

Policy Code: **DAA**

Preparation of Default Budget

The intent of the Default Budget provisions in RSA 40:13 is to produce a budget figure for the next school year that represents the figure approved by voters for the current school year, with adjustments made only to recognize changes specifically required by law or contract. When producing a proposed default budget figure for the Board's consideration the Superintendent shall use the following guidelines:

Definitions

Employment Agreement: a contract for employment with an individual or a bargaining unit

Current year budget: the budget under which the school district is operating while preparing the budget for the following year.

Proposed budget: the budget for the upcoming year which is posted for public hearing, any preliminary version of such budget, and any revision of such budget which is subsequently placed before the deliberative session or sent to ballot.

Prior year budget: the budget under which the school district operated for the most recently completed budget year.

Determination of One-Time Expenditures as required by RSA 40-13 IX. (b)

1. All appropriations for New Equipment, New Computer Equipment, and New Vehicles in the current year budget are considered to be one-time expenditures, and shall be removed from the default budget.
2. Appropriations for Replacement Equipment, Replacement Computer and Replacement Vehicles shall be reviewed against the prior year budget. Any increases in appropriation in the current year budget which were required for exceptional items shall be removed from the default budget.
3. Appropriations for expense lines other than salaries and equipment shall be reviewed against the prior year budget. Any increases in appropriation are deemed to be one-time expenditures unless specifically documented as permanent annual increases, and shall be removed from the default budget.
4. Any discretionary expenditure which was included in the prior-year budget but not expended in the prior year shall be removed from the default budget.
5. Site and Facilities Improvements in the current year budget are considered to be one-time expenditures and shall be removed from the default budget. Exceptional expenditures may be added to the Site and Facilities Improvements provided all the following conditions are satisfied:
 - a) The item is included in the proposed budget for the next school year.
 - b) The item is certified by an external party (engineer, town code inspector) as a nondiscretionary, non-deferable issue of safety, code compliance, or protection of investment.
 - c) The item is not included in the current year Facility Improvement program.

- d) The item does not exceed the corresponding current-year budget for Site Improvements or Facilities Improvements.
6. Appropriations for the current year which were approved by Warrant Article with no multi-year or non-lapsing clause shall be removed from the default budget.
7. Line items which would otherwise be set to zero based on these criteria may be set to \$1, to allow for transfer of appropriation during the budget year.

Employees Contracted Individually or through Collective Agreements

Unless otherwise provided for in this policy, the only adjustments that shall be considered for employee individual or collective agreements are:

1. Projected changes in salaries for positions that were included in the current year's budget AND that are also included in the Board's proposed budget for the next year. (Positions eliminated from the proposed budget shall be eliminated from the Default Budget. Positions for which salary or benefits have been reduced in the Proposed Budget shall have the same reduction(s) reflected in the Default Budget.
2. Contracted products or services for which the vendor is specified in the employment agreement, or which the employment agreement specifies that no alternative can be selected without approval of the employee or bargaining unit.
3. Early Retirement Adjustments. Positions affected by early retirements shall appear in the Default Budget at the average new-hire amounts. The early retirement obligations shall also be included in the Default Budget.

Legal and/or Contractual Obligations

Unless otherwise provided for in this policy, the only adjustments that shall be considered for legal and/or contractual obligations are adjustments for which the District has a written contract for the next school year which contains an actual price for the product/service. (If the product/service is required, but there is no written contract, no adjustment shall be made. If the contract includes a per-unit rate, then the current year's quantity shall be used to determine any adjustments).

Special Education

All projected adjustments to meet requirements of Individualized Education Plans (IEPs) for known students at the time of development of the Default Budget shall be included.

Reductions in the Proposed Budget

If a non-salary line item in the proposed budget is less than the corresponding line of the current year Page 3 of 3 budget, the same reduction shall be applied to the default budget unless there is specific documentation demonstrating that the expenditure was shifted to another line item of the proposed budget which would otherwise have been lower.

Supporting Documentation

The default budget shall be presented to the School Board and the public using the same Function/Object line

item detail as the proposed budget. Justification of increases and decreases will be provided with the specific line items impacted.

References:

RSA 40:13, Use of Official Ballot