

BUDGET COMMITTEE

Minutes of December 15, 2005

Meeting was held in the Community Room, Hollis Town Hall and was called to order by Chairman, Mike Harris at 7:35 PM.

Members present: Mike Harris, Chairman; Scott Bartis, Vice Chairman; Melinda Willis, Selectmen's Representative; Harry Haytayan, School Board Representative; Mort Goulder, Chris Hyde, Lorin Rydstrom; Deborah Adams, Secretary

Also present: Lee Ann Blastos, Business Administrator; Rich Pike, Superintendent; Carol Thibaudeau and Gail Paludi, Principals; Bob Kelly, Special Education Administrator; Doug Cleveland, Cathy DeLacy, Jennifer MacLeod, Anita Moynihan, School Board Members

Presentation of School Budget – LeeAnn Blastos

The process starts in September when the teachers return back to school. The Administration sets guidelines and all budgets are due back by the end of October. Overhead costs are then included and a baseline budget is distributed in mid-November. At that time budget books are distributed to the BudCom for review.

At the recent SAU Public Hearing new software was approved which will allow files to be exportable, which in turn will make work easier. Please allow some time for the learning curve as they all learn this new program. Eventually the monthly budget reports will be easier. They are hoping to become more "paperless".

In the back of the budget books there is a narrative which explains details of many items in the budget. Also included is a memo regarding the baseline budget that explains some of the placeholders, such as negotiated items. Baseline salaries are included, but increases are not. The revenue is the only anticipated amount. SAU budget figures are placeholders in the budget books, yet now that this public hearing is complete, those figures have been updated.

The transportation contract expires June 30, 2006. This is under review for the new contract. Staff has until January 1, 2006 to declare their intent to retire. They will have updated information on this at the next meeting. The Health Trust sends out a guaranteed maximum to the school in November, which was 13.8%. In May Health Trust will rate the school on actuals and revise the increase accordingly. Last year the guaranteed maximum was 13.6%, while in May this dropped to 6.4%. She does not believe they will need to increase the insurance any more than they did last year.

LeeAnn presents each BudCom member with various handouts.

Budget Change Sheet

The November 10 preliminary budget came in with a 2.43% increase. Various changes have since been made.

- Preschool COTA was included, which was a mistake. This has been corrected.
- GASB 34 – this is a mandated item. They must create a fixed asset schedule of higher priced items.
- Medicaid projection – this has been increased to cover 3rd party expenses.
- SAU Assessment – the Hollis portion has now been included based on the Public Hearing from last week. This percentage is going down as the population is decreasing in the elementary schools. The SAU budget had a 6.4% increase this year, which was the lowest increase over the last 6 years.
- Retirement Benefits – 1 person has declared their intent to retire. This may change as staff has until January 1st to make this declaration.
- School Resource Officer – this is contracted through the town. This covers the Hollis portion.

With these changes there is now a \$245,459 increase over last year, which is a 2.67% increase. Adding special revenue and food service back in gives a \$391,338 increase or 4.14%.

Revenues and Credits

They are anticipating revenue of \$622,525, which is a \$71,185 increase or 13%. The district assessment is projected at \$8,313,889. Adequate Education from the State is being projected at \$900,000. Their website has posted the same figures for next year as were given out this year and she has been advised to use the same figures. Mike wonders if this is really prudent, as they have heard that

this will be going down. LeeAnn indicates that unless she hears otherwise, she must use the figures that are posted. Mike feels it would be safer to assume there will be the same reduction as was seen last year. He would rather be cautious and not get caught. This would result in a \$135,000 reduction to this revenue projection.

LeeAnn points out that when including the projected revenue, the total appropriations will result in an increase of 4%.

Enrollment Projections

This was prepared back in July. Mike stresses that he always likes to base this on the October 1st enrollment to be consistent. Otherwise it becomes hard to compare the figures. LeeAnn explains that the enrollment figures that are presented to the State on October 1st are actually opening day enrollments. The Elementary School had 831 students in 04-05 and 837 students 05-06. Chris comments that this is a .72% increase. Mort would like to see what is projected for next year. Mike questions whether the preschool and kindergarten enrollment figures are FTE or whole people. Anita states that the projections are for FTE, while the single sheet showing opening day enrollment are actual bodies. When they hold kindergarten registrations in January, this will help to predict what will happen in September. This is hard to predict. She suggests sending out some form of census with the tax bills, that would be mandatory to return. This would help with the predictions.

Chris asks about any revenue for the new preschool. LeeAnn indicates that this is approximately \$27,000. She mentions that they are slightly underbudget from what they would have spent out-of-district. The few tuition students have helped to keep this underbudget. Going forward with this program they anticipate continuing to be under. The program is basically funding itself and is not adding any additional expenses. Mike asks if the cost of educating the traditional students paying for itself. LeeAnn indicates that it is. Anita states that they are actually charging slightly higher than other preschools.

Special Education – Bob Kelly

Bob presents the BudCom with handouts. There are a total of 148 students. Mort asks if this number is decreasing or increasing. He points out that the budget is for next year, therefore he needs to know the projection. Bob explains that the number of special education students is hard to predict and it is even harder to predict the level of service those students will require. There could be 2 students in the same grade that require much different levels of service. With the student population that they know of today combined with the type of services required, there will be an increase for next year. The number of hours of required support is increasing. The percentage of students needing services has remained consistent over the last 10 years, yet the budget has increased based on the increase in student population. The average for the State was 14% of the total student body requiring special education support, while Hollis is at 11%.

Anita points out that they are hiring more personnel for special education, not because they have more students, but there are more hours of service that is needed. Rather than showing the number of students, she suggests showing the total hours of service. Mike states that he is not as interested in this, as that is a variable. He is interested in the percentage of the budget and the percentage of student population. Bob indicates that he will get this information for the next meeting. Melinda questions the State average and what is included. Are these IDEA students or does this include 504 students as well. Bob states that this is for K-6 IDEA children.

Bob present revenue projections of \$212,506. Mort asks if this is higher or lower than the previous year. Bob indicates that this is higher. He tends to be conservative with these figures. Scott comments that if they are increasing staff because they will need more services, then the revenue for reimbursable services should also increase. Bob indicates that this is not necessarily the case. Logically this would work, yet there is no correlation that is predictable to anticipate revenue for Medicaid, as the additional students may not be Medicaid registered.

Bob explains that he is requesting 5 new positions.

- 1 fte special education teacher at the Primary School. There is a slight increase in cases and a marked increase in service hours. This position will replace 2 paraprofessionals, therefore the budget reflects the net increase.
- 2 special educator paraprofessionals (fte 5.8 hours per day) at the Upper Elementary School.
- 1 speech/language assistant (fte 5.8 hours per day) at the Upper Elementary School.
- 1 remedial reading specialist (fte .6)

Bob states that he is requesting a \$68,000 increase to the budget, which is a 5.1% increase. When including the \$108,000 for new personnel, including benefits, this becomes a 13% increase. Chris states that he would like to see a comparison of the caseloads and service hours for last year vs. the proposed year. Mike states that it is difficult to understand what increase there is to the cases or service hours. Bob states that it would be too difficult to do that. He cannot do this for the next meeting. Mike states that he does not see where their request would be that difficult. He just cannot see why there is such a need for these increases.

New Positions

LeeAnn states that other than the previously discussed special education positions, they are only proposing one other new position of a part time nurse at the Primary School. Gail explains that this is based on the needs of students and chronic health needs. They currently have 176 students with health needs; life threatening food allergies, asthma, allergies to medications, environmental allergies, GI problems, ADHD, autism, seizures, etc. There are many chronic conditions requiring nursing assistance on a daily basis, not just dealing with a cold. The nurse also deals with all health needs; administering medication, the usual bumps/bruises, bandaids, as well as teaching the health curriculum. She needs a .5 nurse to assist. The workload is just too much for 1 person. Mort asks if this is a change in the children. Gail states that they are seeing a major change in the number of chronic health conditions. Mike asks if the school is inadequately providing services now. Gail states that the nurse is meeting all the needs of the children, yet she is working more hours than her contract. She is giving 120%. All paperwork and records are done after school hours. She must keep track of all immunization records for each child.

Mike asks if secretarial support would be helpful. Harry stresses that food allergies is becoming a major issue these days. The nurse must establish a program to deal with this and a secretary would not be able to handle that. There are complexities beyond the administration, the person hired also needs nursing skills. Gail explains that health notes must be done by a nurse, this cannot be done by a secretary. Lorin asks if this is a change over the last 10 years where the school feels a need to change their reaction to these problems. Gail states that more and more children are being identified with life threatening allergies. Jennifer comments that the number of children has tripled since last year and most of these are in kindergarten. Nationwide this number has doubled. She has spoken with a physician about this who indicated that he has seen more cases of this in the last few years than in 20 years of practice.

Mike asks if this is a problem that the school should take on. Jennifer states that many of these children are so severely impacted by these chronic health problems that they qualify for the 504 plan. LeeAnn stresses that the moment a child steps on the bus on school property it becomes the school's liability. They cannot be cavalier about this. Mike agrees that they need to be careful, yet the school does not need to take on health care. Harry stresses that it would be negligent for the school not to establish policy and procedure to handle these issues. Mike comments that this could go overboard. He is not sure the school needs to take on this added burden. Harry states that the school needs to address these life threatening situations. They are currently studying and analyzing the needs and procedures.

Rich explains that they are being pro-active about this problem. The Board's obligation is the welfare of all students in the system. The primary responsibility is policy making. They feel the need to obtain input from all, including parents of those students that are impacted and those that are not. They will then present a new policy to the Board, with legal counsel's opinion and implement the appropriate procedures. They need a good policy in place. Scott asks if this policy should be in place before the new hire is done. Gail explains that these younger students need more help. They cannot self manage with some of these issues. As the child gets older they do not need as much help. Mike agrees that they need a good policy, yet he cautions against providing medical care to children.

Lorin states that the parents assume the school district's responsibility in these matters. Cathy stresses that they must provide a safe environment for all children. Chris asks if the policy will impact the budget. Anita states that policy is different from procedures. The procedures mandate hand wipes be used to avoid problems. Harry states that the policy is not written yet.

Mort asks if they have checked with other communities to see if they have the same problem. He would like to see data on nurses vs. population. Harry will check into this. Rich points out that the nurse in Hollis also teaches health classes. Other districts have a nurse and a health teacher as separate positions.

Chris mentions that the Town is putting money aside for an engineering study of the Farley Building. He asks if they have budgeted any funds for maintenance, such as heat or electric, should this building come back to the Hollis District in July. Harry states that there is nothing in the budget for this. This was an agenda item to discuss, yet it did not come up at the last meeting. They do intend to discuss a study. This event has not occurred, yet it may come up in June at the expiration of the lease. At this time there is nothing in the budget. Mike stresses that if this building is no longer being used as a school, it is prudent to have funds to at least maintain it. Melinda asks if the coop budget has money included to maintain the Farley Building. LeeAnn states that there are funds for this through May. They are also removing the portable classrooms earlier than expected, which will be a savings.

Mort asks if the budget includes negotiated raises. Harry states that this includes new positions, but not the negotiated settlement. They are proposing a 2.67% increase, which will go up when the negotiated raises are included. Mike asks if they have started discussing the issue of self-funding the health insurance. LeeAnn states that they are currently in the discussion and discovery stage. Mike asks about the negotiations. Anita states that they are ongoing. Mike cautions that they not have the same problem as last year.

Chris points out that the CPI seems to be going down. It is currently at 3.3%. LeeAnn states that she has always gone by the Urban CPI, which was at 4.6% the last time she checked.

Lorin moves to have the Budget Committee enter into non-public session to discuss a legal matter. Seconded by Chris. Voting in favor of the motion were Scott, Chris, Lorin, Melinda, Mort and Mike. None were opposed. The motion PASSED 6-0-0.

Anita moves to have the Hollis School Board enter into non-public session to discuss a legal matter. Seconded by Jennifer. Voting in favor of the motion were Harry, Anita, Cathy, Jennifer, Doug. None were opposed. The motion PASSED 5-0-0.

The Budget Committee and Hollis School Board entered into non-public session at 9:36 pm.

Lorin moves to come out of non-public session. Seconded by Scott. Motion unanimously approved.

The Budget Committee came out of non-public session at 9:49 pm.

Other Business

Mike asks for suggestions for information to include in the annual report. Melinda suggests having a pie chart showing the distribution to all entities. She has this from last year and will update figures. Lorin suggests a pie chart showing the increase to the tax rate to show how much the land purchases have impacted the tax bills.

Scott moves to adjourn. Seconded by Melinda. Motion unanimously approved.

Next Meeting will be held January 18, 2006 at 7:30 PM in the Town Hall Community Room for the second review of the Town Budget

Meeting adjourned at 9:55 PM.

Respectfully submitted,

Deborah Adams, Secretary