

A workshop session of the Dover School Board was called to order by Chairperson Marjorie Fisher on Monday, January 22, 2006, at 6:35 p.m. in Council Chambers for the purpose of discussing the Superintendent's proposed fiscal year 2008 budget.

A. ROLL CALL: Members present were Brandon Foye, Carolyn Mebert, Dorothea Hooper, Audra Lurvey, Marjorie Fisher, Beth Setear, and Doris Grady.

Also present were Superintendent John O'Connor; Business Manager, Laurie Verville; Garrison School Principal, Dustin Gray; Woodman Park School Principal, Patrick Boodey; Dover High School Principal, Christopher George; Dover Middle School Principal, Larry DeYoung; Horne Street School Principal, Barbara Szabunka; Athletic Director, Peter Wotton; Facilities and Operations Manager Joanne Eaton; Richard Barrett, DTU President; Lynn Allen, Teacher; Students, Citizens, and Larry Clow, *Foster's*.

B. PLEDGE OF ALLEGIANCE: Doris Grady led the Board in the Pledge of Allegiance.

C. CITIZEN'S FORUM: No one addressed the Board.

D. BUDGET DISCUSSION:

Dr. O'Connor began the workshop by reviewing the contents of handbooks presented to Board members containing a 95 page line-item budget, definitions for Function Codes, Object Codes and the costs associated with them, and the current sheet containing information on the General Fund Revenue & Debt Load with Final Tax Rate. He cautioned that all of these documents were "fluid" and would change dramatically before the Board's Budget adoption.

"The presentation will include a review of the school year 2006/07 Budget and an analysis of the proposed Superintendent's Budget. There will be an overview of the administrator's recommendations for personnel and programs, and an explanation of how the Superintendent came to recommend certain positions or programs over others. As you are aware, the most significant impact on a school budget is generally personnel driven. This year's budget proposal is driven by two very important factors: 1- the rising operational costs and 2, – the increases in both salary and benefits base of our employees. During the presentation, we will examine many of the challenges facing the Dover School District. These include increased contractual obligations, the rising costs of operations, transportation services, health care, and employer contribution to the New Hampshire Retirement System."

"I will take you through areas of growth including areas covered under operating capital. Conversely, you will become aware of areas within the budget that require significant reductions or total elimination. The budget development process undertaken these past two months by this Superintendent and administrators proved to be highly complex and a very emotional process. I use the term 'emotional' both literally and figuratively. Having to complete the process with a mandate to develop three different budgets was a taxing and demanding process. Attempting to develop a budget that clearly defines 'wants and needs' is a process in-and-of itself. Adding to this challenge, the development of a stagnant or no-growth budget, moved the administrative staff well beyond the requisite wants and needs of budget development. To remain at current expenditures will require the elimination of significant needs in the Dover School District."

“Tonight, I’ll present to you what I believe is a modest increase in our budget over the 2006/2007 school year. We entered the process with clearly defined goals in mind and I believe we achieved what we set out to accomplish.”

Superintendent O’Connor then presented an overview of the Superintendent’s 2007/2008 Budget:

- The School Board Budget Goals for 2007/2008 are:
 - Moderate Growth Above Contractual Obligations
 - 0% Increase Over 2006/2007 Appropriations as a result of a request by the Joint Fiscal Committee, City Councilor Members
 - 2% Increase Over 2006/2007 Appropriations, also requested by City Council Members of the Joint Fiscal Committee

The Council also directed debt service and operating capital be excluded from these budgets.

The Superintendent then defined the terms Operating Expenditures and Operating Capital:

Definition of Operating Expenditures

Current and recurrent costs for the goods, services, materials, and maintenance required for operations. Examples: Audit Fees, Property & Liability Coverage, Supplies, Out-of-District Tuition Placements, Transportation, and Professional Development.

Definition of Operating Capital

Items, products, or equipment that would normally be capitalized are those that have a useful life of more than one year. Examples: Textbooks, Library Books, Data Communications, Information Services Equipment, Energy Management Systems, Photocopiers, Site Work, and Vehicle Replacement.

Dr. O’Connor presented the following charts:

2007/2008 Overall Superintendent’s Budget Increase

	2006/07	2007/08	% Growth
Expenditure	\$36,203,218	\$38,525,400	
Debt Service	\$2,799,270	\$2,978,589	
Total Appropriation	\$39,002,488	\$41,503,629	6.41%

Budget Comparisons

2006/2007 Budget	2007/2008 Administrative	2007/2008 Superintendent	
\$36,203,218	\$39,964,647	\$38,525,040	Percent Growth

			6.41%
(\$1,153,542)	-	(\$1,381,714)	Minus Total Operating Costs
\$35,049,676	-	\$37,143,326	Percent Growth 5.97%

Superintendent O'Connor advised that 1% of the Superintendent's Budget = \$385,250 and the Board should keep that in mind when cutting from the 5.97% submitted in his budget. He also stated that his budget submission included the following new positions, added to the 2006/2007 budget after July 1, 2006:

- ROTC – DHS (2.0)
- Art Teacher – DHS (.4)
- Science Teacher – DHS (.4)
- SRO (\$20,000)
- Kindergarten Teacher – GES (.5)
- 504 Aide – GES (.5)
- Health Teacher – DHS (1.0)
- Total Cost: \$218,006.12**

Administrators submitted 1,266,222.91 in requests for new staff in 2007/2008 and could provide compelling justification for each of the following:

- | | |
|--|---|
| Art Teacher – DHS (0.6) | Library Aide – DHS |
| Business Ed Teacher – DHS | Math Teacher – DHS (0.6) |
| English Teacher – DHS | Music Teacher – DHS (0.6) |
| Math Teacher – DHS | Social Studies Teacher – DHS |
| Girls' Lacrosse Coaches (2) – DHS | Spanish Teacher – DHS (0.4) |
| Secretary to Deans – DMS (27.5 hrs/week) | After School Program Coordinator – DMS |
| French Teacher - DHS (0.4) | Computer Lab Teacher – DMS |
| Coach – DHS | Dean of Curriculum & Instruction – DMS |
| Freshman Softball Coach – DHS | Foreign Language Teacher – DMS |
| JV Volleyball Coaches (2) – DHS | Data Analyst – District-wide |
| Latin Teacher – DHS (0.4) | Instructional Aide – GES |
| Biology Teacher – DHS (0.6) | Instructional Aide – HSS |
| Case Manager – DHS (0.2) | Percussion Advisor (Stipend) – DHS |
| English Teacher – DHS (0.4) | Add 10 days to Guidance Secretary – DHS |
| Gymnastics Coach – DHS | Add 2 hours/day to Athletic Secretary – DHS |
| ISLAND Guidance Counselor – DMS | Nurse's Secretary 7 to 35 hours – DMS |
| Instructional Aide – GES | Add 15 hours/week to Nurses Secretary – DHS |
| Instructional Aide – HSS | Add .8 hours/day to Computer Tech – DMS |
| Social Studies Teacher – DHS (0.4) | School Secretary to Grade III – DMS |
| Ski Coach – DHS | TOTAL REQUESTS: \$1,266,222.91 |

After careful consideration of all of the requests presented, the Superintendent's budget submission includes only the following new positions:

- Art Teacher – DHS (0.6)
- Business Ed Teacher – DHS
- English Teacher – DHS
- Math Teacher – DHS

Girls' Lacrosse Coaches (2) – DHS
 Secretary to Deans – DMS (27.5 hrs/week)

TOTAL: \$288,648.40

Ms. Fisher asked if why there was a request for two girls' lacrosse coaches. Dr. O'Connor stated this was due to questions being raised about the District's Title IX compliance (equal access to boys' and girls' sports). Ms. Fisher then asked if the Secretary to the Deans at Dover Middle School was to replace the position that was cut from last year's budget. The Superintendent stated it was and that the position that was deleted last year had an adverse impact on the attendance secretary's ability to contact parents in a timely manner regarding a student absence.

Dr. O'Connor stated his budget included areas of growth as well as areas of reduction:

Areas of Growth

- Replacement of Athletic Equipment
- *Replacement of Texts (See Below)
- Replacement of AV Materials
- Replacement of Custodial Equipment

Ms. Hooper pointed out the Board has had to stall introducing new programs because the budget would not cover the textbook costs. Dr. O'Connor agreed, the curriculum adoption process has been interrupted on at least two occasions (for mathematics and social studies) and used a three-year (instead of a one-year) plan to implement the adoptions. Additionally, upcoming curriculum adoptions will need to be reviewed for textbook purchases.

Text Replacement (Budget Comparisons)

	2000/2001	2006/2007	2007/2008
Garrison	\$16,500	\$ 3,500	\$13,000
Horne	\$12,375	\$ 3,500	\$13,000
Woodman Park	\$14,025	\$ 3,500	\$13,000
Dover Middle	\$ 5,470	\$ 8,000	\$22,500
Dover High	\$69,529	\$56,625	\$82,983
Total:	\$117,899	\$ 75,125	\$144,483

Areas of Reduction

- Cleaning Services – ROTC & Band Uniforms
- Equipment (New)
- Athletic Supplies (Level Funded)
- Reference Texts
- Classroom & School Magazines
- Electronic Library Supplies
- Library Supplies
- Supply Accounts - \$20,000 reduction (See Below)

Supply Accounts (610) (Budget Comparisons)

	2000/2001	2006/2007	2007/2008
Garrison	\$36,198	\$31,584	\$24,584
Woodman Park	\$29,862	\$34,051	\$26,051
Dover Middle	\$75,913	\$72,596	\$68,196
Dover High	\$87,352	\$84,552	\$85,014

Total: \$254,478 \$252,700 \$229,762

Superintendent O'Connor reviewed a five- year history of the Laidlaw Transportation Contract,

2002/2003 2003/2004 2004/2005 2005/2006 2006/2007 2007/2008
 \$ 650,000 \$ 747,500 \$859,625 \$979,973 \$1,117,169 \$1,145,098

including a projected fiscal year 2007/2008 cost. It was important to note that the current 5-year contract with Laidlaw expires this June and the District will be going out to bid for a new bus contract starting in the 2007/2008 school year. Both the Superintendent and the Business Manager anticipate the actual cost will be less than the \$1,145,098 projected.

There have been significant increases in employer contributions to the New Hampshire **Retirement System**,...

<u>2006/2007</u>	<u>2007/2008</u>
Teacher – 3.7%	Teacher – 5.8%
Employee – 6.81%	Employee – 8.74%
<u>2006/2007</u>	<u>2007/2008</u>
\$764,100	\$1,197,690

56.7% Increase

...as well as increases in **health care obligations**:

Health Care	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>
Premiums			
%Increase	24.3%	7.9%	7.7%
Health Care			
Premiums			
(All Staff)	\$4,428,932	\$4,733,187	\$5,064,424

Total Employees Who Participate: 438

The Superintendent reviewed contractual salary obligations that represent 75.97% of the entire budget,...

Administrators	3% (still being negotiated)
Teachers	3.2%
Para Educators	4% to 6%
	(CPI-U & 2%, CNTE 6%)
Secretaries	3%
Custodians	3% (still being negotiated)
Non-Union	3%

...as well as staff and enrollment histories for the past 5 years:

Five-Year Staffing Comparison

Year	Enrollment	Administrators	Teachers	Instructional/ Title I Tutors	SPED Aides
2006/07	4126	18	263.6	39.7	84.8
2005/06	4063	18	250.9	37.2	83.2
2004/05	4019	19	250.5	40.5	74
2003/04	4086	20	257.5	46	80.5
2002/03	3969	21	256.3	34.9	73.8

Five-Year Enrollment History (October 1st Official Enrollments)

Year	DHS	DMS	Elementary
2006/07	1737	1082	1307
2005/06	1658	1097	1307
2004/05	1624	1112	1283
2003/04	1602	1142	1342
2002/03	1539	1137	1293

Dr. O'Connor referred to School Board Policy JCAA, Dover High School Enrollment of Out-of-District Students. The Dover High School 2010 Committee created a maximum population guide that limits the number of students who may attend Dover High School. The policy reads, in part:

"After the 2009 School Year, the full-time student population of Dover High School shall not exceed 1575 for all Dover residents, the Superintendent may fill any remaining seats, up to the 1575 limit, with students from surrounding school districts as described and agreed to in current contracts."

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1700	1700	1675	1650	1625	1575	1575	1575	1575	1575
1658*	1737*								

* Actual October 1st Official Enrollments

However, the Superintendent warned that eliminating the enrollment of 100 tuition students from out-of-district would mean a loss of nearly \$1,000,000 in revenue and, it could not be guaranteed that eliminating 100 students would eliminate any staff members at the high school. The 100 students would be spread across all four grade-levels (averaging 25 students per grade). It might be possible to say, "Eliminate 100 incoming freshman," that might allow the district to eliminate some staff. However, the freshman class runs at about 500 students, so perhaps not.

Ms. Hooper noted the enrollments would also increase if the state passes the law to revise the age that a student must remain in school to 18. Dr. O'Connor added that would be a factor and advised that whether the Board wanted to adhere to the 2010 Committee recommendation, they need to be aware it could affect the budget significantly.

Ms. Grady questioned whether the 1737 (2006 enrollment) shown on his chart included the part-time students. Dr. O'Connor stated they were not included and that the figures used were not the current enrollment but, rather, the October 1st Official Enrollment Figures reported annually to the state.

Ms. Hooper stated she had chaired the 2010 Committee and noted committee members “resisted coming up with a target number because we felt it was such a “guestimate.” “I wouldn’t feel bound by what the decision was from this committee those few years back. We didn’t even have some of the programs we have now that have really ballooned our enrollment.” Dr. O’Connor added that Barrington (up 15-18 from the previous school year) and Nottingham (virtually identical to 2005/2006) enrollments were not up significantly from last year. Rather, the increased enrollments appear to be in Dover students. He discussed some of the possible reasons why this could occur, including fewer students dropping out; older families moving into the city’s more expensive homes; and new program offerings that appeal more to students. Ms. Grady stated that the district is “not that far off from the projections” as last month’s enrollment at Dover High School was 1698 students, only two students off from the 2006 cap of 1700.

After the presentation, Superintendent O’Connor stated he believes his budget achieves the School Board goals of moderate growth above contractual obligations with an increase of 5.97% to the operating budget (6.41% including debt and capital expenditures). The next step will be to review and prioritize what cuts the Board wants to make to reduce the increase below the Superintendent’s proposed budget.

Ms. Hooper stated she was very concerned about “...sticking with percentages. First of all, I think 0% is ridiculous. Nobody, even in your own home, can move into a 0% budget with all the increases in costs that we have. Our salaries and benefits alone would preclude that. We would have nothing left, practically, to run a school district after that point. 2%? I don’t know why we are sticking with percentages except that this has been the request of the City Council to their own City Manager. I’m much more comfortable in determining what we need to provide an adequate education. I know that hasn’t been determined yet by the state, but we pretty much know here in Dover what flies and what doesn’t fly and what the kids need. I think as a School Board, we have watched the programs develop and we know what we’d like to see continue. We’re talking about slashing the budget to the core and losing a tremendous amount of gain we’ve made in the last few years. I sit on a lot of committees, curriculum, professional development, and they’re talking about for three years they have been funded by a grant to get out of this District in Need of Improvement status that we’ve been in. Now, with all of these kinds of cuts, we might lose the advantage that we’ve gained over a three-year period. It distresses me to see that happen. I agree the City Council’s job certainly is to be fiscally responsible, as is ours; I understand that. But, I think dealing with percentages makes me uncomfortable, flat percentages. I would rather see, ‘Here’s what we need, here’s what we really need to run this school district and give a proper education to our kids,’ which is what I think is most important. There’s got to be parents, grandparents, citizens out there who don’t have children, who recognize the need for this. I’m going to make a plea tonight because I think we’re going to need the help of the people in the community. When I talk to City Councilmen, they say, ‘We never hear anything from constituents about, give the school district their money, they need this to run the schools or provide programs – all we hear about is cut back because we don’t have the money to pay the taxes.’ I know there are people out there who support public schools. I know there are people out there willing to pay a reasonable amount of money to see to it that kids get quality education. Don’t email us; email your City Council. They’re the ones who are holding our feet to the fire. They’re the ones who have to know that there are people out there who feel this way. They only hear the negative. They don’t hear the positive. So, you need to contact your City Councilmen - your Ward Councilman, to get support for a strong school budget. Not a wasteful one; a strong one.”

Ms. Grady stated the Superintendent's presentation this evening was the easiest to read than any she had read over the past twelve years. "Very easy to look at the figures, what they were – what they are going to be. I guess I could reiterate what Dot said, but I won't even bother to look at the zero growth. I think it's going to waste our time, waste a lot of the constituent's time, and I think it's going to raise a lot of fear among the people who are working for us. This is ridiculous to cut \$2,000,000. There may be some of that we can cut, but I think we look at those under your general budget. I look at your list, and I think it is ridiculous for education itself. So, I think we'd waste our time trying to go at zero percent because it's already used up in increases in salaries and whatever. I'd rather start from the percentage that you have and just look and see what we need to cut from it to the best of our ability. I don't want anybody who gets their hands on this last page and a-half to look at it and say, 'My job is gone; what am I gonna do? Where am I gonna go?' so everybody's going to live in fear here. We have a system to run until June and I certainly am not going to sit here and look at that \$2,000,000 cut and a zero percent budget."

RECORD NOTE: The last page and one-half of the power point presentation were removed from all handouts and proposed cuts will be discussed in future budget workshops.

E: ADJOURNMENT: Audra Lurvey moved, Beth Setear seconded, to adjourn the meeting at 7:30 p.m. An oral **VOTE PASSED 7/0**.

Respectfully submitted,

BRANDON FOYE, Secretary
Dover School Board
BF/kgb
1/23/07