

Community Guide to Understanding the School District's Budget

ROLLINSFORD SCHOOL DISTRICT



June 2014

Rollinsford's Mission: The mission of the Rollinsford School District is to create a partnership among families, the schools and the community in which education is paramount. Within this partnership, our goal is to provide challenges and opportunities that address the learners' unique qualities and abilities within a caring, nurturing exciting atmosphere

WHAT IS THIS GUIDE ABOUT?

This guide is designed to introduce you to the Rollinsford School District budget and how it works. School district budgeting is different than private business budgeting or personal budgeting and can be somewhat complex. This guide is designed to walk you through the basics, covering the budget's main components. You'll learn where the money comes from, how the money is used, and how you can get involved in school district budget decisions.

For more detailed information about the Rollinsford School District's budget, contact: Marie D'Agostino, Business Administrator at 51 West High Street, Somersworth, NH 03878 or by email at mdagostino@sau56.org.

ROLLINSFORD SCHOOL DISTRICT BUDGET SNAPSHOT

In the 2014-2015 school year, the Rollinsford School District's approved budget is \$5,271,782, funded from state, local, and federal sources. Where does this money go?

The Rollinsford School District annual budget is used to educate students, transport them to and from schools, provide them breakfast and lunch, and maintain school buildings and grounds. It funds special education programs and other programs such as alternative education programs and programs for students for whom English is a second language. It is used to pay teachers and support staff, provide their health and retirement benefits and support additional training. Bond funds which are approved at annual local budget meetings pay for building new schools, renovating and modernizing existing facilities and upgrading the schools' infrastructure.

At the center of this organization are our children. While businesses have a single overriding concern—the financial bottom line—school districts have a far broader objective—ensuring excellence and equity in education for our students. Yet this objective also carries with it a financial bottom line.

How does the district distribute funds to meet this goal? What level of quality do your tax and bond dollars provide? Who makes school budget decisions, and how are those individuals accountable? How can you get involved? You'll find out in the sections ahead.

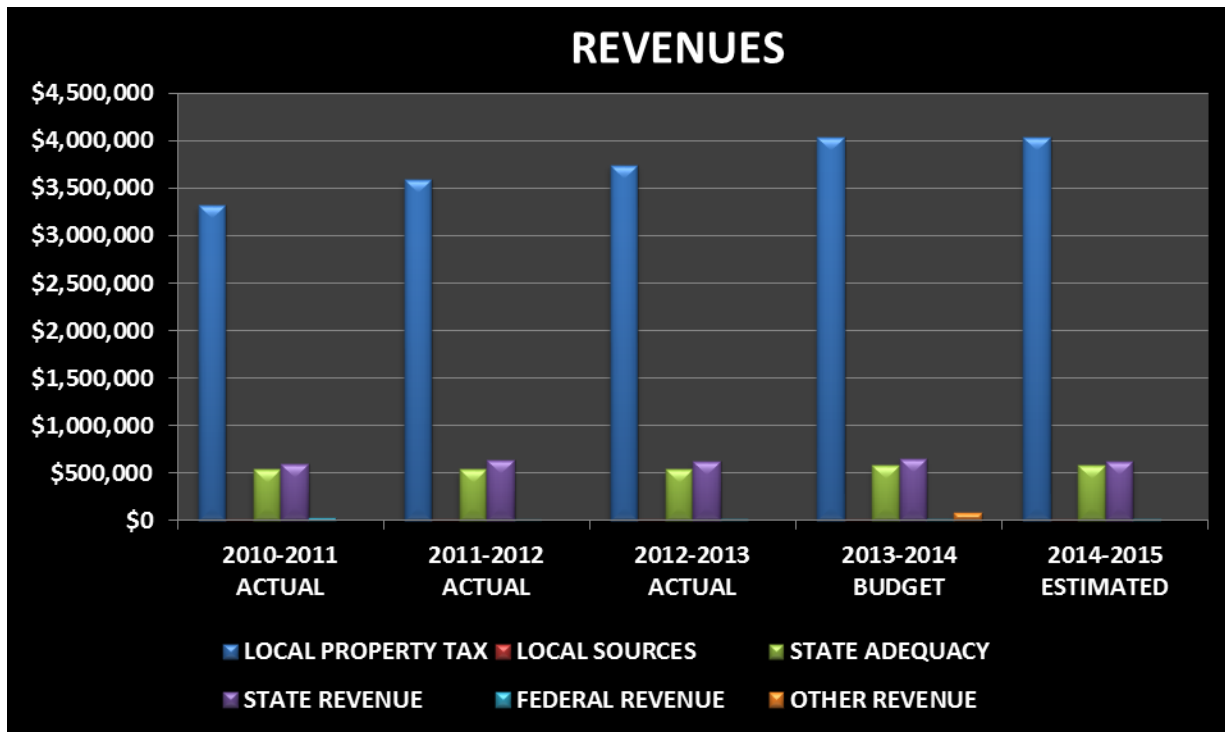
2013-2014 Quick Facts

Total number of students	299
Number of Schools	1
Elementary Schools	1
<u>Tuition Students to:</u>	
Middle Schools	1
High and Career Technical Schools	1
Students receiving free or reduced-price lunch	24%

WHERE DOES THE MONEY COME FROM?

Many people are surprised to learn that most money for public schools comes from state and local governments and not from Washington. The following chart shows how much the Rollinsford School District receives from federal, state and local sources of revenue.

REVENUES					
SOURCE	2010-2011 ACTUAL	2011-2012 ACTUAL	2012-2013 ACTUAL	2013-2014 BUDGET	2014-2015 ESTIMATED
LOCAL PROPERTY TAX	\$3,316,058	\$3,590,570	\$3,739,656	\$4,033,612	\$4,040,398
LOCAL SOURCES	2,148	6,783	6,351	2,900	4,200
STATE ADEQUACY	539,059	539,059	539,059	582,184	582,184
STATE REVENUE	592,499	642,105	628,102	647,940	625,000
FEDERAL REVENUE	30,586	9,171	20,962	20,000	20,000
OTHER REVENUE	0	0	0	83,350	0
TOTAL REVENUE	\$4,480,350	\$4,787,689	\$4,934,130	\$5,369,986	\$5,271,782



Who determines how much funding each school district receives?

Every homeowner and business owner in New Hampshire pays property taxes for schools, along with taxes for other public services. Each year, the state budget crafted by the governor and legislature determines how much of the total budget will be allocated to education. The portion allocated for K-12 education is then divided among 181 school districts throughout the state using various state school funding formulas. These formulas determine how much money each school district will receive per pupil as well as how much of that funding is paid by the state and how much is paid through local taxes. Currently, the state pays an average of about 25 percent of the funding for local school districts, with 62 percent coming from local taxes. After the state determines the funding, each school district decides how to fund its local system.

Local Referenda

New Hampshire law permits local school districts to ask voters to approve their budget on an annual basis. At the annual district vote if the budget fails to win the majority of the voter's approval a default budget will be adopted by the school district. In the event a default budget is adopted, New Hampshire state law allows the school district the ability to hold one special meeting to adjust the budget and appropriate additional funds to carry out the goals of the school district. This meeting will also require a vote by the residents and a majority vote is required to adjust the default budget. This additional funding is capped by state regulation. All additional expenditures are funded from increased property taxes. A district's authorization to raise and expend override revenues does not affect the amount of state funding the district receives.

WHAT IS A DEFAULT BUDGET?

HISTORY

Once upon a time.....

Registered voters of the Rollinsford Regional School District met once a year in March for the school

DISTRICT MEETING-

At this meeting they would

- *listen to budget proposals and warrant articles and could ...*
- *make amendments in wording and/or dollar amounts and ...*
- *vote, by voice, by raised hand, or by secret ballot.*



THE ANNUAL SCHOOL DISTRICT MEETING

was the only opportunity for citizens to vote and it would sometimes proceed late into the evening. **If you could not attend this meeting, you could not cast your vote on items.**

At the ANNUAL DISTRICT MEETING, no matter what, by the time the meeting was adjourned, a budget had been adopted by the voters present.

In March 2009, the citizens of Rollinsford School District voted to adopt Senate Bill 2, which moved the vote from a single school district meeting to a paper vote in a booth at the polls which are open all day. While this gave more people the opportunity to vote, it created a situation whereby...if the proposed budget was voted down, then the school would have no money with which to operate. And so, Senate Bill 2 included the concept of a "DEFAULT BUDGET".



The default budget is defined as:

the same appropriations authorized for the previous year, reduced or increased (as the case may be) by:

- *debt service (eg: funds borrowed to build or add to a school)*
- *contracts (eg: teachers' contract)*
- *and other obligations previously incurred or mandated by law (eg: Special Education services mandated by federal Individual with Disabilities Act)*

AND.....

reduced by one-time expenditures (eg: purchase of a lawn mower)

The default budget is designed to allow a school district to carry on and meet its legal and statutory obligations.

If a default budget becomes the official budget of the district (by virtue of voters disapproving the proposed budget), the school board has the authority to make decisions to cut one area of the budget to fund another.

Although Rollinsford votes at the polls now, there is a meeting called the **DELIBERATIVE SESSION**. This is when registered voters who attend may voice concerns and make amendments in wording (provided the intent is not changed) and dollar amounts in the budget and warrant articles.

Those attending the DELIBERATIVE SESSION will vote on amendments; the result will be what appears on the final, written ballot.

How does supporting education impact your taxes?

Local tax money goes to the respective town treasurer who in turn distributes it to the school district based on an annually determined schedule of payments prepared by the Business Administrator, and based on projected cash flow needs of the district.

State law sets the property tax rate. In 2013, homeowners paid a local tax rate of \$17.67 per thousand of assessed valuation. This same formula may be used to calculate your property taxes for your schools if you know your home's assessed valuation.

How to figure your school property tax – Rollinsford Tax Payers

Here's how to estimate how much the school district's portion of your property tax bill.

Property tax is the product of three factors:

1. The assessed valuation of your home divided by \$1,000 (assessed value/\$1,000)	x
2. The local property tax rate, which is set by state law. (determined by the annual appropriations of the school district) (assessed value/\$1,000 x local property tax rate)	17.67
3. The state property tax rate also set by state law. (determined by the local assessed valuation) (assessed value/\$1,000 x state property tax rate)	2.75
<i>Total Add the product of #2 and #3 to arrive at the total school property taxes for your home.</i>	<u><u>X</u></u>

Federal funding for education

In addition to local and state funding for education, the federal government contributes limited funds to local school districts. Historically, the funding of schools has been the responsibility of local districts and states. In the 1960s, the federal government began providing financial support to state and local districts to help with educating poor and disadvantaged students. That support later expanded to include students with disabilities. This money can only be used for specified purposes.

While very important to most school district budgets, the federal support amounts to only a small percentage of the total budget. For more detailed information about federal funding, visit www.ed.gov.

LOOKING AT THE 2014-2015 SCHOOL DISTRICT BUDGET

The 2014-2015 School District Budget reflects the costs to educate approximately 299 students in three schools. There are two basic types of funding that the school district receives. Although separate in their sources and the types of expenses each pays for, both kinds of funding are equally important to the school system.

Operating Funds pay for the day-to-day expenses of running the school system, like salaries, supplies, transportation and utilities. Operating expenses are paid out of the district's **General Fund**, which is funded through a mix of local, state and federal tax dollars.

Capital Funds pay for design and construction of new schools, expansion of existing schools, and major renovation and replacement of older facilities. Capital expenses are paid out of the district's **Capital Fund** using **bonds**, where voters authorize the school district to borrow money. Bonds are then paid for over a number of years through taxes.

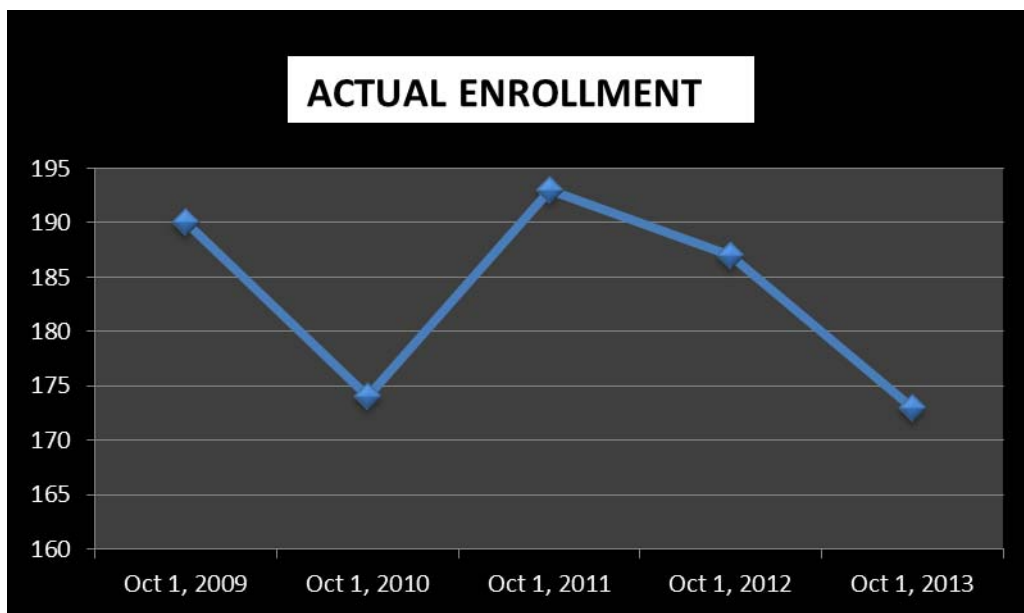
Food Service Funds pay for the breakfast and lunch programs offered at each of our schools. The fund accounts for the food costs, labor costs and other miscellaneous costs born by the food service operation. Funding for this program is derived from food sales, federal reimbursements for students who qualify for free and/or reduced meals and state funding. The Food Service Fund is labeled a special revenue fund and therefore must bring in enough revenue to cover all of the expenses of the program.

Federal and State Grant Funds pay for the expenses associated with state and federal grants awarded to the school district on an annual basis. All of the grants require the school district to prepare lengthy applications and await the award decision prior to expending any funds associated with the grant obligations. Both state and federal grants must be meticulously maintained and accounted for using a specified format as outlined by the government. These grants also are required to supplement the operating budget; therefore grants cannot be used to fund necessary programs, the operating budget must provide for these expenditures.

The funding driver: Enrollment

Although the State of New Hampshire determines how much money the school district will receive per pupil, the funded pupil count is the real driver of school funding. The funded pupil count refers to the number of full-time students enrolled in a district. The funded pupil count total can be different from the total enrollment because not all students (e.g. kindergartners) attend school on a full-time basis. The count occurs each October and produces the official funded pupil count numbers.

Official Enrollment Counts					
<i>Fall enrollment data is collected yearly on or about October 1</i>					
<i>Source: NH Dept. of Education, 3/07/14 – Oct 2009 – Oct 2013</i>					
Rollinsford Grade School	Oct. 1, 2009	Oct. 1, 2010	Oct. 1, 2011	Oct. 1, 2012	Oct. 1, 2013
Total	190	174	193	187	173

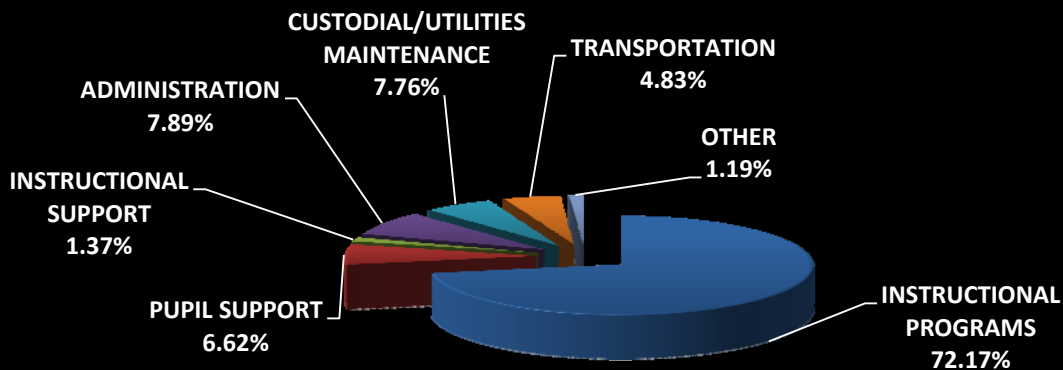


HOW IS THE MONEY SPENT?

Think of a dollar bill in terms of how the general fund budget is allocated for the entire school district. The largest share of the general fund, 72 cents out of every dollar, is allocated to instruction, which includes primarily salary and benefits for teachers and other employees as well as supply costs. This also includes the learning support provided by counselors, librarians, nurses and others. School administration and operations, which includes the administrators, maintenance, and custodial services as well as transportation costs accounts for 27 cents.

For every dollar in the 2014-2015 School District budget,

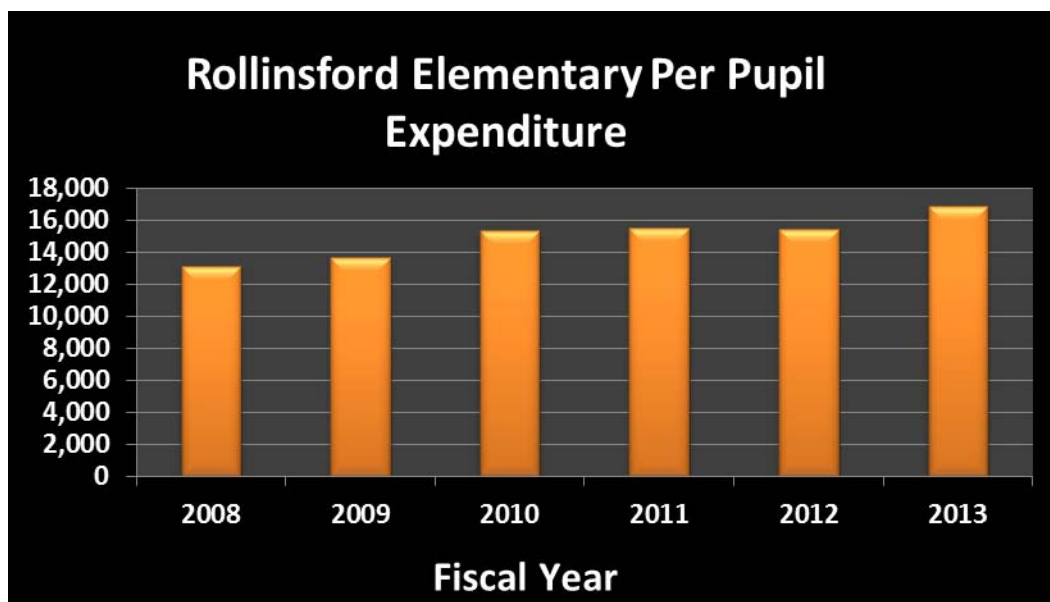
- .72 cents are spent on instruction at schools
- .27 cents are spent on administration and overhead at schools, e.g. principals, custodians, maintenance, etc.
- .01 cent is spent on other miscellaneous services.



Another useful way to break down the annual budget is by the amount spent per pupil. Divide the lump sum of the district's approved \$5,271,782 budget for 2014-2015 by the number of students projected to be enrolled in October, which is, 299 and you get the figure of \$17,631 budgeted per pupil.

Keep in mind, though, that this number reflects all of the schools' expenses divided by all of their pupils. Every child is different, with different needs and demands on the system. Some expenses are targeted to specific groups of students such as special needs students, higher able students or students learning English as a second language.

Per Pupil Expenditures							
<i>Source: NH Dept of Education</i>							
	2008	2009	2010	2011	2012	2013	% Change
Elementary	13,122	13,707	15,333	15,534	15,428	16,882	9%



General fund budget break down

The following is a list of all of the “departments”, called functions that make up the school district’s general fund budget and a description of what each category pays for.

DEFINITION OF MAJOR BUDGET ACCOUNTS

1100 Regular Education Programs – Includes activities dealing directly with the teaching of pupils, or the interaction between teacher and pupils. Included in the category are salaries of the instructional personnel, supplies, textbooks, equipment and any other costs directly related to the instructional process.

1200 Special Education Programs – Instructional activities designed primarily to deal with students having special needs. Includes personnel, supplies, equipment, and tuition for students placed in programs outside of the District and other services required as part of the instructional process.

1300 Vocational Programs – Activities that provide students with the opportunity to develop the knowledge, skills and attitudes needed for employment in an occupational area.

1400 Co-Curricular and Athletic Programs – School sponsored activities, under the guidance and supervision of school staff, designed to provide students such expenditures as motivation, enjoyment, and improvement of skills. Extra curricular activities supplement the regular instructional program and include sports, band, chorus and student clubs and associations.

2120 Guidance Services – Activities involving counseling with students and parents, providing consultation with other staff members on learning problems, evaluating the abilities of pupils, assisting students as they make their own educational and career plans and choices, assisting students in personal and social development, providing referral assistance and working with other staff members in planning and conducting guidance programs for students.

2110 Attendance and Social Work Services – Activities designated to improve student attendance at school and which attempt to prevent or solve student problems involving the home, the school, and the community.

2130 Health Services – Physical and mental health services, which are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nursing services.

2150 Speech Pathology and Audiology Services – Activities that identify, assess, and treat students with speech, hearing and language impairments

2160 Physical and Occupational Therapy Services – Activities, which assess the need for and provide treatment to increase the physical, communication and occupational skills of students.

2190 Other Support Services – Students – Other support services to students not classified elsewhere in the 2100 series.

2210 Improvement of Instruction Services – Activities primarily for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. These activities include and limited to curriculum development, techniques of instruction, child development, understanding, and training.

2220 Educational Media Services – Educational media are defined as any devices, content materials, methods or experiences used for teaching and learning purposes. Library supplies, books, reference materials, audiovisual materials and equipment are included here.

2310 School Board Services – Activities of the elected body, which has been created according to State, law and vested with responsibilities for educational activities in a given administrative unit.

2320 Superintendent Services – Activities associated with generally directing and managing the overall administration of School District, SAU No. 56. The superintendent, business administrator and associated support personnel are included in this account.

2410 School Administration Services – Activities concerned with directing and managing the operation of a particular school. It includes the principals, assistant principals and other staff involved in the general supervision of the school, evaluation of the staff members and coordination of school instructional activities.

2600 Operating Building Services – Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings and equipment in effective working condition. It includes operating the heating, lighting and ventilating systems, and repair and replacement of maintenance equipment as well as insurance of the school buildings.

2700 Student Transportation Services - Activities concerned with the conveyance of students to and from school, as provided by State and Federal law. This includes trips between home and school, and trips to school activities.

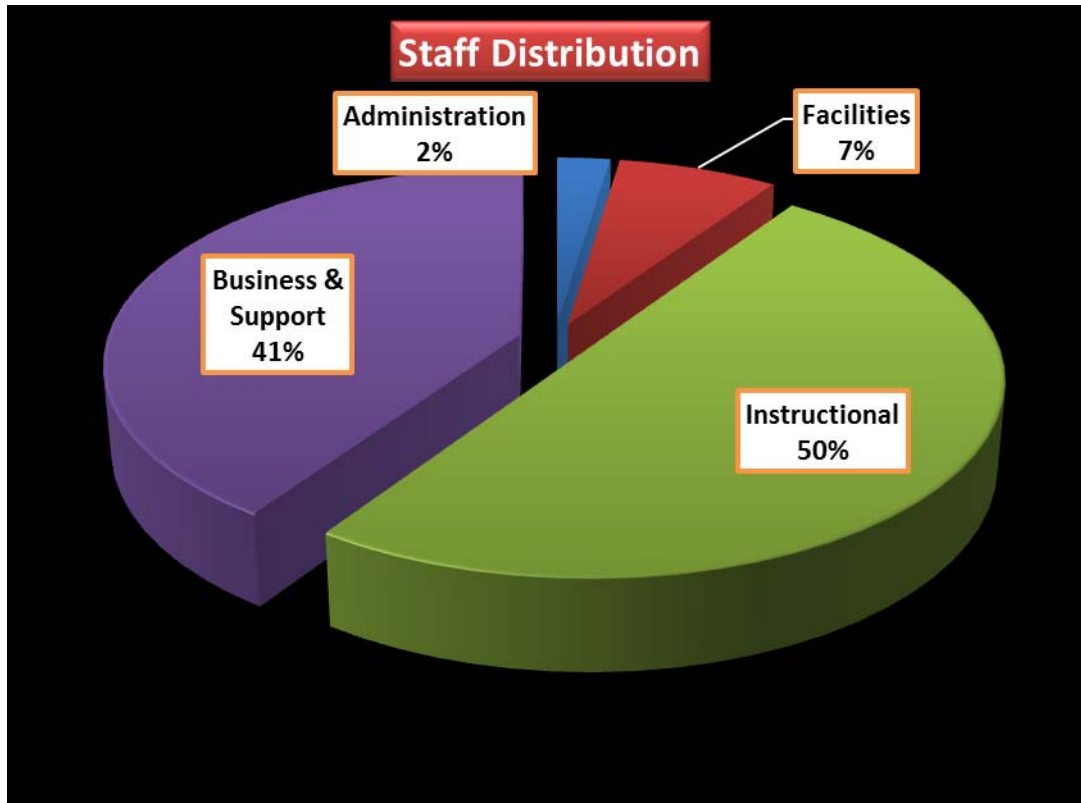
2800 Support Services – Central – Activities, other than general administration, which support each of the other instructional and supporting service programs. These activities include planning, research, development, evaluation, information, staff, and data processing services.

2900 Support Services – Other – All other support services not classified elsewhere in the 2000 series.

5100 Debt Service – This account provides for repayment of the debt of the School District. It includes principal and interest payments.

The budget driver: District employees

Education is a very labor-intensive business. For that reason, the largest share of any school district's budget goes to pay for employee wages and benefits. Most of Rollinsford School District's full and part-time employees – 90 percent–work inside the schools or provide direct services to its 173 students. Of these school-based staff, 21 percent are teachers.



What does the budget buy us?

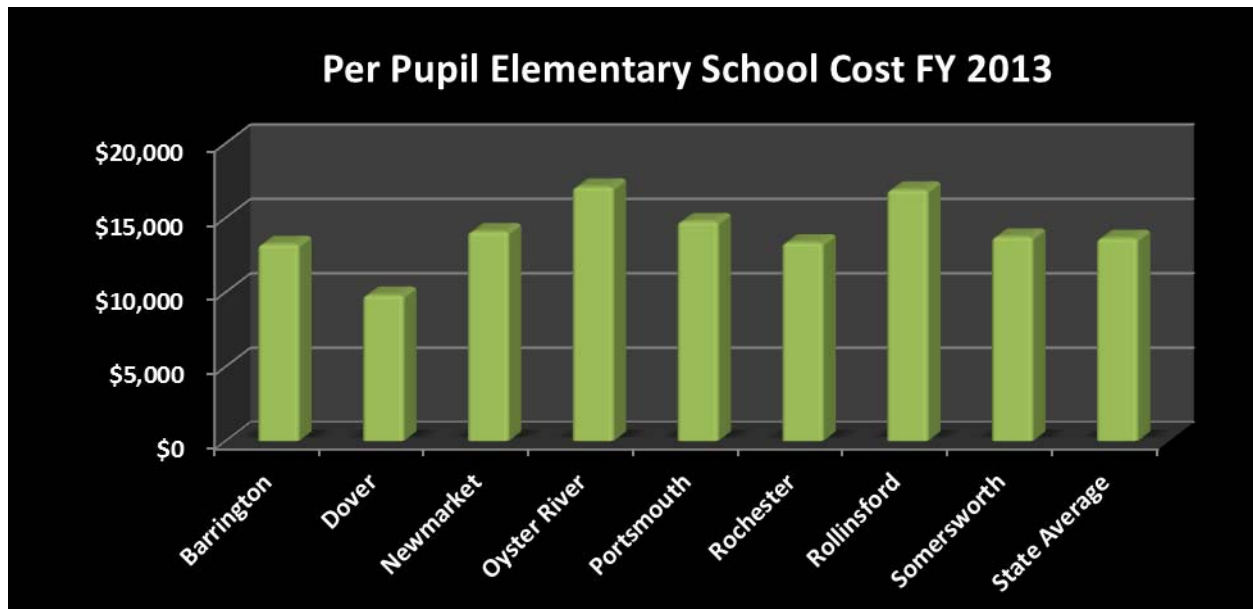
It will cost the school district in 2014-2015 an average of \$91.25 per day to educate a student. This is a bargain when you consider all of the services the school district provides.

For approximately \$91.25 a day, the Rollinsford School District provides to each student:

- Quality instruction from caring and competent teachers
- Specialized learning services for students with special needs
- Access to library resources and computers
- Guidance, counseling and other support services
- Materials such as textbooks
- Transportation to and from school
- A balanced breakfast and lunch
- Healthcare services
- Extracurricular activities
- A safe, learning environment

How do we compare with our neighboring districts?

Per Pupil Elementary School Expenditure Comparison FY 13								
<i>Source: NH Dept. of Education, 12/9/13</i>								
Barrington	Dover	Newmarket	Oyster River	Portsmouth	Rochester	Rollinsford	Somersworth	State Average
\$13,226	\$9,806	\$14,080	\$17,079	\$14,753	\$13,335	\$16,882	\$13,723	\$13,628



WHERE DO WE GET THE MONEY TO IMPROVE AND BUILD NEW SCHOOLS?

The Capital budget

While money for schools' day-to-day expenses comes from the general fund budget, money for building, renovating and expanding schools comes from bonds, which by New Hampshire standards should be kept in a separate capital fund.

Like any home or office building, the amount that a school district must spend on buildings depends not only on the number and size of schools, but also their age. As buildings grow old, they need new roofs, new heating and air conditioning systems, and new plumbing and electrical systems. In addition, schools built over 30 years ago lack many things we now take for granted from our schools or that are required by law, including computer and Internet wiring, an environment free from asbestos and fire hazards, and doors and ramps for disabled students and visitors.

What do school bonds pay for?

When you hear talk of school bonds, you're hearing about money that the district borrows to pay for these capital expenses. New Hampshire statute limits a school district's bonded debt to 9.75% of its assessed valuation.

THE ANNUAL BUDGET

Each year, the school district must decide on its annual budget. The Leadership Team of the district work together to create a tentative budget that considers the needs and values of students, parents, employees, and taxpayers and presents it to the School Board. The School Board must balance the needs of students, parents and employees with the fiscal responsibility it has to the taxpayers. At the same time, the School Board presents the budget to the Budget Committee. Both the School Board and the Budget Committee, independently, convene and recommend budgets to the voters.

Who determines needs and decides how we spend school funds?

Many people, including

- The administrators, staff and school building employees who make budget decisions at your local school.
- The superintendent and other school district staff who draw up the budget each year and present it to the school board.
- The New Hampshire State Legislature and Governor, who decide how much state money to spend on schools, how to allocate that money to districts, and what conditions apply.
- The U.S. Congress and President, who decide how much federal money to spend on education, how to divide it up among states and districts, and what conditions apply.
- And, of course, the most important person, *you*. As citizens, we elect all of these public officials.

Accountability for public education spending

Local school boards are accountable to their communities (to you, the taxpayer) for wisely and efficiently spending public funds to support schools. School boards, in turn, hold the superintendent responsible for developing and properly managing the school district's budget. The state also regulates district spending to a certain degree. And, of course, the portion of the district's budget that comes from the federal government is regulated at the national level. Independent auditors, who report their findings to the school board and the public, audit the school district budgets annually.

Have a Say

Successful schools are everybody's business. Every citizen can have a say in school budget decisions. If you are a public school parent, you can meet with the school Principal, Business Administrator, Superintendent, or School Board and learn all you can about budget decisions at your local school. If you are a citizen living within Rollinsford School District boundaries, you can share your opinions with the school board at a school board meeting or the budget committee at a regularly scheduled meeting.

To obtain more information about Rollinsford School District's budget process or find out when public meetings are being held, call (603) 692-4450, or access the district's Web site at <http://www.sau56.org>.