

Hopkinton Budget Committee

Minutes **APPROVED**

Wednesday, January 15, 2014

Town Hall **5:30 pm**

Present: David O’Keeffe, Richard Horner, Janet Krzyzaniak, Chair; Ken Traum, David Luneau, Don Houston, Thomas O’Donnell.

Absent: Michael Montore, Terry Quinn.

Also Present: Steven Chamberlin, Superintendent of Schools; Michelle Clark, Business Administrator, Hopkinton School District; Liz Chipman, minute taker.

1. Approval of December 11, 2013 draft minutes. Ken Traum moved to approve minutes of December 11, 2013. Don Houston seconded. All present in favor.
2. School Budget Presentation, Q & A and possible discussion. Janet Krzyzaniak introduced David Luneau, Chair, Hopkinton School Board to present school budget overview to budget committee members. Mr. Luneau was joined by Steven Chamberlin, Superintendent of Schools and Michelle Clark, Business Administrator. Other members of school administration in attendance as well. School FY July 1, 2014 – June 30, 2015. Assumptions that went into developing the budget include zero-based budget with maintenance on a three year rolling average, meeting the objectives of the district. Highlighted objectives: three sections of full day kindergarten (drop half day and bus run), increased numeracy support for all elementary students, allocation of staff based on enrollment (section reduction across grades 2,7,8,9), facility design study to consider changing needs of District and community. The budget process began in early December with presentation by Superintendent to school board. Board considered tiered reductions identified by Superintendent (itemized tiered reductions were distributed to the budget committee for review). Some initial reductions by board: \$127k reduction to supply lines, building maintenance, non-union benefits, technology. Limited budget increase to mandated special education and health insurance. The school board considered use of Article X: stabilization funds to reduce tax impact during budget process. School Board

adopted an operating budget of \$16.8 million on 12/17/13. This represents an increase of 2.12% over FY14. Articles not on the school budget warrant include health insurance capital reserve fund and contingency fund.

Mr. Luneau highlighted the proposed operating budget of \$16,861,857. This is an increase of \$349,468 over FY14 (2.12%). The operating budget includes costs for programs and service and facilities maintenance; current salary and benefits for teachers (minus COLA), contractual wages and benefits for support staff, current salary and benefits for custodial staff; salary adjustment/merit pool for non-union staff of 4%, up to \$750k in federally funded special projects (only spent if funds are received).

The school board feels proposed budget is educationally sound and fiscally responsible. Mr. Luneau highlighted changes to the budget in special education, health insurance, equipment and technology, repair and maintenance, elementary assistant math specialist, facility design study, removal of teacher COLA. The total FTE in budget includes contractor conversion and IAs in place. Other items highlighted include contract for teachers, guidance, librarians, nurses: four year term, first increase in salary schedule since FY2009, securing District investment in teachers. The school board is not sure how provisions of Affordable Health Care Act will impact fourth year of this teachers contract when it goes into effect in 2018. Health insurance “cap” is off: all employees will pay their proportional share of changes in premiums. District will only pay premiums based on the cost of the HMO plan. Updated school day will be instituted: courses can be scheduled outside the traditional 8am-3pm window, providing flexibility and better use of classrooms to reduce scheduling conflicts. Costs of collective bargaining agreement: year 1 \$448,692 (includes \$160k from COLA); year 2 \$208,533; year 3 \$225,107; year 4 \$256,259. Mr. Luneau outlined what would happen if collective bargaining agreement is not passed. Other warrant articles: vehicle capital reserve account, special education trust fund, repair and maintenance.

Revenue side of budget: use of health insurance capital funds \$25k; increase in catastrophic aid \$5k; reduction in state adequacy aide (\$204k); Elimination of FDK tuition (\$45k); projecting \$325k from FY14 surplus; use of article X stabilization funds. Current balance of \$150k in stabilization funds. School

board recommends using \$100k to stabilize taxes, keep \$50k as contingency to be used in FY 15.

Total appropriations increase of \$799k (last year was \$525.8k). Estimated tax impact of \$1.39/1000. This includes local and state tax rates, no custodians' contract; includes end of year fund balance to reduce taxes \$325k; does not include use of any stabilization funds (up to \$150k); estimated impact a year ago was \$0.87/1000 and was ultimately set at \$0.68/1000.

Mr. Luneau presented graph showing cost per student among school districts in the state. State average is \$15,221, Hopkinton cost per student is \$15,623. A little more than 1/3 of districts in the state have a higher cost per student than Hopkinton. Ninety-eight percent of Hopkinton graduates go on to post-high school education of some kind. 90% attend a 2 or 4 year college. Mr. Luneau opened floor to questions. Ken Traum: thanked Mr. Luneau for presentation. RE: contract 66 teachers currently receiveing COLA. Those teachers are at the top of the step, so no higher salaries are available to them, so they receive COLA in lieu of salary step increase. 2/3 of Hopkinton teachers are experienced and at the top of the salary scale, 1/3 are earlier in their career and are continuing to move up the salary schedule. No new steps have been added to the schedule. RE: proposed 4% increase how was that determined? Mr. Chamberlin responded. The increase takes into account the change in health insurance benefits, merit pool, comparable wage study (8 comparable districts) incremental steps to make district competitive in the area to attract and retain talented staff. Re: special ed increases, why increase in number of identified special education students? Dr. Aubry responded. Team process drives identification of need for intervention. The complexity of student need and associated services has changed.

Mr. Chamberlin distributed the School Budget Bulletin to committee members. Line by line breakdown of revenue and expense sides of the budget. Don Houston: \$1.8 million in adequacy aid from the state. David O'Keeffe: any discussion of additional possible revenue streams? Mr. Chamberlin responded. Several options have been discussed periodically: Parking fee? Lunch costs? Bus fee? Tuition program for teachers. Rental of facilities? These are not included in the budget because the administration and board only want to put things they are sure of in the budget. Tom O'Donnell: tax rate 6.6% increase, pretty high increase. Mr. Chamberlin

responded. The drivers to expense increases are health insurance increases, full day kindergarten. Revenue is down because of shift to local tax payer for teachers retirement system, vocational transportation. The state is saving money at our expense. Ken Traum: Medicare and Medicaid reimbursements, please explain. Dr. Aubry, Director of SS responded. If a child is eligible for Medicaid, reimbursement for clinical services provided in the school can be billed to Medicaid to schools program. The district receives 50% reimbursement for those services. Ms. Clark responded that no programs for teachers are eligible for Medicare reimbursement.

Mr. Chamberlin outlined increases and decreases in expense side of budget. Elementary Math Assistant will increase numeracy services to the entire spectrum of students. Mr. Houston: why shift to full time employees rather than contract employees? Mr. Chamberlin responded. State DOL employment guidelines related to years of service require making contract employees regular employees after a certain period of time. Salaried employees provide more flexibility for the district rather than hourly contract. Mr. Chamberlin addressed changes in FTE(full time equivalent) numbers. Increase in FTE despite decrease in enrollment. FTE has increased to maintain 20 student class size, and to accommodate addition of assistant for full day kindergarten. The district has added course options in high school. Addition of three students moved in to district who require one-to-one support. When decrease in enrollment is spread out over the whole district, may not impact FTE at all. Sometimes FTEs increase for improvement, population change. David O’Keeffe: how will the 8 students who have been identified as excelling in math be supported as they move up through the grades. Mr. Chamberlin feels that the current faculty are equipped to provide enrichment opportunities and challenge for these students.

Committee members reviewed Budget Bulletin. Mr. Chamberlin expressed pride in fundamentally changing the structure of kindergarten to full day. This will double the instructional time for the district’s earliest learners. Every student who had full day kindergarten last year, ended the year on grade level regardless of their level when they entered kindergarten. Regular education, special education budget detail reviewed. Economy of scale and location impact the services to special education students in the district. The transportation component of accessing appropriate services is something that

Mr. Chamberlin and Dr. Aubry are working aggressively to find ways to mitigate and find more local solutions. The complexity of student needs makes that challenging. Ken Traum: Medicaid reimbursement amount is same this year as last. Why no increase projected? Dr. Aubry responded. Not all instructional support is reimbursement. Only medical or behavioral support is reimbursable. Reimbursements are not received until one year after the services are provided. Conservative amount is put in the budget. Dr. Aubry addressed the perception that students move into the district to access special education services. Her experience has been that students who have moved to the district who are receiving special education services are students who have long time ties to the town, they are not moving in to town to specifically access special education services. Mr. Luneau: the bulk of the budget impact is in the regular ed and special ed portions of the budget. School district representatives will be present at next week's budget committee meeting to address additional questions. Mr. Chamberlin distributed FAQ document to budget committee and those in attendance, and summary of tiers of reduction presented to the school board during the budget process. Mr. Houston asked about the money that comes back to town from the general fund. Mr. Luneau responded. \$150k will be retained by school district. Some of the reserves are contracted obligations, i.e., staff development, course reimbursements.

Mr. Luneau: important to keep in mind what our expectations and goals are for education in Hopkinton. Mr. Houston stated that he is concerned for the lower 1/3 of the socio-economic population of the town. Current budget increase is too much to digest all at once. Considering cost of living increase and mandatory additions, \$400k over and above non-discretionary costs. Program is the only place to start in finding reductions. He suggested that reducing approximately 3 FTE would bring budget increase to manageable level. He wouldn't consider eliminating full day kindergarten. Ken Traum: asked school district reps to speak about food service at next meeting.

3. Review of monthly budgets. Ken Traum presented town budget for the month. No questions from committee. Tom O'Donnell: distributed Hopkinton Village budget form for village districts for review.
4. Public forum. No questions.

5. Other business to come before the HBC. Other board members expressed concern regarding increase in school tax rate and impact on lower income/fixed income folks in town. Tax abatements will provide only partial relief. Fire station is long overdue for renovation. Possible bond request in the future to make modifications to existing school buildings. They are cognizant of the socio-economic diversity in town. Mr. Luneau stated that three FTE reduction would impact K-6. Reducing FTEs in any other way would impact full-time/part-time status of teachers. Discussion of role of attrition in adjusting staffing. Salary/benefits cost of long term teachers v. new hire/inexperienced teachers. Budget committee members commended Mr. Luneau and the school administration on the thorough presentation and work that went in to developing the budget. Mr. Horner commended the school board on negotiating the new teachers contract. All budget committee members expressed approval of the decision to add full-day kindergarten. Some discussion of how decisions are made regarding services/enrichment to small portion of the student population. Where do you choose to add services/options for a small portion of the student population? Could students access these services/enrichment opportunities outside of the school? The cost of educating Hopkinton students is borne by a primarily residential tax base. Mr. O’Keeffe asked budget committee if school board has weighed pros and cons, the townspeople need to decide if they can accept it or not, or do we make that decision? Discussion. Mr. Luneau suggested that the budget committee review the sheet outlining tiered reductions for discussion at next meeting. Core education must be maintained. Tax rate increase is a concern, but of greater concern is the erosion of education for our youngsters. Mr. Taum asked if it would be possible to use volunteers in kindergarten classrooms as aids rather than paid employees? Mr. Luneau responded that certification requirements would make that difficult.
6. Motion to adjourn. David O’Keeffe moved to adjourn at 8:13pm. Don Houston seconded. All present in favor. Meeting adjourned 8:13pm.

Respectfully Submitted,

Elizabeth Chipman