

Here is the rationale that the school board proposes: "**Due to SB 342, when items are removed from the operating budget, those expenses are now also removed from the default budget. This is one-sided. We propose that if additional staff members are added to the operating budget, that they are also added to the default budget.**"

The rationale shows a lack of understanding of SB 342 that is now law. Here's why:

1. The resolution is redundant. The law as amended in SB 342 already removes from the default budget ONLY one type of item and ONLY under certain conditions. ONLY those salaries and benefits for positions removed from the proposed budget that have no relationship to any salary and benefit addition that will appear in the proposed operating budget must be removed from the default budget. Examples: If an "eliminated position" is simply vacant and is still being recruited, it does not qualify as an "eliminated position" in terms of the default budget and need not be eliminated from the default budget. If an eliminated position is linked to work that will now be contracted out, the position and its work is being "redefined" so that position would not be considered an "eliminated position" in terms of the default budget. If there is a bubble in the demographics and the elementary school is eliminating an 8th grade teacher and adding a ninth grade teacher at the middle school, the 8th grade teacher would not be considered an "eliminated position" and would not be required to be removed from the default budget. If the High School decides to offer Russian language rather than French and eliminates a French teacher and adds a Russian teacher, the eliminated French teacher would not be considered an "eliminated position" in terms of the default budget.

2. The Legislature was careful to give broad powers to towns and districts to decide for themselves if there is a rationale nexus between a proposed eliminated position and a proposed addition of a position, specifically so that the law would not be one-sided as the school board rationale suggests. As long as the district or town can demonstrate a rational nexus between an eliminated position and an added position, the eliminated position need not be removed from the default budget. Every NH town and school district operates differently, and what may serve as a rational nexus in one town, and be fully respected by citizens, may not work in another town. The budget committee and citizens at deliberative session will have an opportunity to review the rational nexus offered and advise the district or the town of any perceived discrepancies, but the district and the town **still have the ultimate say** over what eliminated positions and their benefits will go into the default budget; the new law makes no change to that authority.

3. If there is no rational nexus between the eliminated position and a new position, including the new position in the default budget would violate the spirit of the law even as it exists today. Removing an eliminated position and its benefits from the proposed operating budget should be an act of good faith that reflects, for example, falling demographics in the school, frugality in town or school budgeting, eliminated programs, clean up of error, or other legitimate cost savings to the taxpayer. Adding positions or programs and staffing to support them belongs in an entirely different category since an added position needs a good faith justification **on its own merits** if truth in budgeting is to prevail.

In the Board of Selectmen's meeting held on Monday, October 1, the town's finance department revealed that it had done a thorough job of identifying and eliminating vacant staff positions that they expect never to fill, some of which had been carried for more than one year. That is exactly the behavior that the new law was intended to encourage. And that act of good faith will go a long way toward establishing trust in town budgeting and support for proposed budgets in Raymond. Since those eliminations must be included in the town default budget, taxpayers will realize a legitimate savings regardless of which budget passes. The goal of the default budget is simply to keep the district or the town running at current levels of spending should the proposed budget fail, so there is no need to continue to fund a position that is not needed and/or does not exist, in either in the proposed or in the default budget.

Also, the rationale the school board gives, came up for discussion in the work of the subcommittee and was part of the basis for our amendment to exempt any "eliminated positions" with a rationale nexus to added positions from the requirement to eliminate staff and benefit costs from the default budget.