**Farmington Budget Committee**

**Saturday, December 6, 2014**

**Members Present**: **Others Present**:

Ann Titus, Chairman Superintendent Steve Welford

Jodi Connolly Business Administrator Laurie Verville

Brian St. Onge, BOS Rep. School District Staff and Residents

Gail Young

Joe Pitre, School Board Rep.

Neil Johnson

Gerry McCarthy

Sam Cataldo

Steve Henry

1. Call to Order: Chairman Titus called the meeting to order at 9 a.m.

2. Pledge of Allegiance

3. Presentation of the 2015-2016 Farmington School Budget, SAU 61 Budget with the Superintendent and Department Heads:

Superintendent Welford began the presentation by telling committee members that this year's budget presentation has a different priority from past presentations. Over the past two years, the school district has added additional courses and program improvements, but the priority for this year is to keep as many of those improvements intact as possible following a $1.4 million loss in revenues due to Middleton's withdrawal from the Farmington School District. Welford said efforts to "soften the blow “of the expected reductions began last spring and has not been an easy process. Public meetings and efforts by building principals, directors, school and SAU staff have resulted in some good suggestions, some of which made it to the budget, while others are still being pursued he said. He said next year, another $1.5 million will need to be cut from the budget and everything cut this year will not be available to cut next year. Welford noted that a reduction of six positions was achieved through retirement or by employees leaving the district. Paraprofessionals will have their hours reduced by one hour a day down to 28 hours from 33 hours a week he said. This will prevent layoffs and the associated unemployment costs. Farmington has never faced anything like this before and no one is happy about it, but we are proud to be able to keep our programs intact he said. His remarks were followed by a Power Point presentation outlining priorities, reductions, and increases in the recommended budget.

**A)FY 2016 Budget Overview:**

Maintain academic programs and programs from the last two years

Maintain staff needed to support academic programs and administrative functions

Account for mandated Retirement System increases

Account for negotiated salary increases

Fully fund Vocational tuition

Anticipate health insurance increases

**B) Work to be done:**

Resolution of Middleton Seniors remaining

SAU apportionment not finalized

**C) Target:**

Middleton tuition loss: $1,357,271

Misc. Revenues loss: $ 23,817

Estimated Total Reduction Needed: $1,381,088

**D) Major Reductions:**

Staff ($295,000),text books($151,000), Out of District Tuition($284,391), Paraprofessionals($216,718),Universal Healthcare($75,000), Utilities($55,464),Supplies($56,000),Unemployment($33,900) Total:$1,167,473

**E) Personnel Reduced:**

Two Middle School Teachers: Math and Family and Consumer Studies

Two High School Teachers: Science and In-School Suspension

Two Paraprofessionals assigned exclusively to Middleton students

**F) Paraprofessionals Reduction:**

Reduction of one hour a day for each Para results in a total savings of $216,718

Savings consists of savings in salary, FICA, health insurance, and insurance buy backs

If Para staff reductions were used to save the same amount, it would be necessary to lay off 12 Paras and six additional Paras to fund the resulting unemployment costs for a total reduction of 18 positions.

**G) Major Increases:**

Retirement System ($50,000), Vocational Tuition ($30,775), Health Insurance ($138,334)

**H) Valley View School:** Budget is down by $60,884

Reductions-Textbooks ($124,000), Supplies ($6,764), Consumable Books ($11,293)

Increases-Health Insurance ($56,881), Retirement ($26,034)

**I) Henry Wilson Memorial School:** Budget is down by $84,397

Reductions-Teacher Salaries($15,832)Insurance Buybacks($7,529),Substitute Teachers($10,000),Computer Lease($5,999),Supplies($9,877),Text Books($18,200),Extra Curricular Salaries($4,949),Course Reimbursement($7,000),Library Books($2,500)

Increases-Principals salaries ($11,790), Health Insurance ($11,047), Retirement ($17,252)

**J) Farmington High School:** Budget is down by $5,014

Reductions-Salaries($106,230),FICA($9,216),Computer Lease($5,999),Supplies($16,331),Textbooks($8,500),Extra Curricular Salaries($2,587),Athletics($10,464),Course Reimbursement($5,034),Library Books($2,500)

Increases-Health Insurance ($118,105), Retirement ($24,110), Vocational Education ($30,775),

**K) Special Education:** Budget is down by $839,279

Decreases-Teacher and Para Salaries($273,362),Summer School Salaries($4,010),Insurance Buybacks($32,871),Substitute Teachers($9,500),Universal Healthcare($74,999),Health Insurance($103,272),FICA($31,386),Retirement($10,044),Contracted Services and Testing/Counseling Services($33,230),Out of District Tuition($284,391),Supplies($10,660),Psych Services($10,000)

Increases-Salaries ($60,520), Contracted Services ($45,962), Contracted Services ESOL ($16,000)

**L) Facilities:** Budget is down by $48,773

Decreases-Salaries ($60, 5333), District-wide Reapportionment and replacements at Henry Wilson: Electricity ($39,022), Heating Oil ($7,063), Replacement Equipment ($4,879)

Increases-Health Insurance ($37,140), FHS Grounds Maintenance ($5,300), Systems Maintenance ($8,800)

**M) Information Technology:** Budget is down by $14,110

Decreases-Tech Equipment Hosted ($6,000), Equipment ($22,000)

**N) Transportation:** Budget is down by $54,909

Decreases-Health Insurance ($12,306), Replacement Equipment ($18,090), New Equipment ($15,668), Salaries SPED drivers ($22,657)

Increases-Repairs ($8,200)

**O) District-Wide:** Budget is down by $37,162

Decreases-Audits ($11,000), Advertizing ($2,000), Unemployment ($33,978), Transfer to Food Service ($32,000)

Increases-Staff Increases ($30,070), Anticipated Track Changes and Sick Day Severance ($13,416)

**P) Budget Comparison:** General Fund

FY 2015 Budget FY 2016 Budget Difference

$15,698,454 $14,553,923 $1,144,531

Estimated SAU Apportionment:

$808,147 $757,000 $51,147

Change in State Aid: $186,558

Total Reduction: $1,382,236

Welford then closed his remarks by stating that administrators were forced to make difficult choices, but tried their best to preserve the integrity of programs for students. They will face the same task again for next year’s budget with the same honesty he said.

Chairman Titus then opened the discussion for questions from committee members.

Member McCarthy asked if the unanticipated revenues were from Medicare. Welford said the majority of the revenue resulted from Catastrophic Aid and Medicare($17,094),salaries from people who left the district($177,000),FICA($37,000),Course Reimbursement($27,000),SPED Services($93,000)and Utilities($107,000),Facilities repair and maintenance($35,000) and Tuition($238,000).

Member Pitre told members that Farmington has 60 students that are home schooled and asked them to think about the loss in state aid revenues due to those students not being enrolled in the town schools. He noted that Farmington often gets a bad rap, but many Farmington students go on to secondary education and do quite well. He added that he intends to become a member of the state finance committee in Concord to work on these types of funding problems.

Member Henry asked if there will be a Warrant Article at the School District Meeting to allow the School Board to expend funds in the Special Education Trust Fund. Welford said the School Board has voted to include an article to expend Special Education funds, along with an article to place $50,000 in trust for buses and an article seeking approval of a new contract with the Paraprofessionals union if an agreement is reached in time. Members then discussed deadlines for the various types of Warrant Articles (recommended by the School Board, by the Budget Committee or by petition) that may come before voters at the School District Meeting.

Member Henry asked what is the state average cost per pupil. Welford said it is approximately $15,000 and that Farmington is well below this number at about $10,500 per student.

Henry also asked if the Paraprofessionals contract allows the district to cut their hours and if all the positions added over the last two years will be retained. Welford replied that the contract does allow for a reduction in Para hours and all of the additional positions will be retained except for the third math teacher for the seventh and eighth grades.

Member Johnson asked if the recommended budget includes an estimated number of Middleton Seniors that will remain at Farmington High School. Welford said the budget contains an estimate for 10 seniors, but noted that the district has not yet received confirmation from Middleton on the number of students that will be attending FHS.

Welford explained that the default budget would be adopted if the recommended operating budget is rejected by ballot by the voters. The default budget contains the same appropriations as the operating budget from the previous year, reduced or increased by debt service, contracts and other obligations, and reduced by any one time expenditures contained in the operating budget. He said this year the default budget is $750,000 higher than the recommended budget and said the town is in the unique position of praying that people vote for the recommended budget.

Member Henry asked if the SAU office has ever done a survey to find out why parents chose to home school their children. Welford said due to changes in the state law, there is no over site by the district regarding home schooled children. Parents only need to submit a letter to the SAU stating their intention to home school their children. They do not have to state why and administrators cannot ask them he said.

Chairman Titus turned the discussion over to public comment.

Audience member Jason said the amount of funding for athletic travel seems excessive. High School Principal Matt Jozokos said the high school receives the athletic schedules from the NHIA and has no control in the scheduling of the games.

He also asked what percentage of the SAU apportionment is paid by Farmington. Welford said that traditionally, Farmington has always paid the larger portion of the SAU budget (77%) which may be due to a fluke in the formula used to calculate the costs.

Debbie Paint said that the Paraprofessionals are being hit hard this year and said she is hoping that because their hours are being cut back, there won’t be any upset parents and lawsuits due to any students not getting their needs met. She said that 30 of the 49 Paras live in Farmington which will put an additional hardship on the town if they require assistance due to what they are losing and hoped the cutbacks would not end up costing the town more in the long run. Welford said administrators are looking into ways to help provide health insurance coverage to the Paras that currently have health coverage. They are looking at several companies, but he did not think the changes could be made this year.

Kathy King told the committee that although it is difficult to make cuts affecting our residents, the reductions had to be made. She noted that Paras in other school districts in the area work less than 30 hours a week.

Carol O’Connell asked the committee to think about the quality of the programs offered when making their decisions. She said it is not just about getting a paycheck for most of the school staff and many give more than they are required to give. When you start making drastic cuts, people stop giving she said. She urged the committee to think about their decisions as future impacts to the classroom and the community.

Chairman Titus asked if the members had any further questions.

Member Henry asked if all three guidance counselors would be retained at the high school. Welford said the third guidance would not be cut due to students needs, including the college application process which can be somewhat complicated for some students and their families.

Member Young asked what estimated tax rate would be if the recommended budget is approved by voters. Welford said that he did not calculate the tax rate in his presentation but would provide the answer at the next Bud Com meeting.

4. Any Other Business to Come Before the Committee: None

5. Next Meeting: December 18 at 6:30 p.m.

6. Adjournment:

Motion: (McCarthy, second Connolly) to adjourn the meeting passed 9-0 at 11:10 a.m.

Respectively Submitted,

Kathleen Magoon

Recording Secretary