

NORWICH SCHOOL DISTRICT

Proposed Budget

For the year

July 1, 2005 – June 30, 2006

Presented January 6, 2005

BUDGET OVERVIEW

This document comprises the proposed budget for the Norwich School District for the year July 1, 2005 to June 30, 2006. This budget has been developed based on input received from school personnel, the school principal, the Director of Plant, and by SAU #70 central office administrators.

The Marion Cross School Budget is proposed to increase from \$3,884,737 to \$4,081,909, an increase of \$197,172, or 5.08%. After several years of declining enrollments, we expect enrollments actually to increase next year from 304 this year to an estimated 319 in 2005-06. As a consequence this budget proposes sixteen classroom teachers—the same as what was budgeted for the 2004-05 year. While estimation of tax rates in Norwich can be difficult given Act 68, we have in this document attempted to estimate a tax rate for the budget. Exhibit 3 shows the estimated homestead tax rate as \$1.6682 or a \$0.2265 (15.7%) increase from the current year's \$1.4417. While the impact of Act 68 was quite favorable on Norwich we expect its effect to be short-lived. For 2005-06 we expect tax rates similar to the 2003-04 range.

ASSUMPTIONS

This year the goal set by the board and administration has been “no net increase in program” along with “prioritizing next dollar expenses”. This means that budget dollars ought to increase to maintain programs in the face of increasing unit cost of the programs precipitated by inflation or enrollment growth, for example, but there should be no increase in the level of service offered by the program. With this guideline supply accounts, for example, would increase based on the change in enrollments, as well as the change in price of the supplies and material used in the program. We have also reviewed professional and support staffing to ensure that it matches enrollment-based need. Finally, the budget maintains “Education Spending per equalized pupil” below the 130% of state average (albeit by the slimmest of margins), which would have invoked Act 68's excess spending provisions. We have **not** been able to contain the education spending per equalized pupil below 125% of the state average.

Medical insurance inflation has had a big impact on school budgets during the last few years. While we do not know for certain what medical insurance rates will be for next year, we have been notified by our carrier that they will not exceed twelve percent. While the actual rates may be less than a twelve percent increase, that is what we have budgeted.

Early on in the budget process the administration developed estimates of enrollment to guide resource allocation decisions. We have for the past several years used a cohort survival method using a three-year weighted average of enrollment growth. This method has proven to be fairly accurate in the 3-5 year term, but cannot be 100% accurate. This budget proposal was based on the enrollment projections shown below. We expect enrollments to increase from 304 to 319 next year. We expect that the current year be the bottom of Norwich's current enrollment drop and that enrollments will climb gradually thereafter.

MARION CROSS SCHOOL
Enrollment Projections
Based on Three Year Weighted Average

	K	1	2	3	4	5	6	K-6
Oct-04	30	41	48	46	45	53	41	304
Oct-05	39	36	44	49	49	46	56	319
Oct-06	36	47	39	44	52	50	49	316
Oct-07	34	43	50	39	47	53	53	319
Oct-08	36	41	46	50	42	48	56	319
Oct-09	36	43	44	46	54	43	51	316

STAFFING

While an increase of fifteen students might not, if it were evenly distributed across the grade levels, indicate an increase in staff, the distribution of students does force us to recommend the addition of sixteen classroom teachers for next year. This is the same number of staff that were budgeted for the current year, but one greater than the number we actually have working in the building this year. With no increase in teaching staff we would see class sizes of 25 and 25 in each of two fourth grade classes. A multi-age--grade one-two--classroom might be considered. With the addition of one teaching position class sizes would range from 17 to 23. Final choice of class configurations would not be set until enrollments are better known, either late spring or early summer.

We have provided a summary of Norwich staffing, shown as Exhibit 5. This summary indicates that total staffing for 2005-06 is budgeted to be 51.21 FTE's, a net decrease of 1.54 FTE's from the current year's budget.

Compared with this year's budget, the 2005-06 budget calls for:

- a) No budget-to-budget change in regular classroom instructional teachers.
- b) A decrease from 1.20 to 1.00 FTE teachers in music
- c) A decrease of 0.12 FTE regular education assistants.
- d) A decrease of 0.20 FTE in English as a Second Language Tutor
- e) A decrease of 0.92 FTE in special education assistants.

- f) An decrease of 0.10 FTE in administration ed assistants.

STAFFING/CLASS SIZE SCENARIOS

Given the above staffing and enrollment parameters, the administration has considered several different class configurations. While the distribution of enrollment and class sizes will surely fluctuate in the coming months, we have shown three possible configurations on the following page.

SIGNIFICANT CHANGES

The FY2006 budget proposal is \$197,172 greater than the budget for FY2005. Exhibit 1 lists on one page the significant changes in the budget, the percentage increase in the budget it causes, and what percent of the total increase it comprises. When the change is a result of staffing changes the FTE of the change is also shown. There are really very few changes in the FY2006 budget from the current year.

1. Salaries for certified staff are budgeted at \$4,233 greater than this year's budget. While this is the result of increased salaries being paid staff--at a 0.3% increase--it also reflects turnover, with hired staff at lower rates than retiring staff, but also a reduction of 0.20 FTE in music instructional staff. As the current contract governing teacher salary and benefits is in effect through the end of next year, this amount fully reflects additional monies that will be payable.
2. Support staff salaries are budgeted to increase by \$1,932. The general increase in wage rates paid is being offset by a 0.12 FTE reduction in staffing.
3. The budget for remedial tutor/English as a Second Language services is decreasing by \$10,367 due to a decline in the number of students requiring this service. We are budgeting the ESL teacher at 0.80 FTE, down 0.20 FTE from FY05.
4. We are reducing the salary budget for secretarial and ed assistant time in the administrative office. We are rolling back on our effort to better staff the school office during the summer.
5. Medical insurance premiums are expected to increase \$60,465. While we do not know the exact amount of the rate increase for this component of cost, our carrier has told us the rate will not rise by more than 12 percent. Last year in December we were given a "not to exceed" rate of 12.5%; rates ultimately increased by 9.75%. In order to procure this coverage the district participates--along with nearly all the school districts in the state--in a pool sponsored by the Vermont School Boards Insurance Trust. This item alone accounts for almost one third the total increase in the district budget.

Marion Cross Class Configuration Projection

Year	03-04	04-05	05-06	05-06	05-06	05-06
K	38	30	39	20/19	20/19	20/19
1	*12/13/13	16/14	36	18/18	18/18	20/20
2	16/16/17	21/20	44	22/22	22/22	20/20
3	22/23	17/16/15	49	17/16/16	17/16/16	17/16/16
4	21/21	23/23	49	17/16/16	25/24	17/16/16
5	17/18/19	23/22	46	23/23	23/23	23/23
6	19/19	18/18/17	56	19/19/18	19/19/18	19/19/18
Enroll.	20/22	21/20	319			
FTE	15 FTE	15 FTE	16 FTE	15 FTE	16 FTE	16 FTE
Ratio	20.5	20.2	19.9	21.3	19.9	19.9
	*.5 Title II					
	Last Year Actual	Current Actual	Proposed	Level Funded	Multiage Proposal	

6. Despite an increase in expected volume, the amount we are estimating for life and disability insurance is decreasing by \$5,001. We were able to place this coverage at a more competitive rate during the past year.
7. The amount we are estimating for heating fuel is increasing by \$7,000. For several years we have been able to purchase heating oil at very competitive rates. Given continuing chaos in the oil markets we expect to have to pay significantly more for fuel next year.
8. The district has one bond issue outstanding, which extends to the 2009-10 year. Each year as the principal amount of the loan declines, the amount the district must pay for interest also declines. Next year the interest amount will be reduced by \$5,501.
9. The amount allocated for the special ed teachers salary is budgeted to increase by \$15,116. This reflects simply the contracted salary increase and turnover in staff—the same level of staffing is being budgeted.
10. Expenses for special education tuition are estimated to increase \$80,000 from the current year's \$47,000 to \$127,000. This is due to out-of-district placements anticipated for two handicapped students.
11. Salaries for special education ed assistants are budgeted to decrease by \$7,791. While salary rates are increasing, this decrease is a result of decreasing educational assistant staffing by 0.92 FTE.
12. All other areas of the special education function are budgeted at a net increase of \$6,100.

REVENUES, NET ASSESSMENT, AND PROJECTED TAX RATE

Exhibit 2 includes summary revenue and assessment information. For purposes of computing an estimated tax rate for Norwich we need to include the Norwich assessment to Dresden--here estimated at \$5,663,525. We also show budgeted revenues of \$1,053,209. While Norwich revenues are fairly consistent from year to year we are showing increases in estimated transportation aid, special ed expense reimbursement, and special ed extraordinary aid. We anticipate at this time a year-end fund balance from the FY05 year of \$269,000—a very large number that is not likely to be repeated at year the of the 2005-06 year. The net assessment for FY06 is therefore shown at \$8,423,225.

Exhibit 3 contains the tax rate estimate for the 2005-06 year. While Norwich had a one-year reprieve on tax levels due to Act 68 and an artificially elevated CLA (common level of appraisal), as expected last year the tax rate for 2005-06 is climbing back to the level it was at for the 2003-04 year. We expect a homestead tax rate of \$1.6682, a 15.7% increase over the current year. 2.42% of the 15.7% is a result of net district spending. 14% is the result of the drop in the CLA. To arrive at this rate we are using a CLA of 105%, as suggested by the state department of education. Some estimates put the CLA as low as 95%. A 95% CLA would result in a tax rate of \$1.8437, a 27.88% increase over the current year.

ATTACHMENTS

Exhibit 1:	Significant Changes
Exhibit 2:	Revenues & Net Assessment
Exhibit 3:	Detailed Tax Rate Computation
Exhibit 4:	Facts and Figures
Exhibit 5:	Staffing
Exhibit 6:	Detailed Revenues
Exhibit 7:	Supplemental Data
Exhibit 8:	Estimation of Equalized Pupils
Exhibit 9:	Budget Detail Report
Exhibit 10:	Debt Service Schedule
Exhibit 11:	Budget Timeline

NORWICH SCHOOL DISTRICT
Proposed 2005-06 Budget

Significant Budget Changes from 2004-05 to 2005-06

2004-05 Adopted Budget

\$3,884,737

Significant Changes	FTE when applicable	Bgt to Bgt Change	% chg bgt to bgt	% of total change
<i>Maintaining Program</i>				
1 Reg Ed Teacher Salaries	(0.20)	\$4,233	0.11%	2.15%
2 Reg Ed Ed Assistants	(0.12)	\$1,932	0.05%	0.98%
3 Remedial Tutor/ESL	(0.20)	(\$10,367)	-0.27%	-5.26%
4 Sch Admin Secretary/Ed Asst Salary	(0.10)	(\$8,050)	-0.21%	-4.08%
5 Medical Insurance		\$60,465	1.56%	30.67%
6 Life & Disability Insurance		(\$5,001)	-0.13%	-2.54%
7 Heating Fuel		\$7,000	0.18%	3.55%
8 Debt Service		(\$5,501)	-0.14%	-2.79%
<i>subtotal</i>	(0.62)	\$44,711	1.26%	22.68%
<i>Special Education</i>				
9 Special Ed Teacher Salaries		\$15,116	0.39%	7.67%
10 Special Ed Tuition		\$127,000	3.27%	64.41%
11 Special Ed Ed Assistants	(0.92)	(\$7,791)	-0.20%	-3.95%
12 All Other Special Ed		6,100	0.16%	3.09%
<i>subtotal</i>	(0.92)	140,425	3.61%	71.22%
<i>Program Expansion</i>				
	0.00	\$0	0.00%	0.00%
<i>subtotal</i>	0.00	0	0.00%	0.00%
		Staffing Changes		
Subtotal of all changes listed above	(1.54)	\$185,136	4.87%	93.90%
All other areas not listed	0.00	\$12,036	0.31%	6.10%
Total all changes	(1.54)	\$197,172	5.18%	100.00%
2005-2006 Proposed Budget				\$4,081,909
Budget to Budget Increase				\$197,172
Percent Change				5.08%

NORWICH SCHOOL DISTRICT
2005-06 School Year
Revenues & Net Assessment

Item	2004-05	2005-06	\$ Chg	% Chg
Appropriations				
Marion Cross School	3,884,737	4,081,909	197,172	5.08%
Dresden Assessment	5,094,544	5,663,525	568,981	11.17%
<i>total Budgeted Expenses</i>	8,979,281	9,745,434	766,153	8.53%
Revenues				
(subtracted from appropriations to get net assessment)				
<i>Local Sources</i>				
Interest on investments	24,500	15,000		
Other Local	9,750	9,500		
<i>subtotal</i>	34,250	24,500		
<i>State Sources</i>				
Vocational Aid	39,255	42,719		
Transportation Aid	84,655	86,315		
Spec Ed Block Grant	223,506	231,545		
Spec Ed Expense Reimbursement	317,264	409,378		
Spec Ed Extraordinary Aid	50,400	104,400		
Essential Early Educ	26,960	29,616		
<i>subtotal</i>	742,040	903,973		
<i>Interfund Transfer</i>				
Transfer from Const Fund	0	124,736		
<i>total Budgeted Revenues</i>	776,290	1,053,209		
from Prior Year Fund Balance	50,000	269,000		
<i>Net Assessment</i>	\$8,152,991	\$8,423,225	270,234	3.31%

NORWICH SCHOOL DISTRICT
2005-06 School Year
Estimated Tax Rate Calculation

Item	2004-05	2005-06	\$ Chg	% Chg
1 Marion Cross School	\$3,884,737	\$4,081,909		
2 plus Dresden Assessment	5,094,544	5,663,525		
3 less Revenues and Fund Balance	785,697	1,322,209		
4 equals Education Spending	<u>\$8,193,584</u>	<u>\$8,423,225</u>	229,641	2.80%
5 Estimated equalized pupils	718.64	703.25	(15.39)	-2.14%
6 Adjusted ES/Eq Pupil	line 4 divide by line 5	\$11,402	\$11,978	\$576 5.05%
7 Base Amount	\$6,800	\$6,975	\$175	2.57%
8 District Spending Adjustment	line 7 divide by line 6	1.677	1.717	0.041 2.42%
9 Equalized Homestead Tax	\$1.02 x line 8	\$1.7605	\$1.7516	(0.0090) -0.51%
10 Common level of appraisal*	122%	105%	-17%	-14%
11 Estimated nominal nominal tax rate	\$1.4418	\$1.6682	0.2264	15.70%
12 Income Sensitivity Percentage	line 9 divide by line 10	3.35%	3.18%	-5.26%
13 Non Residential Tax Rate	line 8 times 2%	\$1.54	\$1.51	(0.03) -1.95%
14 Divide by CLA	122%	105%	-17%	-14.01%
15 Nominal Non-Residential Tax Rate	line 13 divide by line 14	\$1.2612	\$1.4381	0.1769 14.03%

Note: Tax rate info preliminary and subject to state legislative changes.

NORWICH SCHOOL DISTRICT
2005-06 School Year

Facts and Figures

One penny on the nominal tax rate	\$0.010
divide by the CLA	105.00%
equals on the equalized tax rate	\$0.0095
multiplied times equalized pupils	703.25
multiplied times the base amount	6,975
equals amount that 1 cent on the nominal tax rate raises	\$46,716
for 2004-05 this number was	\$34,577
1% increase in Norwich budget equals	\$38,847
1% increase in Norwich budget adds to the tax rate	\$0.008

Note: Tax rate info preliminary and subject to state legislative changes.

NORWICH SCHOOL DISTRICT Staffing Summary		2003-04 Budget	2004-05 Budget	2004-05 Projected	2005-06 Budget	Bgt to Bgt Change
Regular Instructional Staff:						
Grades K thru 6	Classroom Teachers*	15.00	16.00	15.00	16.00	0.00
	Ed Assistants	7.25	8.40	7.49	8.28	-0.12
	Tutor Remedial	0.50	0.50	0.50	0.50	0.00
Art	Teachers	0.80	0.80	0.80	0.80	0.00
Music	Teachers	1.20	1.20	1.20	1.00	-0.20
Physical Education	Teachers	0.80	0.80	0.80	0.80	0.00
Foreign Language	Teachers	1.00	1.00	1.00	1.00	0.00
Sabbatical	Teachers	0.00	0.00	0.00	0.00	0.00
Total Reg Instruct.	Teachers	18.80	19.80	18.80	19.60	-0.20
	Ed Assistants	7.25	8.40	7.49	8.28	-0.12
	Tutors	0.50	0.50	0.50	0.50	0.00
Special Education Staff:						
	Teachers	2.90	2.90	3.00	2.90	0.00
	Psychologist	0.20	0.20	0.00	0.20	0.00
	Occupational Therapist	1.00	1.00	1.00	1.00	0.00
	Speech Therapist	1.00	1.00	1.00	1.00	0.00
	Speech Assistant	0.00	0.00	0.00	0.00	0.00
	Spec Ed Assistant	7.30	7.65	9.15	6.73	-0.92
Total Special Education		12.40	12.75	14.15	11.83	-0.92
Other Staff:						
English as a Second Language	Tutor	1.00	1.00	1.00	0.80	-0.20
Section 504	Ed Assistant	0.00	0.00	0.00	0.00	0.00
Media	Librarian	1.00	1.00	1.00	1.00	0.00
Technology Support	Teacher	0.80	0.80	0.80	0.80	0.00
	Technology Asst	0.40	0.40	0.40	0.40	0.00
Guidance	Counselors	1.00	1.00	1.00	1.00	0.00
Health Services	Nurse	1.00	1.00	1.00	1.00	0.00
	Health Asst	0.20	0.20	0.20	0.20	0.00
Bldg Administration	Principal	1.00	1.00	1.00	1.00	0.00
	Asst Principal	0.00	0.00	0.00	0.00	0.00
	Ed Assistant	0.80	0.90	0.80	0.80	-0.10
	Secretary	1.00	1.00	1.00	1.00	0.00
Operation & Maint of Plant	Custodians	3.00	3.00	3.00	3.00	0.00
Totals		50.15	52.75	52.14	51.21	-1.54
SUMMARY TOTALS						
	Teachers	21.70	22.70	21.80	22.50	-0.20
	Librarian	1.00	1.00	1.00	1.00	0.00
	Technology	0.80	0.80	0.80	0.80	0.00
	Guidance Counselor	1.00	1.00	1.00	1.00	0.00
	Nurse	1.00	1.00	1.00	1.00	0.00
	Total Certified	25.50	26.50	25.60	26.30	-0.20
	Principal/Asst Princ.	1.00	1.00	1.00	1.00	0.00
	Psychologist	0.20	0.20	0.00	0.20	0.00
	Occupational Therapist	1.00	1.00	1.00	1.00	0.00
	Speech & Language	1.00	1.00	1.00	1.00	0.00
	Ed Assistants	15.95	17.55	18.04	16.41	-1.14
	Tutors	1.50	1.50	1.50	1.30	-0.20
	Secretary	1.00	1.00	1.00	1.00	0.00
	Custodians	3.00	3.00	3.00	3.00	0.00
Total All Employees		50.15	52.75	52.14	51.21	-1.54

Note: These amounts represent district funded positions. In addition to these district funded positions in FY04 there is an additional 0.50 FTE teaching position funded by the Federal Class Size Reduction Grant.

REVENUES

We are including a detailed revenue budget as Exhibit 5. This report shows each of the sources of income that the district receives during the course of the year. Norwich, like most schools its size has little in the way of income outside of state aid and property tax.

1110 Property Tax

No longer used under Act 68.

1150 Property Tax Raised for the Ed Fund

This account is no longer used under Act 68

1510 Interest Income

District funds are held in one or more bank accounts—checking, money market accounts, certificates of deposit, and bank repurchase agreements. Interest accruing to these accounts is credited to the interest income account. Due to current low interest rates we are anticipating a reduced level of interest income compared to the current year.

1610 Insurance Refunds

The districts workers compensation, health, and property/liability insurance plans are ‘participatory’ programs. This means that if our experience is good, the carrier will refund to the district a share of the unused premiums. While we have not received any refunds from our health carrier in several years, we do each year receive small refunds from the workers comp and property/liability plans. Any refund is credited to this account.

1910 Rental of District Property

The district does allow non-school and non-town entities to use the school’s facility. Such rental is governed by district policy. We receive hold-harmless agreements from each user prior to rental, and in many cases a rental fee. The fee, when received, is credited here.

1990 Miscellaneous Income

Self-explanatory

3109 Homestead Tax Liability

Act 68 now determines a tax rate by dividing education spending (budgeted expenses minus budgeted income) per equalized pupil by the so called “base amount”, and then

-

multiplying that result times a tax rate set annually by the state legislature. Applying the tax rate times the equalized value of the town results in the amount of the tax levy. If the result is more than the district needs to fund its obligations the difference goes to the state's education fund. If the result is less than is needed to fund the districts obligations, the education fund pays the difference to the district.

3110 From Education Fund

Used if the tax rate set under Act 68 is not sufficient to fund the districts obligations.

3112 Non Residential Tax Liability

Act 68 uses a grand list split between residential and non-residential property. For purposes of budget estimation we include all taxes raised within account 3109.

3114 Vocational Center Grant

The state makes a payment directly to vocational centers on behalf of local districts. For the purpose of computing the total cost of education the state has local districts recognize the amount of their transfer as an equal and offsetting entry on both the income and expense sides of local district budgets.

3150 Transportation Grant

The state has agreed to pay a portion of the transportation expenses incurred by districts. We are expecting the state to pay 47% of transportation expenses for FY2006.

3160 Capital Debt Holdharmless

Under Act 68 very few districts will be eligible for Capital Debt Holdharmless aid. Prior to Act 60 the state assisted capital projects built by school districts with a formula that paid a percentage of the debt service payments owed by districts. Since Act 60 treated debt payment no differently than other expenses of the school district, "donor" towns would lose, under Act 60, the financial benefit of the previous system. The capital debt holdharmless calculation made up for any additional cost Act 60 would have caused districts as a consequence of their long-term capital project obligations.

3201 Special Education Block Grant

One of four sources of state aid meant to offset the special education expenses of school districts, the block grant is awarded to the district based on numbers of pupils enrolled, regardless of the district's level of special education expenditure.

3202 Special Education Expense Reimbursement

A district's special education expenditure above the block grant, and above the districts expected 'local match' amount are eligible for reimbursement by the state at year-end. The reimbursement has averaged 52% to 55% for the past several years.

3203 Extraordinary Reimbursement

If a districts special education expenses exceed \$50,000 for any individual child the state will pay 90% of the excess. Norwich has received funds from this source in the past several years.

3204 Essential Early Education

The State of Vermont encourages districts to serve its pre-school students and allows some monies for this purpose. The EEE grant is intended to offset the cost of educating handicapped children prior to legal school age for the early acquisition of fundamental skills.

5230 Transfer from Construction Aid Fund

The State of Vermont has promised legislatively to assist local districts with school renovation and construction by paying 30% of "approved" construction costs. In Norwich those funds, when received, will be set aside in a reserve fund. Each year a transfer will be made to the district's general fund to offset the tax cost of the Dresden Construction project. The transfer scheduled for the 2005-06 year is anticipated to be \$124,736.

5400 Prior Year Adjust

From time to time the state adjusts its aid formulas to account for deviations between anticipated and corrected grant amounts. For the 2004-05 year we have been notified that the district will receive \$89,360 from under-reported ADM counts for the 2002-03 and 2003-04 school years.

NORWICH SCHOOL DISTRICT Proposed Revenue Budget 2005-06 School Year	2003-04 Actual	2004-05 Adopted	2004-05 Revised	2004-05 Anticipated	2005-06 Proposed
GENERAL FUND					
Local Revenue					
1110 Property Taxes	3,479,775	8,154,330	0	0	0
1150 Property Tax for Ed Fund	1,641,061	0	0	0	\$0
1311 Tuition from Patron	19,520	0	0	0	0
1510 Interest Income	15,094	24,500	24,500	14,993	15,000
1610 Insurance Refunds/Dividends	4,348	4,000	4,000	4,000	4,000
1910 Rental of District Property	5,220	5,500	5,500	5,225	5,250
1990 Miscellaneous Income	304	250	250	220	250
<i>subtotal local sources</i>	5,165,322	8,188,580	34,250	24,438	24,500
State Revenue					
3109 Homestead Tax Liability	4,217,363	0	5,984,842	5,984,842	8,423,225
3110 From State Ed Fund	0	0	11,140	11,140	0
3112 Non Residential Tax Liability	0	0	2,155,953	2,155,953	0
3114 Vocational Center Grant	0	39,255	39,255	41,649	42,719
3150 Transportation Grant	75,831	83,316	84,655	84,655	86,315
3160 Cap Debt Holdharmless	22,158	0	0	0	0
3201 Special Education Block Grant	221,689	223,506	223,506	223,506	231,545
3202 Special Ed Exp Reimb	363,478	317,264	317,264	317,264	409,378
3203 Extraordinary Reimb	44,158	50,400	50,400	50,400	104,400
3204 Early Essential Education Grant	17,690	26,960	26,960	26,960	29,616
5230 Transfr from Vt Const Aid Fund	0	0	0	0	124,736
5400 Prior Yr Adjust	0	0	0	89,360	0
<i>subtotal state sources</i>	4,962,367	740,701	8,893,975	8,985,729	9,451,934
GENERAL FUND TOTAL	10,127,689	8,929,280	8,928,225	9,010,167	9,476,434 (0)

Summary:

Appropriation Total	3,554,204	8,979,281	8,979,281		9,745,434
from Prior Year Fund Balance	124,424	50,000	50,000	103,093	269,000
from Other Income		774,951	776,290		1,053,209
From Property Tax		8,154,330	8,154,330		8,423,225

In accordance with VSA Title 16 § 563 an audit of the 2003-04 accounts of the Norwich School District was conducted by Plodzick and Sanderson CPA, of Concord, New Hampshire. A copy of the audit is available for review at the Treasurer's Office, Norwich, Vermont and at the Superintendent's Office, Hanover, New Hampshire.

Exhibit 7

NORWICH SCHOOL DISTRICT
Supplemental Data
 2005-06 School Year

1. Estimation of Gross Budget	FY2006	FY2005	\$ Chg	% Change
Marion Cross School Expenditure Budget	\$4,081,909	\$3,884,737	\$197,172	5.1%
Dresden Assessment	5,663,525	5,094,544	568,981	11.2%
Total Appropriation	\$9,745,434	\$8,979,281	\$766,153	8.5%

2. Estimation of Special Ed Expense Reimb Grant

Special Ed Elem & Secondary	\$1,343,521	FY2006 State Service Plan Est
	0	
	0	
Total Special Ed Expense	\$1,343,521	
less Federal Share	\$103,766	
less Special Ed Block Grant	231,545	FY2006 Amount
less Local Match Amount	154,363	
less Extraordinary Reimb Grant	104,400	FY2006 Amount
less Payments from Sending Districts (Excess Costs)	0	
equals Net Local Special Ed Expense	\$749,447	
multiplied by Special Ed Expense Reimb Rate	54.624%	
equals Estimated Special Ed Expense Reimb	\$409,378	

2. Estimation of Transportation Assistance

District Transportation Expense	\$183,649	2 yrs prior, here FY04 actual
estimated State Share	47%	
Estimated Assistance Amount	\$86,315	

3. Balances in Reserve Accounts

Maintenance Reserve as of 6/30/04	\$66,417
Special Ed Reserve, as of 6/30/04	\$102,008

NORWICH SCHOOL DISTRICT
 Estimation of Equalized Pupils
 2005-06 School Year

Fall Count	For Budget Year	Elem	Sec	Total	Two yr Wtd Avg	State Placed Students		Weights			Longterm Weighted Avg ADM	Equalizing Ratio	Times Equalizing Ratio
						Elem	Sec	Secondary	Poverty	LEP			
Oct-04	2005-06	305.60	384.75	690.35	704.12		2.00	96.69	5.14	3.00	810.94	0.8672	703.25
Oct-03	2004-05	307.65	410.23	717.88	717.49		1.30	102.88	5.14	2.00	828.81	0.8658	717.62
Oct-02	2003-04	305.70	411.40	717.10	731.53		0.73	102.85	5.07	2.80	842.98	0.8672	731.03
Oct-01	2002-03	316.87	429.08	745.95	762.93			107.27	5.64	0.40	876.24	0.8672	759.87
Oct-00	2001-02	342.00	437.90	779.90	777.24			109.48	4.75	0.40	891.87	0.8672	773.43
Oct-99	2000-01	368.88	405.70	774.58	783.91			101.43	5.64	0.40	891.38	0.8672	773.00

***not updated for FY06 bgt year

APPROPRIATIONS

Attached is a two-page Expenditure budget--Exhibit 9--which details total spending for 2005-06 in the amount of \$4,081,909, or \$197,172 more than the current year's budget of \$3,884,737. This report shows last year's (2003-04) revised budget and actual spending, as well as this year's revised budget and estimate of year-end spending. Finally, we have included the 2005-06 expenditure budget proposal, as well as the differences in each line item between this year's budget and next year's proposal.

NORWICH SCHOOL DISTRICT		2004-05	2004-05	2005-06	
Proposed Budget	2003-04	Revised	Anticipated	Proposed	Bgt to Bgt
2005-06 School Year	Actual	Budget	Actual	Budget	Change
REGULAR INSTRUCTION					
Teacher Salaries - Instructional	1,025,886	1,141,826	1,060,721	1,146,059	4,233
Ed Asst Salaries - Instructional	105,975	114,356	102,416	116,288	1,932
Substitutes	8,556	9,000	9,000	10,000	1,000
Tutors--Remedial, Homebound, ESL	52,706	72,846	61,117	62,906	(9,940)
Sabbatical Salary	0	0	0	0	0
Contract Service	860	2,800	2,783	1,300	(1,500)
Copier Expenses	2,674	15,000	12,402	15,000	0
Vocational Center Tuition	0	39,255	41,649	42,719	3,464
Instructional Supplies	21,992	27,300	26,583	25,300	(2,000)
Textbooks	6,099	7,400	6,850	6,400	(1,000)
Equipment	2,604	2,700	2,615	2,700	0
Publishing & Enrichment Programs	5,361	10,600	11,668	10,600	0
subtotal	1,232,714	1,443,083	1,337,803	1,439,272	(3,811)
TECHNOLOGY					
Technology Salaries	47,758	51,361	51,350	54,541	3,180
Training/telecomm chgs/mat'ls/dues	13,339	11,740	10,297	11,500	(240)
Equipment/hardware/software/repairs	17,153	22,160	21,575	21,000	(1,160)
subtotal	78,249	85,261	83,222	87,041	1,780
SPECIAL EDUCATION					
Teacher Salaries - Spec Ed	196,074	203,527	205,254	218,643	15,116
Ed Asst Salaries - Spec Ed	108,420	104,945	126,573	97,154	(7,791)
Special Ed Tutors	0	500	500	500	0
Contracted Spec Ed Services	80,890	94,550	98,714	98,450	3,900
Special Ed Tuition	63,946	47,000	124,934	174,000	127,000
Transfer to Special Ed Reserve Fund	0	0	0	0	0
Other Spec Ed Expenses	8,089	8,050	9,947	10,250	2,200
subtotal	457,419	458,572	565,921	598,997	140,425
GUIDANCE TOTAL	58,459	60,873	60,836	62,982	2,109
HEALTH TOTAL	43,826	48,829	48,148	51,837	3,008
STAFF & CURRIC DEVELOP	43,915	68,210	65,942	67,200	(1,010)
LIBRARY TOTAL	73,529	75,526	75,587	77,540	2,014
DISTRICT ADMINISTRATION					
Other District Admin Expenses	13,342	20,975	18,944	18,825	(2,150)
SAU Central Office Assessment	129,422	140,728	140,728	140,919	191
subtotal	142,764	161,703	159,672	159,744	(1,959)
SCHOOL ADMINISTRATION					
Principal's Salary	79,913	81,329	81,329	85,327	3,998
Secretary/Ed Asst Salaries	44,679	53,599	44,157	45,549	(8,050)
Administrative Team	13,133	13,811	13,811	14,489	678
Postage, Printing, Office Supplies	1,694	2,850	2,071	2,350	(500)
Telephone	4,231	6,000	4,337	5,000	(1,000)
Other School Adm Expenses	8,671	6,800	8,321	6,500	(300)

NORWICH SCHOOL DISTRICT		2004-05	2004-05	2005-06	
Proposed Budget	2003-04	Revised	Anticipated	Proposed	Bgt to Bgt
2005-06 School Year	Actual	Budget	Actual	Budget	Change
<i>subtotal</i>	152,320	164,389	154,026	159,215	(5,174)
EMPLOYEE BENEFITS					
Medical Insurance	324,277	346,095	352,084	406,560	60,465
Dental Insurance	11,244	11,950	11,454	11,250	(700)
Life & Disability Insurance	17,726	19,843	15,253	14,842	(5,001)
Workers Compensation Insurance	13,241	13,988	14,731	13,568	(420)
Flex Plan Fees	713	1,000	711	800	(200)
Annuities	52,346	67,860	62,921	70,743	2,883
Retirement	11,616	11,298	11,594	10,745	(553)
FICA	148,568	163,512	156,633	163,947	435
Unemployment Comp	330	335	3,990	4,085	3,750
Retiree Benefits	70,664	75,308	73,115	74,470	(838)
<i>subtotal</i>	650,724	711,189	702,486	771,010	59,821
CUSTODIAL/MAINTENANCE					
Maintenance	12,287	12,630	10,641	13,150	520
Custodial Salaries	84,112	86,874	83,132	84,498	(2,376)
Contracted Maintenance Services	35,520	44,200	39,679	45,700	1,500
Property/Liability Insurance	14,222	15,000	13,496	15,000	0
Electricity	29,069	33,000	29,500	30,500	(2,500)
Heat	14,986	15,000	14,000	22,000	7,000
Water	775	2,400	1,666	2,300	(100)
Other Plant Operation Expense	7,667	10,250	9,816	11,450	1,200
Grounds Maintenance	16,923	14,460	15,260	14,060	(400)
<i>subtotal</i>	215,562	233,814	217,190	238,658	4,844
Pupil Transportation	189,001	191,636	185,456	195,362	3,726
Site & Building Improvements	19,338	15,600	13,706	12,500	(3,100)
Debt Service	171,385	166,052	166,052	160,551	(5,501)
Transfer to Capital Reserve Fund	25,000	0	0	0	
GRAND TOTAL	3,554,204	3,884,737	3,836,048	4,081,909	197,172 5.08%

Debt Service Schedule
Budget FY2006

	1989 Addition/Renovation		
	Principal	Interest	Total
2009-10	\$130,000	\$2,925	\$132,925
2008-09	130,000	8,710	138,710
2007-08	130,000	14,398	144,398
2006-07	130,000	19,988	149,988
2005-06	135,000	25,554	160,554
2004-05	135,000	31,052	166,052
2003-04	135,000	36,385	171,385
2002-03	135,000	41,887	176,887
2001-02	135,000	47,624	182,624
2000-01	135,000	53,361	188,361
1999-00	130,000	92,138	222,138
1998-99	130,000	100,913	230,913
1997-98	130,000	109,688	239,688
1996-97	130,000	118,463	248,463
1995-96	130,000	127,238	257,238
1994-95	130,000	136,013	266,013
1993-94	130,000	144,788	274,788
1992-93	135,000	153,732	288,732
1991-92	135,000	162,810	297,810
1990-91	135,000	171,855	306,855
1989-90	0	88,189	88,189
Totals	\$2,645,000	\$1,687,711	\$4,332,711

DRESDEN/HANOVER/NORWICH/SAU 70

Budget Meeting Schedule--FY2006 Budgets

	Norwich	Dresden	Hanover	SAU #70
Board Budget Committees Draft Guidelines	September 1, 2004	September 28, 2004	September 8, 2004	
Board Adoption of Guidelines	October 6, 2004	October 26, 2004	October 13, 2004	
Finance Committee Meetings TBD Budget Guidelines per pupil cost data	Mon, Sept 20 8:30 AM	Mon, Sept 20 9:15 AM	Mon, Sept 20 10:00 AM	
Finance Committee Meetings Preliminary Budget Models	Wed Oct 20 8:30 AM	Wed Oct 20 9:15 AM	Wed Oct 20 10:00 AM	
Budget Forms to Principals: Enrollment Projections Current Staffing Summary Expenditure Budget Forms	Fri, Oct 15	Fri, Oct 15	Fri, Oct 15	
Budget Information to SAU Office:	Fri, Nov 5	Fri, Nov 5	Fri, Nov 5	
Initial Discussion Meeting w/ Principals & Others	Wed, Nov 24 11 am	Tues, Nov 23 8:30 am - RMS 10 am - Dist Wide 1 pm - HHS	Wed, Nov 24 9 am	
Second Budget Discussion Meeting w/ Principals & Others	Tue, Nov 30 11 am	Wed, Dec 1 8:30 am - RMS 10 am - Dist Wide 1 pm - HHS	Thu, Nov 30 1:00 PM	
Final Meeting to Finalize Budget Documents	Thurs, Dec 9 10:30 AM	Wed, Dec 8 8:30 am - RMS 10 am - Dist Wide 1 pm - HHS	Thurs, Dec 9 9 am	
Finance Committee Meetings (if needed)	Tues Dec 14 8:30 AM	Tue Dec 14 9:15 AM	Tues Dec 14 10:00 AM	
Deliver Budget Documents to Board	Fri, Dec 17	Fri, Dec 17	Fri, Dec 17	
Budget Presentation to Boards	Thurs, Jan 6	Tues, Jan 11	Wed, Jan 5	Mon, Nov 15
Budget Deliberations	Thurs, Jan 13	Tues, Jan 18	Wed, Jan 12	
Finance Committee Meetings	Tues Jan 11 8:30 AM	Tues Jan 11 9:15 AM	Tues Jan 11 10:00 AM	
Public Hearing & Budget Adoption	Thurs, Jan 20	Tues, Jan 25	Wed, Jan 19	Mon, Dec 13
District Meeting - Discussion	Mon, Feb 28	Sat, Feb 26	Wed, March 9	
District Meeting - Voting	Tues, March 1	Tues, Mar 1	Wed, March 9	