



2013-14 Budget Presentation

June 26, 2013

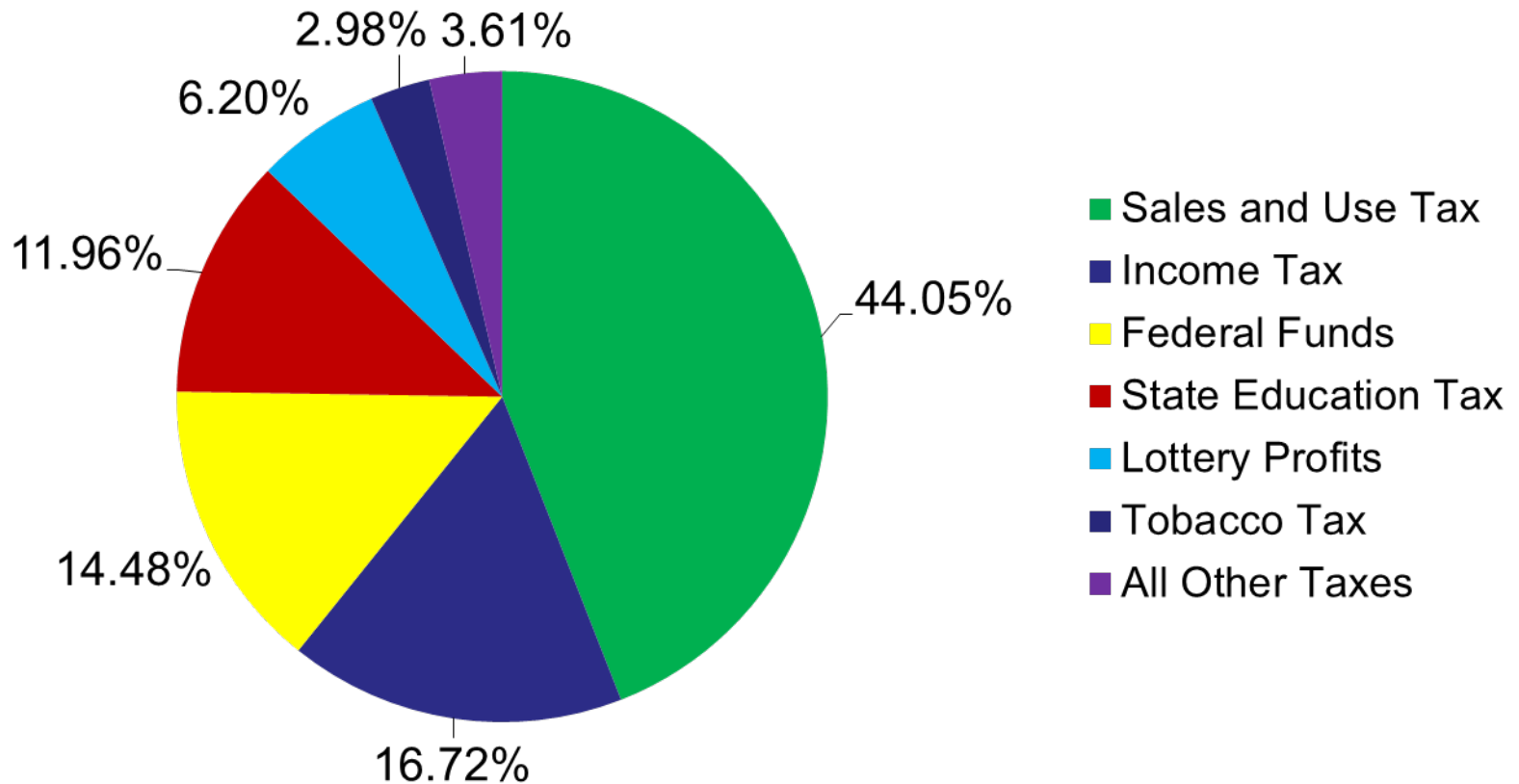


District Vision: Educating our students for the challenges of tomorrow

District Mission: Providing an exemplary education for all learners

How does the State fund the School Aid Fund?

Revenue by Sources (2012)




How does the State fund schools?

- The Foundation Allowance (FA) Grant
 - Guaranteed Per Pupil Funding
 - The FY13 LOCS FA is \$7,832
- How is the FA funded?
 - First with local taxes (18 mills NH)
 - \$945 per
 - Then with “State Aid” fills in
 - \$6,887

Major Revenue Assumptions

- Resident District student count to decline by 80 FTE
- SOC student count to reach 75 FTE
- State aid weighting formula shifts to 90% Sept. count plus 10% of following Feb. count
- Sec. 147c MPSER rate stabilization pass through revenue budgeted at \$2.2 million
 - off set by corresponding expenditures – zero gain
- Foundation Allowance increased by \$45 per pupil
- Sec. 147a Reduced by \$44 per pupil
- ISD PA-18 Special Education revenue flat
- Federal Revenue declines

Foundation Allowance History



Fiscal Year	FA Amount	\$ Change - Prior Year	% Change - Prior Year
2006	7,934	175	2.26%
2007	8,144	210	2.65%
2008	8,218	74	0.91%
2009	8,302	84	1.02%
2010	8,302	0	0.00%
2011	8,302	0	0.00%
2012	7,832	(470)	-5.66%
2013	7,832	0	0.00%
2014*	7,877	45	0.57%

Enrollment History

Year	Blended Count	Blended Change	% Change
2006	7,835	81	0.20%
2007	7,866	31	0.40%
2008	7,853	-13	-0.17%
2009	7,834	-19	-0.24%
2010	7,838	4	0.05%
2011	7,797	-41	-0.52%
2012	7,729	-68	-0.87%
2013	7,605	-124	-1.6%
*2014	7590	-15	-0.19

General Fund Budget

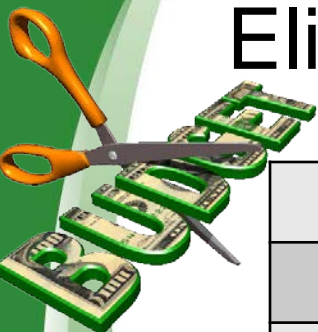
Budgeted Revenue

Revenue	2012-2013 Final Amend	2013-2014 Proposed
Local Revenue	\$ 8,855,944	\$ 8,613,611
State Revenue	59,584,328	60,035,961
Federal Revenue	2,506,204	2,330,785
ISD Sources	4,863,151	4,832,743
Other Revenue	360,000	360,000
Total Revenue	\$76,169,627	\$76,173,100

Major Expenditure Assumptions

- Staff reduction and lay-offs implemented
- Severance incentive executed
- All current contract terms recognized
- MPSER retirement base rate set at 25.5%
- SEC. 147c MPSER rate stabilization included in budgeted expenditures at \$2.2 million
- Healthcare ins. cost caps increased by 3.5%
- Removal of several FY13 “one-time” expenditures

Historical Cost (Budget) Reductions, Eliminations, and Avoidance (1999-2014)



Fiscal Year	Reduced, Eliminated, and Avoided
1999-03	3,269,414
2003-04	3,526,157
2004-05	3,326,265
2006-07	1,796,260
2007-08	1,918,854
2009-10	130,000
2010-11	2,025,100
2011-12	3,023,184
2012-13	2,650,000
2013-14*	2,420,000
TOTAL	24,085,234

Cost Reduction, Containment & Efficiency Efforts



- Support Service outsourcing
- Facility and energy management systems
- Restructuring of bus fleet & trans routes
- Restructuring voted and non-voted debt
- Shared personnel & services (county, districts...)
- Employee concessions/contributions to health care
- Operational streamlining (print shop operations, facility operations, privatization...)
- Financial and HR systems/technology infrastructure



Retirement rate history

Year	Retirement Rate	Retirement Amount	Total Expenditures	Retirement as a % of Expenditures
2005	14.87	5,752,370	70,976,606	8.1%
2006	16.34	6,834,177	75,975,985	9.0%
2007	17.74	7,740,484	76,666,402	10.1%
2008	16.72	7,362,084	77,009,100	9.6%
2009	16.54	7,561,608	76,454,936	9.9%
2010	16.94	7,935,250	83,274,629	9.5%
2011	20.66	8,730,756	78,697,132	11.1%
2012	24.46	10,637,327	79,245,461	13.4%
2013**	25.14	10,555,600	79,591,375	13.4%**
2014**	25.50	10,145,754	77,093,478	13.5%**

Proposed 2013-14 Budgets

- General Fund
 - Includes Special Education and Athletics
 - Previously were separate funds
 - GASB 54, effective 7/1/10, defined Special Revenue funds and these two funds may no longer be independent
- Food Service Fund
- Community Services Fund
- Debt Service Fund(s)
- District Capital Projects Fund
- Risk – Internal Service Fund

General Fund Budget

Expenditures

Expenditures	2012-2013	2013-2014
Basic Programs	38,212,034	37,792,713
Added Needs	10,923,860	10,740,946
Pupil Support Services	6,531,204	6,400,901
Instruction Improvement	387,660	535,198
Educational Media Services	909,309	999,454
Technology Assisted Instruction	428,042	360,148
Instructional Staff Supervision	654,972	716,989
General Administration	845,617	930,281

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General Fund Budget

Expenditures

Expenditures	2011-2012	2012-2013
School Administration	4,289,786	4,484,723
Business Services	1,081,283	1,021,173
Operations and Maintenance	6,275,468	5,393,912
Transportation Services	4,414,875	3,853,109
Human Resources	971,550	881,267
Technology Services	1,396,544	1,348,310
Athletic Activities	1,165,281 ¹⁴	1,183,125
Community Services	318,890	332,729
Other Financing Uses	785,000	118,500
Total Expenditures	79,591,375	77,093,478



Continuing Revenue and Cost Pressures

- No net increase in the Foundation Allowance expected till FY2016
- No growth in the ISD PA-18 SE Revenue
- Retirement rate (MPERS) increases
 - Averaging 12% per year increase over last five fiscal years
- Ongoing personnel and operating costs
- Instructional, infrastructural, and facility capital costs

Fund Balance



- The District has intentionally added to Fund Balance over the last several years
- Beginning with 2008-2009, the Board began to use those funds to facilitate the balancing of the budget
- The reasons for a Fund Balance have not changed
 - Cash flow
 - Uncertainty of revenues
 - Unanticipated expenditures
 - Allows for proactive approach to programming
 - Auditor recommendation
- Existing Policy targets 10% to 15% Fund Balance

History of general fund balance as a percentage of expenses

Year	Fund Balance	Change	% of Total Expenditures
2004	9,336,160	2,497,012	14.3%
2005	11,680,024	2,343,864	17.1%
2006	12,555,641	875,617	17.1%
2007	14,925,450	2,369,809	20.2%
2008	18,532,625	3,607,175	24.6%
2009	18,494,693	(37,932)	23.7%
2010	13,591,832	(4,902,861)	16.3%
2011	14,250,656	658,824	18.1%
2012	12,467,515	(1,783,141)	15.7%
2013*	9,045,767	(3,421,748)	11.3%
2014*	8,125,389	(920,378)	10.5%

FY14 GF Budget Conclusions

- GF Budget Operating Deficit - \$920,378
- GF Budget Fund Balance \$8,125,389
 - Based on FY13 Amendment #2 Ending FB
 - Fund Balance is 10.5% of Expenditure Budget
- FY2014 - Forward Planning & Restructuring:
 - Ongoing instruction program delivery review
 - Ongoing operational efficiency review
 - Ongoing district facility foot print review