

Concord School District Board of Education
Board Work Session #5 – Enrollments, Salaries, and Benefits
February 21, 2018

Board members present: Jennifer Patterson, *President*, Tom Croteau, Chuck Crush, Clint Cogswell, Maureen Redmond-Scura, Pam Wicks, Liza Poinier, Nathan Fennessy, Jim Richards

Administration: *Superintendent* Terri L. Forsten, *Assistant Superintendent* Donna Palley, *Business Administrator* Jack Dunn, *Director of Facilities* Matt Cashman, *Director of Human Resources* Larry Prince

Board President Jennifer Patterson called the meeting to order at 5:33 p.m., noting that the agenda included discussion of enrollments, salaries, and benefits within the District and the budget impacts thereof, as well as review of the proposed budget to post.

- Enrollment – current and projected
- Salaries and benefits
- Budget to post
- Upcoming work sessions and Public Hearings

Superintendent Forsten reviewed the District policy on class sizes:

- *Kindergarten* - 17 14–17–20
- *Primary (1-3)* - 21 18–21–24
- *Intermediate (4-6)* - 25 22–25–28

If class size exceeds 20 students in kindergarten, 24 students in grades one through three, or 28 in grades four through six, educational consideration will be given to regrouping, employment of an aide or employment of an additional teacher.

She reviewed current and projected classroom sizes by grade:

She reviewed elementary enrollment by school, noting several class sizes falling toward the high end of ideal enrollment, and remarking that the administration will monitor these class sizes. She emphasized Abbott-Downing’s (ADS) kindergarten class sizes and their fluctuation, again noting that administration would monitor this in case changes needed to be made.

Superintendent Forsten noted that the Superintendent’s contingency account was recommended to include an additional 0.5 classroom teacher increase for \$45,623.17

- Currently, the contingency account has funding to support 1.5 teachers, 1.0 educational assistant, 1.0 program assistant, and 1.0 Tutor for a total of \$244,376.83.

- The administration proposed an increase from 1.5 teachers to 2.0 teachers based on the proposed full-day kindergarten program. If additional teachers are required, they would need to be full-time positions.
- This would bring the Superintendent's contingency account to \$290,000.

Nathan Fennessy asked if the ADS kindergarten numbers were based on actual numbers or projected enrollment. Superintendent Forsten explained that registration is currently open for kindergarten and 1st grade. Assistant Superintendent Donna Palley explained that notification was sent out via PowerSchool as well as posted at local doctors' offices, care providers, etc. Chuck Crush asked if there was a point in the summer when enrollment numbers become more concrete. Superintendent Forsten explained that the numbers are as accurate as possible as soon as possible, and that any hiring decisions would ideally be made by mid-July, though this depended on the "rolling" process of enrollment.

Pam Wicks noted a large class size range between the elementary schools and cautioned that the District stay within the ideal class size range as much as possible to promote equity in class sizes. Liza Poinier echoed sentiments about smaller class sizes given the range of needs among Concord's diverse student body.

Ms. Patterson explained that the class size policy has always been challenging, particularly taking into account the "neighborhood schools" concept. She added that the biggest piece of the budget was personnel planning and the Board aims to be as responsible as possible while also remaining committed to ideal class sizes. Maureen Redmond-Scura commented that class sizes seem to fluctuate year-to-year based on the particular needs of that year's student population, and that was an additional challenge when planning staffing needs.

Jim Richards asked how the District would handle a situation where a kindergarten class gains 2-3 unexpected new students, bringing class sizes to the top end of guidelines. Superintendent Forsten explained that the superintendent's contingency account takes this into consideration should the need for an additional teacher arise. Mr. Richards asked if the budget would need to change should the District end up needing three additional teachers rather than two, which the Superintendent's contingency currently addresses.

Business Administrator Jack Dunn noted several options: the Board has the ability to make changes to the budget in October, whether increasing the budget overall, or reallocating funds from another section of the budget. Mr. Richards asked if the Board would be wise to appropriate an additional teacher into the Superintendent's contingency now, knowing any unused money would not need to be spent. Mr. Dunn explained that that would be the Board's decision to make. Ms. Patterson commented that the proposed budget structure did account for possible scenarios and did not think enrollment was close enough to the limit to justify preemptively adding an additional employee into the budget.

Ms. Wicks and Ms. Poinier echoed similar sentiments, that student needs were much different than they were when the classroom size guidelines were created in 1983. Ms. Poinier emphasized a need to keep class sizes as small as possible within policy to help keep students from "falling through the cracks," particularly children who might be from troubled or high-needs families and might not receive extra attention or support in the

classroom. Clint Cogswell noted that the class size guidelines have been revisited many times throughout the years, and that they have worked and made sense even with fluctuating class sizes and student needs, adding that the District has added many aides and other resources over the years.

Superintendent Forsten reviewed middle school enrollment, noting an increase of approximately 16 students compared to last year. She then reviewed staffing recommendations, noting a recommended reduction of two teachers, bringing average class sizes up by approximately 2 students per class.

Ms. Patterson asked for a brief preview of the upcoming CHS and CRTC enrollment process. Superintendent Forsten noted that this was a complex process and that she would be meeting with Principal Tom Sica next week to review how many students enrolled for which courses, to help define class sizes based on how many students have signed up for each class, to then determine how many sections of each class would be offered. She noted an anticipated reduction of two teachers at the high school this year. (The Board will discuss this on Monday, March 5th.)

Mr. Richards asked about assumptions made about high school enrollments for this budget process. Superintendent Forsten explained that she looked for trends over a number of years of enrollments, to predict class enrollments based on other class participation. Ms. Redmond-Scura noted that some students do pay into the District from other districts and those numbers would not necessarily affect the budget, as any additional required teachers could be amortized from tuition from those students.

Mr. Dunn reviewed the salary portion of the budget, noting a total General Fund Salary line of \$43,158,831. Mr. Crush asked about the difference between educational assistants and tutors. Ms. Palley explained that educational assistants work within the classroom and tend to work with special needs students and have close interaction with teachers, while tutors tend to be more autonomous and specialized in math or language.

Mr. Dunn reviewed benefits.

New Hampshire Retirement (NHRS)

- Governed by RSA 100-A
- Budget: \$6,189,222

Healthcare

- Census and budget-to-budget comparison
- Medical and Rx combined trend in NH was running 8% - 10% depending on the insurance carrier
- SchoolCare trend was 6.5% Medical and Rx combined
- CIGNA NH trend was 8.3% nationally (the platform the District is on). Rx is 10.3%. Combined Medical and Rx 8.7%.
- The District continues year after year to run below trend. The renewal of +2.9% billed rates is indicative of this. This was due to the early and total adoption of the consumer-driven health plan and its ability to control medical costs over time.
- Budget: \$9,206,529

Early Retirees

- Census
- Budget-to-budget comparison
- Budget: \$500,000

SchoolCare 65+

- SchoolCare 65+ was forward thinking with the addition of a consumer-driven, lower-cost medical and Rx option in 2018 in addition to the traditional plans
- It was anticipated to be advantageous for 65+ retirees in the future, as employees would be familiar with how a CDHP plan works and might be more comfortable adopting that plan as a lower-cost option as retirees
- 317 enrolled (*as of March 2018 invoice*)

Dental

- Self-insured
- Generous; this benefit is offered at no cost to employees
- Delta Dental is considered to be the premier Dental carrier in NH – this is a benefit employees appreciate
- Like the CSD medical plan, the dental plan claims are similar year after year. The COBRA rates have been the same for three years. CSD offers a 100/100/50 plan with a maximum to \$1,000. The coverage (100%) for oral surgery, routine extractions, endodontics and periodontics is an enhanced benefit compared to the usual plans seen in the marketplace.
- Budget: \$614,767

Workers Compensation

- Not to exceed 6% increase over FY18
- Budget: \$324,726

Life and AD&D

- History of expenditures
- The District is one of the few SAUs to offer voluntary life benefits to employees
- Budget: \$186,000

General Fund Benefits Budget: \$20,066,787, showing an increase of \$422,608.46.

Mr. Richards asked if there is a predominant worker's compensation claim. Larry Prince responded that most claims are from bites, kicks, and some slip-and-falls.

Mr. Dunn reviewed New Hampshire Retirement rates:

Employer rates:

- Teacher rate: 17.36%
 - Increased from 15.67% to 17.36% in FY18.
- Non-Teacher Rate: 11.38%
 - Increased from 11.08% to 11.38% in FY18

Budget:

- Teacher: \$5,321,082, an increase of \$178,415

- Non-Teacher: \$868,140, an increase of \$40,146

Employee rates:

- Increased from 5% to 7% in 2012.

Note:

- 70% of rate funds the unfunded liability

NHRS:

- Employer contribution rates are set every two years. The rates are based on a biennial actuarial valuation, which is a model of expected liabilities based on reasonable actuarial assumptions, including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and the projected life expectancies of members and retirees. The next rate setting will affect the FY20 budget.
- Final Report of Decennial Commission

Mr. Dunn explained that 7% of all employees' paychecks goes toward New Hampshire Retirement.

He reviewed budgeted vs. actual numbers for the past several years, and health plan annual rates. Ms. Patterson remarked that the District was doing well on keeping costs down and increases to a minimum.

He reviewed early retiree and dental claim numbers, worker's compensation and unemployment numbers historically, and life, AD&D.

Mr. Dunn summarized the budget to post.

In response to a question from Mr. Crush about the number of teacher positions being eliminated, Superintendent Forsten noted that seven are being eliminated but several are being added, bringing the net gain to two.

Mr. Dunn reviewed the availability of this information and the Board's contact information. Ms. Patterson asked that if a Board member receives an email from the public to forward it to Superintendent Forsten, so the information could be disseminated and discussed publicly.

Ms. Patterson commended the administration in developing the budget, emphasizing the addition of full-day kindergarten while maintaining reasonable class sizes.

Public postings are made as follows: on the District website, on the doors at the Central Office, on ConcordTV, and via Public Hearings.

Mr. Fennessy complimented the proposed budget and asked whether, given NHRS costs and the Rundlett project down the road, the Board could discuss putting more money in the stabilization fund to help defray those costs. Mr. Dunn noted that this could be addressed at the March 14 Work Session.

The Board voted 9-0 to post a preliminary budget in the amount of \$87,218,775 and to adopt the budget for fiscal year 2018–2019 inclusive of the following program(s), deposits, and withdrawals to existing funds or expendable trust funds:

Program(s)

- **Full-day kindergarten at \$1,118,312.29**

Deposits

- **Vocational Capital Reserve fund for an amount up to \$151,568**
- **Facilities and Renovation Trust Fund for an amount up to \$805,322**
- **Food Service Fund for an amount up to \$100,000**
- **Renovation and Maintenance Trust Fund for an amount up to \$80,000**

and also inclusive of the following withdrawals from expendable trust funds to fund appropriations:

- **Vocational Capital Reserve for an amount up to \$110,000;**
- **Risk Management Reserve for an amount up to \$100,000;**
- **Instructional Trust for an amount up to \$25,000**

(motioned by Ms. Patterson, seconded by Tom Croteau).

Ms. Wicks and Mr. Richards thanked the administration for its work on the budget.

Superintendent Forsten discussed upcoming meeting dates.

The Board voted 9-0 to adjourn (motioned by Ms. Redmond-Scura, seconded by Mr. Richards).

The meeting adjourned at 6:58 p.m.

Respectfully submitted,

Maureen Redmond-Scura, *Secretary*