

LAMOILLE UNION DISTRICT #18 BOARD
FINANCE COMMITTEE MINUTES
GTMCC COMMUNITY EDUCATION CENTER
SEPTEMBER 18, 2014

Board members present: C. Szlachetka, J. Eisenhardt, S. Hamlyn-Prescott,
Others: M. Frederick, E. Beatty, B. Schaffer, S. Lussier, C. Miller, M. Spaulding, W. Savery

The meeting started at 12:04

M. Frederick reviewed the unaudited fund balance figures. For the high school/middle school we were at one point projecting around a \$350K deficit. The deficit now is \$12,042. GMTCC ended the year with a surplus of \$80,762. Food service had always been pretty much even until last year when new regulations came into effect. We ended the year with a \$53K deficit in food service. M. Spaulding indicated there might still be some revenues coming in to offset that. The overall general fund balance and food service balance for LUHS/MS and GMTCC is \$15,645. For legal purposes we put all of them together, but we never do that for practical purposes. The cumulative general fund and food service balance is \$1,588,121. (*M. Spaulding, W. Savery and S. Hamlyn-Prescott arrived at 12:08.*)

The construction fund balance is \$698,016. The middle school debt reduction fund will be almost gone after this year. We have been using \$20K each year. After this year we will have around \$23K left. When we build next year's budget we will need to decide whether to use \$20K as usual or use the total amount left. C. Szlachetka asked what the source of construction fund revenues is. M. Frederick said mainly interest. At the end of construction the board must have asked the voters to keep the money in an account and use it to reduce debt service each year.

The cumulative HS/MS unreserved fund balance is \$781,888. The cumulative fund balance committed for FY15 expenses is \$326,546. The state has finally paid off its construction aid debt to us. That means we will have to close out that account this year. During the budget process, J. Teegarden will make recommendations for the construction balance.

We have \$1,217,000 in a QZAB payment reserve to make future QZAB payments. We have a total fund balance of \$3,846,404, but most of that is committed.

M. Frederick distributed information about revenues and expenditures to date for this fiscal year. She reviewed the tech center figures. It is still early in the year to see what our revenues will be. For the tech center what comes in is likely to be about what was anticipated. C. Szlachetka asked about the likelihood of state grants continuing to be funded, considering the state level issues. M. Frederick said she thinks we will continue to see good funding for the tech center. Even though state challenges exist, there seems to always be strong support for tech center funding. She hasn't heard of any reductions. Nothing stands out much in tech center expenditures. There were some changes in health insurance expenditures due to changes in personnel. In the 2600 function expenditures appear higher than they really were. M. Spaulding said duplicate invoices were recorded and will be rolled back. Overall, the bottom line is that the tech center is in pretty good shape. M. Frederick reviewed a list of budgeted and actual salaries for the different tech center

positions. In some cases, if a person was replaced, actual salary may be different from what was budgeted. S. Hamlyn-Prescott asked where the 3-year payout for retirees shows up. M. Frederick said we budget it within the same salary code.

M. Frederick reviewed HS/MS revenues and expenditures. For revenues, about all we have so far is a third of what is promised for special ed. What is more important is the number of tuitioned students. W. Savery said her figures show a total of 10 tuitioned students at the middle school. B. Schaffer said there are 28 at the high school. M. Frederick said we budgeted for 36 and we have a little more than that, so tuition revenue is looking good.

S. Hamlyn-Prescott asked if any of the tuitioned students require special ed, and if they do, how does money flow from the sending town to us to pay for it? M. Frederick said the state has us use a calculation for excess tuition if there are special ed costs. We don't include things like case management or other supports that exist that aren't specifically for that student, but it would include the cost of sending a student to Laraway or paying a one-on-one para. She doesn't know if any of the current tuitioned students require special ed.

B. Schaffer said LUHS has about 155 students on 504 or IEP plans. Of those, 15 are placed outside the school. A couple of general ed students are in the Learning Together program, which is an option for students who are parenting. S. Hamlyn-Prescott asked how that is paid for. B. Schaffer said it costs around \$13K per student. We have a contract with the program for \$7500 for the first semester. He sees this as a declining option because parenting students have seen a lot of success in school. S. Hamlyn-Prescott asked if any students are going to residential independent schools. How is a residential placement paid for? B. Schaffer said he doesn't see any out of state placements. Most are at Laraway; one is at a correctional facility. M. Frederick said for special ed expenditures of up to \$50K we get 56.5% reimbursement. After that we get 90% back. B. Schaffer said the correctional facility is the only truly residential placement he sees currently. M. Frederick said we have budgeted more than enough to handle outside placements we know of today. W. Savery said just in the last week DCF made a residential placement for middle school student. M. Frederick said we don't have to pay costs of Laraway, etc. for state-placed students unless the parent lives in one of our towns. W. Savery said she has a different understanding. S. Hamlyn-Prescott asked, there is no state money for students on 504 plans, right? M. Frederick said that is right. We budgeted 504 costs in the 1200's but this year we are expending them in the 1100's. In the past we have always both budgeted and expended those funds in the 1200's, but the way it is being done this year is legitimate. S. Hamlyn-Prescott said she sees that when students go to Laraway and they are not Medicaid-eligible there is a higher tuition cost for us.

S. Hamlyn-Prescott asked if administrators see anything concerning. B. Schaffer said no. We are where our projections led us to believe we would be. He is not seeing any cost increases in the program. We may see a decrease in the number of students attending. W. Savery said it is a different story at the middle school. The service plan for next year is being completed now. Based on information from elementary schools, it appears there will be a significant increase in the number of LUMS students on IEP's next year. At least a couple have very significant intensive needs and a couple more have intensive academic needs. It appears there will be up to 20 or more special ed students coming in. There have been conversations about special ed case

management and staffing for next year. S. Hamlyn-Prescott asks if the middle school gets information about incoming students who might need 504 plans. W. Savery said yes.

E. Beatty said Act 156 calls for special ed costs to be shifted into the central office budget. W. Savery said a significant bubble of special ed students is coming from Hyde Park. The question is whether they will see a decrease in the need for special ed services and if we will need to make a shift in terms of personnel.

M. Frederick said she looked at how many 6th graders we have now. There are only 115. The current senior class is 138. That will be a shift. We are in a lull of small classes. The percentage of special ed students is going to be pretty high, which is interesting.

M. Frederick said guidance and library are lower than budgeted because of changes in personnel. B. Schaffer said Sharon Fortune added some administrative positions such as M. Spaulding's position and the guidance administrator position that Mark Floyd had. M. Floyd had a very low caseload. With PLP implementation, it became apparent that the guidance caseload needed to be leveled out so B. Schaffer brought in another counselor. Now all counselors have about the same number of students and there are fewer kids per counselor, so counselors are ready to move forward with PLP implementation.

B. Schaffer said the only vacant position at the high school is the student assistance professional. He would like to fill that position. There is a need for it. Right now we can't provide the drug and alcohol counseling kids need for court diversion sentences.

M. Frederick discussed differences in Laraway tuition for students with and without Medicaid. S. Hamlyn-Prescott asked if we also pay more for one-on-ones for students without Medicaid. M. Frederick said yes. S. Hamlyn-Prescott said we had a lot of summer school Laraway students. She doesn't remember students going all summer in the past. Is that a change? M. Frederick said we have always had some. B. Schaffer said it is a requirement to provide year round services for some students. M. Frederick said we have an agreement that elementary schools pay Laraway tuition for students during the summer after 6th grade.

B. Schaffer said it appears that an error was made during the process of separating the middle school and high school budgets after they had been merged. There is less than he thought budgeted for co-curricular salaries. That has prompted conversations between B. Schaffer and the association. For now, he is assuming he just has what is in that line to work with, but if necessary there is some relief due to personnel changes. S. Hamlyn-Prescott said it was her understanding when we developed the last contract that administrators wanted the flexibility to add or subtract those positions and it was given back to them. B. Schaffer said that is right. There are some positions from the SIG era, like the innovation team, that can be reduced. He thinks it is fantastic the way the contract gives him that latitude. It may be better to move to an hourly rate rather than a lump sum. That would have to be approved by the superintendent and the board.

M. Frederick distributed a general budget timeline for all LNSU schools. She said at the next LNSU board meeting the board will need to make decisions related to Act 156. When the current master agreement ends, the law requires special ed teachers to be employed by central office.

The LNSU board needs to decide about paras. The law doesn't demand that they go to central office, but the Act 156 committee saw some cost savings in having paras employed by central office.

S. Hamlyn-Prescott said she would like to try to have another committee meeting in October to hear administrators' preliminary thoughts on the budget. W. Savery said we should have the meeting after the service plan is due. B. Schaffer said his target for next year is to hold onto what has been established. He can't see adding anything new. S. Hamlyn-Prescott said she is interested in looking at student numbers. There was discussion last year about looking at numbers of students in classrooms. B. Schaffer said there was a policy committee meeting recently at which it was agreed that P. Ingvaldstad, C. Szlachetka, and B. Schaffer would meet to review all policies. There was no discussion about responsibility for determining a policy for class sizes. E. Beatty said just because B. Schaffer wants to keep the same things in the budget for next year that doesn't mean the budget will be the same, with student numbers declining and the effect of state funding.

The meeting ended at 1:36

Minutes submitted by Donna Griffiths