

Lebanon Board of  
Finance

May 3, 2021

# FY 2021-2022 Proposed Budget

# Budget Considerations

Difficult time still for many residents (laid off, furloughed, reduced wages)

Maintain current level of service in a fiscally responsible manner

Continue to invest in and maintain the Town's critical infrastructure

# Town Revenue

Used Governor's proposal for State funding - estimates in proposed budget reflect increase of **\$107,914** in revenue from current fiscal year

State is currently drafting a two-year budget; we will not have final revenue figures until legislature approves (earliest is June 2021)

**UPDATED SINCE PUBLIC HEARING – Current legislative proposals reflect decrease of \$176,000**

# Town Operating Budget

1.5% contractual raises for town union positions

Overall budget is **up 0.05%** from current budget

**UPDATED SINCE PUBLIC HEARING – Minor increase (~\$5,000) was adjusted to Selectman's budget, no change to proposed mil rate**

# Town Operating Budget

American Rescue Plan – current projections estimate **\$705,348** – funds must be expended by end of calendar year of 2024

The Long-Term Planning Committee (BOS + 2 members of BOF) will develop a plan for these funds

Guidelines for the disbursement of funds is still unclear – cannot be used to provide tax relief, can be used to offset COVID impacts

- The increase requested for stipends by the Fire Dept could be funded
- The lost grant for the Farmers' market could be funded

# Debt Services

Reduction of **\$387,220** from current fiscal year

- The school renovation project and FSC renovation bonds were paid off in August 2020

Library project – still not funding this because issues up in the air

- The committee has the right to borrow based on the referendum approving this project
- BOF will consider funding once construction begins

Continue to fund the Roads & Bridges project which is nearing completion and may be bonded in a few months

# Capital Projects

Focus is to fund projects that are “must do,” support on-going efforts & provide Town-wide impacts

Leverage Long Term Planning Committee (joint effort with BOS and BOF) capital planning efforts as inputs to annual budget development, including project prioritization scoring

Typical goal is \$1 million per year to maintain buildings, roads & bridges, purchase vehicles and equipment for town, BOE and Fire Department, fund open space initiatives, provide for recreation areas

Last year, capital was reduced – critical items were addressed with Town surplus, limited adding \$\$ to fund balance





Patricia A. Ciccone, Interim Superintendent

Sarah Haynes, Board of Education, Chair

Nicole McGillicuddy, Board of Education, Finance/Facilities Chair

# Board of Education Budget



# Budget Drivers



## Driving Forces for Change: Internal

- Strategic Plan: 6 Pillars of successful graduate
- Learning Losses and Impact of Disconnection from School
- 21<sup>st</sup> Century Learning Expectations (Career and College Readiness within 7 contextual platforms )
- Workforce Development

## Driving Forces for Change: External

- COVID – 19 Mitigation
- Economy (Scale)
- Special Needs Accommodations
- Legislation

## Lebanon Public Schools 2021-2022 Budget



<u>Category</u>	<u>Budget</u>	<u>Percent of Total</u>
Salaries	\$11,636,405	56.6
Benefits	\$3,831,595	18.6
Special Education	\$2,028,600	9.9
Facilities	\$482,984	2.4
Student Transportation	\$889,255	4.3
Utilities	\$455,425	2.2
<u>Tuition Programs</u>	<u>\$144,685</u>	<u>.7</u>
Subtotal	\$19,468,949	94.7
All Other Expenses	\$1,087,809	5.3
Total Budget	\$20,556,758	100

Lebanon Public Schools  
2021-2022 Special Education Budget



<u>Category</u>	<u>Budget</u>	<u>Percent of Total</u>
Salaries	\$1,852,800	9.0
Private Tuition	\$1,048,000	5.1
Public Tuition	\$598,000	2.9
Transportation	\$546,262	2.7
Pupil Services	\$196,000	1.0
Excess Cost Reimbursement	(\$434,630)	(2.1)
<u>All Other SPED</u>	<u>\$74,968</u>	<u>0.4</u>
Totals	\$3,881,400	18.9
Remaining Budget	\$16,675,358	81.1
Total Budget	\$20,556,758	100.0

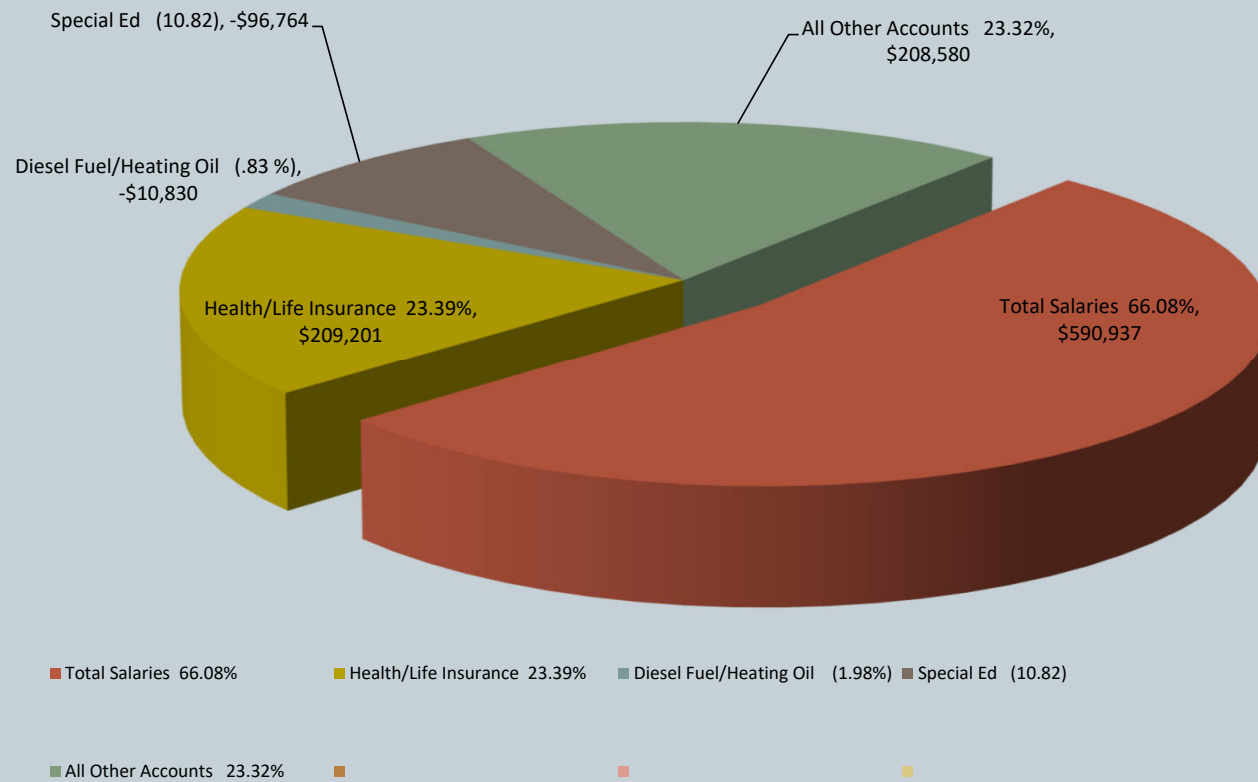
# Lebanon Public Schools

## 2021-2022 BOE Budget Drivers




	<u>2020-2021</u>	<u>2021-2022</u>	<u>Increase</u>	<u>% Increase</u>
	(category/total)			
Total Salaries	\$11,045,468	\$11,636,405	\$590,937	5.35/3.01
Health/Life Insurance	\$2,902,399	\$3,111,600	\$209,201	7.21/1.06
Special Education	\$2,125,364	\$2,028,600	(\$96,764)	(4.55)/(.49)
Heating Oil/Diesel	\$237,487	\$219,775	(\$17,712)	(7.46)/(.09)
<b>Sub Totals</b>	<b>\$16,310,718</b>	<b>\$16,996,380</b>	<b>\$685,662</b>	<b>4.20/3.49</b>
<b>All Other Accounts</b>	<b>\$3,510,144</b>	<b>\$3,731,255</b>	<b>\$208,580</b>	<b>5.94/1.06</b>
<b>Grand Total</b>	<b>\$19,662,516</b>	<b>\$20,556,758</b>	<b>\$894,242</b>	<b>4.55</b>

# Lebanon Public Schools 2021-2022 Budget Drivers



## Budget History



• 2016 – 17	\$19,053,397	2.12%
• 2017 – 18	\$19,053,397	0.0%
• 2018 – 19	\$19,178,937	0.66%
• 2019 – 20	\$19,562,516	2.00%
• 2020 – 21	\$20,119,128	2.85%
(adjusted to	\$19,662,516	0.5%)
• 2021 – 22	\$20,556,758	4.55%
(adjusted Jan. to	\$20,360,133	3.55%
(adjusted Feb. to	\$20,294,038	3.21%



• **Current Preliminary Budget**      **\$20,556,758 - 4.55% increase**  
Less: Reductions \* listed below:      \$ 196,625  
January 26, 2021      **\$20,360,133 - 3.55% increase**



**Addition Reductions (See Below)**

Less: Retiree salary      \$20,000  
     Health Insurance - potential      \$28,000  
     Heating oil (price)      \$18,095

**Adjusted Preliminary Budget      \$20,294,038      3.21% increase**

\* Reductions identified on 01/26/2021

Eliminate full time CNA initiative	\$ 21,589
Eliminate three full time temporary custodians	\$ 87,326
Eliminate three full time building secretaries	\$ 74,273
Additional non salary line item reductions	<u>\$ 13,437 **</u>
Total	\$196,625

\*\* Additional line items would need to be identified for reductions

**Additional Reductions**

- 1) Received notification of another retirement
- 2) Received preliminary notification that health insurance Premiums for active employees will go up by 3%
- 3) Oil price per gallon budget reduction

## Lebanon Public Schools History of Budget Increases



<u>Year</u>	<u>Budget</u>	<u>Increase</u>
2010-2011	\$17,255,520	1.77%
2011-2012	\$17,514,352	1.50%
2012-2013	\$17,869,353	2.03%
2013-2014	\$17,944,353	0.42%
2014-2015	\$18,182,354	1.33%
2015-2016	\$18,658,633	2.62%
2016-2017	\$19,053,397	2.12%
2017-2018	\$19,053,397	0.0%
2018-2019	\$19,178,937	0.66%
2019-2020	\$19,562,516	2.00%
2020-2021	\$19,662,516	.50%

# BOF Comments on BOE

BOE submitted reasonable budget given current conditions with COVID and education impacts

BOE projecting surplus of **\$150-200k** this year

- BOF modified policy to support funding of special ed costs (in addition to capital projects) from non-lapsing account last year

The American Rescue Plan/ESSR Grant may give the BOE an estimated **\$900,000** to address needs arising from COVID

BOF felt these dollars could be used for some of the expenses in the budget, such as the new position of Social Worker

# Fund Balance

\$4,973,889 as of 4/19/2021, approx. 18.9% of proposed budget (goal is 12-15%)

## BOF Considerations:

- Potential reduce town tax collections due to unemployment (\$368,000 tax collections still pending in current fiscal year)
- **Unknown State budget deficit and holdbacks – including changes to proposed revenue**
- Upcoming capital project bonding – roads/bridges
- Major capital requests/needs in current long term capital plan
  - Mack Road
  - DPW improvements/new facilities
  - LES window & HVAC replacement
  - High school roof replacement

# What's The Bottom-line?

Increase of approximately 0.7% in amount to be raised by taxes

- Grand list increased 2.1% over current fiscal year

Proposed mil rate: **28.4 mils** (↑0.2 mils)

*\$200,000 assessed value would pay \$5679, an increase of \$40*