

1 **Souhegan Cooperative School District Public Hearing**

2 January 14, 2015

3
4 **PRESENT**

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6 Souhegan Cooperative School Board: Mary Lou Mullens, Howard Brown, Peter
7 Maresco, Chris Janson, Pim Grondstra, and Fran Harrow

8
9 Administrative Team: Peter Warburton, Betty Shankel, Rob Scully, Nicole Heimarck,
10 Meg Beauchamp, Gigi Klipa, Kathy White, Jim Miner, and Bruce Chakrin.

11
12 Minute Taker: Beth Penney

13
14 **Public Hearing**

15
16 Ms. Mullens opened the Public Hearing at 6:03pm.

17
18 Ms. Mullens and Mr. Warburton introduced the School Board and the Administration.

19
20 Ms. Mullens also introduced the co-chairs for the Advisory Finance Committee.

21
22 Mr. Silvia, Co-chair of the Advisory Finance Committee, introduced the Advisory
23 Finance Committee.

24
25 Ms. Mullens started the presentation by showing how the budget supports SHS by
26 discussing the many accomplishments of the school including a zero drop out, college
27 acceptance rate, college readiness ranking, and co-curricular participation rate.

28
29 Mr. Grondstra discussed Article 2: The Budget, \$18,161,347 and the default budget of
30 \$17,992,364. The major elements of the budget are personnel, the new employee
31 agreement, programs, federally mandated Special Education, and Facilities and
32 Maintenance. The proposed budget is a 0.21% increase and is an increase of \$37,845.
33 He showed a graph that indicates the negative or less than 1% growth in the budget for
34 last 5 years. He discussed a graph for the budget increases versus CPI increases and a
35 graph of the budget amounts since FY11.

36
37 Ms. Mullens discussed the efforts to reduce costs, with initial drop in enrollment between
38 FY07-FY11. She discussed how the Board looked at the core values and objectives of
39 the school before making budget cuts. These include personalized learning, class size of
40 20 students or less, a teacher student ratio of 80:1 and keeping supports in place to
41 maintain the zero drop out rate. She discussed examples of programs with BAE called
42 Woman in Technology and a program with Dine Corporation called Computer Science
43 Exploration program. The DYN program includes college credit and an internship at the
44 end of 2-year program. She discussed steps as in the presentation as to how the budget
45 has been cut since FY12. She discussed the current average class size and teacher facing
46 ratios. The FY15 budget is less than the FY11 budget by 1%. The FY16 budget is 0.7%

47 less than the FY11 budget. The cost per pupil has gone down \$305 per student in a one-
48 year period. She discussed how to calculate the cost per pupil. The Board is keeping an
49 eye on enrollment and there is not expected to be a dramatic drop in the next few years.
50 The school has seen an increase in enrollment over the last two years. She discussed the
51 budget considerations including the program of studies, adoption of the new state
52 standards, supervision and evaluation review program, impacts of the USDA food
53 regulations, and maintenance of the buildings and grounds. She also discussed the
54 strategic plan, which lead to budget savings.

55

56 Ms. Janson discussed the Revenue Estimate. The budget expenditures is \$37,845 more
57 than the FY15 budget. There is a slight increase in State Aide and Federal Aide. There is
58 a slight decrease in local revenue including tuition, food service, student activities, and
59 rentals. The drop in the unreserved fund balance is so high because of money returned to
60 the taxpayers and the State Department of Education miss calculated the reimbursement.
61 So must raise \$16,590,791. The Amherst Share is \$14, 280,005 and the Mont Vernon
62 share is \$2,490,088. This is a tax impact of \$0.07/\$1000 in Amherst and -\$0.01/\$1000.
63 The estimated tax impact on a \$330,000 home in Amherst is an increase of \$23.10 and in
64 Mont Vernon the tax impact on a \$300,000 home is a decrease of \$3.00.

65

66 Mr. Maresco discussed that the default budget happens if the proposed budget is denied.
67 The default is essentially last years' budget with all the fixed items adjusted to meet this
68 years demand for contractual increases and decreases. Most of what is removed is one-
69 time items from this year's budget. The difference between the proposed budget and the
70 default budget is \$168,983. The default budget has a tax impact of \$0.09/\$1000 for
71 Amherst and \$0.10/\$1000 for Mont Vernon. The savings for the average priced home
72 would be about \$30. He discussed what would be eliminated in the budget if there were a
73 default budget. The default budget eliminates substitutes, NHIAA fee increases for
74 referees, professional development for teachers and administrators, textbooks to support
75 new curriculum, technology for music and art classes, and new computer updates.
76 Building and Grounds maintenance that would not be included in the default budget
77 includes automatic sprinkler system for the newly sodded fields, replacement of the 1999
78 Kabota tractor, and other repairs. The losses would impact the ability to maintain the
79 aging facilities and the curriculum.

80

81 Maggie McCabe, 49 Governor Wentworth Rd. Amherst, NH, asked what the
82 CPI annual increase has been for the last 10 years.

83

84 Ms. Shankel stated that the last two years the CPI increase has been just over 1%.

85

86 Ms. McCabe stated that at the peak of enrollment which was '05-'06 there were 1046
87 students and the budget was \$15.1 million. The proposed budget is \$18.1 million, which
88 is an increase of 20%, yet enrollment has dropped 23%. If 2% is added for each year to
89 the \$15.1 budget from '05-'06 the proposed budget would be 18.3 million, but this is with
90 no savings from the decreasing enrollment. She asked why has budget has increased so
91 significantly.

92

93 Mr. Maresco stated that between 2005 and 2015 the value of education has changed.
94 There has been an increase in programming and the school is an aging facility.
95
96 Ms. McCabe stated that this is rationale but not data.
97
98 Ms. Shankel stated that she could provide more data. All education institutions have had
99 a budget increase at a rate far higher than CPI. There are a few reasons including the NH
100 retirement increase since 2007 has been over 176% for retirement costs.
101
102 Ms. McCabe stated that all schools pay those costs. She is worried she will not be able to
103 sell her property because of the increasing tax rates. The school budget has a direct
104 impact on her great asset her home. She asked why the cost per student is higher than
105 other comparable districts.
106
107 Mr. Coughlan stated that the budget has grown each year in response to the board's
108 response to the demands for the students, the state government, the federal government
109 and the expectation for education. The Board recognizes that the district is at the high end
110 for state for cost per pupil and tries hard to bring costs down. The district is backpedaling
111 on a 20-year history of spending. The Board is working to improve cost effectiveness of
112 teacher-student ratios, pay schedules for teachers, and contracts. The town has supported
113 the budget for last 20 years except 1 year. At the summer strategic planning meeting
114 there were many outside presentations including a real estate agency. The sale of homes
115 is also impacted by the reputation of the school district, which attracts homebuyers. The
116 Board cannot do major cuts to decline the tax rate and at the same time do harm to
117 students and their education. It is a balancing act.
118
119 Mr. Silvia stated that the Board and the Finance Committee has spent a lot of time on the
120 budget. Since 2005 CPI and the budget of school are in line. The budget is a reflection of
121 what the town's can afford. The budget is within reason of what the town has always
122 been able to afford. Inflation and CPI is what consumers pay for goods, not the cost for
123 providing a good education. The cost for a good education has increased of over 58%.
124 CPI is not the best way to judge how the budget is put together.
125
126 Ms. McCabe stated that she is proud of the education provided and the school.
127
128 Mr. Chen, Finance Committee, stated that there has been an acceleration of cost per
129 student. He has pulled all of the data for the state and graphed 10 comparative districts.
130 The slope of SHS is about 1,000 gain per year. The enrollment is declining faster than the
131 budget cuts.
132
133 Mr. Maresco stated that debt is not included in the cost per pupil. Some schools may have
134 large debt and a lower cost per pupil. SHS has no debt.
135
136 Ms. Mullens stated the cost per pupil does not include a bond for a new school or athletic
137 facilities.

138 Mr. Chen discussed building and grounds costs, additional cost for retirement funds, and
139 health care.
140
141 Ms. Mullens stated that all other NH schools budgets have gone up significantly.
142
143 Ms. McCabe stated that the actual budget is less than the voted budget by \$146,000 and
144 taxpayers did not get it back on their tax bill. She asked if the Board is budgeting off the
145 FY15 budget for FY16 budget. The default is higher than the FY14 budget.
146
147 Mr. Maresco stated that there are contractual obligations that have to be paid. The surplus
148 is used in the tax calculation for the next year. The \$220,000 error by the state ate into
149 the return to the taxpayers.
150
151 Ms. Shankel stated that the actual budget and the default are compared to be the FY15
152 budget.
153
154 Ms. McCabe stated that the FY14 actual budget is less and there are fewer students.
155 There is \$200,000 more in the default budget.
156
157 Ms. Shankel stated that the school district is not allowed to keep any money at the end of
158 the year. All surpluses are returned to taxpayers.
159
160 Ms. Mullens asked people who had questions to email Ms. Mullens and Mr. Warburton.
161 They are happy to meet with people at their convenience. They would like to discuss the
162 comparisons of cost per pupil, but they do not because it is hard to compare apples to
163 apples.
164
165 Ms. Hutchison asked if there is a default budget and what the impact would be on the
166 new contract.
167
168 Ms. Mullens stated that the new contract is on a separate warrant article and will be voted
169 on separately from the budget.
170
171 Mr. Coughlan discussed the employment agreement. The agreement is a 2 year contract
172 and will cost \$29,894 the first year. If the voters agree to the contract it is to fund the first
173 year. The second year is an estimated cost of \$80,377. The contract includes a 0%
174 increase in the base for calculating all salaries in each of the two years. This also
175 includes an increase in summer work pay which will not the impact budget because there
176 is a decrease in the number of paid summer days. The contract also includes an increase
177 in professional development reimbursements based on costs for courses that staff takes,
178 adjust budgeting methods for professional development costs based on experience for
179 what is actually spent versus what is budgeted for, employee reclassification, the addition
180 of 2 steps for support staff to match professional staff, health care premium shifts to
181 incentivize employees to use lower cost plans, and grandfather and freeze access to the
182 most expensive health care plan. The tax estimate for the employment agreement is
183 \$0.01/\$1000 for Amherst and \$0.02/\$1000 for Mont Vernon.

184
185 Mary Ede, 34 Bloody Brook Rd, Amherst asked what happens if the contract does not
186 pass.
187
188 Mr. Coughlan stated that the current contract stays in place and all of the new changes
189 will not happen. The town would then save \$29,000.
190
191 Mr. Brown discussed Article 4 asking for \$110,000 for replacing the track. He discussed
192 the 1991 track and the shape it is in. In 2007, the track was resurfaced. The 2010 Gale
193 report stated the need to replace the track and that it could no longer be resurfaced. He
194 discussed what would happen if the track were replaced. The tax impact of this article is
195 \$0.06/\$1000 in Amherst and \$0.07 in Mont Vernon.
196
197 Mr. Chen stated that the Advisory Finance Committee voted that 6-0 vote with one
198 absence in favor of this warrant article. He asked if the actual expense of the track comes
199 in under \$220,000 how the money goes back to tax payer or general fund.
200
201 Ms. Shankel stated that she has an email out to the Auditor and has not gotten a response
202 back. She will also discuss this question with the attorney as well.
203
204 Frank Brown, 4 Middle Street, Amherst, asked if the track is in bad shape.
205
206 The Board responded that the track is in very bad shape and is dangerous. They gave
207 examples from personal experience.
208
209 Mr. Howard Brown discussed Article 5: adding \$65,000 to the School Maintenance
210 Fund.
211
212 Ms. McCabe asked how much is in the fund now.
213
214 Mr. Howard Brown stated that there is about \$153,000 in the fund now.
215
216 Ms. Shankel stated that the Maintenance Fund is kept as a fall back for an emergency for
217 a large building expense. If it was depleted completely and something catastrophic
218 happened there would be no funds to fall back on.
219
220 Mr. Howard Brown stated that the district has used this fund in the past and it is good to
221 have funds if the school needs them. The tax rate impact is \$0.03/\$1000 in Amherst and
222 \$0.04/\$1000 in Mont Vernon.
223
224 Ms. Mullens discussed the total tax impact of the proposed warrant articles. If all of the
225 articles pass the tax impact would be an increase of \$56.10 on a \$330,000 home in
226 Amherst and \$36.00 on a \$300,000 home in Mont Vernon.
227

228 Ms. McCabe asked if there is a committee looking at consolidating schools and
229 eliminating schools. For example, if 4th grade moved to AMS, 8th grade to SHS, and
230 Clark to Wilkins then Clark School could be closed.

231 Mr. Warburton thanked the public for their questions. All of the boards in SAU 39 are
232 looking at the quality of education and the tax bill. For the last 14 months, all of the board
233 members and other people have been looking strategically for the future. There is a draft
234 for a strategic plan built of five themes, which includes the theme Streamline. The goal of
235 this theme will be to create efficiencies to save costs and keep the high quality education.
236 The plan will also look at how the districts are going to plan for the diminishing
237 enrollment. These are continued discussions and heavy on the minds of all Board
238 members and Administration.

239

240 Ms. Mullens stated that February 2nd at 7pm is the Deliberative Session and the voting is
241 on March 10th.

242

243 Ms. Mullens closed the public hearing at 7:08pm.

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