

**MINUTES OF MEETING
MUNICIPAL BUDGET COMMITTEE
January 27, 2010**

A meeting of the Municipal Budget Committee was called to order at 6:35 PM in the Meeting Room at the Conway Town Hall with the following members present: Chairman Pro Tem Dan Bacon, Bob Drinkhall, Doug Swett, Pat Libby, David Jensen, John Edgerton, Bill Masters, David Sordi and Karen Umberger. Members excused from meeting: Jim LeFebvre, Raymond Shakir, Bill Aughton and Sheryl Kovalik. Members absent from meeting: Ben Kane and Shirley Renahan. Also present: Dr. Carl Nelson and Pam Stimpson, Director of Special Services at SAU 9.

Chairman Bacon asked Bill Masters to lead the members in the Pledge of Allegiance.

APPROVAL OF MINUTES

Bob Drinkhall moved, seconded by Karen Umberger, to consider and accept the Minutes of January 13, 2010, as amended. In favor: 8; Opposed: 0; Abstain: 1 - Pat Libby.

Bob Drinkhall stated that he would like to make a clarification on what he said on page 11, third paragraph, fifth line, should read: "...there is no agency that can take care of this...".

SCHOOL

Dr. Nelson stated the first thing he wanted to talk about is the most recent news that was released that the drop out rate in the Conway School District is now down to 1.1%; he couldn't go on without taking the opportunity to comment on that and they are well ahead of what his personal goals are on their way to zero, zero in terms of drop outs in Conway. He tried to hand out the packets in the order which he wanted to briefly talk about. The first is a kind of thick packet called Additional Information and in there is the revised Summary of the Warrants, they have them all in there with their values because they have now completed negotiations with the AFSCME group and the CESP which are items 3 and 4 in the packet; gave a Summary listing of revised Warrant Articles, we have the AFSCME Warrant Article which has been approved by the Board, approved by AFSCME and will now come before the Town and that represents a 1.58% increase over what they are currently spending today or about \$31,000.00. In the CESP, which is Memorandum #4, you have copies of the Memorandum of Agreement, you also have the financial piece in the back which gives you the figures on what the increase is. The CESP agreement was an additional \$18,800.00 or about a .5% increase over what the current expenditures are for that contract. The big reason for the low increase is the \$500.00 deductible insurance that the CESP has accepted and that insurance saves close to \$89,000.00 on that particular contract.

Karen Umberger stated on the AFSCME \$500.00 deductible, what was the percentage of increase on that particular health insurance premium. Dr. Nelson stated all the health plans came in from Harvard Pilgrim at 14.9%.

Dr. Nelson proceeded with the Default Budget, Item #5. The Default Budget comes in at \$121,350.00 below the proposed budget and you can see the paperwork on that; obviously you are going to take some time to look at this and probably next week, you will have questions on it and that's understandable. The last is the revised proposed tax rate with all of the Warrant Articles included; you now have the budget and each of the Warrant Articles included. In an e-mail received today, Dan (Bacon) asked if he could provide some information similar to what was done with the High School but for the Middle School and he has given a little brochure that is shared with the 6th Grade parents and any new students as well as an overview of the classes, clubs and things of that nature at the Middle School. Chairman Bacon asked if the brochure was printed in house and Dr. Nelson stated yes, they do.

Dr. Nelson proceeded with a question about the Evergreen regulation and he provided a copy of RSA 273-A:12. Dr. Nelson referred to the bottom of the page, VII. This is the real key change in this particular piece of legislation. In the past, if there was not an agreement reached between the Town, the School Board and the Bargaining Unit, then the Contract that was in existence would stay in existence but there would be no increases in pay. In a teacher's salary schedule in most Districts, as you move down the salary schedule, in other words years of experience, you get an automatic increase. Under the old legislation, you would not have gotten that increase. In our teacher Contract, we have performance pay, there is a very specific sunset clause in our teacher Contract that says if we don't reach an agreement in subsequent years, then you will not receive any more than you did this year, you won't receive any performance pay. What Evergreen has done is said that if any agreement is not reached, then what will stay in place is the payment plan and the payment plan is exactly what he had just talked about and in their case it is the money received for performance or as one moves down a step, that's the payment plan. The only thing that can be negotiated is what they call COLA; now they don't define COLA as the Index coming off of Social Security or the Northeast Urban Index, they just leave the definition open as COLA so they've negotiated and put language in the Contracts, as seen in the Memorandums of Agreement, you're going to see it was a negotiated COLA of, that's the only part of it that can be negotiated if you do not reach an agreement. None of that has been tested yet; everybody is going through it for the first time, so how all this comes out, who knows; we'll find out as we move forward. That is really what the Ever Green Legislation has done. What you will see in most of our contracts is either we've negotiated only a COLA increase, CESP for example, or we have split it and have negotiated part of it as COLA and part of it as step and you saw that in the teachers Contract; there are two pieces to that, there is a negotiated COLA of 2.5% and then a dollar amount; the dollar amount will continue on if you're Proficient; the COLA piece has to be negotiated. The obvious point is that you always want to be able to have enough to negotiate in COLA to bring people back to the table.

Dr. Nelson proceeded with an e-mail from Jim (LeFebvre) answering his questions and e-mailed back to him; they and have tried to e-mail everything to him that they have given to the Committee so that he has it

as well. The last item which is the larger packet are the questions asked with regard to Special Education and we've tried to answer those and provide back up materials. Again, if there are questions after you've looked at it, he will be happy to answer them.

SPECIAL EDUCATION

Pam Stimpson, Director of Special Services at SAU 9, gave the presentation on Special Education. In 1975, the Federal government passed the Individuals With Disabilities Act, we call it the IDEA Act. It mandated that children and youth age 3 to 21 years old with disabilities be provided with free and appropriate public school education. Data didn't start getting collected until 1976 so it's pretty extreme. If you want to go on-line, she can e-mail sites to look at. Our mission here in Conway is to provide our students with a free and appropriate education in the least restrictive environment. Most of our Special Education students do receive specialized services in the regular classroom and they do have several students in out-of-District placements that do impact their budget. Services and programming that they provide through the Special Education Department are all mandated by Federal Law and driven by Individual Education Team decisions based on individual student needs. Our Special Education system is monitored very closely by the New Hampshire Department of Education and they're audited at least every 5 years, the next date has not been set yet, but it should be coming soon. Costs shift constantly as families move in and out of District, as children age in and age out of public school and of that 3 to 21 age range.

Karen Umberger asked how many children between 3 and 5, the preschool age. Ms. Stimpson stated currently they have 31 children and at the last notice last week they had 7 children in referral; that means in some way they were referred to Special Education due to some concerns so they are in the midst of going through an evaluation process. Karen asked how many are 18 to 21 and Ms. Stimpson stated she did not have an exact number, but would get it.

Chairman Bacon stated on the students, he would like to know the percentage of what Towns they come from, how many come from outside of Conway. Ms. Stimpson stated SAU 13 has about 13% of the Special Ed students and she apologized for not having the numbers from Bartlett and Jackson with her; she will e-mail the percentage to the Chairman.

Ms. Stimpson stated the Special Ed budget has gone up \$473,000.00; the biggest increase comes from Unit 2 and Unit 3; Unit 2 is the pre-school and Elementary level and Unit 3 is the High School level. Those numbers increased due to out-of-District tuitions as well as an increase in Aides at Kennett High School.

John Edgerton asked how many students are out-of-District and Ms. Stimpson stated out-of-District as of today, we have 9 who are High School age and 4 who are Elementary School age. John stated those are the expensive ones and Ms. Stimpson agreed.

Bill Masters stated we have 53 students that have been identified for Conway; how many Special Education students do we have in the entire District; the total number of students requiring Special Education for the District itself including the other sending towns. Ms. Stimpson stated we have 243 Conway students who are eligible for Special Education services and she didn't have the total number of other towns. Bill stated the number of students for the District itself are 243 students; how many for the entire District. Ms. Stimpson stated right now on average about 400 in process somewhere in Special Education; as soon as a student is referred to Special Education, they are considered Special Education students, that is an estimate, it changes daily.

Chairman Bacon asked who identifies who these children are, how does that happen. Ms. Stimpson stated as soon as a student is referred, there has to be a Team meeting. On every Team meeting they have to have parents, a LEA (Local Educational Agency) representative which is typically a principal or a Special Ed Coordinator, a Special Ed teacher, a Regular Ed teacher and then other people who know the student and who have worked with the student. At the time the Team gets together, they decide if they need more information to determine if the child is eligible for Special Ed services and often decide to do some more investigation, do specific evaluations. Once those evaluations are completed, the Team gets back together and makes that decision as a team. The Regulations are based on Federal and State law; everything we do is guided that way.

Karen Umberger asked who does the referring. Ms. Stimpson stated anyone at all can do referring; a parent, a community member, a doctor, a teacher, a neighbor, anyone at all. Chairman stated what he was looking for on referrals is it someone with a degree. Ms. Stimpson stated a referral can come from anyone at all and then you have a meeting with the team of people with expertise. Chairman stated so it's just people at the school basically. Ms. Stimpson stated not necessarily, we do get referrals from community members as well as private placements, physicians. Chairman stated the referral comes from someone in the community then the School officials will get together, your Team, which are School officials that don't really have a degree; he was looking for somebody with a higher education to make the determination instead of just the School system itself. Ms. Stimpson stated what they need to do to find a child eligible for Special Education services, is two things: one, the student has to have some disability and the second piece is that disability has to adversely impact the child's access to education; that's why the educational Team makes those decisions.

John Edgerton asked who makes the mental and physical determination that this person has to be in Special Ed; is it medical and psychological examinations. Ms. Stimpson stated there are 14 different disabilities that a student could be found eligible for and out of those disabilities, depending on the disability, you have to have different evaluations done and different people fulfill those evaluations.

Chairman Bacon stated he understood the process; just not getting who's the guy, who makes that final determination. Ms. Stimpson stated it is a Team decision that parents are involved in; but thought one of the things that would be helpful is to get a list of who the qualified examiners

would be. She could read it now, but didn't think it would be as beneficial; she will send them for each of the 14 disabilities.

Ms. Stimpson stated one key piece that she wanted to mention was the increase and she did want to identify some revenue sources that they get. They do get Medicaid reimbursement and for this past School year they received \$167,985.00. The Medicaid reimbursement, those dollars go right back into the General Education fund, they don't go back to the Special Education fund so they don't show up as revenue to us directly, although they are revenue. They also have revenue of tuition from other School Districts that are tuitioning students in and since they have no guarantee who will be placed where or when she can only speak to the 2008/09 year and last year they had \$28,561.00. The other revenue that they depend on highly is the Catastrophic Aid and every year they're at the State's whim to see what their budget will be and how that will be allocated; they anticipate about 80% so the anticipated for next year is going to be \$175,000.00.

John Edgerton stated he thought he missed something; about 52% are Conway students, but you get \$29,000.00 from the surrounding towns, that's not even 4% of the entire budget. Ms. Stimpson stated that's for specific Special Ed tuition. If we had a student from Bartlett or Jackson being tuitioned to the Middle School or to an Elementary School level, that doesn't include the SAU 13 tuition into the Middle School or to any of the other School Districts tuitioning in to the High School. John stated if it's not a Conway student and they are placed out-of-District, does that Town pay the entire bill. Ms. Stimpson stated yes. Dr. Nelson stated there are a couple of things, any extra services, for instance an out-of-District placement or if the student requires an Aide and they are from a sending town, the sending town gets billed for each of those, it becomes a revenue. What Pam was talking about here, the \$29,000.00, we have a student from another District and we have a program that fits that student, they will pay us to accommodate that student; it works out best for everybody. Ms. Stimpson stated the other point is the 1-to-1 Aides, she just wanted to add to that for the revenue piece, from the sending Districts they also have a revenue of \$122,000.00. John stated he thought they are doing an outstanding job because the number of Special Ed students in the Elementary and the Middle School percentagewise is higher than what it is in the High School so they must be training some of them to the point where they become normal citizens and that is politically not correct. Ms. Stimpson stated she thought all of their students are normal citizens and she does appreciate the opportunity to let you all know that they have a phenomenal Special Education staff; have dedicated teachers, have dedicated paraprofessionals, all of their therapists and itinerants are dedicated, they work above and beyond and do have a great and positive impact on the students. She is very proud to be working with them.

Karen Umberger stated on the Catastrophic Aid, did the Legislature set that at 80%. Dr. Nelson stated that's what they're using as the guess which is on the lower side; he thought they were saying 85% and they are dropping it down a little bit because they don't want to over estimate revenue. Ms. Stimpson stated they are trying to be safe based on how things are going. Dr. Nelson stated what's happened in the past, there's

often a bigger demand for the Catastrophic Aid than what the Legislature has budgeted so they cut the percentage down so they always figure a lower percentage; one year they figured as low as 50% because what they were hearing out there wasn't good.

Bill Masters stated on services that are being contracted out, is there a list of certified providers that you have to select from or is it an open bid for contract. Ms. Stimpson stated they do have a list of who is out there and available and it is also open. Since each plan is developed as an Individual Education Plan and since our student's needs are so unique, at times we have to go above and beyond outside of the list of people we use here in town to contract with to find people with more specialized expertise. Bill asked do you ask for multiple bids or when you are searching for a provider, do you occasionally get more than one or is this a selected list of providers. Ms. Stimpson stated they often research and get quotes from providers to find out what they can provide, what their cost is; they don't have a lot of specialized providers here to choose from but do their best. Bill asked do you have staff in house to be able to provide these services. Ms. Stimpson stated no; if we did, we would not be contracting out. Our Speech Language Pathologists are overwhelmed with the number of students and they are very creative in their ability to balance their schedules, meet with students and meet Individual Education Plans. At times they still need to contract out to others. Bill asked would it be cost efficient to have specific employees cross-trained in the areas that we contract out on. Ms. Stimpson stated she thought that would be very difficult; it would be great to have someone who could do everything, but thought it would be very difficult to look at someone who was going to do Communication Therapy who could also do some kind of Physical Therapy as well and that would be shooting for the moon so to speak. On the other side of that, they are using funds to increase the amount of professional development that they're giving to staff. When they bring consultants in to work with students, more outside contracted employees to work with students, part of their work is also consulting and working with the Teams to increase the Team members expertise in the schools.

Dr. Nelson stated he thought the balance they have now with the number of people they have on staff that are full-time and pay benefits for and using the contract services rather than having them all on staff is a good balance because it allows flexibility without all the benefit pieces that get tied with it; it's a fairly good balance and it gives us some flexibility in terms of utilization of our own staff. Ms. Stimpson stated the numbers fluctuate throughout the year; typically this time of year they have many more preschool age referrals coming in so the numbers at the preschool level may go up this time of the year where another time of the year they're much lower.

Karen Umberger asked if the figures included all Special Ed or was there still some Special Ed in the regular budget. Dr. Nelson stated they have done a section on Special Education; it's in both places and that is a break out of what is in the budget; it's not a duplicate account. Ms. Stimpson stated we pulled everything out so that you could just look at the Special Ed line.

Bill Masters stated hypothetically suppose he was a student that had been evaluated and the best that he could do was respond to his name, learn to tie his shoes and do basic hygiene and perform services where he could feed myself. How would he be treated when that's the best he could be expected. Would he be continuing on in the system or would there be a point where that would be evaluated as that's the best the educational system could possibly do and those special services terminated. Ms. Stimpson asked if she could assume he was a young adult and not a 3 year old; Federal law mandates that they continue services through age 21 so as a student gets older, they start to work on a Transition Plan at age 14 as you will see on one of the attachments. Part of an Individual Education Plan, starting at age 14, there is a Transition Plan and they would begin transitioning into Adult Services at that time.

Bill Masters stated basically he could stay in this system until he was 21 years old and never progress beyond that and the cost for a 1-on-1 would continue. Ms. Stimpson stated it would continue and it's very rare that something like that might happen; it would be very risky to make that decision that a student you are describing could not be successful. There is no way they could ever make that decision; have to, by law, continue the services. Bill asked if that question had ever been posed to the Federal system. Ms. Stimpson stated she was sure that it had. The interesting part about the IDEA law when it was written and passed in 1975 was that there was a big argument about is this going to be the medical field that's responsible for these children or will it be the education field who will be responsible and the educational field became responsible.

Bob Drinkhall asked how long have the current regulations been in effect. Ms. Stimpson stated since 1975. Bob stated somebody theoretically could have been in the program from 3 to 21; what would the maximum cost be and he know it would vary but he is talking worse case scenario for that entire 18 year period; just an estimate. Ms. Stimpson stated an average residential placement is about \$150,000.00 per year times 18 years.

John Edgerton stated this is probably not your problem, but it's ours and that is everybody's considered an adult at 18 unless you are physically or mentally handicapped and then you are turned over to the School until 21; he thought somebody had to look at that; if you're an adult, you're an adult. Ms. Stimpson stated you stay involved in the School system through age 21 and it is a Federal discussion that needs to happen. They are bound by this Federal law.

David Jensen stated assuming talking about that same individual who has been in residential placement from age 3 through 21, when they are 22 they are not moved out of residential placement, they are likely to spend a good portion of their life in that; the cost is going to continue to be the same and the tax burden on the Nation is going to continue to be the same. If our question is why the School systems bears the burden, ultimately the money out of our pockets is going to be the same dollar whether you pay a check to the local government or you pay it to the Federal government, it really doesn't matter. If all these students were paid by federal funding, the tax burden for all of us as individuals is identical. It doesn't seem like an extraordinary thing if our society

decides these people should be taken care of, then they are going to be taken care of.

John Edgerton stated his view really is not the money; are these students in the High school system from 18 to 21 then they out age everyone in the school system and they stand out as 18 to 21 year olds still in the High School system; that doesn't make social sense. Ms. Stimpson stated yes and no; if there is a student who is still requiring Special Education services between 18 and 21, then they would be in an appropriate placement in their High School program so that they would be with like peers.

David Sordi asked are there situations where Special Education student might actually graduate from High School and go on to College and are we responsible to provide assistance or is the College responsible. Ms. Stimpson stated once a student graduates from High School and is no longer eligible for Special Education services and if that student still has a disability, they may be eligible for the Americans With Disabilities Act for support in their College setting along the ADA Act but that doesn't have anything to do with the School District. To clarify, it's once they get a Diploma, not when they graduate. David Sordi stated when you place students out-of-District, how do you select where to send them, are there multiple options that you choose from that are different costs, what's the criteria used when you ultimately select. Ms. Stimpson stated they do have many options, there are many in-State programs who can give the services required to individuals and it is a time when they get together as a Team, gather information, take a look at the needs of the student and then look at multiple programs, get back together with the family and the entire Team and talk about options that are available and then make that decision about placement as a Team. The other piece of that, the financial piece, is in New Hampshire all of the out-of-District placements are certified by the Department of Education so that we can send students to, have the State sets their rates so individual out-of-District placements are not setting their own rates, the State is setting the rates.

Bill Masters stated dealing with the number of families that have private insurance; for example autism, that's recognized as a condition covered by a lot of private insurance carriers, have we identified those families that do have them and have we asked them. Ms. Stimpson stated they, by law, are allowed to ask parents for consent to access their private health insurance, most of the time parents do not give access to their private health insurance and they are typically, if you go on-line you can find this on-line, they are typically advised not to give access to their health insurance because there are a couple of reasons, private health insurance agencies know it is the School District's responsibility so they can get into that battle with the family not to pay for it because the School District has to and also by accessing their private health insurance could max out their plan and their deductible and it could be detrimental to the family for other needs so the School District has the right to ask for consent to contact the health insurance, typically families refuse that.

Dr. Nelson stated if you have other questions, e-mail them and he will get responses to the Committee.

Chairman Bacon thanked Ms. Stimpson and Dr. Nelson for coming in.

OTHER BUSINESS

Bob Drinkhall stated there was a question on what the back taxes are and what they have been in the past; as of yesterday, all back taxes including everything due was \$2,746,299.62. John Edgerton stated that's not out of line. Karen Umberger stated yes, it is. John stated over the last 5 years, what has the average been for delinquent taxes. The important thing is January is the time when the delinquent taxes become delinquent taxes to a point where you know people didn't pay them on time and have to have a time frame for each year, can't mix it up; use January of each year. Bob stated they are getting more information for him; John had mentioned \$8 Million and nobody could remember a point in time when it was that high.

Chairman Bacon stated he talked to Dave Pandora, Commissioner for Redstone Fire District, and he will see us on the 1st with his stuff and we will finish up with him. We will also start with the Recommendations on the Town and if we have time, do the School we will and if not then, we will do it on the 3rd.

John Edgerton moved, seconded by Bob Drinkhall, to adjourn the meeting at 7:25 PM. Motion carried unanimously.

Respectfully Submitted,

Iris A. Bowden, Recording Secretary