



The Lyme School

Kindergarten to Eighth Grade Serving the community of Lyme, New Hampshire for over 100 years
(603) 795 - 2125 • MAIN STREET, LYME, NEW HAMPSHIRE 03768

TOWN OF LYME BUDGET COMMITTEE UPDATE SEPTEMBER 13, 2017

Because we are only 9 days into the current budget and we are already working on the budget for what will begin in 356 days, any numbers relating to 2018-2019 are preliminary. We share these numbers with the Budget Committee each year at various points in the budgetary process to keep them, and the town, informed so we can collaborate on solutions and budgetary targets. We are grateful for the time, attention and thoughtful, informed guidance the budget committee has provided every year. The closer we are to the actual budget date, the more accurate our forecasts in population and projected costs, and therefore our budget can reflect this precision. This update is offered to share how we closed our last budget, what we know about what currently exists and projections of what could exist 12 months from now.

Financial synopsis of closure of budget 2016-2017

- **Ending 2016-2017 Enrollment K-8:** 207

K: 15 1st: 22 2nd: 21 3rd: 19 4th: 24 5th: 26 6th: 18 7th: 34 8th: 27 ■ = split classes

- **Surplus:**

The annual audit was conducted and confirmed surplus of \$52,222.91 in the 2016-2017 budget. The surplus was the result of savings across multiple lines most significantly in special education (changes in specialized out of district placements) and administration (individual's health care).

Savings were offset by unanticipated expenses across multiple lines most notably in legal fees associated with teacher contract negotiations and confirming legal status of aspects of high school choice in response to community inquiry and shifting NH legislation.

- **Transfer to Trusts:**

As voted at school budget meeting, surplus will be deposited into the following trusts:

- \$10,000 to retirement reserve trust (resulting balance \$60,136.51)
- \$25,000 to high school trust (resulting balance \$539,041.50)
- \$17,222.91 to special education trust (resulting balance \$269,150.96)

Initial Update on Current 2017-2018 Budget

- **Current Enrollment K-8:** 195
 K : 22* 1st:14 2nd: 22 3rd:17 4th:18 5th:23 6th:25 7th:18 8th: 36 ■ = split classes
 *Est. 3 families will rejoin class in 1st grade
- **Current Enrollment 9-12:** Anticipated 100 Current ~92 (Schools have not returned rosters as of this memo so number may increase)
Reason for lower HS enrollment: # students from 9th grade enrolled in private schools, two larger HS families moved.
- **Special Education:** New out of district placement arrival in 2017-2018 will be drawn from Special Education Trust in combination with any surplus if it exists from savings at end of year. Cost has been managed to half of initial estimate, but will still likely result in a pull of \$150,000 from trust (or budget). The town's responsibility for this placement will end this year due to the age of the individual. We are responsible for students ages 3 years - 21years by law.
- **Building & Grounds:** Investigating both subcontracting and employee scenarios to fill B&G position which has yet to be filled due to low response to advertisements and RFP requests.
- **High School:**
 - Significant time focused on researching high school costs associated with different choice configurations and designations.
 - Currently in conversations with high schools surrounding contract language and terms of tuition
 - Discussed new understanding of billing for 2- household families
- **Personnel:** Changes to staffing may result in savings at end of year.
 - some new staff members resulted in increases in some budget lines (Health insurance).
 - active management of positions, efficiencies and staffing configurations. Initial review suggest that it may result in a reduction of overall salary & benefits budget for this year.
 - Administrative reconfiguration proving to be exceptionally efficient and effective as demonstrated by unprecedented challenges over the summer. Transitions of new members of the school community proceeding very well. Business Office transition plan has maintained smooth operation through audit and regular school operations. Our new Business Director, Janet Mitchell, is outstanding and working incredibly hard to familiarize herself with the operations of the business office.
- **Revenue from Tuition:** ~\$20,000 in revenue.
- **Revenue from private fundraising:** We have successfully raised over \$20,000 again this year to support programs and decrease the impact of the school budget on taxpayers. The funds are supporting programs in science, efforts to incorporate local food into our hot lunch program, support families in need, as well as other efforts within our school community. We expect these needs will increase, as the number of families qualifying for free and reduced lunches has jumped from 8 students several years ago to 25 so far this year. These privately raised funding efforts will continue throughout the year and are in addition to state or federal grants which we apply for.

Anticipated considerations to 2018-2019 Budget

- **Active Expenditure Management of High School Trust:** (presentation)
 Last spring we began to examine scenarios in which we could actively expend the High School trust to hold the annual increase of the high school budget line to a constant percentage year over year. The intended result is a more predictable budgetary forecast and active utilization of any financial reserves to lower the rate of change in the school budget. This model involves drawing heavily from the trust in years with an enrollment spike and contributing to the trust in years when enrollment dipped based upon a static benchmark. The modeling of this approach required creating a more sophisticated predictive tool to project future high school enrollment. This model will continue to be vetted in the coming budget process and, if it proves to be sustainable, this strategy will be incorporated into this year's budget and shared with the budget committee and community.
- **High School:** Our current 8th grade (36) will be entering HS and the graduating class (25) will be exiting, resulting in +11 HS students*. However, as is the case this year, there are factors which will modify this number (students attending private schools, families move in and families move out). We at this stage we could anticipate that our high school enrollment will be ~105-116. As these numbers solidify over the next few months the new numbers will be reflected through the budget process.
- **Special Education:** 3 of 4 students in "non traditional special education placements" will graduate at the end of 2017-2018. If no new students enroll or require out of district placement we hope to see our out of district costs decline. Our general special ed population in high school remains stable (equal number entering as are graduating).
- **Personnel:** Based upon current enrollment and historical grade level enrollment trends, we anticipate that grades 1 (current Kindergarten of 22) and Grade 3 (current 2nd grade of 22) are likely to split. Based upon what we experience this year in the current middle school, we will determine if two classes will continue be split next year. Initial staffing analysis may put us to +1 fte if all 4 classes split. Depending on where we end this year with salary & benefits, this addition may not represent a significant increase to next year's budget.
- **Teachers Contract:** The Teachers contract is in it second year of the three year contract. The details of the contract will have an impact on the budget estimated to be approximately .75% -1.5%.
- **Health Care Costs:** We have no definitive information on how much health care costs will increase, but we expect it will contribute to any increase in the budget.
- **Energy Credits:** This past year we initiated the process to sell our energy credits resulting from our switch to renewable energy as part of the school renovation project. This year we received just over \$6000. We will continue to participate in this market as long as it is viable.
- **Educational Policies, Legislation and Funding:**
 - Reduction in Federal Grant funding
 - Examination of cost associated with high school choice
 - Contract negotiations with High Schools
 - Changes to educational legislation (NH & FED)
 - Full day kindergarten funding / legislation (Discussed Below)

Anticipated considerations to 2018-2019 Budget (Continued)

- **Building and Grounds:** Postponed roof replacement plan • Parking lot sealing • B&G Staffing
- **Crossing Guard:** We have yet to get any response for our ads for the crossing guard position. Fortunately, now that the Lyme PD is fully staffed again, Chief O'Keefe has offered their services to act as crossing guard on Tuesdays and Wednesdays. When Chief O'Keefe fulfilled this responsibility several years ago it made a significant difference in the traffic behavior and the safety of Route 10 in front of the school. We are grateful that the town is working with us to ensure the safety of our community's children.
- **Strategic Plan:** This is the final year of our 5 year strategic plan. We will be closing out the last year of the old plan, while developing the new plan to guide the decision making and priorities for the next five years. As has been the case previously we will be surveying the entire community and holding forums through the process.
- **Full Day Kindergarten:** Based upon the financial numbers presented at last year's School Budget Meeting, the cost of extending Kindergarten to full day was \$64,388. The current legislation from the state suggest that full day kindergarten programs could receive an additional \$1800 pp. Assuming a class size of 20 it would result in \$36,000. If the source of this funding was through something other than taxes (Keno has been suggested as a source) it would lower the cost raised from taxes to \$28,388 (based upon last year's cost projection).