

**Minutes of the
Litchfield Budget Committee Meeting
Held on November 2, 2017**

The Litchfield Budget Committee held a meeting on Thursday, November 2, 2017 at Campbell High School, One Highlander Court, Litchfield, NH 03052.

PRESENT: C Couture (Chair), K Douglas (Vice Chair), R Keating, J Bourque, J Spotts, J Bourque, J Green, E MacDonald (School Board Representative), J Brunelle (Selectmen Representative)

Absent: D Miller

1. CALL TO ORDER

Mrs. Couture called the meeting to order at 7:00 p.m.

- **PLEDGE OF ALLEGIANCE**
- **REVIEW/ADDITIONS TO AGENDA**

Mr. O'Neill requested to move the Curriculum Development budget to November 9, 2017.

2. PUBLIC INPUT

There was no public input.

REVIEW/ACCEPTANCE OF MINUTES

- Oct 12, 2017

MOTION: by Mrs. Douglas

Move to approve the minutes of October 12, 2017

SECOND: by Mrs. Bourque

VOTE: 7-0-1, with Mrs. Harrison abstaining

The motion carried.

- Oct 26, 2017

The minutes were amended and tabled to the next meeting.

3. CORRESPONDENCE

Mrs. Couture announced she received several emails and updates from the town and school district.

4. BUDGET REVIEW: SCHOOL DISTRICT

- Superintendent's Budget Priorities

Mr. O'Neill announced the FY19 School Board Recommended budget reflects a 3% increase over last year's budget. He indicated there are four priorities in this budget process:

- Full Day Kindergarten
- 1:1 Computing
- Library Learning Commons
- 3-Year Actual Expenditures

He expressed appreciation to Mr. Izbicki for his hard work on the budget and the approach of using actual expenditures over last three years during the budget preparation process.

Mr. O'Neill provided the following information:

- Full Day Kindergarten
 - Money spent on early intervention are the best dollars spent;
 - English literacy and math numeracy are critical by grade 3;
 - With a full day program all students come in with equal experience to grade 1;
 - It is believed the majority of the community will access full day kindergarten;
 - Strong data shows a decrease in the number of students that will be referred to special education;
 - All children will be in core curriculum;
 - A full day program benefits children socially and emotionally;
 - Socialization is important in the early years;
 - Kindergarten has been discussed previously in the district; in 2005 there was a vote to implement kindergarten if the district received funds from the state;
 - Kindergarten was implemented, but only a half day program;
 - 75%-80% of districts in the state have full day kindergarten;
 - The community has had an opportunity to accept and vote on kindergarten;
 - There are four kindergarten classrooms listed in the capital plan;
 - The classrooms the district is planning are portable classrooms (not brick and mortar);
 - A new RSA allows for the district to receive revenues from Keno that will support a full day program with more funding in additional years.
- 1:1 Computing
 - Fully implemented a 1:1 program at CHS;
 - All students at CHS have Chromebooks and are using them;
 - Goal to have the middle school outfitted next year, which would consist of:
 - disbanding the mobile computer labs
 - dedicate any Chromebooks from the labs to the students at LMS
 - purchase additional devices needed;
 - School Board has allowed the district to go forward with Chromebooks at LMS for students in Algebra I and Spanish I courses
 - Plan for a hybrid model at GMS with students using some computers or different devices, which will help them be ready for the 1:1 experience in middle school.
- Learning Commons

- A different view of how we use our libraries;
 - Learning commons are dynamic, encourage cooperative learning, sharing of technology, and have Makerspaces for student collaboration;
 - Student will continue to access books in the libraries, but technology [and use of] is an integral component;
 - Changes have begun to be made at GMS and LMS to work toward the learning commons model.
- Actual Expenditures
 - Three years of actual expenditures was used in the budget preparation process;
 - Many areas the Budget Committee has focused on in the past have been culled;
 - Planned continued use of this method of budget preparation.

Mr. O'Neill indicated in order to fund the full day kindergarten program the district will need a total of \$500,000. He noted that approximately \$100,000 will be provided by the state, two middle school teacher positions and one elementary position will be dedicated to kindergarten staffing (use two of those positions as teachers and one of those position for two paraprofessionals), and the remaining \$150,000 is included in the budget. He commented the district is not asking for warrant articles or additional money to fund the program.

Mrs. Couture asked if the 1:1 computing alleviates space issues at the schools, and if the rearranging of libraries will impact the traditional library space of the past.

Mr. O'Neill indicated that the computer labs being replaced are those on carts and not dedicated classrooms. He mentioned some of the room utilization spaces will be opened up as we move forward. The library will require additional space for the learning commons as the principals will address in their presentations.

Mrs. Bourque asked if full day kindergarten is the only option. Mr. O'Neill indicated that districts are still required to offer the option of half day kindergarten, for which we have a plan.

- FY19 Financial Overview

Mr. Izbicki presented the FY19 Budget process overview to the Board:

- Received the original requested budget from budget managers
- The requested budgets were reviewed by the Superintendent and Business Administrator with budget managers
- The Superintendent and Business Administrator applied strategic changes to the budget
- A strategic list was created, which includes budget items pulled out of the budget that will be prioritized as the district goes through the budget and manages the fund balance
- The FY19 budget is reduced in all areas
- Salaries and benefits has been reduced by attrition (\$200,000) across that budget

- The budget is a 3% increase over FY18
- Items not under district control include CBAs, transportation, retirement, health and dental insurance rates
 - Health insurance budgeted at 5% increase (waiting for GMR)
 - Dental insurance budgeted at 2.5% increase
 - Transportation rate for particular group in special education increased from \$97.50/day to \$165/day this year to \$220/day next year
- The operational budget includes full day kindergarten and estimated cost items associated with its implementation
- SAU budget increase in conferences/workshops for new superintendent
- School Board budget decrease mainly due to audit services cost reduction
- HR budget decreased 17%
- Received two notifications of intent to retire
- Technology and Curriculum had some spend ahead in 2017 that was allocated in FY18; those amounts are reallocated to other areas in 2019
- GMS increase due to implementation of full day kindergarten
- LMS has a minimal increase
- CHS decreased 2%
- Business budget eliminated actuarial line
- Buildings and Grounds increase in Site accounts due to implementation of full day kindergarten
- Food Service has decreased.

Transportation

Mr. Izbicki explained that when we received the transportation invoice for special education we questioned it and were told that the \$165/day rate should have been charged for the last two years.

Mr. O'Neill mentioned that during a meeting with colleagues transportation issues were discussed and one of the main issues is that it is difficult getting drivers for buses. He indicated the Commissioner of Education contacted vendors in Maine, New Hampshire and Vermont for additional capacity for bus drivers, but was told that there was no additional capacity. Mr. O'Neill explained that current drivers can go full time with a commercial company, with better wages and benefits. He noted the reason the bus company can increase their rates this way is because there are no other options.

Mrs. Douglas asked if the district can share a bus with a closer school. Mr. O'Neill indicated the district has been looking at that.

Mrs. Couture asked how many students are involved.

Mr. Izbicki indicated it is one run. Mrs. Couture commented that a lot can occur between now and next September.

- Special Services

Mrs. Bandurski presented the FY19 Special Services Recommended budget to the Budget Committee. She provided some budget highlights:

- Special Services encompasses special education, 504, homeless students, home school students court involved, foster care and ELL students, and all have legal requirements
- When developing a budget we take into account legal requirements to create a budget based on students we know of
- Law went into effect this year to increase tuition rates by 5%
- Professional services are for students we know of at this time
- Special Services provides 1:1 nursing, behavioral services, teacher for hearing impaired, visually impaired, which are all IEP driven
- Out of District tuition is based on students known at this time and those that we know are coming in
- Transportation relies not only on First Student, but other providers as well
- The daily rate for special education transportation has increased significantly with supplemental transportation providers
- Transportation is also provided for homeless students and maintaining the placement for the student, which we try to cost share with the district in which they are residing
- Increases in technology replacements are for teachers and providers throughout the district.

Mrs. Couture commented one of the things the Budget Committee likes to look at is “big picture” trends over time. She indicated there is no doubt these students need these services, but when we look at the trends we do not know what will happen in September of next year or January 2020 and there is fluctuation. She explained in tuition we look at the percentage of what we use compared to what we budget. Mrs. Couture indicated that when we look at the trend there are places we can make reductions without impacting a student’s placement. She asked the Committee to consider the possibility of taking a 4% reduction without impacting a student’s placement as trends historically reflect an underspend.

Mrs. Bourque asked for clarification regarding an agreement that this money goes back to the taxpayer.

Mrs. Couture indicated the majority goes back to the taxpayers. She commented if the district reallocates some of that money it does not go back to the taxpayers. She noted if you can reduce the bottom line without impacting education there is a better chance of budget being approved.

Mr. O'Neill indicated the money from special education has been returned and will always be the goal of the district. He agrees it is one of those budgets that has the most variability and because of the change of students and placements will argue that leeway is necessary in that budget in the event we need that higher percentage in special education.

Mrs. Douglas commented there were years we made substantial reductions. She asked how many times the reserve fund was used. Mrs. Couture indicated there was no use of the reserve fund.

Mrs. Douglas commented there is a reserve the district can use. She indicated the Budget Committee's job is to determine what it will take to make this budget work.

Mr. O'Neill commented we do not know the exact amount needed. He indicated that the district will be proposing to the voters to revisit considering setting aside some fund balance to help alleviate the concern of right funding. He noted that the district would have to come to the Budget Committee to request the funds if necessary.

Mr. Izbicki mentioned that Mr. O'Neill is referring to the 2.5% contingency fund. He indicated there has been an attempt in the past to put it in front of the voters, but the people did not fully understand the explanation of the article or the fund. He explained it is not a reserve fund and its use requires approval of the Budget Committee and Commissioner of Education. Mr. Izbicki commented where we have had difficulty getting a Special Education Capital Reserve Fund approved, this type of fund would give the district an option. He noted it is not a monetary impact and covers more than just special education. Mr. Izbicki mentioned that he worked in Goffstown where voters approved a 2.5% contingency and when there was a drainage emergency at the high school, they brought their request for contingency funds to the Budget Committee and the Commissioner of Education.

Mrs. Couture commented that this type of article was brought before the voters and failed and has not been brought forward since. She noted the town has that ability.

Mr. Brunelle clarified the town cannot use those funds for an unexpected expense, but only for tax reduction.

Mr. O'Neill reiterated that the Budget Committee would retain its ability to grant or not to grant permission, as would the Commissioner of Education.

- CHS

Mr. Lonergan presented the FY19 CHS Recommended budget to the Budget Committee. He provided some budget highlights:

- Fewer textbook cost requests since moving to the 1:1 computing program

- Some apps are not Google related and are budgeted
- Focused on improving the science programs over the next two years
- Fewer paper materials requested
- Some equipment (i.e. locker room locks, range hoods FACS room, Laminator) are out of date or have failed
- Mannequins for CPR out of date
- Materials in Tech Ed classrooms are at end of life or out of date
- Replacement piano for Music Department
- Tablets requested for Tech Ed since Chromebooks cannot be used programmatically
- Decrease in vocational program enrollment
- PSAT 8-9 was recommended by Guidance to assess CHS freshmen and sophomores
- Lacrosse is now part of the athletics program and will increase costs in some areas of athletics and transportation
- CHS in the last stages of NEASC for accreditation
- Looking at more digital content in the curriculum.

Mrs. Couture asked if the drill press and spindle budgeted for Tech Ed is different from what is used in a home.

Mr. Lonergan indicated a spindle sander is used for wood turning projects and the drill press is in disrepair. He noted these items are commercial items. He commented the Tech Ed teacher offered to get decent used commercial items for less money.

Mrs. Couture asked about the added cost for PSATs. Mr. Lonergan explained the state has been paying for the SATs and the school pays for the writing portion. He indicated 10th graders are not required to take the test so the state does not provide the funding. He noted there is an 8/9 module that will help us get a common set of data over three years of the high school experience.

Mrs. Couture asked about the increase in athletics transportation for pre-season and post-season. Mr. Lonergan commented at some degree the school has to assume the activity. He explained that it is anticipated CHS will go to all the tournament games, but not predictable. He indicated in the past this was in the self-funded budget, but he asked Mr. Mills to put this in the general fund budget. He noted that Lacrosse has been added and fees have increased as well.

Mrs. Couture asked how the numbers are determined for textbook replacement. Mr. Lonergan commented it is a challenge when students lose their books. He indicated that students have to pay for the books they lose, but new books are not purchased. He noted the money goes into a fund and we will wait until the end of the year to see what we will need.

Ms. Green asked about the Information Access Fee for Lynda.com. She mentioned that it is offered through the Aaron Cutler Library in Litchfield. She asked if this is something that students can access so that it does not have to be included in the budget.

Mr. Loneragan indicated he will find out that information.

- LMS

Mr. Lecklider presented the FY19 LMS Recommended budget to the Budget Committee. He reviewed some of the occurrences over the past year at LMS that included the emphasis on STEAM at LMS, the technology and opportunities that have opened up for students and teachers, Project Lead the Way and the impact the program has had on science and technology initiatives, and moving toward Library Learning Commons. Mr. Lecklider provided some budget highlights:

- Focus on increasing the opportunities in Unified Arts
- 1:1 Computing will put technology into the classroom and increase achievement, learning and create opportunities for students
- Partnership with Plymouth State University for learning commons model
- Request for lease on musical instruments for students (and through high school) on a five year program.
- Funding requested for more digital programs for reading intervention.

Mr. Lecklider commented that the average cost to educate students in middle school in New Hampshire is \$14,200 and in our district the average cost per pupil is \$12,700. He noted that Litchfield has the 8th lowest cost per pupil in the state. He indicated a conservative middle school budget has been prepared over the years. He recognized the staff for what they do to make student learning happen successfully.

Mrs. Couture congratulated LMS on their science NECAP scores. She wanted to know how the one technology classroom at LMS will change.

Mr. Lecklider indicated there are skills that students need at the elementary level. He commented computer literacy class in middle school will exist to get them to the next level. He noted we are aligning with the high school curriculum for transition from middle to high school. Mr. Lecklider indicated there is more integration of technology into the library and learning commons. He noted the lab in the library will remain, but will take on a new look. He commented PCs are still needed for the App creating class.

Mrs. Couture asked how the learning commons will happen. Mr. Lecklider indicated there are two interior classrooms behind the library, which is where technology will be migrated.

- GMS

Mr. Thompson presented the FY19 GMS Recommended budget to the Budget Committee. He explained the budget is centered around the three major priorities of the district:

- Full day kindergarten implementation costs are included in the GMS budget
 - It is more biologically and economically efficient to provide early learning for brain development
 - It is important to give children what they need at that stage to keep up with their peers
 - 43% of our students were below average in early literacy; 28% of our incoming kindergarten students were below average in numeracy
 - 49% of pre-k students were below average in literacy and 45% were below average in numeracy
- Technology has moved quickly in recent years and GMS added a computer lab in 2013 (approved warrant article)
 - GMS has weekly computer instruction, smart boards or interactive projectors in every classroom, Chromebooks for all teachers, Chromebook carts for students and mobile labs
 - Observations of students who enroll in Kindergarten and Grade 1 indicates they have good touch screen skills, but are not good at using a corded keyboard
 - A hybrid 1:1 model using touch screen devices will provide better results not only in technology use, but in assessment results if students take assessments on those devices
- Supplies for Project Lead the Way are at the maintenance level
- Plymouth State University visited GMS last year to provide information on learning commons
 - Use of library in a flexible way
 - Students will still be able to access/check out books
 - Learning Commons requests include furniture for more comfortable space in the library
 - Learning Commons is about relationships between students and how they interact in those spaces
 - Relationships between students and information
 - Looking into the transition from library as a special to using it in a different way
 - Teachers are concerned children still learn how to use the library as the resource it is.

Mr. Thompson commented that the kindergarten budget actually impacts nearly every department of the budget. He indicated in the overview provided by Mr. Izbicki we have ten function codes and actually 0% change in four areas. He noted that regular instruction has increased due to full day kindergarten. Mr. Thompson commented full day kindergarten is the norm in most schools in New Hampshire. He indicated at the national level in 2015, 80% of children age 5 were enrolled in pre-primary programs. He noted that additional state aid will help offset the costs of full day kindergarten. Mr. Thompson commented early experiences shape how the brain gets built and there are better outcomes when things are done right the first time. He indicated students who come to Grade 1 without full day kindergarten come with a spectrum of different experiences and uneven learning abilities and skills.

Mr. Izbicki noted that a cost analysis for the implementation of full day kindergarten has been provided for the Budget Committee.

Mrs. Douglas commented she would like to know why full day kindergarten is not being placed on the warrant. She indicated something of this magnitude should be brought to the voters for approval.

Mr. O'Neill indicated that kindergarten already exists in the schools in Litchfield. He commented there was a vote for implementation of full day kindergarten in the past if there was funding from the state to construct kindergarten classrooms. He noted the state is providing some funding and we do have the financial capacity to do this without overloading the community.

Mrs. Douglas commented it is an interesting idea. She indicated at a similar time there was an article brought to the voters stating new programs, expansion of programming would be presented to the voters for approval. She noted the voters deserve the right to decide and instructed the Budget Committee to act. She added funding depends on the Keno revenue.

Mr. O'Neill believes the Keno funding will be used as additional funding for full day kindergarten. He indicated the state will provide an additional \$1,100 to what we are currently receiving.

Mrs. Douglas commented that disagrees the revenue will be there.

Mrs. Couture commented it seems as though money has been added for field trips in co-curricular transportation. She asked how that was paid for in the past.

Mr. Thompson indicated that parents paid in the past. He explained the PTO donates a fixed amount to GMS, which is prorated among all the students. He commented these trips are

expensive so parents still have to pay the admission fees. He believes it is important to try to fund these trips in the budget.

- Technology

Mr. Pelletier presented the FY19 Recommended Technology budget to the Budget Committee. He commented that the district is looking at the 1:1 Computing initiative for FY19, migration to the middle school and how this changes technology in the district. He indicated we are working on what we can do in our data centers not only to increase how technology is being used and its efficiencies, but decrease the numbers in our budget. He noted by implementing the 1:1 program we are able to change our five year plan and reduce it for each school over two years. He added if you add in the spend ahead, the technology budget actually reflects an \$18,000 decrease. Mr. Pelletier reported by removing certain things in other parts of the budget we can save more money. He indicated the shift in the budget this year moves the \$7,200 for projectors and smart board replacements from CHS to LMS and GMS.

Mrs. Couture commented that two years prior \$300,000 was spent ahead for technology and this past year \$167,000 was spent ahead. She asked why funds cannot be spent ahead this year for FY19.

Mr. Izbicki explained those strategic items are based on priorities of the district on a strategic list. He indicated if the district can address 1:1 at LMS we would address it with the fund balance. He commented as we get closer to the end of the year we will have a better idea of our fund balance. Mr. Izbicki noted because we spent those items ahead last year does not change the five year plan, and whether we spend ahead to try to reduce the budget does not change the technology plan.

Mrs. Couture commented we did a good job funding technology in the budget and then we find that it has been spent ahead the prior year. She asked what guarantees the Budget Committee has for the requests in the budget.

Mr. Izbicki commented the spend ahead was to address concerns for special education expenses that might be coming. He indicated he is not able to speak to the prior year.

Mrs. Couture commented the Budget Committee did not reduce technology in the last two years because it was a priority. She indicated that the Committee found out in June items were purchased ahead this year and in the prior year. She noted that there is an increase of \$130,000 in the FY19 Technology budget and wonders why the district cannot spend ahead this year.

Mr. O'Neill explained the budget reflects what we believe are our top priorities and the strategic budget reflects what is not a priority. He indicated there is no guarantee the district have the fund balance to purchase ahead so the increase plays a role in insuring the fund balance is there to be able to spend ahead if needed. He commented the district has been more conservative when budgeting. Mr. O'Neill noted we will not be coming in that tight because we cannot and we cannot deficit spend. He added we do not have money reserved.

7. REPORTS

• **Town**

Mr. Brunelle reported the union has taken health insurance information back to the membership. The past storm made a significant impact to our budget this year and the Road Agent spent 24 hours taking trees down.

8. Member Input/Misc Business

There was no member input.

9. Public Input

There was no public input.

10. Adjourn

MOTION: by Mrs. Douglas

Move to adjourn

SECOND: Mrs. Harrison

VOTE: 8-0-0

The motion carried.

The meeting was adjourned at 9:05 p.m.

Next meeting: November 9, 2017

Recorded by: Michele E. Flynn, Recording Secretary

Approved: