

**Joint Workshop
Town Council, State Legislators, Derry School District & Pinkerton Academy
December 7, 2010**

School Board Members: Kevin Gordon, Mark Beland, Brenda Willis, Wendy Smith, Mark Grabowski and Superintendent of District Mary Ellen Hannon (Absent Ken Linehan & Neal Ochs)

Pinkerton Academy: Headmaster Mary Anderson, Trustees Bob Gorham, Brad Ek, and Tim Butterfield

Senator & Representatives: Sen. James Rausch, Representative James Webb, Beverly Ferrante, Kevin Reichard, Phyllis Katsakiores, Bob Fesh, Ken Gould, Andrew Manuse, Frank Sapareto, and John O'Connor (Absent Pat Dowling)

Town Council: Chairman Benson, Councilors Wetherbee, Coyle, Fairbanks, Milz, Olbricht and Chirichiello

Chairman Benson opened the workshop with the ground rules and introductions.

First half hour discussion would be School related issues with the legislatures and then onto the Town of Derry issues.

School Related Issues

Mary Ellen Hannon, Derry School District spoke in regards to the loss of school funding and the issue of meeting the new Accountability Law 9-month standard if the \$7M is cut. The schools also face new rules due to the Attendance Law and Bullying Law. These new laws cost people time in being able to meet all the standards. Their special needs funding has also been cut. It's a \$500k deficient in budget. More mandates are coming down with less money.

Mary Anderson, Pinkerton Academy stated they do not receive any aid. The Academy's concern is always to maintain minimum standards and accreditation. They need to provide viable programs in all areas. They are also having issues with the new Truancy Laws, and Bullying Laws. Ms. Anderson explained that the new Bullying Law requires the School Administration to interact with any conflicts that happen outside of school and are brought into the school the next day. These have to be handled. The Academy needs more personnel to meet Truancy Laws.

Representative John O'Connor asked if under the DEO common core standards are the schools complying, even though it is not a requirement to comply?

Ms. Hannon replied that the first classes that must comply with the Common Core Standards are the 2011 Kindergarten classes. They will be the first ones to take the assessment. The assessment for the other classes does not have to comply until 2014 or 2015. The technical assistance or advisory has not been handed down yet. The State Department of Education has not put out a direction on where districts need to go. Ms. Anderson agreed it is moving slow.

Mr. O'Connor asked Ms. Hannon & Ms Anderson how they felt about a federal school system leaning towards Derry & PA is this something where you think the school system should be going?

Ms Hannon feels there is adequate yearly progress; however, the statistic that $\frac{3}{4}$ of schools did not meet the NYP is not representative of the work the students do in NH.

Ms. Anderson felt that leveling the playing field is important.

Councilor Coyle stated that Derry couldn't afford a \$7.1M hit, what are the School boards doing in this matter?

Kevin Gordon, School Board Chair, stated the board had become proactive during the summer holding workshops regarding, what could be cut that would still maintain standards. The difficult process led to a decision to cut teachers and programs and cut the bottom line by \$4.6M.

Ms. Anderson answered that Pinkerton has been frugal with their entire budget and it came in \$2M less than what was proposed. 14.5 positions have been cut from the budget.

Senator Jim Rausch, stated it's important for school boards that there be a strong effort. He has co-sponsored the "Collar Bill". One big difficulty is the collar can't go back in before the March elections. It's an uncertain future.

There are a multitude of ideas including a Constitutional Amendment. He does not support a Constitutional Amendment. He is fearful of an amendment, that there will not be a balanced budget in state with taxpayers picking up the tab. The Educational formula has to be changed. The First step will be the "Collar".

Ms. Hannon stated that she has made it clear to her staff it's time to be looking at what they have been doing and trying to tighten their belts. It is time to support the Derry taxpayers. We need to take a make a change, we can't be doing business the same way in the future.

Councilor Olbricht said, "What makes no sense is that the school district can never know for certain what they are going to receive from year to year. We need to tell our Representatives to find a formula and stick with it".

Representative Ken Gould made the statement, "We are in a pickle because the town next door (Londonderry) sued the state".

Ms. Anderson said it costs \$9700.00 plus for special education at Pinkerton. When asked if you could educate a student for \$3700.00, the answer was no.

Senator Rausch wants to find adequacy and fund it. You are not going to get an adequacy definition that meets all the requirements whether it's \$10,000 or \$6000. Keep in mind we are a small state.

Councilor Coyle, We don't adequately represent ourselves we bare burden of educating the children for our neighbors.

Senator Rausch, there are too many losses with the formula. We aren't going to be able to make corrections. All we can do now is make compromises that will help. It's critical before the current formula gets disbursed to get the "Collar" back on. We need to treat all children fairly. Mr. Rausch believes there is enough support with putting the "Collar" back on, but not by March. We can't come up with \$140M.

Representative Beverly Ferrante said it came up in caucus and we were all told we are going to be working to cut the state budget by 12%. We need to keep the "Collar" in place. It will cost the State \$140M.

Senator Rausch told the school board they are doing the right thing. There are too many uncertainties looking at existing laws. Keep in mind school funding by the state is a lot worse. There is also \$160M that was received by stimulus that was not raised by NH taxpayers, so the true cost is \$300M. The "Collar" is only \$140M. We have to raise up to \$160M.

A Constitutional Amendment would cost Derry if it moved forward. A Constitutional Amendment could cost us \$27M in state grant money.

Tim Butterfield, Pinkerton Trustee, asked Senator Rausch what, if anything can residents do to assist in the legislative process to get the "Collar" put back on?

Senator Rausch replied there is a lot of push in the Senate and House right now. Whether it's a Formula or Amendment citizens need to track it.

Mr. O'Connor believes that the citizens should be educated on the formula and what this is all about. The citizens need education. The people need to decide where we were and where we want to go and the representatives need their support.

Councilor Olbricht said meetings like tonight's need to be held more often. The group can become more coordinated in discussion.

Representative Bob Fesh said if we do get to a Constitutional Amendment, the process takes at least two years from start to finish.

Will Nieves, Pinkerton Trustee, said he has served many boards. As a taxpayer of Derry that he has never seen a board of trustees work so hard to cut the budget to help out all our citizens in this town.

Chairman Benson, both boards have brought up the Truancy & Bullying is there any legislation that has been brought out to reverse what they have done or make changes? Ms. Anderson & Ms. Hannon replied that they haven't even figured it out yet.

Representative Kevin Reichard asked, "How badly is the truancy and bullying in Derry?"
Ms. Anderson and Ms. Hannon answered it is a problem.

Ms Hannon stated the Truancy Law states if there are 5 full days of not excused absences in an entire school year you are considered Truant. The school has to act. Bullying off campus is now considered a school district issue (i.e. texting or social networking, etc), notify parents of the accused, then end up filing with CHINS or DCYF on the family.

Brenda Willis, School Board Member wanted everyone to know the budget process was difficult and the School District worked really hard.

Representative Andrew Manuse doesn't like the Bullying Law; some of the representatives in Concord will be filing legislation addressing this. Mandates are costly, is there anything as state representatives that we can do to remove any particular mandate that Derry might not participate in if they were removed?
Ms Hannon replied that Concord does not look at the financial impact of the mandate. The mandates cause personnel time.

Senator Rausch said there has to be communication from the Town Council or School Board. If the Town council sees legislation that they think is going to negatively impact the Town notify your legislator they need to know.

Mr. Gordon stated that the School Board does have a legislative liaison.

Town Issues

Charter issue: Representative Katsakories filed legislation at the state level to acknowledge receipt of Charter Changes, Revisions and Amendments.

This Bill requires the Secretary of State, Attorney Generals Office and Commissioner of the Department of Revenue to notify any municipality of receipt of a report relative to its new Amended or Revised Charter. That within 14 days of this receipt of such a report, the Secretary of State, Attorney Generals Office and Commissioner of the Department of Revenue shall notify the Chairman of the Charter Commission of its receipt. Within 30 days of receiving the receipt the Secretary of State, the Attorney General and the Commissioner of the Department of Revenue shall review the proposed Charter, revision or amendment to ensure that it is consistent with General Law.

Utility legislation exemption for utility poles to not be taxable has now expired. The Town is planning to move forward with that this year. We hope that if that legislation is introduced again for a tax break for the Utility Companies that you would not support this bill.

The Retirement system is scheduled to go back to 35%. What is the 35% going back to? We are all picking up the tab.

Councilor Wetherbee noted obviously the I-93 widening is still not funded. The Economic Development is essential to Derry. It is absolutely critical what can be done.

The project is \$250M short going to Exit 3. The earthwork preparation is for four lanes; however, only three will be paved. Senator Rausch is happy to co-sponsor for the Town a bill requested by Alan Cote relative to salt use. The Town has to prove that we have managed chloride. The funding for the portion from Exit 3 to Manchester is not going well at this time.

The DES & EPA will be here tomorrow. The liability concern was written into the bill. It's important for Town and State Reps for changes to be made. The delegation needs support on this bill. These things are critical.

Chairman Benson asked if there were any long-range plans on the retirement funding. The State is asking for a pretty major number from the towns.

Mr. Fesh stated in revenue sharing Derry has lost \$1m in 2yrs. That is supposed to expire. It's up to Derry to get it back.

Mr. O'Connor shared his discussion on the pension. He was at a meeting with "no good" news. The basic theme that came across was that towns have been underpaying for many years. There is a funding problem. The fund is \$900M in the hole. The theme is moving up to the 5% mark also Fire and Police 9.3%.

Frank Childs, CFO responded in regards to the towns, schools and counties underpaying. Everyone paid based upon the States projections. Payment was made accordingly as required by the State. The NH Retirement is in trouble due to the system itself.

Chairman Benson thanked everyone for attending and hopes to meet again in the future.

Denise E Neale, Town Clerk