

2019-2020 Dresden School District Budget Guidelines

The Dresden Budget Committee has attempted to balance the Dresden Community's commitment to maintaining the excellence of its schools with its desire to address concerns about the long-term affordability to its two member districts and neighbors from sending towns. Recognizing that we are currently in the final year of a three year contract with unions representing both district teachers and staff, and that the potential costs associated with a contract for the 2019-2020 fiscal year are as yet unknown, and further that an upturn in capital spending is actively being considered, the Committee urges rigorous fiscal discipline in the budget process. The Committee is also cognizant of likely additional budgetary impacts that the residents of Norwich will face due to recent, and potentially upcoming, changes to the Vermont education financing system. Further the Committee notes that even before incorporating any such costs, the 2019-2020 expenditure budget is already set to rise by a potential 1.33%, driven by the effect of the following factors:

- 2.9% benefit cost increases, reflecting a tentative 5% healthcare cost increase and an announced +0.44% contribution mandatory NH State Retirement System cost shift from the State to the schools;
- 2.9% increase in estimated Dresden special education costs, in-line with the 10-year historical average (but not including any salary increases given pending negotiations);
- 2.7% increase in all other expenses, which reflects recent regional CPI increases; and
- The benefit of a \$90k reduction in debt service costs.

The four factors described above do not include the cost of any program improvements, nor the contract or capital costs mentioned above. As a point of information only, the Committee noted that each 1% increase in salaries, whether driven by base increases or step/track advancement, increases the district's overall budget by 0.52%.

The Committee also supports the continuing efforts of the administration to implement measurable, long-term cost savings initiatives. To this end the administration should be given the opportunity and be encouraged to implement programs that, though they may increase the budget in the short term, will lead to lower costs in the future.