.02)
\$/100K	\$1	\$2

Contingency

Article 8. 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 up to **\$125,000** to go into the fund. This sum to come from the unassigned fund balance available on July 1, 2023, and no amount to be raised from taxation. Any appropriation left at the end of the year will lapse to the general fund. **The school board recommends this appropriation 6-0-0. The budget committee recommends this appropriation 8-0-0.**

Estimated Foregone Tax Impact	HOLLIS	BROOKLINE
\$/K	(\$.05)	(\$.08)
\$/ \$100K	\$5	\$8

Petition Warrant Article

Article 9. Petition Warrant Article. To see if the Hollis Brookline Cooperative School District will vote to amend the Articles of Agreement of the Hollis Brookline Cooperative School District by adding the following new Article 12:

Article 12: The approval of a proposed amendment to these Articles of Agreement shall require a two-thirds (2/3) supermajority approval by ballot. The polls shall remain open and ballots shall be accepted by the moderator for a period of not less than one hour following the completion of discussion on the question. If a two-thirds (2/3) supermajority of those voting on the question vote “yes”, then the amendment is approved. **The school board does not recommend this article 0-6-0. The budget committee does not recommend this article 0-7-1.**

Petition Warrant Article

Article 10. Petition Warrant Article. Shall we adopt the provisions of RSA 32:5-b, and implement a tax cap whereby the governing body (or budget committee) shall not submit a recommended budget that increases the amount to be raised by local taxes, based on the prior fiscal year's actual amount of local taxes raised, by more than 5%? **The school board does not recommend this article 0-6-0. The budget committee does not recommend this article 0-7-1.**

Petition Warrant Article

Article 11. Petition Warrant Article. To prevent taxpayer dollars from funding lobbying against the interests of parents and citizens, shall the Hollis Brookline Cooperative School District zero out budget line item “Fees, School Board” 10.2310.810.00.0? **The school board does not recommend this article 0-8-0. The budget committee does not recommend this article 0-8-0.**

Petition Warrant Article

Article 12. Petition Warrant Article. To reduce the Hollis and Brookline property tax burdens, shall the Hollis Brookline Cooperative School District rescind authorization under RSA 198:4-b II so that the Hollis Brookline Cooperative School District no longer retains any unassigned general funds under RSA 198:4-b II? **The school board does not recommend this article 0-8-0. The budget committee does not recommend this article 0-8-0.**

Petition Warrant Article

Article 13. Petition Warrant Article. Shall we adopt the provisions of RSA 32:5 V-b, requiring that the annual budget and all special warrant articles having a tax impact, as determined by the school board, shall contain a notation stating the estimated tax impact of the article? The determination of the estimated tax impact shall be subject to approval by the governing body. **The school board does not recommend this article 0-8-0. The budget committee does not recommend this article 2-6-0.**

Other School District Business

Article 14. To transact any other business which may legally come before said meeting.