

FY22 Budget Hearing

February 2, 2021

Hollis Brookline Cooperative School District

Presented by:

Hollis Brookline Cooperative Budget Committee

Agenda

Call to Order

Warrant Article Overview & Financial Summary

Public Hearing & Input

Budget Committee Deliberation of Articles

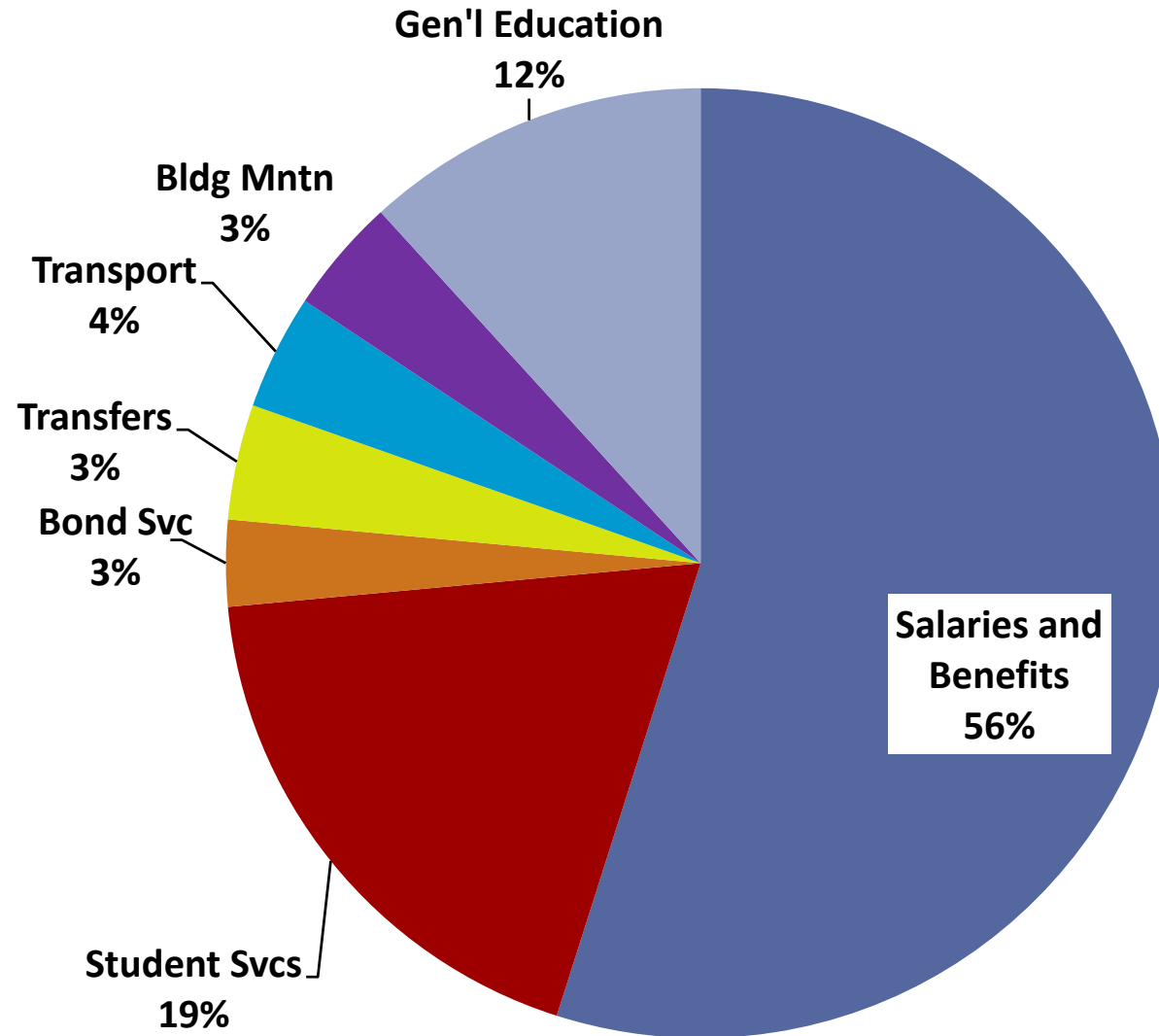
Administrative Business

Adjournment

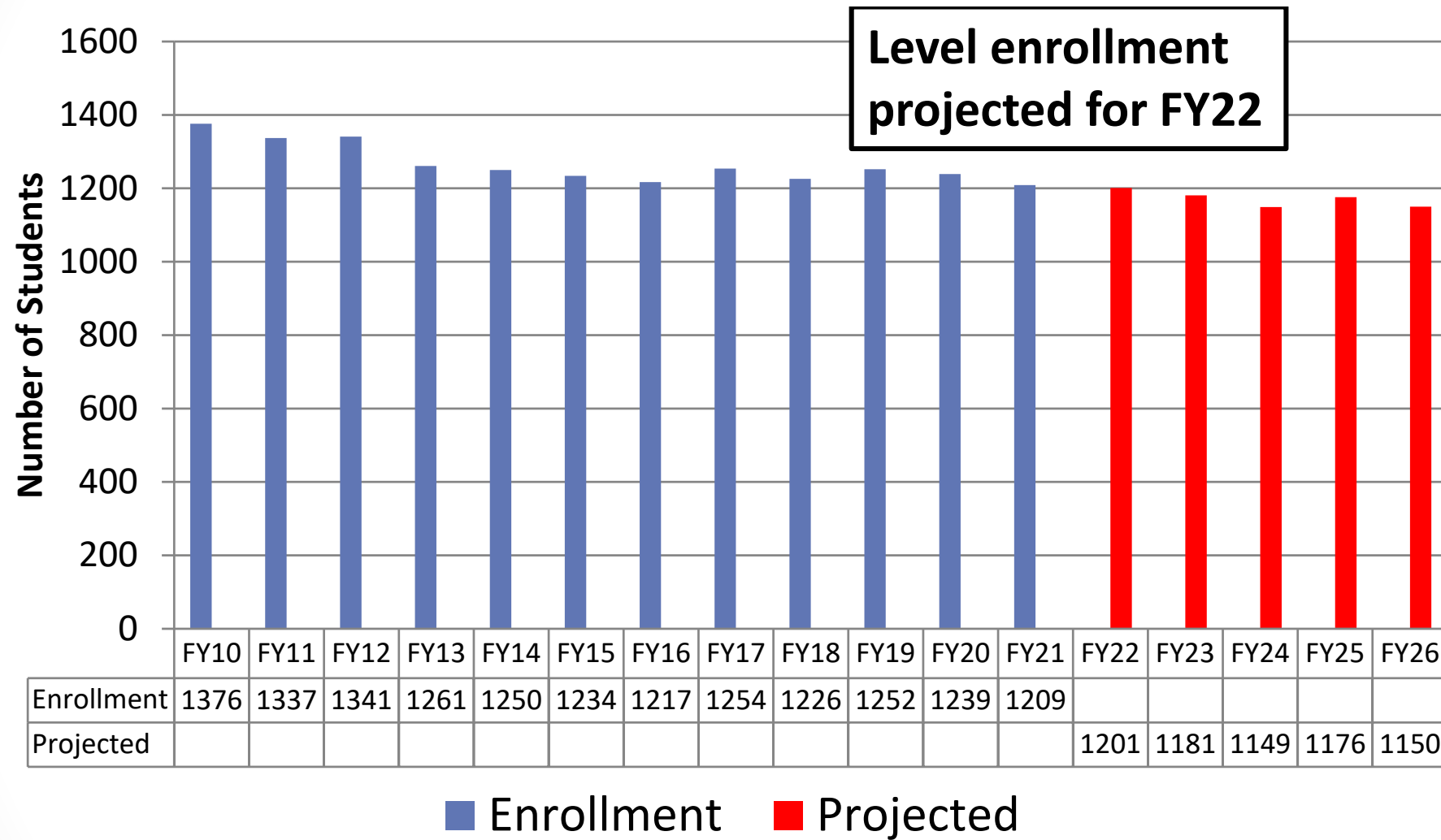
FY22 Warrant Summary

| Article | Content | \$ Amount |
|-----------|---------------------------------|----------------------|
| Article 1 | HESSA Contract | \$117,065 |
| Article 2 | HEA Contract | \$228,316 |
| Article 3 | School Operating Budget | \$24,160,377 |
| Article 4 | SAU Budget | \$997,899 |
| Article 6 | Athletics Revolving Fund | \$50,000 |
| Article 7 | Facilities Maintenance Trust | \$115,000 |
| Article 8 | Contingency | \$100,000 |
| | Total \$ if all pass as written | \$25,768,657 3.6% |

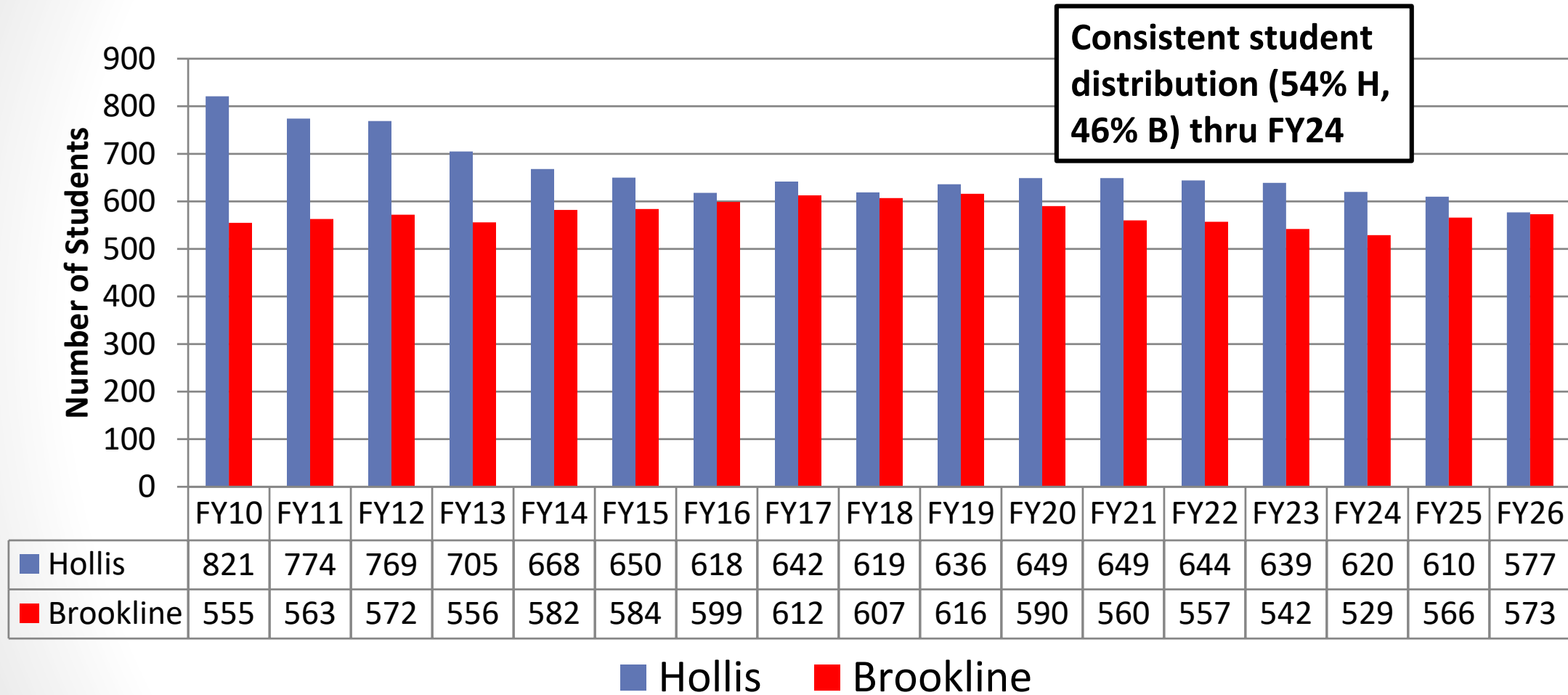
FY22 Budget Distribution



COOP Student Enrollment



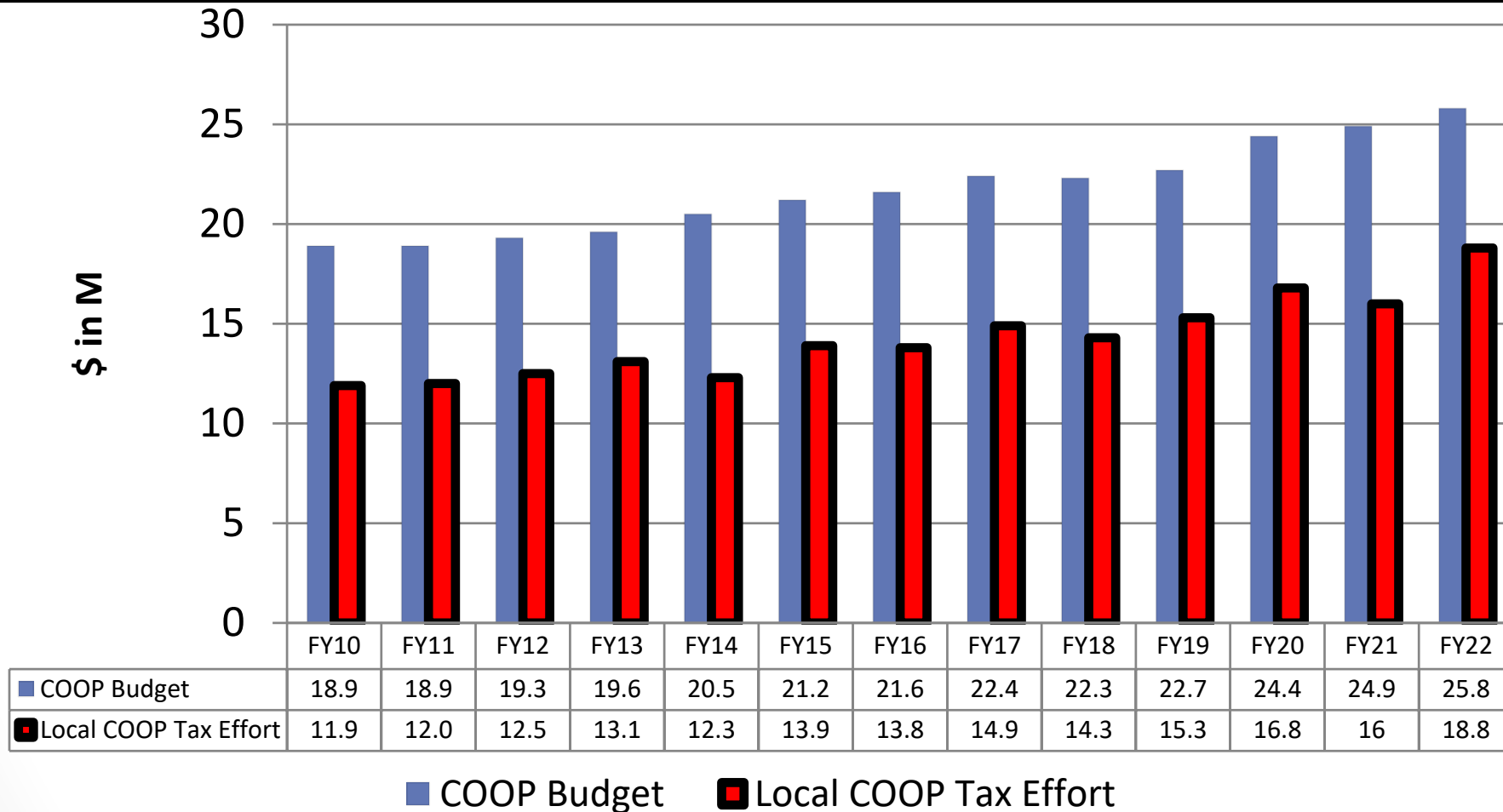
Enrollment Composition



SOURCE: 10/2020 NESDEC

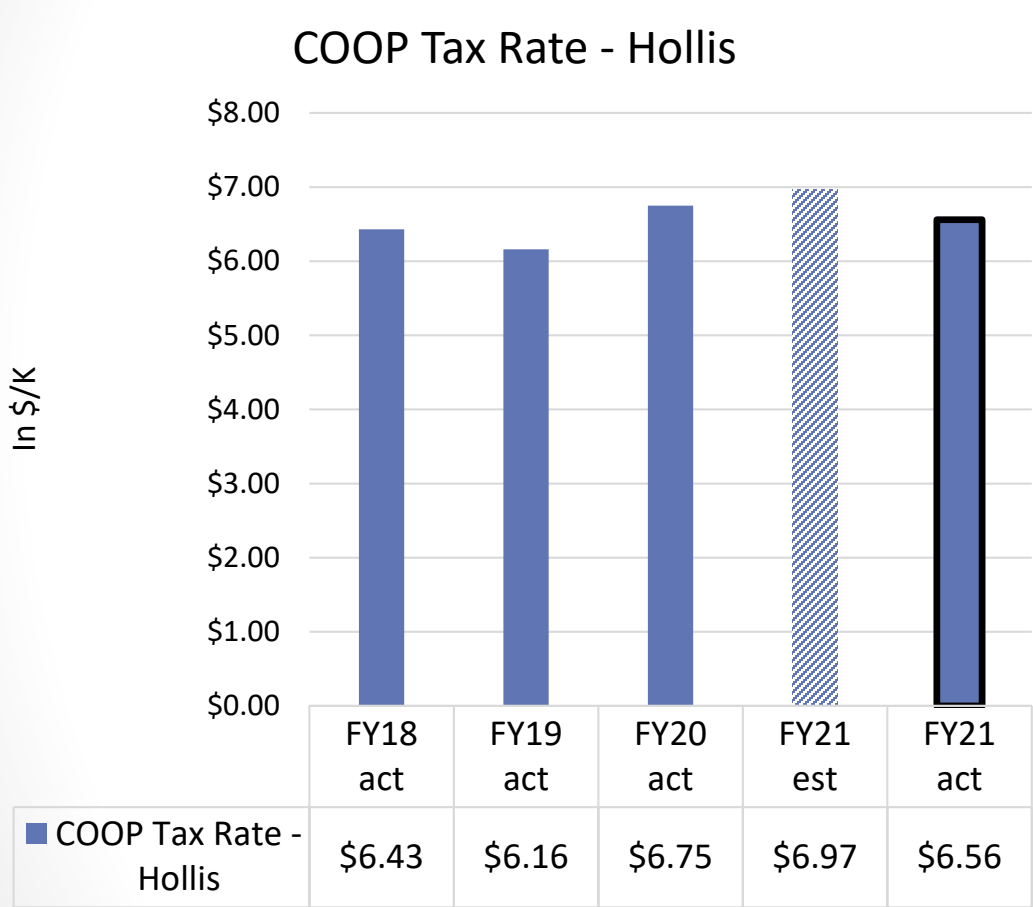
Local COOP Tax Effort Trend

FY21 Tax Effort lower than estimated due to budget underruns related to spring 2020 school closures

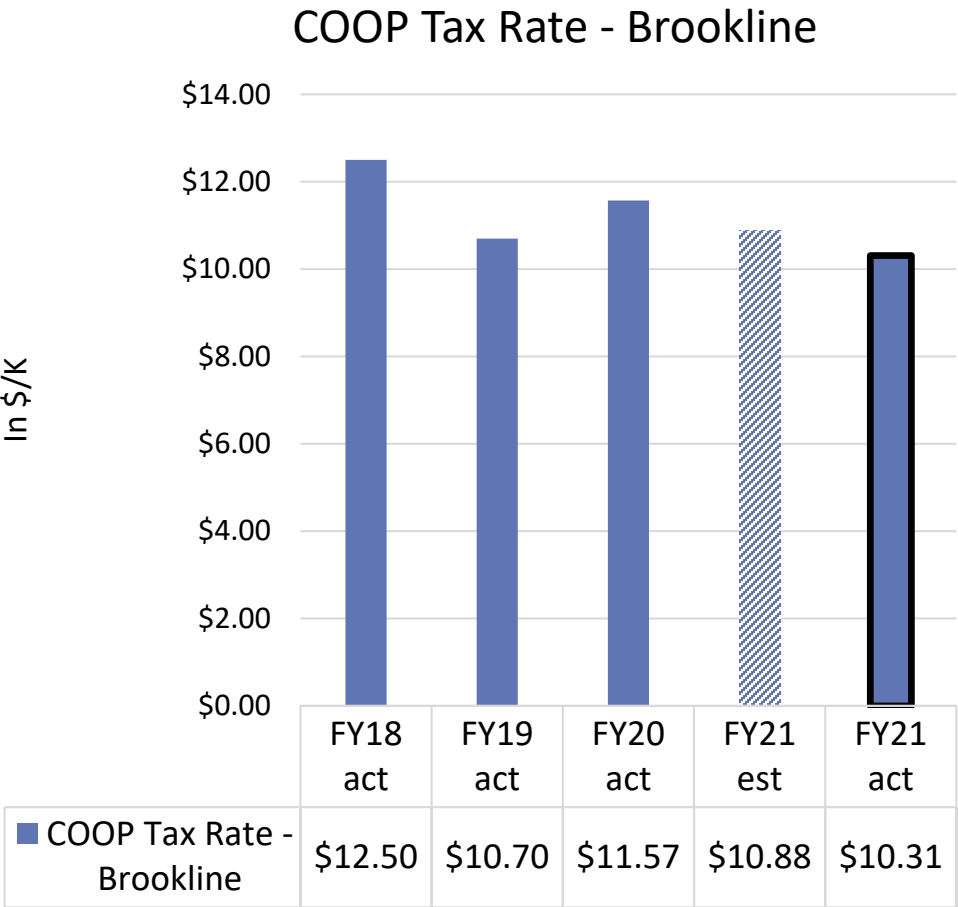


Tax Effort Impact on Tax Rates

Reduced tax effort in FY21 resulted in COOP tax rate reductions for the current year



FY21 Total Tax Rate change +\$.08/k



FY21 Total Tax Rate change -\$2.07/k

Rates not adjusted for inflation

COOP Revenue & State Aid

| COOP REVENUE | FY21 | FY22 | \$ change |
|--------------------|-------------|--------------------|--------------|
| Total COOP Revenue | \$2,867,089 | \$1,763,862 | -\$1,103,227 |

Estimated reductions in Special Education Aid and Unreserved Fund Balance

| STATE AID | FY21 Hollis | FY22 Hollis | \$ Change | FY21 Brookline | FY22 Brookline | \$ Change |
|-----------------|----------------|--------------------|--------------|-------------------|--------------------|--------------|
| Adequacy Grant | \$1,132,711 | \$1,106,724 | -\$25,987 | \$2,806,710 | \$2,078,114 | -\$728,596 |
| SWEPT Reim | \$1,391,050 | \$1,426,556 | \$35,516 | \$657,877 | \$635,878 | -\$21,999 |
| TOTAL STATE AID | \$2,523,761 | \$2,533,280 | \$9,529 | \$3,464,587 | \$2,713,992 | -\$750,595 |

**Brookline's state aid lower due to elimination of Disparity Aid in FY22,
additional \$ impact to BSD (legislative action necessary to reinstate)**

Drivers of Change in FY22 Tax Effort

Revenue and aid reductions account for 67% of the estimated increase in Tax Effort

| | \$ impact in \$M | Directional Change | Impact to Tax Effort |
|-------------------------------|---------------------|-----------------------|-------------------------|
| Budget | \$0.886 | ↑ | ↑ |
| Revenue | \$1.103 | ↓ | ↑ |
| State Aid | \$0.741* | ↓ | ↑ |
| Total Change in Tax Effort | \$2.730 | | ↑ |

*Brookline only, additional ~\$550K impact to BSD

Summary of Financial Impacts

Increased Local Tax Effort due lower COOP revenue and elimination of Disparity Aid for Brookline

| <i>Assumes all articles pass as written</i> | FY21 | FY22 | \$ change |
|--|---------------------|---------------------|--------------------|
| Total Budget | \$24,882,466 | \$25,768,657 | \$886,191 |
| <i>less</i> COOP Revenue | \$2,867,089 | \$1,763,862 | (\$1,103,227) |
| Amount to be Apportioned | \$22,015,377 | \$24,004,795 | \$1,989,418 |
| <i>Less</i> Retained Tax (SWEPT) Reimbursement | \$2,048,927 | \$2,062,434 | \$13,517 |
| <i>Less</i> Adequacy Grant | \$3,939,421 | \$3,184,838 | (\$754,583) |
| Local Tax Effort* | \$16,027,029 | \$18,757,523 | \$2,730,484 |

*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

| FY22 Apportionment | FY21 ADM est | 2020 EV est | Net App % | Local Tax Effort % |
|-----------------------|--------------------|-------------------|-----------|-----------------------|
| Hollis | 53.7% | 69.0% | 54.8% | 56.6% |
| Brookline | 46.3% | 31.0% | 45.2% | 43.4% |

ADM = Average Daily Membership, EV = Equalized Value

Estimated Tax Impacts by Town

| FY22 | TOTAL COOP | Hollis | Brookline |
|---------------------------------------|---------------------|---------------------|---------------------|
| Total appropriations | \$25,768,657 | | |
| COOP Revenue | (\$1,763,862) | | |
| Net to be Apportioned | \$24,004,795 | \$13,152,754 | \$10,852,041 |
| Less State Aid | (\$5,247,272) | (\$2,533,280) | (\$2,713,992) |
| Local Tax Effort | \$18,757,523 | \$10,619,473 | \$8,138,049 |
| FY22 EST COOP Local Tax Rate/k | | \$7.58* | \$11.95* |
| FY21 COOP Local Tax Rate/k | | \$6.56 | \$10.31 |
| % change in COOP Tax Rate | | 15.5% | 15.9% |
| % change in Total Tax Bill | | 4.4% | 6.0% |

*Potential legislative solutions can result in COOP tax rate/K of \$7.46 H, \$10.65 B

Potential Legislative Funding Solutions

SB 72: State would pay 15% of NHRS Employer Contributions for Teachers
HB 623: Reinstate state education grants for FY22 and FY23 to FY21 levels

| | \$ impact in \$M | Impact to Tax Effort | Est Impact to Tax Rate - Hollis | Est Impact to Tax Rate - Brookline |
|-----------------------------|-----------------------|-------------------------|---------------------------------------|--|
| SB72 | \$0.295 | ↓ | -\$0.12/K | -\$0.20/K |
| HB623 | \$0.751 Brookline* | ↓ | | -\$1.10/k |
| Net Change to Tax Effort | | -\$1.046M | | |

* Also restores ~\$550K to BSD

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 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
- Zoom participants will be muted during the Public Hearing
- Please use the “Raise Hand” feature in Zoom to identify that you would like to provide public input
- 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

Hand Raising in Zoom

To Participate by Phone using Zoom:

You may call in to one of the following numbers: 1-929-205-6099 / 1-312-626-6799 / 1-301-715-8592 then enter the Meeting ID # **945 5763 1454**

*To raise your hand, press *9*

To Participate from a Computer equipped with a microphone (camera is optional):

Go to: zoom.us

Click: Join A Meeting

Enter Meeting ID # **945 5763 1454**

Enter Meeting Passcode # **yyH1A0**

To raise your hand, click Participants button on the bottom then click Raise hand on lower right side

To Participate from a Smartphone or Tablet:

You may download the Zoom Cloud Meetings app

Then click Join Enter Meeting ID # **945 5763 1454**

Enter Meeting Passcode # **yyH1A0**

To raise your hand, click More... on bottom right then click Raise hand

Support Staff Contract

Article 1. To see if the school district will vote to approve the cost items for the first year of a three-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 and 2023-24 school years, which calls for the following increases in support staff salaries and benefits at the current staffing levels:

Fiscal Year Estimated Increase 2021-22

\$117,065

Support Staff Contract (con't)

and further to raise and appropriate a sum of **\$117,065** for the first fiscal year (2021-22 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 (7-0-0).

The budget committee recommends this appropriation (6-0-1).

| Estimated Tax Impact | HOLLIS | BROOKLINE |
|----------------------|---------|-----------|
| \$/K | \$ 0.05 | \$0.08 |
| \$/100K | \$5 | \$8 |

Support Staff Contract Summary

Highlights of 3 Year Contract

➤ Wages

- Year 1- Step plus 2%, Year 2 – Step plus 2%, Year 3- Step plus 2%
- 2.5% for employees off-step for all three years

➤ Health Insurance

- \$50 increase annually for Single and 2 Person, \$25 annually for Family

➤ Shift Category of Custodial staff in Year 1

➤ Establishes Flexible Spending Accounts (no cost to district)

Wage and Insurance Breakdown

| | Step | Overall | On Step | OffStep | Off Step | Total | Insurance | Total CBA |
|---------------|---------------|----------------|-------------------|----------------|-------------------|--------------------|------------------|-------------------|
| | % Incr | % Incr | \$ | % Incr | \$ | Wage Impact | Incr | \$ Incr |
| Year 1 | 2.0% | 7.0% | \$ 51,980 | 2.5% | \$ 47,085 | \$ 99,065 | \$18,000 | \$ 117,065 |
| Year 2 | 2.0% | 5.4% | \$ 42,484 | 2.5% | \$ 28,039 | \$ 70,523 | \$18,000 | \$ 88,523 |
| Year 3 | 2.0% | 4.9% | \$ 41,178 | 2.5% | \$ 27,549 | \$ 68,727 | \$18,000 | \$ 86,727 |
| | AVG | 5.7% | \$ 135,642 | | \$ 102,673 | \$ 238,315 | | |

The 7% increase in Year 1 due to Custodial category shifts.

Professional Staff Contract

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

| Fiscal Year | Estimated Increase | Fiscal Year | Estimated Increase | Fiscal Year | Estimated Increase |
|-------------|--------------------|-------------|--------------------|-------------|--------------------|
| 2021-22 | \$228,316 | 2022-23 | \$294,057 | 2023-24 | \$330,369 |

Professional Staff Contract (con't)

and further to raise and appropriate a sum of **\$228,316** for the first fiscal year (2021-22 school year), such sum representing the additional costs attributable to the increase in professional 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 (7-0-0).

The budget committee recommends this appropriation (6-1-0).

| Estimated Tax Impact | HOLLIS | BROOKLINE |
|----------------------|---------|-----------|
| \$/K | \$ 0.09 | \$0.15 |
| \$/100K | \$9 | \$15 |

Professional Staff Contract Summary

Highlights of 3 Year Contract

➤ Wages

- Year 1- Step plus .75%, Year 2 – Step plus 1.5%, Year 3- Step plus 1.75%
- Off-step employees receive only the negotiated annual table increases
- Increase in rate as teacher substitute to \$35/hour

➤ Language changes

- Updated for sidebar agreement and current conditions

Operating Budget

Article 3. To see if the school district will vote to raise and appropriate a sum of **\$24,160,377** 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 (7-0-0).

The budget committee recommends this appropriation (6-1-0).

| Estimated Tax Impact | HOLLIS | BROOKLINE |
|----------------------|--------|-----------|
| \$/K | \$7.16 | \$11.23 |
| \$/100K | \$716 | \$1123 |

Summary of Operating Budget Changes

| | FY21 Budget | FY22 Budget | \$ Change | % Change |
|-----------|---------------|---------------------|------------------|-------------|
| Op Budget | \$23,580,211* | \$24,160,377 | \$580,166 | 2.5% |

- 1.85 FTE change additional HBHS Case Manager, shared Facilities Substitute, expanded SRO
- Continue cyclical technology upgrades

* FY21 Operating Budget reflects Operating Budget plus Support Staff article approved June 2020

Major Changes – INCREASES

| Category | FY22 Budget Amount | \$ change | % change | Reason |
|------------------------|--------------------|-----------|----------|--|
| Student Services | \$5,007,617 | \$417,266 | 9.1% | Changes in student programming, including transportation |
| Retirement (NHRS)/FICA | \$2,127,480 | \$306,823 | 16.9% | Biennial NHRS rate change |
| Healthcare | \$2,194,201 | \$197,705 | 9.9% | Increase in Guaranteed Maximum Rate, 10.9% |
| Technology | \$226,745 | \$22,180 | 10.8% | Continue phased tech replacement |
| New Items | \$274,351 | | | Staffing changes, maintenance, textbooks, security |

Major Changes – DECREASES

| Category | FY22 Budget Amount | \$ change | % change | Reason |
|--------------------------|--------------------------|-------------|----------|---|
| Professional Development | \$0 | (\$105,000) | (100%) | Based on CBA |
| Retiree Benefits | \$0 | (\$48,908) | (100%) | No planned retirements in FY22 |
| Buildings & Grounds | \$786,425 | (\$267,332) | (25.4%) | Reprioritized maintenance items |
| Salaries | \$5,830,477 | (\$171,940) | (2.9%) | Fewer lane changes (\$81K), remaining due to attrition |
| Transfers | \$825,000 | (\$127,000) | (13.3%) | Reduced transfers to trust funds for Facilities Maintenance and Special Education trust funds |

SAU Budget

Article 4. Shall the District vote to raise and appropriate the sum of **\$997,899** as the Hollis Brookline Cooperative School District's portion of the SAU budget of **\$1,953,257** for the forthcoming fiscal year? This year's adjusted budget of **\$1,918,864** with **\$980,328** 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 (7-0-0).

The budget committee recommends this appropriation (6-1-0).

| Estimated Tax Impact | HOLLIS | BROOKLINE |
|----------------------|--------|-----------|
| \$/K | \$0.39 | \$0.67 |
| \$/ \$100K | \$39 | \$67 |

SAU Budget

| FY21 Budget | FY22 Proposed Budget | \$ change | % change | FY22 Adjusted Budget |
|-------------|----------------------|-----------|----------|----------------------|
| \$1,783,100 | \$1,953,257 | \$170,156 | 9.5% | \$1,918,864 |

| Budget Drivers | \$ Change from FY21 Budget | Details |
|--|----------------------------|--|
| Salaries | +\$67,839 | <ul style="list-style-type: none"> Asst Superintendents (2) +3% All others 2% \$16K Board approved salary adjustments |
| Benefits: NHRS | +\$56,318 | <ul style="list-style-type: none"> NHRS Teacher rate change 17.8% to 21.02% NHRS Employee rate change 11.17% to 14.06% |
| Benefits: Healthcare | +\$18,826 | <ul style="list-style-type: none"> GMR rate incr 10.9% |
| Benefits: Associated Taxes | +\$8,349 | <ul style="list-style-type: none"> Corresponding to higher salaries |
| Revenue: Loss of use of fund balance increased appropriation | +\$26,864 | <ul style="list-style-type: none"> Fund balance too close to target |

Discontinue Athletics Expendable Trust

Article 5. Discontinue Athletic Expendable Trust. Shall the school district vote to discontinue the Athletic Expendable Trust fund? Said funds and accumulated interest to date of withdrawal, are to be transferred to the school district's general fund. (Majority vote required).

The school board recommends this appropriation (7-0-0).

The budget committee recommends this appropriation (7-0-0).

Establish Athletics Revolving Fund

Article 6. Establish Athletics Revolving Fund. Shall the school district establish a non-lapsing Athletics Revolving Fund in accordance with RSA 194:3-c, to be funded by receipts from athletic participation fees and charges? Further, to raise and appropriate up to **\$50,000** to put into that fund for the purpose of supporting athletic programs in the district, with said amount to come from unassigned general fund balance (resulting from the previously discontinued Athletic Expendable Trust and participation fees collected in 2020-21). The money received from athletic fees and charges shall be allowed to accumulate from year to year in this revolving fund, and shall not be considered part of the general fund unassigned fund balance. Expenditures may be made from this revolving fund only for the purposes stated herein at monthly intervals or as needed without further approval of the legislative body. (Majority vote required).

The school board recommends this appropriation (7-0-0).

The budget committee recommends this appropriation (7-0-0).

| Estimated Foregone Tax Impact | HOLLIS | BROOKLINE |
|-------------------------------|----------|-----------|
| \$/K | (\$0.02) | (\$0.03) |
| \$/ \$100K | (\$2) | (\$3) |

Facilities Maintenance Expendable Trust

Article 7. To see if the school district will vote to raise and appropriate up to the sum of **\$115,000** 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, 2021 unassigned fund balance, available on July 1, 2021.

The school recommends this appropriation (6-1-0).

The budget committee recommends this appropriation (6-1-0).

| Estimated Foregone Tax Impact | HOLLIS | BROOKLINE |
|----------------------------------|----------|-----------|
| \$/K | (\$0.04) | (\$0.08) |
| \$/ \$100K | (\$4) | (\$8) |

Fund Utilization

| FY22 | in \$K |
|----------------------------|------------|
| Beginning Balance | \$85,000 |
| FY22 Proposed Funding | \$115,000 |
| HBHS Roof – Phase IV | (\$35,000) |
| HBHS Road Paving – Phase 2 | (\$80,000) |
| Ending Balance | \$85,000 |

Additional \$117K in facilities maintenance items included in Operating Budget.

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 **\$100,000** to go into the fund. This sum to come from the unassigned fund balance available on July 1, 2021, 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 (5-2-0).

The budget committee does not recommend this appropriation (3-4-0).

| Estimated Foregone Tax Impact | HOLLIS | BROOKLINE |
|----------------------------------|----------|-----------|
| \$/K | (\$0.04) | (\$0.07) |
| \$/ \$100K | (\$4) | (\$7) |

Access to Unanticipated Funds

Article 9. Shall the school district accept the provisions of RSA 198:20-b providing that any school district at an annual meeting may adopt an article authorizing indefinitely, until specific rescission of such authority, the school board to apply for, accept and expend, without further action by the school district, unanticipated money from a state, federal or other governmental unit or a private source which becomes available during the fiscal year?

The school board recommends this article (7-0-0).

Article 10. (Contingent Article). If Article 9 passes, this article is unnecessary: to see if the school district will authorize the Hollis Brookline Cooperative School Board to access future year state and federal special education aid funds in the event that special education costs exceed budget limitations.

The school board recommends this article (7-0-0).

Petition Articles

Article 11. Shall we adopt the provision 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. Submitted by Citizen Petition.

The school board does not recommend this article. (0-7-0)

The budget committee does not recommend this article. (0-7-0)

Petition Articles

Public Hearings held 2/10 and 2/11

Adopt SB2

The school board does not recommend this article. (0-7-0)

The budget committee does not recommend this article. (0-7-0)

Tax Cap of 4%

The school board does not recommend this article. (0-7-0)

The budget committee does not recommend this article. (0-7-0)

Amend COOP Articles of Agreement for grade reduction to grades 9-12

The school board does not recommend this article. (0-7-0)

The budget committee does not recommend this article. (0-7-0)

Anti Discrimination

The school board does not recommend this article. (0-7-0)

Other School District Business

Article 16. To transact any other business which may legally come before said meeting.

Budget Committee Recommendations

FY22 Warrant Summary

| Article | Content | \$ Amount |
|-----------|---------------------------------|----------------------|
| Article 1 | HESSA Contract | \$117,065 |
| Article 2 | HEA Contract | \$228,316 |
| Article 3 | School Operating Budget | \$24,160,377 |
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| Article 6 | Athletics Revolving Fund | \$50,000 |
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| Article 8 | Contingency | \$100,000 |
| | Total \$ if all pass as written | \$25,768,657 3.6% |

Petition Articles

COOP Public Hearings scheduled in Hollis on 2/10 and Brookline on 2/11:

- Adopt SB2
- Tax Cap of 4%
- Amend COOP Articles of Agreement for grade reduction to grades 9-12
- Anti Discrimination

Brookline School District Petition Article:

- Petition article to expand grades in BSD to K-8