

SAU 16

Exeter, Brentwood, Kensington, East Kingston, Newfields & Stratham

2022-2023 Proposed Budget



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Letter from the Superintendent

As citizens of the towns that comprise SAU 16, you all have a stake in our schools. Whether you have children or grandchildren in attendance, have children that previously graduated, attend events, serve on boards or committees, or pay taxes, you are all stakeholders. The learning and growing that takes place in and out of our schools are community assets, and as such, we at School Administrative Unit 16 want to provide everyone with details on how these efforts are funded, invested and supported.

We are very proud of the work that has been accomplished through our SAU office and the 18 staff members supporting eight school boards, seven school districts, six towns, 12 schools, 1,200 employees, and 4,643 (2020 ADM) students. Living and learning through a global pandemic was the most challenging endeavor our school community has faced, and the amount of work that everyone put into operating schools in multiple formats at different times cannot be overlooked. On behalf of our SAU office staff, thank you for your patience, resilience, determination, and assistance.

As we have emerged from the days of total remote learning and have returned to all day, every day in-person learning, we are moving forward with driving academic rigor and social emotional healing in all that we do. A foundation of that work is ensuring a safe and welcoming place for all learners, educators, and families, while remaining compliant with the introduction of new state laws and public school administrative rules. Our shift of the director of diversity, equity, inclusion, and justice position from the Exeter Region Cooperative School District budget to the SAU administrative budget will permit a more comprehensive and SAU-wide approach to delivering on these core values, a key component to building an academic rich and high performing culture in our schools.

This budget book highlights the proposed SAU 16 administrative operations budget and budget process in detail. While all the information contained here is publicly available, we believe it is beneficial to package it in an easy-to review format. This book focuses on the SAU 16 administrative office budget, which is funded by our seven school districts and will be voted on by the SAU Joint Board on Monday, October 13, 2021. Later, in January 2022, we plan to develop and release additional budget books that pertain to each individual school district in plenty of time to prepare for the upcoming deliberative sessions, annual school district meetings, and our March voting day.

In many cases, budget books of this nature can include very specific and unfamiliar language about school systems and financial processes, so we have included a short glossary of terms to define some of those words or phrases. Our overall goal in producing this first document is to share FY 23 SAU budget development information with everyone in the community and provide an example of how we will be communicating school district budget information leading up to the voting and meeting sessions in March.

We invite you to review this information and contact our offices at 603-775-8400 if you have any questions. We look forward to bringing all our financial information to you over the coming months.

*Thank you,
David Ryan, Ed.D.*

The budgeting timeline in SAU 16

As a cooperative school administrative unit composed of seven school districts and the SAU 16 office, the budgeting process is highly structured and takes a year from planning to implementation. The SAU 16 budget, upon initial approval, is apportioned into the seven school district budgets for further review and approval by each of the school districts. What follows are the core steps in developing, reviewing, vetting and ultimately approving the budgets for SAU 16 and the seven school districts.

SAU 16 Office Budget

JUNE

The budgeting process for the SAU office begins in June with planning and prioritizing for the following fiscal year, which starts over a year later on July 1. Priorities may include adding or reducing the number of personnel, new academic or operational programming, or capital improvements.

SEPTEMBER

The Joint Board Budget Advisory Committee, which includes one board member from each of the seven school boards in SAU 16, attends two public meetings with the superintendent and the director of finance and operations to discuss the draft SAU budget for the following fiscal year beginning in July. Participating board members share the draft budget information with their respective boards and provide their feedback at the second meeting. The operations staff uses the input and feedback from the boards to adjust the draft budget prior to finalizing the presentation to be made to the full Joint Board. The draft budget presentation is posted on the Budget & Elections page of the SAU Joint Board website.

LATE SEPTEMBER

The Joint Board conducts its first public meeting of the school year to receive the draft budget from SAU administration. The Joint Board members openly discuss the items listed in the draft budget and ask questions as appropriate.

MID-OCTOBER

The Public Hearing on the SAU 16 office budget is held in mid-to-late October to provide all stakeholders with the opportunity to provide input and feedback to the members of the Joint Board. The Joint Board, upon the closing of the public hearing, then conducts a public meeting to deliberate and ultimately pass the budget for the next fiscal year. The cost of funding the finalized SAU 16 office budget is then apportioned out to the seven school districts to use in their budgeting process. After this phase, the SAU 16 office budget becomes part of the seven-school district budgets and follows the review and approval process for each district.

SAU 16 School District Budgets

JUNE

The budgeting process for the seven school districts also begins in June with planning and prioritizing for the following fiscal year, which starts over a year later on July 1. The seven school districts will work on their budgets for the next four months and receive input and feedback from their respective budget advisory committees or similarly named groups focused on this task.

DECEMBER

School board budget work sessions are held in public as the school boards prepare the draft budgets for the upcoming public hearings.

JANUARY

Public hearings for the five SB2 school boards (Exeter, East Kingston, Newfields, Kensington, & Exeter Region Cooperative) are typically scheduled in the month of January as these school boards are preparing to finalize the draft budgets for their respective deliberative sessions.

FEBRUARY

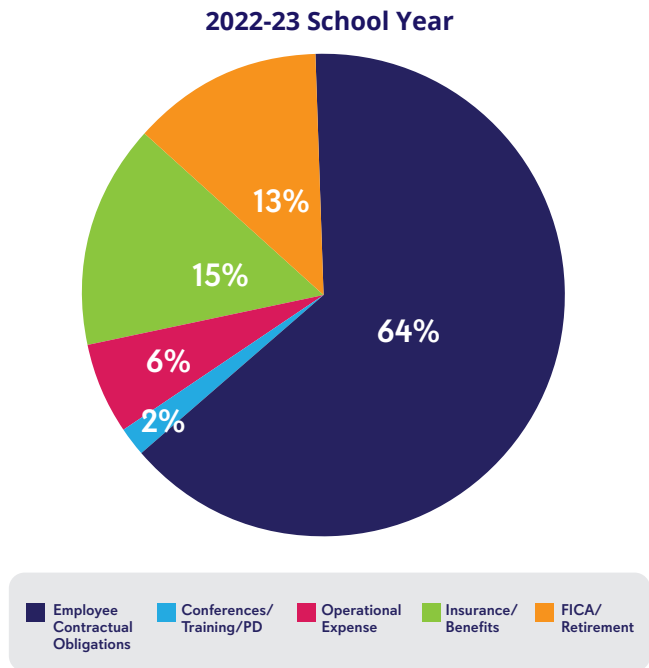
The five SB2 school districts will be holding their deliberative sessions between February 5 and February 12, 2022. The two Annual Meeting school boards in Stratham and Brentwood typically schedule their public hearings in the first few weeks of February in preparation for the Annual Meeting in March. In all cases and throughout the public process of budget development, the seven school boards publish the draft budgets on the Budgets & Elections websites of their respective websites.

MARCH

Communities come together to vote on their school board budgets. The SB2 towns can hold their voting day on either the second Tuesday in March, second Tuesday in April, or second Tuesday in May. The five SB2 boards in SAU 16 typically hold their voting sessions in March, so this year they are expected to take place on Tuesday, March 8. The Annual Meeting towns can hold their School District Meeting Day annually between March 1 and March 25. Stratham and Brentwood will be holding their School District Meetings on Friday, March 4.

Key facts about the proposed SAU 16 2022-23 budget

1. The SAU 16 budget, like any school administrative unit, is primarily comprised of expenses related to our personnel. Employee contractual obligations are 64% of the budget, while insurance and benefits account for 15% and FICA (Federal Insurance Contributions Act /retirement costs are 13%. As a result, 92% of expenses are dedicated to employee contracts and employment agreements (*see right*).



2. The following chart shows a comparison between the 21-22 budget and the proposed 22-23 budget, and the proposed changes in line items from the prior year budget. Expense reductions for equipment, software, retirement and course reimbursements/staff training total just over \$39,000 and reduce the budget by about 1.5%.

	21-22 School Year	22-23 School Year
Budget	\$2,552,591	\$2,756,960.39
% Change		8.0063%
\$ Change		\$204,369.35

22-23 School Year (changes from prior year budget)	
\$153,379.67	DEIJ Position (includes FICA, Retirement & Benefits)
\$78,588.69	Salary (3% increase over FY22 actual salaries), FICA, Retirement & Benefits for current employees, Equity adjustment for HR Director, GMR: health = 6% dental = 6%
\$(13,064.00)	Course Reimbursement & Staff Training - doctoral courses completed in FY23
\$(4,150.00)	Provision for retirement
\$(4,000.00)	Equipment Decrease - equipment replacement plan cycle
\$(18,000.00)	Software - ADS Replacement Plan
\$8,115.00	Phone Upgrade Project
\$2,300.00	Unemployment and Workers Comp
\$1,200.00	All Other
\$204,369.35	Total Budget Increase

3. The overall increase in the proposed SAU 16 budget, when factoring in expenses that are shifting from the Exeter Cooperative School District, is 1.99%. While the 2022-23 budget for SAU 16 shows just over an 8% increase, 6% of that is for the DEIJ (diversity, equity, inclusion, justice) director position, which is currently funded through the Exeter Regional Cooperative School District budget (*see below*).
4. The Joint School Board representatives agree with the concept of moving the DEIJ director position to the SAU 16 budget for the 2022-23 school year so the work could truly be performed on a district-wide basis (*see below*).

2021-2022 SAU Budget	\$2,552,591.04
% Increase	8.0063%
% Increase before DEIJ Position	1.9976%

	Increase	Decrease	Total
Coop Budget	\$-	\$(153,379.67)	\$(153,379.67)
SAU Budget DEIJ Position	\$153,379.67	\$-	\$153,379.67
SAU Budget All Other	\$50,989.69	\$-	\$50,989.69
Total	\$204,369.35	\$(153,379.67)	\$50,989.69

5. The primary drivers of the 1.99% increase are contractual salary increases, FICA (Federal Insurance Contributions Act), retirement and benefits, including projecting for 6% Guaranteed Maximum Rate increase in health and dental insurance costs, and a necessary phone system upgrade. When those numbers are finalized at the end of the calendar year, it's possible that costs could be lower (*see below*).

Expense Type	21-22 School Year	22-23 School Year	Change
Employee Contractual Obligations	\$1,623,156	\$1,757,163	\$134,007
Conferences/ Training/ PD	\$61,564	\$48,000	\$(13,564)
Operational Expense	\$195,802	\$180,217	\$(15,585)
Insurance/Benefits	\$332,832	\$402,945	\$70,114
FICA/Retirement	\$339,238	\$368,636	\$29,398
Total	\$2,552,591	\$2,756,960	\$204,369

Glossary

ADM

Average Daily Membership (ADM) is the average number of students enrolled within a school or district each day over a specific time period, per school fiscal year (July 1 - June 30). The NH Department of Education uses ADM as a multiplier to assist in calculating the adequacy funding for each school district.

NHRS

The New Hampshire Retirement System (MHRS) administers a defined benefit plan qualified as a tax-exempt entity under sections 401(a) and 501(a) of the Internal Revenue Code. Retirement system members are state, county and municipal employees, teachers, police officers, and firefighters. The membership consists of two groups, Group I (Employee and Teacher) and Group II (Police and Fire). Participation is mandatory by NH statute for police, fire, and teacher members (NH RSA 100-A:1), and the contribution rates are set by statute.

Deliberative Session

A Deliberative Session is a required first meeting for SB2 towns (see definition below) and is for explanation, discussion, debate and amendments to the proposed operating budget and warrant articles. There are no votes cast during a Deliberative Session.

FICA

FICA stands for the Federal Insurance Contributions Act and is a U.S federal payroll tax through which employers and employees allocate 6.2% of gross wages up to certain income limits to the Social Security tax and 1.45% to Medicare tax.

Guaranteed Maximum Rate

The Guaranteed Maximum Rate is a “cannot exceed” rate that insurance companies provide annually before the formal rates have been set.

SB2 Towns

SB2 refers to legislation adopted in New Hampshire that set specific procedures for towns for their annual meetings. SB2 towns are those that chose to follow SB2 procedures or adopt a separate procedure for reviewing and approving annual budgets. The first step, or session, of the SB2 process consists of a Deliberative Session (Town & School). The second step, or session, of the SB2 process consists of Election Day.