Concord School District
Finance Committee Minutes

School Board Committee: Finance Committee

Date: September 30, 2013

Committee Members present: Clint Cogswell, Chair, Barbara Higgins, Nick Metalious, Oliver Spencer

Other Board Members present: Kass Ardinger, President, Tom Croteau, Bill Glahn, Jennifer Patterson, Tara Reardon

Administration: Superintendent Chris Rath, Business Administrator Jack Dunn, Director of Human Resources Larry Prince

Finance Committee Chair Clint Cogswell called the meeting to order at 5:33 p.m. and turned the meeting over to Business Administrator Jack Dunn.

Mr. Dunn began by explaining that the ending balance for the FY 2012-2013 budget was $2,336,899 and the total to contribute to the Unreserved Fund Balance was described in detail in the blue box on the Fiscal Year 2012-2013 Budget Summary on the July 1, 2013 spreadsheet. This amount was projected to be $1.7 million and came in at $2.336 million.

Mr. Dunn discussed the impact on the FY 2013-2014 budget of federal sequestration and the recalculation and reduction in state adequacy. He displayed a letter from the New Hampshire Department of Education Commissioner explaining the Adequacy Aid Calculations, as well as a spreadsheet that showed a summary of estimated adequacy aid for Concord School District for FY 2013-2014. The state has proposed $13.2 million, down from the original state estimate of $13.4 million. This reduction was currently due to the 5% reduction in the state’s contribution. This could be further exacerbated if the district’s English Language Learners (ELL), Special Education, Food Service & Average Daily Membership (ADM) enrollment numbers continue to decline. The administration is estimating a $250,000 loss in state revenue. Superintendent Rath noted that the data had not been finalized, reiterating that the number could change.

Mr. Dunn showed the Committee IRS notices explaining a reduction in the Building America Bond (BAB) and Qualified School Construction Bond (QSCB) interest rebate payments from the federal government due to sequestration. The notice stated that “Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, certain automatic reductions take place as of March 1, 2013. These required reductions include a reduction to refundable credits under Internal Revenue code section 6431 applicable to certain qualified bonds. As a result, your refundable credit payment will be reduced by 8.7%. The sequestration reduction rate will be applied until the end of the fiscal year (September 30, 2013) or intervening Congressional action, at which time the sequestration rate is subject to change.”
Mr. Dunn noted that the Build America Bond Interest Rebate would be reduced by approximately 8.7%, resulting in a reduction in the interest rebate of about $65,026.09. The Qualified School Construction Bond Interest Rebate would be reduced by approximately 8.7% as well, resulting in a reduction in the interest rebate of about $17,795.89.

Additional expenditures in the FY 2013-2014 budget included the cost of a Special Education Consultant at $93,000 previously covered by the IDEA grant impacted by sequestration, the increase in additional out-of-district placements of $76,000, and increased tuition of $13,760 for Second Start. The total appropriation increase for Concord School District in the FY 2013-2014 budget was approximately $900,000.

Mr. Dunn displayed the FY 2013-2014 Budget Proposal table, noting that total appropriation for the FY 2013-2014 Budget was $79,494,054.

Kass Ardinger suggested using the additional unreserved fund balance money above the $1.7 million to help offset the impact of federal and state revenue reductions. Jennifer Patterson agreed, noting that using the funds to replenish the loss would possibly lessen the impact of a tax rate increase.

Superintendent Rath asked the Committee for a motion to post the budget with changes as noted.

Bill Glahn noted that the Concord School District has done a good job planning for the future in order to reduce tax spikes, and noted he was in agreement with posting the budget with the recommended changes.

Ms. Ardinger agreed, explaining that the Board’s focus in the past was to stabilize the tax rate and that withdrawing the funds was the better option rather than to look for the funds in the future through taxes.

The Finance Committee voted 4-0 (motioned by Barb Higgins, seconded by Nick Metalious) to recommend to the full Board to post the FY 2013-2014 budget with the following changes in order to alleviate losses to reductions in Federal and State Revenue:

- Increase the unreserved fund balance by $636,899
- Increase the revenue from building aid by $66,747
- Increase the revenue from Medicaid to $200,000
- Decrease State Adequacy Revenue by $250,000
- Increase Special Education Expenses by $200,000
- Transfer to the Instructional Trust $125,000
- Transfer to the Special Education Trust Fund $261,899
- Transfer to the Facilities and Renovation Trust Fund $66,747
Ms. Ardinger reminded the Committee that seven (7) votes would be needed at the October 30th Special Board meeting to adopt the amended budget.

Mr. Dunn discussed athletic charges as they pertained to revenue from ticket sales and athletic fees. He referenced the fact that several Board members had received emails from parents regarding this subject, and directed the Committee to Appendix B.17 – Summary of Adjustable Tuition and Fees in the budget, specifically Single and Season Gate Pass fees. Mr. Dunn also provided the Committee with a history of revenue from athletic gate receipts, season passes, and athletic participation fees beginning in FY 2008-2009 through FY 2012-2013, showing budgeted amount, actual amount and the variance between the two amounts.

Ms. Higgins noted that as a coach, she had seen students watch their peers play sports for free at White’s Park, for example; however, in the gym where custodians are working or stipends are paid to ticket takers, there is a fee. She feels that if these athletic fees were not needed for stipends or extra fees that the Board might be keeping people from supporting sports and that the District should consider not charging athletic fees.

Ms. Patterson asked what the fees are used for and requested a clear reason why some sports charge fees and others do not.

Superintendent Rath noted that revenue from the fees goes into the Concord School District General Fund, not the athletic budget, and Mr. Dunn explained that athletics does incur expenses to collect gate receipts, including stipends and supplies. Superintendent Rath stated that the district is not opposed to eliminating the gate fees, but the costs would need to be considered. She reminded the Committee that NHIAA events are the exception – everyone is charged by NHIAA, not by the school.

As the Committee discussed the athletic booster clubs, Mr. Glahn noted that the athletic program is sponsored by the district, and booster clubs should not be determining factors. He noted that the amount charged for gate receipts is not extreme, and suggested that perhaps students under 12 be admitted with no fee.

Mr. Cogswell noted that the perception is that if no fee was charged there would be more support at athletic events. He suggested that the district not charge the fee to students with a valid student ID for one year, to see if that would make a difference.

Ms. Ardinger noted that athletic revenue for FY 2012-2013 was $22,000, with the same expected for FY 2013-2014. She agreed with Mr. Cogswell about allowing current students to use a valid school ID as entry into sporting events.

Tara Reardon agreed, noting that she liked the idea of students under 12 being admitted with no fee. Mr. Glahn noted that this would take the pressure off families regarding large fees.

In response to a question from Oliver Spencer about how data would be collected and analyzed, Superintendent Rath replied that data would come directly from the ticket
sales. Mr. Glahn added that any decrease in revenue would prove whether the new plan was working.

The Finance Committee voted 4-0 (motioned by Ms. Higgins, seconded by Mr. Metalious) to recommend to the full School Board that it approve that students over 12 years of age with a valid school ID, and students under 12 years of age, not be charged to attend Concord School District athletic events, with the exception of NHIAA-sponsored athletic events.

Superintendent Rath asked the Finance Committee to recess, and reconvene on Wednesday, October 2, 2013 at 5:30 p.m. to discuss the Deerfield tuition agreement. Ms. Ardinger noted that time was of the essence for this matter.

The Committee voted 4-0 (motioned by Ms. Higgins, seconded by Mr. Metalious) to recess until Wednesday, October 2, 2013 at 5:30 p.m.

The meeting recessed at 6:16 p.m.

Respectfully submitted by

Clint Cogswell, Chair
Jack Dunn, Recorder