

# Memo

**To:** Lyme School Board  
**From:** Mike Harris  
**Date:** 12/11/2013  
**Re:** FY 2015 budget proposal

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The proposed FY15 budget total as submitted by the SAU 76 administration is **\$5,805,234**. That total is an **increase of \$125,917** from the FY14 budget of **\$5,679,317 (2.2%)**. This comparison is made to the budget figure of \$5,478,903 that was approved by the voters in the warrant article last spring plus the following: (a) \$75,000 for the portable classrooms, (b) the \$80,000 appropriation to the Maintenance Reserve Fund, and (c) the \$45,414 of surplus funds that will be transferred to the High School Tuition and Special Education Reserve Funds. All of those expenditures were approved in separate warrant articles last March.

\* The district's controllable costs are generally considered to be those expenditures that are attributable to accounts other than special education and secondary education. The controllable costs in the budget proposal **increase by \$80,134 (2.5%)**.

## Decreases

The most substantial decreases are in the accounts for (a) **high school instruction** (a total of \$90,000) because of six fewer high school students, and (b) \$45,000 for the **portable classrooms**. A total of \$30,000 remains in the budget for the portables which would be necessary either to remove them from the school or to pay the lease and utility costs for another year.

## Increases

The most substantial increases are in the following accounts:

**Teacher salaries and benefits** – The salaries for regular instruction show an increase of \$79,000 (7.3%) and the salaries for elementary special education show an increase of \$43,000 (29%). These increases are the result of two factors. First, the salary scale has increased by 2.0% as directed by the collective bargaining agreement. (Note: The NE CPI has averaged a 1.58% increase over the past twelve months. That directs the minimum increase in salaries of 2.0%) There are additional step and track moves by teachers as well. Second, there is a net addition of a full-time teacher for the middle school. That teaching spot will be a combination of (a) a teacher or teachers for additional middle school classes in science and social studies because of larger enrollments and (b) a teacher for special education math in the fifth and sixth grades as recommended by the administration and the Academic Committee. Some of this increase in

salaries is offset by the reduction of a math aide position.

(Note: The current part-time fifth grade language arts teacher was not budgeted for the current year. That spot will not be needed next year because of scheduling logistics, and so it is not included in the proposed budget.)

Rates for medical insurance have been increased by 4.17%; dental insurance rates have remained level. Retirement contribution rates have also remained level so any increases in budget accounts are attributable to salary changes.

Non-unionized staff members have been entered for salary increases of 2.0% throughout the budget.

**Elementary Special Education** (\$132,000) – About 70% of the increase is attributable to salary increases and to the addition of the middle school math teacher. The rest of the increase is in the contracted services accounts. Counseling services, in particular, have been increased in the effort to serve students with special needs in the school.

# Memo

**To:** Lyme School Board  
**From:** Mike Harris  
**Date:** 11/20/2013  
**Re:** high school budget accounts

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The secondary accounts constitute 30% of the total district budget, and they will decrease by a total of about \$81,800 (-4.7%) in the FY15 budget.

The high school instruction lines decrease by \$90,200 because of a drop in enrollment of six total students in secondary placements; the total for next year is projected to be 83. That drop will take place even if the tuition rates increase by the 3% rate that Teresa has projected. The 504 support services will increase because of additional students, but the vocational tuition will drop.

The high school special education accounts will increase by \$8,400 primarily because of costs of services for nine special education secondary students next year at Vermont schools. The salary and benefits accounts in this section constitute 50% of Miki McGee's salary as the district special education director

# Memo

**To:** Lyme School Board  
**From:** Mike Harris  
**Date:** 12/11/2013  
**Re:** elementary regular education budget accounts

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The regular instruction plus the Spanish program accounts constitute 34% of the total budget, and they show a total increase of about \$97,000 (5.2%) in the proposed budget.

Teacher salaries and benefits constitute most of the increases. The current proposal includes a 0.5 FTE increase for a part-time middle school teacher for science and social studies classes. The current part-time fifth grade language arts teacher position is not budgeted. The teacher salaries have been calculated with an increase of 2.0% in the base salary. The total percentage increase is higher, however, because of step and track changes.

The staff salaries for aides also show a decrease of about \$32,000 primarily because one part-time aide position has been dropped and another has been shifted to the special education accounts. Aides' salaries have been increased by 2.0%.

Health insurance rates have increased by 4.17% and dental rates have remained level. Retirement contribution rates, though, have also remained level, and retirement account increases are attributable to increases in salaries.

The instruction accounts include small increases in accounts for on-line services, supplies, equipment, and computer equipment.

# Memo

**To:** Lyme School Board  
**From:** Mike Harris  
**Date:** 11/21/2013  
**Re:** elementary special education budget

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The elementary special education accounts increase by a total of \$132,188 (24%).

The major increases are in three accounts:

1. Staff salaries for teachers and aides increase by \$72,500. The increase is partly attributable to the addition of a 0.5 FTE middle school special education teacher for math as recommended by the administration and the Academic Committee. The increase also includes increases for additional aide time for behavioral programming and the transfer of an aide's salary from regular education to special education.
2. K-8 tuition has been continued at \$104,000 with one current placement and funding for a second potential one.
3. The contracted services line has been increased by \$25,000 primarily to accommodate counseling and supplementary academic services for an out-of-district student.

# Memo

**To:** Lyme School Board  
**From:** Mike Harris  
**Date:** 11/21/2013  
**Re:** support services budget

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The total of these accounts has dropped by about \$13,000 (4%) because of (a) a shift of the guidance FTE and salary, (b) the shift of the inservice training stipend into the principal's salary, and (c) a shift of some counseling expenses to the contracted services line instead of the psychological services account.

**Guidance.** The Guidance lines are down by \$6,000 despite the salary rate increase because we have corrected Helen Skelly's FTE to 0.45 (instead of 0.5) so that the math positions are listed correctly.

**Health Services.** These accounts cover Mary Doucet's salary and work as the school nurse, and they increase by about \$1,500 because of her contracted salary raise

**Psychological Services.** This account covers the psychological testing that the school contracts for, primarily for special education. Previously, some counseling services were included in this budget, but the cost for those has been shifted to the special education contracted services account. That shift explains the reduction of \$4,600.

**Speech Services.** These accounts are remaining essentially even. Much of this expense is paid for by the federal IDEA grant.

**Occupational Therapy/Physical Therapy.** These lines remain even.

**Other Student Services.** The \$500 in the line is used to cover any other unanticipated special education expenses.

**Improvement of Instruction.** These lines cover (a) the professional development work teachers undertake for the continuation of their certifications and (b) the curriculum and in-service work, including Common Core alignment, in which teachers engage throughout the year, including the summer. Many of these accounts are required by the collective bargaining agreement. The reduction in these accounts is attributable to the transfer of the funds paid to the principal in recent years for the direction of inservice programming into the principal's salary line.

**Supervision/Improvement.** This account was started a year ago to cover the costs (\$15,000) of an independent evaluator for the conduct of teacher evaluations.

**Library.** The \$1900 increase is the result of the contracted salary increase and benefits for the school librarian.

# Memo

**To:** Lyme School Board  
**From:** Mike Harris  
**Date:** 11/20/2013  
**Re:** administration budget accounts

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The administrative costs of the school board, SAU, and school administration constitute 8.7% of the total budget, and they are projected to rise by 7.9% for next year..

**School Board.** The school board accounts have increased by about \$1400. There is a small raise included in the salary of the recorder, and the rest of the increase is attributable to increases in the legal and advertising accounts to reflect the expenses of recent years. There is still a \$5,000 included for contracted services which has been used for the architect over the past two years.

**SAU Administration.** These lines have increased by \$5,000 (2.1%) primarily because of the listed 2% salary increases for the superintendent, business coordinator, and clerk and for 50% of the special education director.

**School Administration.** The salaries have been increased by 2% for the principal and office secretary. The increase that is listed also reflects an increase for the principal that took effect this year including the \$7,000 for inservice programming that was listed elsewhere.

# Memo

**To:** Lyme School Board  
**From:** Mike Harris  
**Date:** 11/20/2013  
**Re:** building & grounds budget

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The accounts for the building and grounds constitute 4.5% of the full budget, and these accounts are projected to increase by about \$2,600 (1%). Most of the increase is attributable to the 2% salary increases listed for the custodians. There is also an increase of \$3,500 in the grounds line to cover anticipated summer work in the event of a building project as well as to cover the continual needs of the grounds like fencing and tree work. Small increases are also included for supplies and for the propane for the portables. The utility lines have otherwise been kept level.

The repairs line has been reduced by \$8,000 because about \$10,000 of scheduled projects were completed last summer with what were essentially surplus funds. Adding back a \$2,000 increase for ongoing maintenance still leaves the line reduced.

# Memo

**To:** Lyme School Board  
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**Re:** other budget accounts

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**Transportation.** The transportation account has been increased by \$2,600 to cover the lease total stipulated in the agreement with Butler Transportation.

**Food Service.** There are two food service lines that need to be reviewed together. The operations line (#3120) is the figure that Café Services will charge the school to operate the program for the year. That amount of \$71,000 is supported by the revenues that are taken in each day for student meals. If the revenues for the year fall short of that figure, then we make up the difference by paying from the transfer line (#5221) which we have budgeted at \$8,000. We cannot legally operate a food service at a deficit in the budget, so we must include both accounts. The two accounts together increase by \$5,500.

**Facilities acquisition.** The budget has been reduced by the \$63,000 that was appropriated for the installation of an additional portable and for the lease costs of the two units. That reduction has been partially offset by the addition of a line for \$27,000 to cover either the lease costs of another year with the units or the removal costs. The net is a reduction of \$36,000.

**Debt Service.** The total payment for this year, the last year of the current bond payment, is \$77,241. Of that amount, \$2,241 is for interest, and that amount is a decrease of \$4,481 from the current year.

**Grants.** None of the grant accounts are currently listed for any funding. The school district is authorized to accept grants as they are awarded. Our current practice is to list them as revenues and to show the expenses in the accounts in which they are incurred rather than to list them separately.

**Transfers.** In order to make valid comparisons of total budget figures, the proposed budget right now lists the same transfers for FY15 as were approved by the voters for FY14, i.e. an \$80,000 appropriation to the maintenance reserve fund, a \$40,000 transfer of surplus funds to the high school tuition fund, and a \$5,414 transfer of surplus funds to the special education reserve fund. We expect that the board will make some subsequent decisions about possible transfers that will affect the FY15 budget proposal.