

January 6, 2020

Dear ORCSD Community Members,

It is budget season again. The school system has a number of critical dates in the coming weeks, one as soon as next week. The School Board has been reviewing and refining the 2020-21 budget for your review.

There are two public hearings next week on January 15, 2020 at 7:00 pm in the high school auditorium. The first hearing will be on the proposed middle school bond, and the second will be on the operating budget. We hope you can find time to attend these important hearings.

After the public hearings the Board will take final action on the proposed budget. The next stage of the budget process is the Deliberative Session, set for February 4, 2020. Finally, residents will be asked to vote on March 10, 2020 on the proposed middle school bond, operating budget, and teacher contract.

The School Board goal was not to have the apportioned share of the budget exceed 3.5%. The ORCSD is proposing a 2.83% budget increase, inclusive of the operating budget, bond and teacher contract warrants, for the 2020-21 school year, which meets the Board's goal for 2020-21.

Article III requests the citizens of the district to decide on the Bond for the proposed new middle school. This article requires at least a 60% approval by the voters. It proposes a guaranteed maximum price of \$49,847,732 for the proposed school. The proposed budget includes the 1st payment of \$625,000 or 1.32% of the total proposed budget on the new middle school, should it pass on March 10th.

Construction costs are soaring at 4%-6% a year, so the guaranteed maximum price for a brand-new school is very competitive and means the cost of the proposed school cannot be any higher. As a reference, recent construction in surrounding communities includes Dover High School at \$87 million and Newmarket renovation at \$39 million.

If the voters approve Article III, the Board will bond that amount over 25 years. The interest rates for municipal and school construction is at record lows, with the most recent issue coming in at 2.4%. On the other hand, demand related to construction is at record-highs, so achieving a guaranteed maximum price of \$49,847,732 is an important milestone.

The proposed school provides for the academic space that is desperately needed, creates a safe and handicap-friendly environment, is sustainable, and saves taxpayer funds that would otherwise be needed to maintain the current school, which due to age, is becoming cost prohibitive. Details and images of the proposed school can be found at www.orcsd.org under the quick links ~ Proposed New Middle School.

Article IV is the Operating Budget, which is up \$91,979 or less than 1% at only .19%. The School Board adopted an operating budget that is as frugal as possible in order to keep the cost of the proposed new middle school affordable. The 2020-21 budget allows us to meet our academic mission and supports the adopted strategic plan. The requested budget does not include any new positions.

Article V is the Guild Contract which represents an unprecedented five-year agreement in order to predict future personnel costs, the district's largest cost center. The District will be able to more accurately predict personnel costs, as we absorb the bond for the proposed middle school. The new agreement allows for increases in salary but lowers benefit sections. The amount requested for teacher salaries is \$627,364 or 1.32% in 2020-21. The new contract calls for greater participation by teachers in health insurance, provides a high deductible health insurance option, and lowers the buy-out for those who choose not to take insurance. The new contract made major changes in the evaluation of teachers.

Should you have any questions regarding the ORCSD proposed 2020-21 school budget please feel free to email me at jmorse@orcsd.org.

Sincerely,
Dr. Jim Morse, Superintendent, ORCSD