

## General Budget FAQ's

### **What is the Default Budget and what does it mean for the District?**

Per RSA 40:13, IX (b), the District's Default Budget is calculated by using the prior year's Gross Budget, adding any contractual obligations or changes to debt service, and subtracting any one time expenditures or Special Articles. This Default Budget assures that the District will have an Operating Budget, should the proposed budget fail to pass.

### **How do you calculate each Town's share of the District Assessment?**

For 2015-2016, each Town's share of the District Assessment is based on 50% of their average daily membership of students in residence (ADM) for the 2013-2014 school year and 50% of each town's equalized property values (EPV) for 2014.

Average daily membership in residence is the number of school days that a child is a resident of a particular town. For example, a student who resided in the town of Greenfield for the entire school year (180 days) has an ADM of 1.0.

Equalized property valuation is the true market value of the property in a town and is determined by the New Hampshire Department of Revenue. It is calculated by dividing the assessed value of a town's property by an "equalization ratio" determined by the State and is designed to provide equitable distribution of State Aid programs.

### **What is the difference between "fixed" and "discretionary expenses within the budget?"**

**Fixed costs** are those costs that are either contractual obligations or costs mandated by law, and include salaries and benefits, transportation, tuition, utilities, and debt service.

**Discretionary or variable costs** are those costs that are incurred based solely on decisions made by the School Board. These are the costs usually associated with supplies, materials, and equipment.

### **What impact do Special Education laws have on the budget?**

Special Education costs are driven by Federal and State laws, which mandate support and services for students who are identified as requiring Individual Education Programs (IEP's). Extraordinary costs for these services are reimbursed to the District through Catastrophic Aid from the State.

### **If enrollments are declining, why are we spending money on facilities and equipment?**

We still need to maintain our facilities even though we are experiencing declining enrollments at all grade levels. Parts of our high school are 40 years old and have some physical plant deficiencies that must be addressed in order to remain an accredited high school. Our middle schools were renovated in the 1980's and some of our "new" elementary schools are now 16 years old and beginning to show their age

We have been approved for reimbursement of these expenditures over a seven year period by the New Hampshire Department of Education; this approval means that for every dollar we spend on facility upgrades that meet eligibility requirements, we will receive \$.55 in new revenue. Fiscal 2015-2016 is year 5 of this plan.