SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(SCHOOL DISTRICT SUPPLEMENTAL APPROPRIATION)

October 5, 2021 at 6:30 PM
Aldermanic Chambers, City Hall (3rd Floor)

Mayor and All Aldermen

AGENDA

The Mayor calls the meeting to order.

The Mayor calls for the Pledge of Allegiance.

A moment of silence is observed.

The Clerk calls the roll.

The Mayor advises that the purpose of this special meeting is a public hearing to receive comments on the resolution for a supplemental appropriation. The Clerk shall present the resolution, following which comments will be heard.

1. Resolution:

> “Authorizing the utilization of an increase in State Adequacy and Relief Aid for a supplemental appropriation of $10,847,571 to the Manchester School District pursuant to Section 6.05 (a) of the City Charter in Fiscal Year 2022.”
> *(Note: Attached is a communication from the Finance Officer regarding the supplemental appropriation.)*

The Mayor advises that the meeting shall be open to public comments. Each person when recognized shall come to the nearest microphone, state their name and address in a clear, loud voice for the record; that each person shall be given one opportunity to speak and comments shall be limited to three minutes to allow all participants the opportunity to speak.

The Mayor advises that if there is no one else present wishing to speak, all comments shall be taken under consideration and a motion would be in order to refer the resolution to the Committee on Finance.

The Mayor advises that this being a special meeting of the Board, no further business can be presented and a motion is in order to adjourn.

Sharon Y. Wickens
Finance Officer

Michele A. Bogardus
Deputy Finance Officer

CITY OF MANCHESTER
Finance Department

October 5, 2021

Board of Mayor and Aldermen
C/o Matthew Normand
Office of the City Clerk
One City Hall Plaza
Manchester, NH 03101

RE: Section 6.05 (a) of City Charter – Supplemental Appropriation

Dear Honorable Board of Mayor and Aldermen,

This letter serves to advise the BMA that the Manchester School District has available for appropriation in Fiscal Year 2021, $10,847,571 of revenues in excess of those in the 2021 budget. Pursuant to section 6.05 (a) of the City Charter, these verified and certified excess revenues may be utilized by the BMA to make a supplemental appropriation to the Manchester School District of $10,847,571 for Fiscal 2021. It should be noted that any supplemental appropriation must be in accordance with section 6.04 of the City Charter regarding notice of a public hearing at least one week in advance of the public hearing.

Verified:

Sharon Y. Wickens
Finance Officer

Certified:

Mayor Joyce Craig

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City of Manchester
New Hampshire

In the year Two Thousand and Twenty

A RESOLUTION

"Authorizing the utilization of an increase in State Adequacy and Relief Aid for a supplemental appropriation of $10,847,571 to the Manchester School District pursuant to Section 6.05 (a) of the City Charter in Fiscal Year 2022."

Resolved by the Board of Mayor and Aldermen of the City of Manchester as follows:

WHEREAS, the Manchester School District has requested a supplemental appropriation of $10,847,571 funded by an increase in State Adequacy and Relief Aid; and

WHEREAS, the Finance Officer and the Mayor have verified and certified that the Manchester School District has $10,847,571 in increased aid available in the Fiscal Year 2022 budget to fund a supplemental appropriation of $10,847,571 to the Manchester School District;

NOW THEREFORE BE IT RESOLVED, that the Board of Mayor and Aldermen hereby authorize a supplemental appropriation to the Manchester School District of $10,847,571 for Fiscal Year 2022 from the following source:

FY22 Increase in State Adequacy and Relief Aid of $10,847,571

Resolved, that this resolution shall take effect upon its passage.

MSD
Manchester School District
ALL HANDS UP!

MANCHESTER SCHOOL DISTRICT
SCHOOL ADMINISTRATIVE UNIT NO. 37
20 Hecker Street
Manchester, NH 03102
Telephone: 603.624.6300 • Fax: 603.624.6337

John Goldhardt, Ed.D.
Superintendent of Schools

Jennifer C. Gillis
Assistant Superintendent
Operations

Amy L. Allen
Assistant Superintendent
Teaching, Learning and
Leading

Karen DeFrancis
Chief Financial Officer

In Board of Mayor and Aldermen
Date: 7/6/2021
On motion of Ald. Long
Seconded by Ald. Barry
Voted to approve request.
Matthew Normand
City Clerk

To: Board of Mayor and Aldermen
% City Clerk's Office

From: Angela M. Carey amc
Clerk of the Board of School Committee

Date: June 15, 2021

Re: FY21 Transfer of Surplus Revenues and Expenditures to the Teaching and Learning Expendable Trust

At the June 14, 2021, Board of School Committee meeting, the Committee approved the request of the Administration to transfer any revenue and expenditure surplus into the Teaching and Learning Expendable Trust Fund for fiscal year 2021 and moved to send this item to the Board of Mayor and Aldermen for approval.

Cc: Karen DeFrancis
Mayor Joyce Craig
Dr. Goldhardt, Superintendent

Sharon Y. Wickens
Finance Officer

Michele A. Bogardus
Deputy Finance Officer

CITY OF MANCHESTER
Finance Department

September 7, 2021

Board of Mayor and Aldermen
C/o Matthew Normand
Office of the City Clerk
One City Hall Plaza
Manchester, NH 03101

RE: School District Request for Supplemental Appropriation

Dear Honorable Board of Mayor and Aldermen,

This letter serves to advise the BMA that the Manchester School District is requesting a supplemental appropriation in the amount of $10,847,571, which is the increase in State Adequacy Aid and Relief Aid. Three options are available for School Districts when State adequacy funding increases after School budgets are finalized. The detail of these three options is attached.

Manchester has two of these options available to them:

Option 1 - Access the funding through RSA 197:3-a or
Option 3 - Apply the increased revenue to lower the tax rate

It should be noted that any supplemental appropriation must be in accordance with section 6.04 of the City Charter regarding notice of a public hearing at least one week in advance of the public hearing. Appropriation of this increase in State Education Funding does meet tax cap compliance (see FY21 and FY22 School District budget detail attached).

Respectfully submitted,

Sharon Y. Wickens
Finance Officer

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Karen DeFrancis
Chief Financial Officer

To: Board of Mayor and Aldermen
% City Clerk's Office

From: Angela M. Carey
Clerk of the Board of School Committee

Date: August 24, 2021

Re: Request for Supplemental Appropriation

At the August 23, 2021, Board of School Committee meeting, the Board of School Committee voted to send a request to the Board of Mayor and Aldermen for a Supplemental Appropriation in the amount of $10,847,571, which is the increase in the Adequacy Aid and Relief Aid. The District was notified of this funding after the Board of Mayor and Aldermen set the FY22 Appropriation.

Cc: Karen DeFrancis
Mayor Joyce Craig
Dr. Goldhardt, Superintendent

Three Options Available For School Districts When State Adequacy Increases After School Budgets Are Finalized			
FAQ	**Option 1** **Call A Special Meeting For Change In Education Funding Under RSA 197:3-a**	**Option 2** **Use Contingency Fund Authority Under RSA 198:4-b**	**Option 3** **Apply The Revenue As A Credit Against Future Taxes**
What Is The Purpose Or Outcome Of This Option?	Allows School Districts to appropriate and spend the increased State funding, if approved by voters.	Allows school districts to retain unassigned general funds into a contingency fund which can be carried into the next fiscal year. The contingency fund cannot exceed 5 percent of the current fiscal year's net assessment.	Allows School District to automatically reduce the tax assessment for next year.
Which School Districts Can Use This Option?	Any school district can use this option.	Only school districts that have adopted a warrant article authorizing the district to maintain a contingency fund pursuant to RSA 198:4-b may use this option.	Any school district can use this option. In fact, this is the default option if no action is taken by the school district.
What Is The Process A School District Needs To Follow?	The exact details of the process is outlined in RSA 197:3-a. Unlike the normal special meeting process under RSA 197:3, school districts <u>do not</u> have to either achieve at least 50 percent voter turnout or petition the superior court to appropriate and spend these funds.	Naturally, an increase in adequacy revenue above budgeted revenue will increase unassigned general funds, thereby increasing the amount the school district may elect to retain in the contingency fund. The exact process for expending contingency funds is outlined in RSA 198:4-b. Unlike RSA 197:3-a, the process does not require a vote by the legislative body to appropriate/spend the additional funds. The legislative body already authorized the contingency fund.	No specific process is necessary, school districts will end up reporting the increased State revenue on the DOE-25. An increase in State revenue not being spent or retained will by default increase the unassigned general fund balance to be applied against next year's tax assessment.
Any Other Considerations A School District Should Know When Implementing An Option?	School districts that meet using the official ballot form of town meeting under RSA 40:13 ("SB2") the Board may elect to deliberate and vote on the same day ("traditional meeting") in accordance to RSA 197:3-a, I.	Business Administrators with multiple school districts might notice some, but not all, school districts they serve have contingency fund authority under RSA 198:4-b. Also note, processes and requirements relative to "unanticipated funds" under RSA 198:20-b are not available or exactly applicable to adequacy funding.	Applying a large increase in State revenue against the future tax assessment, may create a temporary decrease in the tax rate which could be followed by a "spike" in the tax rate. This may require additional voter education efforts to ensure a potential "spike" is not a surprise.
Disclaimer: <u>School Districts Should Seek Legal Counsel When Determining Their Statutory Authority Or Following A Statutorily Defined Process</u>. This document is a basic explanation of options and considerations and is in no way intended to be exhaustive or comprehensive.			

197:3-a Special Meeting for Change in Education Funding. –
In response to statutory changes resulting in reductions or increases in distribution of state revenues for education pursuant to RSA 198:41 to school districts which would take effect after the adoption of a new school district budget and would apply in the fiscal year covered by the new budget, the governing body of a school district may, after consultation with the budget committee, call a special meeting of the legislative body to consider a reduction, rescission, or increase of appropriations made at an annual meeting, subject to the following:
I. The governing body of a school district that has adopted the official ballot referendum form of meeting under RSA 40:13 may elect to hold and conduct the meeting in accordance with the provisions of this section in a single session for deliberating and voting, and without regard to the provisions of RSA 40:13.
II. A special meeting under this section shall not be petitioned under RSA 197:2, and no petitioned warrant articles shall be inserted in the warrant.
III. The governing body's warrant shall specify, in one or more articles, the amounts of appropriations proposed for reduction, rescission, or increase from the operating budget or separate warrant articles, or both, adopted at the annual meeting.
IV. The governing body shall hold a public hearing on the proposed reductions, rescissions, or increase at least 14 days prior to the meeting. Notice of the time, place, and subject of such hearing shall be posted in at least 2 public places within the school district, one of which shall be on the school district's website, if such exists, at least 7 days prior to the hearing.
V. The governing body of such school district shall post a notice of the meeting, which shall include the warrant, in at least 2 public places within the school district, one of which shall be on the school district's website, if such exists, at least 7 days prior to the meeting. Additional notice shall be published in a newspaper of local or regional circulation in the school district, provided that if there is no newspaper of local or regional circulation in which notice can be published at least 7 days before the date of the meeting, public notice shall be posted in at least one additional place within the school district.
VI. The meeting shall be conducted in accordance with the provisions of this section. The most recently updated checklist shall be used.
VII. The legislative body may approve or disapprove any proposed reduction, rescission, or increase of appropriations, or may approve lesser reductions. The legislative body shall not approve greater reductions than what is in the warrant, or reduce or rescind an appropriation not specified in the warrant, or act on any other business at the meeting.
VIII. Except as provided in this section, the provisions of the following chapters, as they apply to special meetings of the legislative body of a school district, shall not be required for special meetings held pursuant to this paragraph: RSA 32, RSA 39, RSA 49-D, RSA 197, RSA 654, RSA 669, RSA 670, and RSA 671.

Source. 2013, 197:1, eff. Sept. 7, 2013.

School District FY21 Budget

	Expenditure Appropriation	Revenue (From Taxes) Appropriation	
School District	$ 183,052,004	$ 108,486,455	FY21 BMA approved appropriations
Tax Cap For FY22 Budget 1.87%	$ 3,423,072	$ 2,028,697	Multiply FY21 appropriations by 1.87%
	$ 186,475,076	$ 110,515,152	Total amount FY22 appropriations can increase and be tax cap compliant

School District FY22 Budget

	Expenditure Appropriation	Revenue (From Taxes) Appropriation	
School District	$ 173,111,686	$ 110,515,152	FY22 BMA approved appropriations
Increase in Education Funding	$ 10,847,571		
	$ 183,959,257	$ 110,515,152	Appropriation of additonal education funding meets tax cap compliance

8/27/2021