

## **Rye School District Executive Summary**

This Executive Summary is prepared to serve as an overview of the process and highlights of the Rye School District's proposed budget for the fiscal year July 1, 2016 through June 30, 2017.

Currently there are approximately 443 students in grades K-8 who attend the Rye School District's two (2) public schools. There are currently approximately 188 high school students who are tuitioned to Portsmouth High School. In addition, the Rye School District tuitions to the SAU 50 Community Pre-School children ages three (3) to five (5) when necessary.

The operating budget of the Rye School District is comprised of four (4) major funds, the General Fund, Special Revenue Fund, Food Service Fund and Trust Fund. The General Fund is the largest fund and consists of a self-balancing set of accounts recording cash and other financial resources together with all related expenditures, liabilities and fund balances. The Special Revenue Fund is composed of both federal and private grants that are received by the District. Special Revenue funds may only be used for the purpose of carrying on specific activities in accordance with local Board policy, State law and federal requirements. The Food Service Fund is an enterprise fund and accounts for all of the revenue and expenditure transactions of the Food Service Program. An annual profit/loss statement is generated for this fund. The Trust Fund is the repository for all funds approved as Expendable Trust Funds under the control of the Rye School Board. Currently, there are three (3) expendable trusts, the Special Education Expendable Trust, Tuition Expendable Trust Fund, and the School Building and Grounds Expendable Trust. As in compliance with State law, all trust funds are in the accounts of the Trustees of the Trust Funds for Rye.

The process for the preparation of the budget begins with all staff members requesting items to be included in the budget by preparing budget requisition sheets detailing items requested, rationale for the request and the cost associated with the request. All budgetary accounts are prepared under the premise of a zero base budgeting process.

The budgeting process begins with all staff completing budget requisition forms for the materials/equipment that they are requesting appropriations for in the forthcoming budget. Then the Building Principal meets with all staff members to review each individual staff member's budgetary request(s). After reviewing the request(s), the Building Principal may add, delete or modify the budgetary request(s) for the proposed budget. The Superintendent, Assistant Superintendent and the Business Administrator reviews with the Building Principals the budget requisitions received from the building and decisions are made on which items are to be included in the proposed budget for the preliminary or initial review by the Board.

For special education requests, the budgetary process is similar to the non-special education requests, whereby special educators develop requests on budget requisition sheets. These staff members then meet with the LEA Coordinator, Building Principal and Special Education Director where the budget requests are reviewed and may be added, deleted or modified. The LEA Coordinator and Special Education Director then meet with the Business Administrator before the final inclusion of any budgetary requisitions into the proposed budget for the preliminary review by the Board.

Salaries and benefits are included in the preliminary budget in accordance with the Collective Bargaining Agreements (CBA). There is a CBA for the certified (teaching) staff and a different CBA for the support

staff. Salaries and benefits for the administrators are reviewed and approved by the Board for inclusion in the budget upon the recommendation(s) of the Superintendent of Schools after he has met and discussed the salaries/benefits/issues with the Building Principals.

The Board, in mid-November, generally meets for one (1) or two (2) days to review the proposed preliminary budget with the administration. At the end of the sessions the Board deliberates on all areas of the budget and any proposed warrant articles, if applicable, to arrive at a proposed budget. After the Board approves the proposed budget, the proposed budget is then forwarded to the Budget Committee for review and consideration.

**NOTE: As of the printing of this report, contract negotiations between the Rye School District and the Rye Educational Support Personnel Association (RESPA) had not reached a tentative work agreement for 2016-2017. Under State law, all additional cost items must be placed in a separate warrant article for approval by the residents. This proposed 2016-2017 budget does not contain any additional appropriations for the teaching staff.**

Budget Highlights

- The proposed Rye School District gross operating budget for 2016-2017 is \$13,465,196 before warrant articles. This is a \$58,314 decrease or 0.43% over the 2015-2016 budget.
- The proposed Rye School District net operating budget for 2016-2017 is the same as the gross operating budget as there were no additional financial impacting warrant articles for 2015-2016.
- The district assessment, which is the budget amount less revenues and credits, is projected to be \$12,728,660. The district assessment is \$13,804 or 0.11% less than the assessment for 2015-2016.
- The following chart illustrates the last five (5) years of the gross operating budget and percent change:

<u>Years</u>	<u>Budget</u>	<u>Change</u>	<u>Percent</u>
2015-2016	\$13,523,510	\$309,667	2.34%
2014-2015	13,213,843	264,726	2.04%
2013-2014	12,949,117	154,333	1.21%
2012-2013	12,794,784	582,335	4.06%
2011-2012	12,212,449	290,254	2.44%

- The average annual gross budget increase over the prior:
 

three (3) years:	1.86%
five (5) years:	2.42%
ten (10) years:	3.01%
- The three (3) year average for the District compares very favorably with the Consumer Price Index (CPI) for Boston-Brockton-Nashua for the time period July 2012 through July 2015 which averaged 1.43%.
- The major increase to the budget is the appropriation for the tuitioning of high school age students

to private schools. There are three (3) students of high school age to attend out of district placements.

- Other major increases in budgetary line accounts are:

Pupil Transportation	\$66,623
Special Education Teachers’ Salaries – Middle	38,053
Special Education Contracted Service – High	35,010
Science Texts – Elementary	22,970
Extended School Year - Contracted	21,111

- The appropriation with the largest decrease in the budget is tuition to other LEAs – high school. For 2016-2017, it is estimated that 23 fewer students will be attending Portsmouth High School when compared to the number of students attending in 2015-2016. This projects to a budgeting decrease of \$194,197 for 2016-2017

- Other major decreases in budgetary line accounts are:

Teaching Salaries – Elementary	(\$58,833)
Teaching Salaries – Middle	(49,115)
Special Education Aides Salaries – Elementary	(33,984)
ESOL Tutors – Elementary	(23,072)
Tuition to Private Schools – Elementary	(22,000)

- The proposed tuitioning appropriation for students to attend Portsmouth High School is decreasing for 2016-2017 by \$194,197. It is estimated that there will be 174 students as compared to the students budgeted in 2015-2016 of 197. The 2016-2017 tuition rate is estimated to be \$16,606 per student or an increase of \$851 or 5.4%. The appropriation decrease in high school tuition is one of the largest high school tuition decreases in several years.
- Certified staff, in accordance with the Collective Bargaining Agreement, will receive an average increase of approximately 3.26%.
- In preparing the budget, the economic conditions of the area were considered and only items necessary for the operation of the District were included in order to present the lowest possible budget to the residents of the District.

Tax Impact

It is anticipated that the district assessment for the proposed 2016-2017 budget, before warrant articles are added, will decrease approximately \$13,804. The district assessment is extremely important as this is the amount of funds that must be raised through property taxes. Based on the current net assessed valuation, it is estimated that it will take \$1,868,082 in increased appropriations to raise the tax rate \$1.00 per \$1,000 of property valuation or \$18,680 in increased appropriations to raise the tax rate \$0.01 per \$1,000 of property valuation.

The tax rate, before any increases for any warrant article(s), is projected to decrease by \$0.01 per \$1,000 of property valuation. Primarily, the main reason for the tax rate decrease is that the 2016-2017 gross operating budget is less than the prior year’s (2015-2016) gross operating budget.

For comparison purposes, the tax rate associated with the school for 2015-2016 when compared with the 2014-2015 tax rate increased \$0.17 with the State decreasing \$0.07. The following chart illustrates the tax rates for the last five (5) years in the Town of Rye:

	<u>Town</u>	<u>School/State</u>	<u>County</u>	<u>Total</u>
2015-2016	\$2.96	\$6.83	\$1.11	\$10.90
2014-2015	3.68	6.73	1.14	11.55
2013-2014	3.12	6.73	1.12	10.97
2012-2013	3.44	6.71	1.07	11.22
2011-2012	3.24	6.32	1.04	10.60

### Revenue

There are three (3) main sources of revenue that are received by the District; these sources are federal, state and local which includes the district assessment. Federal sources generally provide on average less than 1%. State sources, excluding the adequacy education grant, again will equal approximately 1% with the remaining 98% being derived from local sources.

The primary local revenue source is the district assessment, also commonly referred to as the property tax. For 2016-2017, approximately 94.3% of the projected total revenue to offset the proposed appropriations will come from the tax levy. This compares to 93.5% for 2015-2016. Before warrant articles are considered, it is estimated that the district assessment for 2016-2017 will decrease approximately \$13,804. The local revenues and credits, excluding the district assessment, will decrease for 2016-2017 by \$7,000.

A major revenue decrease of approximately \$27,000 is estimated to occur from the tuition revenue of seventh and eighth grade students from the New Castle School District due to fewer students being tuitioned for 2016-2017. On a positive note, revenues from federal grants are expected to increase approximately \$20,000 for 2016-2017.

The unassigned fund balance used to reduce taxes, which is the amount of funding that remains unspent from the prior fiscal year and any unanticipated excess revenues, is estimated to decrease from \$156,120 to \$149,798. This decrease in unassigned fund balance of \$6,322 has the same effect as increasing appropriations by \$6,322 when you consider the property tax implications. The decrease in unassigned fund balance is negligible on the property valuation needing to be raised.

### Overview – Elementary

The proposed portion of the 2016-2017 Rye School District budget for the Rye Elementary School is \$3,339,307 or 24.74% of the total proposed budget. When the proposed budget is compared with the prior years' actual budget there is a decrease of \$78,014 or approximately 2.28%. When the proposed budget appropriations are compared with the appropriations of two (2) years ago (2014-2015) there is a decrease of \$5,900 or 0.18%. The account that is increasing the most are the appropriations for the new science text series. While the classroom teaching salaries have the largest decrease at \$58,833 which is attributable to the elimination of a staffing position.

The special education appropriations for the elementary school have decreased from \$486,535 to \$447,753 or \$38,782. Primarily the increases for special education are in special education aides' salaries and tuition to private schools.

The reviewer is encouraged to read the vision statement as written by the Rye Elementary School Principal for an overview of the educational direction that is contemplated. Also included is a synopsis of a three (3) year plan for appropriations for curriculum, technology and facilities.

#### Overview – Middle

Similar to the section of the Rye Elementary School, the proposed budget for the Rye Junior High School is \$2,599,705 or 19.26% of the total proposed budget. When the proposed budget is compared with the prior years' actual budget there is an increase of \$10,108 or approximately 0.39%. When the proposed budget is compared with the budget of two (2) years ago (2014-2015) there is an increase of \$137,752 or 5.6%. The proposed appropriations with the largest increases are the special education and psychological services. Teaching salaries had the largest decrease of \$49,115.

The special education appropriation for the junior high school has increased \$75,436 from \$256,584 to \$332,020. Primarily the increase in special education is in special education teachers' salaries at \$38,053.

The junior high principal, similar to the elementary school principal, has written a vision statement as an overview of the educational direction that is contemplated. Also included is a synopsis of a three (3) year plan for appropriations for curriculum, technology and facilities.

#### Overview – Special Education

The total anticipated special education expenditures represent approximately 10.61% or \$1,432,026 of the entire proposed budget. The total proposed 2016-2017 special education appropriations have increased from the 2015-2016 appropriations by \$204,855 or 16.69%. After several years in which the proposed special education appropriations were lower than the prior year, this is the fourth consecutive year in which the proposed appropriations have exceeded the prior year's appropriations.

At the elementary level, a decrease in appropriations of \$38,782 or 7.97% is recognized. Primarily these decreases in appropriations are accounted for in special education aides' salaries and special education tuition to private schools.

At the middle school level, an increase in appropriations of \$75,436 or 29.4% is recognized. The increase in appropriations can be accounted for in special education teachers' salaries and special education contracted services.

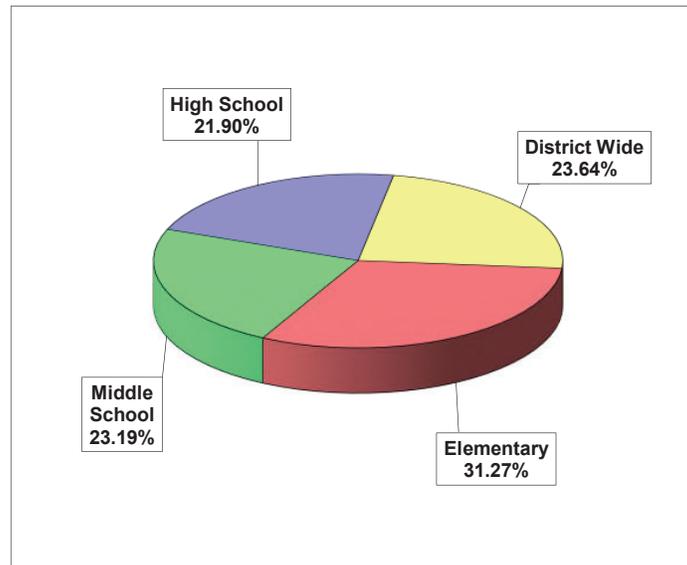
At the high school level, an increase in appropriations of \$154,784 or 97.42% is recognized. This increase in appropriations can be accounted for in tuition to private schools and special education contracted services.

At the District wide level, an increase in appropriations of \$13,417 or 4.13% is recognized. The increase in appropriations is primarily attributable to extended school year contracted services.

The following chart compares special education tuition appropriations:

<u>Special Education Tuition:</u>	<u>2014-2015 Appropriation</u>	<u>2015-2016 Appropriation</u>	<u>2016-2017 Appropriation</u>
District Wide	\$ 1,500	\$ 4,600	\$ 0
Elementary School	24,500	23,000	3,000
Middle School	0	0	0
High School	<u>132,166</u>	<u>87,995</u>	<u>195,433</u>
Total	\$158,166	\$115,595	\$198,433
Relation of Special Education Tuition to Total Budget Appropriations	1.20%	0.85%	1.47%

Comparison of Special Education Appropriations



	<u>2014-2015 Appropriation</u>	<u>2015-2016 Appropriation</u>	<u>2016-2017 Appropriation</u>
District Wide	\$ 283,140	\$ 325,169	\$ 338,586
Elementary School	442,356	486,535	447,753
Middle School	221,876	256,584	332,020
High School	<u>165,375</u>	<u>158,883</u>	<u>313,667</u>
Total	1,112,747	1,227,171	1,432,026
Special Ed. to Total Budget	8.42%	9.07%	10.61%

## Enrollment

From reviewing the enrollment data, as expressed in prior year executive summaries, it is apparent that the total student enrollment for 2015-2016 will continue to decline at the Rye Elementary School. It is anticipated that student enrollment at the elementary school for 2016-2017 will remain essentially at the current level as in 2015-2016. Beginning again in 2017-2018 the decline becomes apparent again with a projected decrease of 11 students.

Since 2010-2011, the student population at the elementary school has declined by 52 students or approximately 15.81% over this time period.

At the middle school, there is expected to be a decrease in the student population for 2016-2017 of approximately seven (7) students. The student enrollment at the middle school for 2016-2017 is expected to be in the high-150s and is projected to continue to decline. However, for 2017-2018 there is a marked decrease of 10 students with a continued decline into the 140s and possibly even lower.

Similar to the elementary school, the middle school has had a student population decrease of 57 students since 2010-2011. This is a decrease of approximately 26.39%. Some of the student population lost can be attributable to fewer students being tuitioned into the District from New Castle.

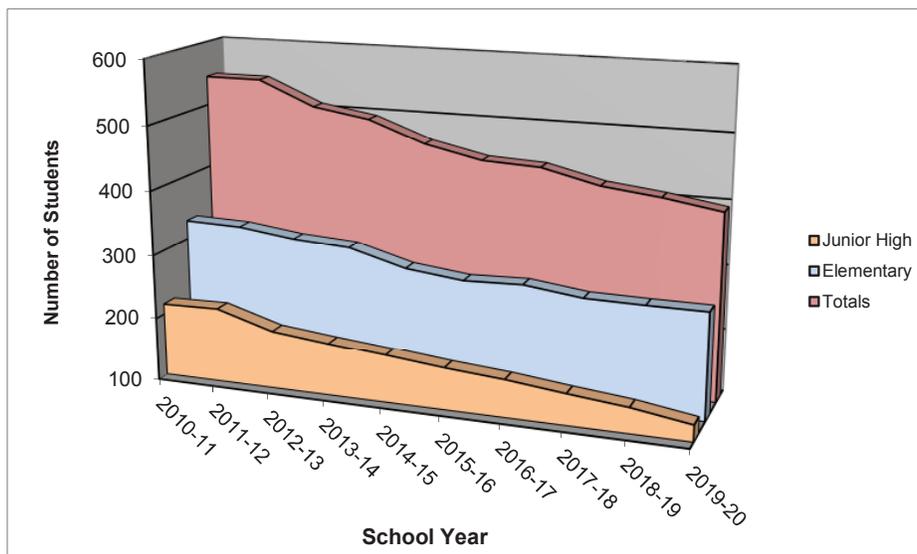
It is interesting to note that according to the progression ration, only 91% of Rye fifth graders go onto Rye Middle School. This is the largest decrease of all of the progression ratios.

Another potential contributing factor may be the aging of the community itself. It is interesting to note that in 2014, there were only 24 reported resident live births in Rye. This low number of resident live births comes after a low number of 29 births in 2013 and 30 births in 2012.

The student enrollment at the high school is expected to decrease substantially for 2016-2017 and generally continue for the next several years.

The following chart shows the projected student enrollment trends for the next several years.

Student Enrollment at the Elementary and Middle Schools



## Staffing

There have been several changes to certified (teaching) and support staffing positions for 2016-2017. Please note that as of the printing of this report, exact positions and locations of positions to be eliminated have not been determined.

## Certified

At the elementary school, one (1) part time math specialist (80%) is being increased to a full time position in 2016-2017. This position was full time 3 or 4 years ago before being reduced to part time status. At the middle school, one (1) additional 50% special education teacher is being requested to be added to the 2016-2017 budget.

There are certified staff reductions that will be occurring at both schools due to declining student enrollment. Between the two (2) schools, there will be a reduction of two (2) full time certified staff. Exact personnel have not been determined as of the printing of this report.

There are no certified staff changes either increases or decreases at the District wide level.

## Support

At the elementary school, there are no additional positions for support staff being requested for 2016-2017. An ESOL (English Speakers of Other Languages) is not being requested for 2016-2017 and the position is being eliminated. One (1) para-educator/special education aide will be reduced from full time to part time for 2016-2017. There are no anticipated changes in staffing either at the middle school or District wide levels.

## Tuition

Since the Rye School District does not maintain a senior high school, students of this age group are tuitioned to Portsmouth High School.

Students, who receive special education services, may need to attend alternative educational programs at either a LEA (Local Education Agency) school, or may need more expensive out-of-district private school placement. A private school placement can be residential for a special education student which can be at a very high cost to the District.

Approximately 22.88% or \$3,087,877 of the entire Rye School District budget is devoted to out-of-district tuition. The entire tuition grouping has a decrease of \$111,359 or approximately 3.48% when compared to the 2015-2016 appropriations.

Total appropriations for special education tuition, as a group, have increased for 2016-2017 by \$82,838. It should be noted that eight (8) times in the last eleven years the appropriations for special education have decreased when compared with the prior year. The projected 2016-2017 special education tuitions to private schools are \$40,267 more than the appropriations of two years ago.

It is important to realize that in all instances before a high school age student received an out of district special education placement, Portsmouth's program is utilized, or is extensively considered.

	<u>2014-2015</u> <u>Appropriation</u>	<u>2015-2016</u> <u>Appropriation</u>	<u>2016-2017</u> <u>Appropriation</u>
Regular Tuition	\$ 2,975,574	\$ 3,083,641	\$ 2,889,444
Special Education Tuition	<u>158,166</u>	<u>115,595</u>	<u>198,433</u>
Total Tuition	3,133,740	3,199,236	3,087,877
 Tuition to Total Budget Appropriation	 23.72%	 23.66%	 22.88%

Portsmouth High School

The overall tuition appropriation for Portsmouth High School for 2016-2017 is \$2,889,444 and is projected to decrease by \$194,197 or 6.3% when compared to 2015-2016. The 2016-2017 proposed budget reflects 174 students attending Portsmouth High School with each student budgeted at a tuition rate of \$16,606. This is a tuition per student increase of approximately 5.4% or \$851. It should be noted that the 2015-2016 tuition rate from Portsmouth increased by \$932 per student or approximately 6.29%. The average tuition percent increase to Portsmouth High School over the last five (5) years is 2.85%.

For 2015-2016, 197 students were budgeted to attend the high school. As of the first semester, there were actually 188 students attending. A tuition rate of \$15,653 per student was budgeted, as compared to the actual 2015-2016 tuition rate of \$15,755. This results in an under budgeting of each student by \$102. When the actual tuition rate per student of \$15,755 is multiplied by the actual number of students attending (188) and compared to the actual amount appropriated for tuition in 2015-2016 there is an anticipated budgetary surplus of \$121,701.

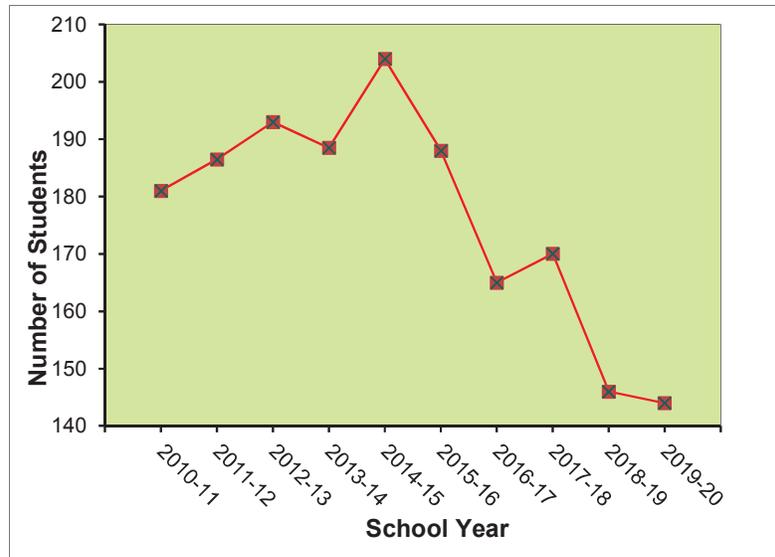
For the 2016-2017 budget, it is estimated that 5 eighth grade Rye students would be attending a different high school other than Portsmouth. This is approximately 11% of the total current Rye eighth grade class, less any New Castle students.

The overall 2016-2017 tuition appropriation for Portsmouth High School tuition is decreasing by \$194,197. The projected per student tuition increase of 5.4% for 2016-2017 is higher than the average annual increase for tuition for the last five (5) years.

Budget Committee members should review Section 9 for student enrollment trends at the high school. It is anticipated that over the next three (3) years, the number of high school students attending Portsmouth High School will decrease.

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
Number of Students Budgeted	203	197	174
Number of Students Attending	204	188	
Tuition Rate Budgeted	\$14,658	\$15,653	\$16,606
Tuition Actual Rate	\$14,823	\$15,755	

## Actual and Projected High School Enrollment



### Maintenance

In the 2015-2016 fiscal year, the Board appropriated \$25,000 for maintenance objectives funding. Prior to 2010-2011, it had been common budgeting procedure for the Board to appropriate \$30,000, at each building for maintenance objectives.

For 2016-2017, the Board is requesting an appropriation of \$25,000 which is the same as what is currently appropriated. There is an updated maintenance objective listing for the elementary school, which would include the installation of a more modern and comprehensive security system, replacement of exterior doors, the continued purchasing and installation of cabinets in the classrooms, scraping and repainting of the trim and exterior of the gymnasium.

At the middle school, maintenance objectives are continued, replacement of the heating system, updating of security system, replacement of exterior doors, waterproof foundation below grade level, painting of certain sections of the building, replacing the flooring in the office areas and increasing the electrical outlets and circuits for the increased electrical needs at the building.

It is anticipated that for 2017-2018 budget, if the economic climate should improve, the Board will return to appropriating the annual amount of \$30,000 for each building for maintenance objectives.

### Conclusion

On behalf of the administrative team, it is hoped that this budgetary document will better enable you to understand where the funding derives from and how the funding is being spent to provide powerful teaching for the staff and learning opportunities, as well as, other important support activities for the students in the Rye School District.

If the administration can be of any further service in providing additional information, answering questions or clarifying any of the enclosed material, please contact Salvatore Petralia, Superintendent of Schools, Kelli Killen, Assistant Superintendent of Schools, Patricia Dowey, Special Education Director or James Katkin, Business Administrator at 422-9572. Or you may contact Ms. Suzanne Lull, Principal Rye Elementary School at 436-4731, or Mr. Christopher Pollet, Principal Rye Junior High School at 964-5591.

## SECTION 2 PROPOSED BUDGET OVERVIEW

This section contains a compilation of reports and charts that quickly give an overview of the proposed 2016-2017 Rye School District proposed budget. These reports and charts will summarize, in an easily readable format, the major changes to the appropriations in the proposed budget. The supporting documentation in the various sections will offer a more comprehensive and detailed explanation of the proposed budget.

The following reports and charts are included in this section:

Warrant Articles –All known proposed warrant article(s), as of the printing of this budget, have been included in a format similar to what will appear on the March voting ballot.

Operating Budget Overview - This report summarizes the projected budget increase, the District assessment increase and the estimated increase to the tax rate. This report does not include any funding appropriations for any proposed 2016-2017 warrant article(s).

Budgetary Impact on Average Median Home/Condo - This chart illustrates the tax impact on the average median home/condo as a result of the proposed 2016-2017 budget.

Comparative Budgetary Analysis – This report quickly summarizes and analyzes a number of different areas of the proposed budget.

Major Increases – This report lists all the major increases in appropriations for any single account, which has an increase greater than \$16,400.

Major Decreases – This report lists all the major decreases in appropriations for any single account, which has a decrease greater than \$11,000.

Per Pupil Cost – This chart represents the per pupil cost for students who attend the Rye School District based upon expenditures as of the end of the fiscal year, June 30, 2015. Data is taken from the DOE-25 State report.

