

Budget Committee Minutes 12/7/11

Contributed by Lisa Fellows-Weaver
Tuesday, 07 February 2012

Budget Committee

Minutes

December 7, 2011

Official as of January 12, 2012

Chairman Daniel McNally calls the meeting to order at 7:10 p.m.

PRESENT: Chairman Daniel McNally, Vice-Chairman Jim Vaillancourt, Selectmen Representative Robert Holden, School Board Representative Tim Jandebeur, Water District Representative John Jacobsmeyer, Betsy Colburn, Ginger Dole, Bonnie Sears, John Difeo, Hal Kreider, Muriel Johnson, Herb Johnson, Board Administrator Linda Smith, and Board Secretary Lisa Fellows-Weaver.

ABSENT: Excused Mark Boucher, and Kate McNally

SCHOOL REPRESENTATIVES PRESENT:

Principal Richard Hartford, Financial Administrator Marjorie Whittemore, Special Education Director Anne Kebler, Business Administrator Frank Markiewicz, school board member David Ruth.

Mr. Jandebeur provides an overview for the committee. He states that the budget last year was \$12,172,076. This year's proposed budget is \$12,038,565, a decrease of \$133,514.

Mr. Jandebeur states that regular education has increased. He explains that the majority of the increase is due to the following: a new first grade teacher, 6/10 is for a technology teacher, health increases, and text books.

Mr. Jandebeur states that special education is reduced \$292,000. He states that this is due to there being four less out-of-district placements not in the budget.

Mr. Jandebeur states that a study was done relative to the nursing staff. He explains that there were two nurses and the school board is eliminating one nurse position. This will allow for one full-time nurse on staff.

Mr. Jandebeur states that the computer lines are up \$57,000. He states that this is an area that really needs to be addressed and brought on track.

Mr. Jandebeur states that regarding health and dental, currently the year-to-date plus encumbrances total is \$843,325. He states that they are budgeting \$885,476 next year. The difference is approximately \$42,000 due to the addition of, first grade teacher; full-time custodian position, which is a replacement of the staff member this year that was not replaced, and additional hours were given to the part-time staff; one retiring teacher and an insurance plan change; loss of one nurse; and the 1.6% increase. He further explains why the health and dental is placed the way it is due to privacy laws.

Mr. Jandebeur asks if the committee could go ahead and address Special Education and decide when the technology director could meet with the committee. The committee agreed to Saturday morning for the technology director.

Mr. Jandebeur provides a new handout for the board to review.

Page 4-7: Dept. 1200~Special Education Programs:

Mr. Vaillancourt makes a motion, second by Mr. Johnson, to recommend the school board's proposed amount of \$2,713,257.

Ms. Kebler provides an explanation of the out-of-district costs FY12-13 and how the new sheet now shows the students by letter as requested by the committee.

Mr. Holden asks about line 5120-202, the extended school year program. Mr. Jandebeur explains that this is the summer program for Special Ed and is to allow for students to maintain their education. He states that the line includes the salaries for the para-professionals for a four week program. Ms. Kebler adds that this is a separate line this year that was

previously included in Special Education-Non Public, 5569-000.

Mr. Jandebaur states that the speech therapy and special education pre-school lines are lines that are now separated out in the budget. Ms. Kebler states that the high school speech therapy came out of the Coe Brown special education line, not the non-public line.

Mr. Vaillancourt asks what the \$16,000 included in 5120-2020 covers. Mr. Jandebaur replies that this is for stipends. Mr. Vaillancourt notes that the FICA, line 5220-000, does not have these salaries included. Ms. Kebler explains this is not a stipend, it is an hourly rate. She states that the program is a district program that goes through the SAU's budget and billed back to the school districts. She adds that the rate varies by child as to what services are needed and the days required per week.

Mr. Vaillancourt refers to line 5121-021, Special Ed Tutor Wages and notes that \$57,000 was paid for consultation fees as noted in the school board's November 7 minutes; however, it appears that this figure does not show up. Ms. Kebler states that this was spent last year on consultation and was posted to the non-public tuition line. She adds that the school is not budgeting these funds this year due to programming changes.

Mr. Vaillancourt states that the 1200 line is also relevant as it is in the special ed. He states that regular ed. shows the cost for students at CBNA and does not include all of the special education costs.

Mr. Mark Markiewicz states that this is DOE driven and in some schools there is no charge for a differential. He states that this has to do with the way CBNA is billing; Dover High School does not charge any difference. Mr. Kreider explains that the entire cost of the Dover High student is included in this line. Mr. Jandebaur states that there is one student in special ed. at Dover High. He states that all of the CBNA tuition is included in one line.

Ms. Dole asks about the spec ed. aides. Mr. Hartford explains that there are 13 aides and the aides are for both classroom instruction and one-on-one. He states that currently there are two 1:1, and 11 classroom aides. Additional discussion is held regarding the structure of aides and students.

Ms. Dole states that there is a line indicated for special ed. wages on page 4 of the budget and also there is a line allocated for the same in the SAU budget. Mr. Jandebaur states that these are two different people.

Mr. Kreider asks what drives the preschool numbers. Ms. Kebler explains that the SAU has an integrated pre-school for pre-school students that require special ed. services. She states that the assessment is the same for all three districts; \$117,000 for the pre-school budget. Mr. Markiewicz states that the pre-school budget is a part of the SAU assessment. Ms. Kebler adds that support is included in the budget under special ed. para-professional.

Mr. Kreider asks what \$127,000 is for, line 5569-001. Ms. Kebler states that this is the cost for the partnership with New England Center for Children (NECC). She further explains the autism program.

Discussion ensues regarding behavioral interventions within the school system. Ms. Kebler explains that last year there was a student behavior specialist who was a generalist and was able to visit different schools and address behavioral issues in general. She states that with the pilot program being in Northwood now there is no longer the generalist behavioral specialist and each school is using the interventions in different manners. She states that Northwood has chosen to use the same people to do these intervention programs within the classrooms and this is proving to have a significant decrease in behavioral issues and the teachers are taking on the strategies that we want the staff to know. She states that the goal is to have them fade out of the program. Mr. Kreider asks if there is a savings on transportation as a result of the programming. Ms. Kebler replies yes and states that she is extremely impressed with the program this year along with classroom teachers and parents.

Ms. Dole asks about the preschool costs of \$117,000 and asks for the breakdown of the billing for the preschool as she feels it should be shown billed in the SAU Budget. Mr. Markiewicz states that there are two budgets for the SAU; the preschool budget and operating budget. Ms. Dole asks if there are any benefits to having the preschool in Northwood. Mr. Markiewicz replies there is the location and the lease agreement with the SAU as the SAU pays the district rent; \$22,000 per year, which is paid as a part of the operating budget. He states that there is revenue for this noted in the general fund.

Ms. Dole asks about salaries in general throughout the budget. She states that health insurance appears to have an overall increase of 1.6%. She asks if there are three different insurance plans. Mr. Markiewicz explains that there is a blended rate as the school district has three health programs offered. He provides an explanation of these health care plans and discussion ensues.

The committee requests that a spreadsheet be provided showing information regarding insurance categories and employee's costs. Mr. Markiewicz states that insurance is a difficult line to manage as it is constantly changing.

Mr. Kreider recalls that there was an item in the budget totaling \$130,000. Ms. Kebler states that she provided a figure of \$153,000, which was for the preschool assessment and the total is now \$117,000, line 5563. She explains that this is a new line item as in previous years this was budgeted in the non-public tuition line and includes diagnostic. She states that this is 1/3 of the total costs as the preschool is shared with the three districts. A preschool budget will be provided on Saturday.

Additional discussion is held regarding the tuition cost for the preschool. Mr. Markiewicz explains that tuition is charged to offset the costs. He adds that the tuition is noted on the SAU's revenue and the cost is netted out to the three districts.

Mr. Vaillancourt states that the budget notes that there are 40 special ed students projected to attend CBNA; however, this figure has been amended by Ms. Kebler to actually be 44 students. Mr. Jandebour replies yes.

Mr. Vaillancourt states that the worksheet provided was very beneficial and he notes the total listed on the worksheet shows \$221,070.48 for special ed. wages and the budget states \$227,000. Mr. Jandebour states that he did point out this issue.

Mr. Vaillancourt asks Ms. Kebler to comment on the significance of the gifted and talented, line 5120-203. Ms. Kebler states that she feels that funding for gifted and talented is very significant and there should be money in the line. She states that she feels that there should be an effort to make sure to meet the needs of all students. She states that all students that require enrichment and the true gifted and talented students deserve as much special education services as any child that has a diagnosis that requires different types of services. She states that she feels that the school should be providing appropriate services if there is a need.

Mr. Vaillancourt states that if this program is of significance, how should the funding begin and what is an appropriate amount to begin with. Mr. Jandebour states that the school board discussed this at the last meeting and a suggestion was made and will be pursued to allow the gifted and talented students a means to excel in the school.

Ms. Dole suggests that instead of funding science camp utilize the money to fund or start with the gifted and talented. Ms. Colburn notes that there was a program in prior years in the 1100 program and was split with the Town of Strafford. Mr. Jandebour states that at this time it is too late to start a program now; however, they have begun with discussions and ideas for a program.

Ms. Colburn states that before voting, she believes that there is information that the committee is waiting on. She mentions the insurance breakdowns and states that this item is 1/4 of the budget. Mr. Holden states that there is not enough information and he asks what the plan is to deal with the health care issues and he adds that there has been nothing provided to even know what the plans are. Mr. McNally states that the plan is chosen by the employee and at this time there are contracts with most employees. Mr. Vaillancourt states that the committee does not have any control over a line; the committee can only recommend the bottom line figure. Discussion ensues regarding voting tonight due to the fact that there are many sections that involve health care.

Mr. Jandebour states that he has totaled all health insurance related items this year and the total is \$843,000. He states that he then totaled all health insurance items for next year and the difference was \$42,000. He states that he feels that the health insurance figures are accurate and the items can be further addressed on Saturday with the insurance report.

Lengthy discussion ensues regarding contractual agreements and the negotiation process as well as the health care plans.

Mr. Kreider asks how to send a message. Ms. Dole states that one way to send a message is that when there is a new contract to be reviewed and voted on if the reductions aren't there then the contract will not be voted in.

Ms. Colburn makes a motion, second by Ms. Dole, to not vote on any sections that the committee does not have information on that the committee has requested. Mr. McNally asks which sections the information is needed. Ms. Colburn states she has requested insurance information. Mr. Jandebour adds the preschool budget. Discussion ensues. Mr. McNally wants to know what specific sections the committee needs information on. Ms. Smith calls a point of order as a motion has been made.

The motion and second are withdrawn.

Mr. Holden makes a motion, second by Mr. Johnson, to not vote on anything tonight and wait until information is collected.

VOTE: YES: BC, BH, GD, BS, JD, JJ, HK, HJ, DM. NO: JV, TJ, MJ. Motion prevails; 9/3.

The committee agrees to discuss sections relative to special education.

Ms. Dole refers to section 2140 - contracted services spec ed.

Ms. Dole makes a motion to recommend \$258,332 for special ed. transportation. No second is provided.

Mr. Jandebour makes a motion, second by Mr. Johnson, to discuss the school board's proposed budget, in its entirety. Motion passes unanimously; 12/0.

Page 23-24: Dept. 2722~Special Education Transportation:

Ms. Dole asks about the bus monitor, line 5110-000. Mr. Jandebour states that this is not a new position; it has been included in the transportation line and is now a separate entity that has been reduced from the bus line.

Ms. Kebler explains that the bus monitor was contracted from a company so the bus monitor was not a school employee. She states that this year the bus monitor is a school employee; therefore, the school is paying salary and FICA. Ms. Kebler states that the bus monitor is monitoring the significant medical needs of a student on a bus.

Mr. Holden asks what the cost was for the bus monitor last year. Ms. Kebler states that she is unsure; however, notes that the school is spending less this year; approximately \$5 an hour less. Mr. Jandebour will provide additional information for Saturday.

Mr. Vaillancourt refers to line 5519-000, special ed. transportation and states that the total is noted \$239,020; however, the narrative has a total listed at \$256,955. Ms. Kebler states that the notes were not changed when the salary and FICA were to be located in a different line.

Page 12: Dept. 2140~Contracted Services:

Ms. Dole refers to the decrease noted in line 5310-005, ESL. Ms. Kebler explains that the decrease is due to the fact that there are no longer students requiring this service. She states that the amount in the line is to keep the line open. The cost last year was \$4500.

Mr. Vaillancourt asks about 5310-001, Medicaid program and states that the school board minutes reflect that there may be a possibility of obtaining more revenue next year. Mr. Jandebour states that the school board is trying to project out and it is difficult. Mr. Markiewicz states that this line represents the cost of a third party processor that the district contracts with to process claims by the district to Medicaid for services provided to students that have an IEP and that those services may be recoverable by processing that claim. He states that there is no one in the district to determine how much of those services that are provided are Medicaid eligible as reimbursable. He adds that there was projected revenue for all three districts that did not seem to come into the projection. He states that the cost is a percentage, 9.25%, of what is projected for revenue. He adds that the problem with that is more reimbursable expenses may come into the district, therefore, making this line higher. Mr. Markiewicz states that the projections for last year were low. He adds that he has requested that the special department look at possible expenses that could be recovered for services that have been provided. He notes that there is a one year recapture where the school can charge back to Medicaid.

Mr. Vaillancourt this if it is possible to bill more then there will be more revenue received. He states that this line goes to the bottom line so if it increases, then the extra funds have to come from another area as the bottom line cannot be overspent. Mr. Markiewicz states that an increase of a few thousand will not be a material difference as the appropriation will be transferred from another line item.

Mr. Vaillancourt refers to line 5336-061, outside evaluations, and states that the notes state that this is required by law; however, the funding is \$0. Ms. Kebler states that this is a line that was moved from non-public tuition. She states that last year \$17,000 was paid for outside evaluations and she adds that this is a very high figure. She states that she has proposed \$5,000 and feels that this amount is more than what should be spent on outside evaluation.

Mr. Vaillancourt refers to school board minutes of November 7, and explains that Mr. Ruth had requested a breakdown of the cost of high school students from the contracted services lines. Mr. Vaillancourt asks if this was made available to the school board. He states that he would like to see the figures specific for the high school students and have a grand total. Mr. Jandebour replies that this information has not been made available to date. Ms. Kebler states that there are so few high school students that receive contracted services. She states that she will provide this breakdown for Saturday's meeting.

Ms. Dole states that the preschool diagnostic unit, line 5330-000, shows \$0 budgeted. She states that she thought that this line was used for the preschool assessment. Ms. Kebler explains that there is a law called "Child Find" in which they must find children who may need services. She states that prior to having the preschool program they had to contract out to test and screen students ages 3 through 5 to identify if the students required services. She states that this is no longer utilized. Ms. Dole asks if the line can be removed.

Page 12-13: Dept. 2150~Speech:

Ms. Dole refers to line 5323-020, contracted speech services, and asks if the two speech pathologists are shared,

contracted, or are specific to Northwood. Ms. Kebler replies that these two speech pathologists are specific to the Town of Northwood. She explains that in the past three years they have been contracted by the SAU and billed back to the Northwood school district. She states that prior to her employment many were hired through the SAU as the SAU does not have a collective bargaining agreement and could be hired differently. She states that the joint school board has said that if these staff are Northwood employees, they need to be in Northwood's budget.

Ms. Dole asks if there are enough students to require 2 full-time speech pathologists. Mr. Hartford states that he did meet with both speech pathologists prior to presenting the budget and after discussions, they all were in agreement that this would not be an area that could survive a cutback. He explains that there are many students being serviced with some once a week to some three times per week at 30 minutes a day. Ms. Kebler adds that each pathologist has approximately 25 students each. She explains that these staff members have a large roll in reading intervention with phonemic awareness.

Mr. McNally calls for a recess at 8:50 p.m.

Mr. McNally left at 9 p.m. Mr. Vaillancourt resumes as acting chair and calls the meeting back in session at 9:03 p.m. Further discussion is held regarding additional information needed

Mr. Kreider asks about the specific lines of revenue for special education. Ms. Kebler explains that there are two forms of revenue in special education; catastrophic aid and Medicaid reimbursement. She states that catastrophic aid is based on a cap that is spent per child, approximately \$45,000 per child. She states that if \$45,000 or more was spent on a child, this would qualify for catastrophic aid with the state. The Department of Education (DOE) specifies the cap as well as the percentage returned. Three years ago the school received 72% and this year it is predicted to be 68%.

Ms. Kebler continues and explains Medicaid reimbursement, which is reimbursement for health costs that the school staff provides such as physical therapy, occupational therapy, speech pathologists, guidance services, para-professionals, and these are set by the rates set by DOE. She states that it is different every year and this year's rates are unknown. She states that these rates are also different for each staff service. Discussion ensues.

Mr. Markiewicz states that the special education department processes the claims with the state through the end of July. Funds noted this year are actually from the previous year's claims for catastrophic aid. He adds that they review all areas to recognize any expenses associated with a student on an IEP. He states that they are working on transportation costs at this time and anticipate that the catastrophic aid will continue to be a high source of revenue. Mr. Markiewicz states that over the past five years the district has experienced a net growth of students moving into the district than what was anticipated.

Ms. Kebler states that she is aware that additional catastrophic aid can be received with the in-district program now in the school.

Ms. Dole refers to the revenue report for catastrophic aid and asks if the \$283,700 figure represents the amount anticipated getting back based on 68% of the invoices sent or is this figure 100% of the invoices anticipating that everything would remain the same. Mr. Markiewicz replies that staff at DOE and DRA have been clear that when the MS form is done in September the DOE has the claims already and will be paid out in a lump sum based on the claims through the last fiscal year.

Mr. Vaillancourt asks if the school board will be estimating revenues this year. Mr. Markiewicz states that revenue projections will hopefully be completed by January 5, 2012.

Ms. Colburn asks if there is an estimated date of a default budget. Mr. Vaillancourt states that the default budget is not the responsibility of the budget committee.

A discussion is held regarding the teachers' contract. Mr. Jandebour states that the contract would be presented as a warrant article. Mr. Markiewicz explains that regarding negotiations the school board is not able to disclose any information; however, he states that the budget is prepared with the status quo in mind. He states that the collective bargaining agreement did not pass last year. He states that if there is an agreement reached and put forth, it will be put forth as a warrant article, which will include all costs associated with that negotiated settlement. Mr. Kreider asks if there will be other changes other than salaries. Mr. Markiewicz states that it is a tax rate set by the government. Mr. Jandebour notes that there is a potential 3% increase for salaries for six employees that are not in a contract.

Page 15: Dept. 2225~Computer Instruction Services:

Ms. Dole refers to line 5610-001 for computer software, and requests a breakdown of costs for the proposed software programs for Saturday. In addition, Ms. Dole refers to line 5737-001, relative to the replacement of equipment, and requests a breakdown as to how many computers are in the building and classrooms.

Mr. Hartford states that the proposal is to replace 36 computers, which is 20%. He states that the school is required to have a technology plan approved by the state. They are currently working on an extended plan as the plan expired last

year. They have requested an extension due to the budget cuts that occurred and the loss of the technology teacher. In the plan they propose to turn over 20% of the computers on a yearly basis in order to maintain technology in the building. He explains that the lifetime of a computer in an educational setting is 4-5 years. They are falling behind as this line continues to be cut.

Ms. Dole asks if the proposed amount is to continue keeping within the 20%. Mr. Hartford replies yes and adds that the school has only kept to the 20%. He adds that no computers were replaced last year through the budget; grants were received to purchase some computers.

Further discussion ensues regarding the replacement of computers and equipment. Mr. Jandebeur states that he will have additional information available on Saturday.

Page 7: Dept. 1310~Vocational Education:

Mr. Kreider asks why this department is not being funded next year. Mr. Jandebeur replies that there are two students that will be graduating. Ms. Kebler states that there is some vocational education at CBNA; however, if the student wants a specific training then they would attend Dover High School. Ms. Kebler notes that perhaps \$1 should be added in the line incase they need to allocate funds from the line.

Mr. Ruth states that there is no cost for transportation for high school students.

Mr. Holden states that the committee should look at the bottom line number and develop a consensus. He states that the budget has decreased by \$130,000 and it would be nice to have this discussed.

Mr. Jandebeur states that the school board reviewed the budget with the principal and school personnel. The school board feels that they have presented a budget of what is needed to run the school this year and do not feel that looking at the bottom line is correct.

Ms. Dole states that she is uncomfortable with just looking at the bottom line. She states that she needs to understand the backup and why the requests are being asked for in the specific accounts. She notes that holding the line may not be the right thing either and she feels that there could be more reductions made.

Mr. Johnson states that the school board has overspent their budget this past year. He doesn't know where the money came from. Mr. Jandebeur states that he believes that there will be a warrant article asking for the funds. Mr. Johnson expresses concern with why the budget committee spends the time reviewing the budget if the school board can overspend it. Mr. Jandebeur states that there could be predominant reasons why the budget was overspent. Mr. Johnson states that he feels that it would be better to just address the bottom line as it does not matter what the budget committee has to say. Ms. Dole states that the committee addressed the budget by bottom line last year and the feedback was received that the budget committee did not spend the time in reviewing the budget. Mr. Johnson states that the committee spends way too much time reviewing the budget.

Ms. Dole states that she believes that the school board was unaware that there was a process to follow; however, are now aware of that process. She does not foresee a repeat of past errors.

Mr. Vaillancourt states that the budget committee is charged with presenting two budgets to the town and there are RSA's that must be followed. Discussion is held regarding the recourse that the town has. Mr. Vaillancourt states that there are valid reasons as to why the budget committee does this review process.

Mr. Jandebeur states that he is happy presenting this budget to the committee. He states that he has spent a lot of time on this budget and he would be upset if there was just a bottom line vote. He states that there has been a lot of effort on many sections of the budget. Mr. Jandebeur states that the school board would like the committee to review the budget line by line.

Mr. Kreider states that he believes that Mr. Holden was requesting comments regarding the committee's general direction so as we go line by line analysis there are better questions. He states that he feels that the committee needs to review line by line in order to support the decision.

Mr. Vaillancourt states that he has three major concerns. He states that it appears that the school board removed \$300,000 from last year's budget in the regular education and it looks like this year \$250,000 is being put back in. He states that he is trying to figure out why. He states that the school board is proposing to add a first grade teacher when the census numbers are flat in the 2010 census. He states that the town is not growing; the increase is at CBNA. In addition, he states that he is more comfortable with this year's budget proposal than last year's proposal; however, he does not feel that it is distributed fairly and wisely. He expresses concern with the way it is spread. He states that the town needs to be making investments in the school for the future.

Ms. Colburn requests a breakdown of the building/maintenance, line 2620-5430-001. Mr. Jandebeur states that the

increase is mainly due to the serious cuts that have occurred. Mr. Hartford explains that they have one significant project for next year and this is rebuilding the facing outside of the kindergarten area. This needs to be rebuilt and is a minimal cost. He states that minor in-building projects and repairs have been put off over the past few years due to the budget freeze. He states that there are repairs that are starting to accrue.

Ms. Dole states that whenever there is a significant increase proposed, it helps all to understand what has been put off when it is explained. She states that in some areas there is a lack of specificity.

Items to be Provided Saturday, December 10, 2011:

- SAU preschool budget
- Contracted services broken out by high-school
- Health/Dental costs broken out by department, by insurance carrier
- Software cost breakdown
- Breakdown of the number of computers for classrooms and computer labs
- Costs of the bus monitor
- Default budget
- Computers received via grants
- Building maintenance breakdown
- November 30th financial statement

A motion is made by Mr. Johnson, second by Mr. Holden, to recess to Saturday, December 10, 2011 at 9:00 a.m. Motion passes unanimously at 10:07 p.m.

Respectfully submitted
Lisa Fellows-Weaver
Board Secretary