

A workshop session of the Dover School Board was called to order by Chairperson Marjorie Fisher on Monday, January 24, 2005, at 7:00 p.m. in Council Chambers for the purpose of discussing the Superintendent's proposed Fiscal Year 2006 budget submission.

A. ROLL CALL: Members present were Heather Orion-Hindle, Carolyn Mebert, Dorothea Hooper, Audra Lurvey, Marjorie Fisher, Kara Winton, and Doris Grady.

Also present were Superintendent John O'Connor; Business Manager, Laurie Verville; Garrison School Principal, Dennis Bentley; Dover High School Principal, Christopher George; Dover Middle School Principal, Larry DeYoung; Woodman Park School Principal, Anne Watson; Horne Street School Principal, Barbara Szabunka; Curriculum Director, Dr. Murray Ingraham; Director of Career Technology Center, Ken Latchaw; Director of Federal Projects, Jean Briggs; Director of Special Education, Jackie Adams; Debra Beemis, UNH Intern, and Damian Troise, *Foster's*.

B. PLEDGE OF ALLEGIANCE: Marjorie Fisher led the Board in the Pledge of Allegiance.

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

D. POLICY BA – SCHOOL BOARD BY-LAWS: Doris Grady requested clarification of Article VI, Section 5, noting that the language contained in the policy did not accurately reflect current procedures. Business Manager, Laurie Verville, recommended the following language be substituted:

“Section 5. A payroll summary ledger and/or vendor check register will be issued for signature to the Chairperson or Vice-Chairperson on a weekly basis. The School Board shall be presented a manifest of all general fund expenditures for the preceding month, and this shall be issued to the Board for a majority signature of all members present.”

Chairperson Fisher asked that the new language be added and that Policy BA be placed on the February 14th Regular Board Meeting agenda for a second reading and vote. Board members noted that items requiring a vote should not be placed on future workshop agendas.

E. EARLY GRADUATION POLICY: Superintendent O'Connor stated that Principal George had developed an early graduation policy for Dover High School because of his concern over the absence of guidelines for early graduation candidates. He added that Mr. George felt there was a need to articulate specific standards for early graduation, and that he had consulted state law and education regulations in formulating the guidelines being presented. He then introduced Principal George to review the document.

Mr. George explained that multiple student requests for early graduation had precipitated the creation of the policy. He stated that the high school recognizes that a student may complete all graduation requirements prior to the last semester of the senior year and may be eligible for early graduation after 7 semesters of high school enrollment. While Dover High School requires 20 credits for graduation, students transfer in from other area schools that require 24 credits for graduation. He added that the proposal will “create a mechanism for discussing what is appropriate for each student.”

Principal George's proposal requires students submit an application for early graduation on or before May 1st of their junior year and that the student must also receive parent approval. He

went on to explain that this process will allow for the school's guidance department to become involved to discuss future plans, academic goals, and the student's rationale for making the request. Carolyn Mebert asked for clarification of item 3, "Parental approval is received," questioning whether students who have reached their 18th birthday would be required to obtain parental consent. Mr. George stated that parental approval would not be required if the student was 18 or older.

Doris Grady noted her concern that the policy seemed too restrictive, even when compared with the Department of Education requirements for graduation. She stated she felt it might be appropriate for some students as young as 16 to graduate early to pursue courses in their specific areas of interest. Ms. Grady also noted her disagreement with the paragraph in the policy that states that considerations for students needing to make money for college "**WILL NOT**" be a consideration for early graduation. Heather Orion-Hindle agreed with Ms. Grady's concerns, noting that a college education is costly and any opportunity to prepare could be helpful. Kara Winton pointed out that a student working full-time at a fast-food restaurant would be different than a student working in their chosen field of study. Dorothea Hooper asked Principal George what was different in his proposed policy from what the high school was currently doing. Principal George pointed out that the policy was being created in order to provide consistency between each case. Doris Grady asked what the high school would do if a student wanted to move on because of a lack of high school classes in their chosen field. Principal George stated they would decide on a case-by-case basis.

Ms. Grady stated her understanding that the Department of Education is looking at implementing new language in the education standards to clearly outline rules and regulations that schools must follow to ensure that students receive proper credit for any work done outside the classroom. She went on to note that it might be best to wait until the revised standards are presented before establishing an early graduation policy for Dover, especially since the revised rules may be more lenient than those currently in place.

(Record note taken from NH DOE website: "Defined in the standards, "alternative programs" are those that implement an innovative program that is alternative to the regular course of study to meet the specialized needs of students." The anticipated date of adoption shown on the NH DOE website is August 19, 2005.)

Upon completion of the presentation by Principal George, Chairperson Fisher asked that the item be placed on the February 14th Regular Board Meeting agenda for further discussion and vote.

F. BUDGET REVIEW: Superintendent O'Connor explained that while reviewing various aspects of the 2005/06 budget (such as health care, utilities, salaries, and transportation), it became abundantly clear that the Dover School District is facing significant growth issues and cost increases associated with virtually every fixed line item in the budget. He added that the increases included contractual obligations as well. He stated that his presentation would highlight these problematic areas and added that he had determined that the proposed budget, as submitted and recommended by District administrators, could not sustain growth in areas such as personnel and program development without having a significant impact on bottom line of the budget and, subsequently, the tax rate.

“This budget represents only very modest increases in the areas of technology, curriculum development, and school supplies. All other increases presented in the budget, and they are significant, are due directly to increases in fixed costs and contractual obligations. All other areas are level-funded or reduced.”

Superintendent O'Connor stated that his intent was two-fold: “First, to present the proposed Superintendent’s school budget on the facts and dollar costs associated with maintaining a quality educational program for the children of Dover and second, to share with you the many frustrations we, the administrators and I, encountered during budget development when trying to improve or enhance on the quality of an educational program.”

Superintendent O'Connor reviewed the following FY 2006 Budget Submission Highlights:

Superintendent’s Budget Presentation

This budget submission contains modest growth:

- No New Personnel
- Eliminated new/replacement furniture
- Eliminated new/replacement equipment (excluding Technology Division)
- Textbook replacement funds drastically reduced
- Supply budget slightly increased (1.54% increase over FY 05)

Collective Bargaining Increases for FY 2005-2006 (excluding step & track changes):

- DTU – 3.81%
- AFSCME – 3.3%
- DEOP – 2.25%
- Paraprofessional – TBD
- Non-Union – 2.5%
- Superintendent & BA – 3%

Benefit Increases for 2005-2005:

- Health Insurance +26.9%
- Dental Insurance +4.81%
- NH Retirement +35.3%
- Unemployment Ins. +6.6%
- Worker’s Comp. +3%

The total fixed costs for staffing and benefits are equivalent to a 20.32% budget increase.

History of Health Insurance Premiums (per plan, per month, per employee):

<u>2004-2005</u>	<u>Single</u>	<u>2 Person</u>	<u>Family</u>
HMO	443.00	886.00	1,196.00
POS	493.50	987.00	1,332.00
Indemnity	638.00	1,276.00	1,723.00
<u>2005-2006</u>	<u>Single</u>	<u>2 Person</u>	<u>Family</u>
HMO	550.50	1,101.00	1,487.00
POS (OA)	617.00	1,234.00	1,665.00

Health Coverage – Cost to District FY 2005-2006:

District Cost: \$4,435,156

Employee Share: \$346,338

(This represents an approximate 25% increase over FY 2004-2005.)

Business Manager, Laurie Verville presented the next few items:

NH Retirement Plan

- 388 staff members are eligible to participate in the NH Retirement Program.
- Rates for school district contributions in FY 05-06 will change from:
 - Teacher 2.64% to 3.7% (314 @ teacher rate)
 - Employees 5.9% to 6.81% (74 @ employee rate)(This equates to an overall increase in costs of 35.3%)

Total Salary and Benefit Impact

FY 2004-2005

\$26,064,115

75.5% of the FY 04-05

budget represents

Salary & Benefits

FY 2005-2006

\$28,283,753

76.6% of the FY 05-06

budget represents

Salary & Benefits

Other Fixed Cost Budget Increases:

- Electricity +5%
- Heating Costs +24.3% (Net)
 - Natural Gas +32.88%
 - Fuel Oil -2.18%
- Water & Sewer +22%
- Telecommunications +15.6%
- Copier Systems +27.9%

Transportation Budget +17.8%

This includes transportation provided for and by:

Laidlaw buses (19 regular & 8 kindergarten buses)

COAST (3 buses)

Special Education – In and Out-of-District

Athletics

Career Technical Center

Other programs

Superintendent O'Connor returned to the podium to continue the budget presentation at this time. He stated that although the proposed FY 2005-2006 budget contained no new personnel, the following additional staff, approved by the Board after July 1, 2004, is reflected as line item increases in the salary accounts:

- 50% GES Kindergarten Teacher
- 60% DHS Latin Teacher
- 50% DHS Chemistry Teacher
- 2 HSS Instructional Aides

- 2 ROTC DHS Instructors
- Additional Block DMS Tech Instructor
- Preschool SPED Aide
- 2-50% GES SPED Aides
- DMS SPED Aide
- GES SPED Aide
- 504 WPS 1:1 Aide

The fiscal impact of Board-approved staffing for new hires after July 1, 2004 totals \$249,986, including associated benefits. This amount has been carried forward to the FY 2006 budget.

Superintendent O'Connor noted that there are two areas of significant growth in the proposed budget:

- Technology – Allows for addition of DHS lab, PC upgrades, servers, and MMS Service = \$116,855
- Curriculum – Math Adoption books, software, and supplies = \$127,000

Adequacy Aid: Although final Adequacy Aid numbers will not be known until the Legislature and Governor have completed their work, the fiscal year 2006 figure has been taken from published numbers from the Department of Education:

- FY 05 = \$5,665,335
- FY-06 = \$6,693,479

Revenue Sources total \$5,895,731:

- Tuition Students \$5,167,029 (slight increase over FY05)
- Career Tech-State Aid \$229,085 (slight increase over FY05)
- Catastrophic Aid \$40,000 (down slightly from FY05)
- Building Aid \$356,617 (down slightly from FY05)
- Medicaid \$100,000 (comparable to FY05)
- Impact Aid \$3,000 (comparable to FY05)

Net Amount Needed in FY 05-06 from tax revenue:

Appropriations	\$34,595,245
Debt Service	<u>+2,598,888</u>
Total Budget	\$37,194,133 (total budget being presented)
(Less Revenues)	(5,895,731)
(Less Adequacy Aid)	(6,693,479) (subject to Legislature & Governor finalizing)
(Less State Property Tax)	<u>(6,616,961)</u>
Amount to Raise	\$17,987,962

Net Change to School Budget:

	<u>FY 2005</u>		<u>FY 2006</u>
Appropriations	\$32,065,504	Appropriations	\$34,595,235
Debt Svc.	<u>\$2,448,119</u>	Debt Svc.	<u>\$2,598,888</u>
	\$34,513,623		\$37,194,133

This approximately \$2.68 million equates to a total net 7.7% increase, or a 49 cent increase on the tax rate.

The superintendent ended by stating he felt his presentation was a fair attempt to bring in a budget that is manageable and added that he is still investigating other cost savings measures.

Doris Grady thanked Superintendent O'Connor and Business Manager, Laurie Verville, for their presentation, noting that she had participated in ten budget workshops, and that this was the "easiest by far" presentation to understand.

Laurie Verville referred the Board to the back of their budget packets and noted that there were additional handouts including the following FY 2005-2006 budget summary information:

- Section a) by Function
- Section b) by Object Code
- Section c), Salaried Positions by Department, and
- Section d) Dover School District Revenue and Debt Load

Prior to adjournment, Chairperson Fisher noted that many of the School Board's policies have not been reviewed or updated, some since 1988. Ms. Fisher then asked for volunteers to form a School Board Policy Manual Review Committee to work with her and Superintendent O'Connor. Doris Grady and Kara Winton volunteered to serve on the committee. A schedule of meetings will be established at a later date.

G: ADJOURNMENT: Kara Winton moved, Carolyn Mebert seconded, to adjourn the meeting at 8:00 p.m. An oral **VOTE PASSED 7-0.**

Respectfully submitted,

AUDRA LURVEY, Secretary
Dover School Board
AL/kgb
1/25/05