

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

**106 Hancock Road
Peterborough, New Hampshire**

CONTOOCOOK VALLEY SCHOOL BOARD

Wednesday, April 9, 2014

School Board Meeting

SAU #1 Office

7:00 p.m.

School Board: Butch Estey, Pierce Rigrod, Linda Quintanilha, Joel Green, Myron Steere, Fiona Tibbetts

State Representatives & Senators: Gil Shattuck, Jon Manley, Jill Shaffer-Hammond, Peter Leishman, James Coffey, Dick McNamara, Marjorie Porter, Andy Sanborn

Administration: Dr. Brendan Minnihan, Kimberly Saunders, Marian Alese, Tim Markley, Dr. Rick Matte, Jim Elder, Niki McGettigan, Dr. Noreen McAloon, Kelly Parker, May Clark, Brian Pickering, Gib West, Ben Loi, Anne O'Bryant

1. Call to Order and Pledge of Allegiance

Butch Estey called the meeting to order at 7:01 p.m. The Pledge of Allegiance was recited.

2. Meet with NH State Senators and Representatives - Open Discussion

Butch Estey said that tonight's meeting is a free-flow of information.

Superintendent, Dr. Minnihan, reported that things that happen at the State level have a direct impact at the school level; adequacy aid, NH Retirement System, Building Aid, Catastrophic Aid to name a few money issues. Additional issues include attendance requirements, concussion policy, chinz law, suicide prevention, bullying laws, among others.

Representative, Jon Manly reported that the legislation was faced with a near \$800 million deficit resulting in drastic cuts. We can do what we can do if we have money for it.

Dr. Minnihan said that the school district too has to balance a budget. The State got rid of the deficit by pushing it down to the town level. Conflicts between the towns, because of competing demands as a result of some of that, now exist.

The Claremont issue said that the state needs to fund education but hasn't done so. On the revenue side, money just was not coming in. For example, the tobacco tax is less because people are smoking less. People object to raising taxes. There are other sources of revenue that have diminished.

Myron Steere asked the annual budget for the State of NH; almost 11 billion dollars was the response; a significant increase in over 15 years.

Representative McNamara spoke about the increased cost to repair a mile of road in conjunction with the gas tax. In addition, the gas tax decrease as a result of more efficient vehicles; asphalt costs are up over 600% were stated.

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Representative Leishman spoke about past lack of funding as a result of losses in real estate taxes etc. Retirement costs were not cut. He does not see that coming back any time soon. The state retirement is running a \$6 billion unfunded problem. Gas tax has been largely debated. The State has done well; bond rating very high. When the economy gets bad, the State has to step up and take care of people. There has been talk about eliminating the state contribution per student which was fought.

Butch Estey cited the increase from 8.93% to over 14% in the tax rate on NH Retirement. Who is covering the State employee pension? Representative Leishman said that the State is paying its share for State employees but not for municipal employees.

Senator Sanborn reported that the retirement system in 2008 was difficult. One issue was that then Governor Peterson had retirement monies given to the state and paying 27% of local town portions. Money became difficult; legislature reconfigured the retirement system and changed benefits for those not vested. That amount of money offset and allowed the state to no longer cover the 27%. The towns got hurt. They were guaranteeing an 8.5% return. With a \$8 billion deficit it costs about 1 billion dollars. They went to 7.75% from the 8.5%. This difference fell on to local communities. Returns have been good this year. The big jump from two years ago should have evened out.

Marian Alese said that we are required by statute to participate in the NHRS.

Senator Sanborn said that communities can get out but they must fund it.

Marian Alese further said that the actions of the legislators have forced local municipalities to raise taxes causing hardship. The change in NHRS totaled \$782,000 for ConVal in just one year. It makes it difficult to sell a school district budget. It is difficult for the school district to come across with credibility.

Senator Sanborn spoke about promises that the State has made to pay. It is not just the unfunded liability in NHRS; the state has been living beyond its means. We have now become the worst state in America in terms of debt.

Marian Alese asked why not look at other sources of revenue; gambling, sales tax etc. If we continue to rely on the same sources of revenue that diminish; why not look at others?

Senator Sanborn said that they do continue to look at other sources; gambling, sales tax etc. People are feeling so taxed already how do you raise taxes? Two sides; it's not what you bring in, it's what you spend. Keeping our communities safe, keeping roads safe, educating our children are important.

Pierce Rigrod asked where the State of NH stands in terms of affluence; the response was number two. We stand last in terms of support for education. Mr. Rigrod said that he cannot buy the argument; do we accept that we perform lower than other countries? How do we square zero increase with allowing an adequate education? How can we as a state not support more of what other countries support, for example STEM?

Senator Sanborn reported that we spend a lot of money on healthcare services. If we want more in one place, something has to give. The budget this year is 600 or 700 billion dollars more than last year.

Representative Manley reported that the House does not have much of an appetite for gambling; he does not see that happening soon. We are at a point to share legislation and craft bills that would alleviate some of this. Big sources of funding likely will not come.

Linda Quintanilha suggested thinking differently. She shared how people move from MA to NH to avoid taxes.

Kimberly Saunders shared gas tax information for NH and surrounding states.

Representative Shattuck reported that road tolls must be used for highway safety and other road related areas. The problem with that is that it doesn't get the job done. He reported that NH has typically had conservative budgets. The property tax is what people notice. The overall tax burden is a result of not finding better sources of revenue.

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Joel Green made an observation that we are pitting communities against community. Elder service and mental health services are not receiving money. He asked what the dialogue is about dealing with this problem; it is tragic.

Representative Coffey said that he understands what is being shared. Lobbyists (orange tags) are present. He finds that they can be valuable in bringing different ideas and ways of thinking about something. It provides a second look. One way of looking at it is to look at several small manageable things and address it beginning there.

Myron Steere reported that the town he represents causes them to vote against the school budget as a result of a 17% increase in town tax. He asked if a sales tax lower than the towns around us might be presented with an agreement not to move it around. If a tax is put in for education and only for education it might pass.

Representative Shattuck reported that in Virginia, there is both an income tax and a sales tax. The sales tax is dedicated to education K-12 and university. NH spends approximately 25% more than surrounding states. Much of it is from surrounding states who purchase and return to their state with the product.

Representative McNamara reported that he liked Myron Steere's plan for a lower sales tax and would present that bill.

Marian Alese reported that it is frustrating that the State gets to decide what they will stop paying in the case of NHRS or rework the adequacy formula every year based on what can be afforded.

Representative Leishman reported that the Governors took pledges of no sales or income taxes leaving us with gambling. He would support a gambling bill.

Representative Shattuck shared the competition for gambling spending. Is it a dependable ongoing source of revenue?

Linda Quintanilha said that she feels that representatives and senators can veto the governor and support a sales or income tax. Representative Peter Leishman said that Governor Shaheen supported a sales tax and it was vetoed.

Representative Shafer-Hammond reported that 2/3's of the taxes in this state are property taxes; the next closest state is Rhode Island. The property tax is roughly equivalent to what we spend on education in this state. We need to look at replacing property taxes with something else like some kind of income tax. A sales tax will not generate what is needed. The big revenue generators are the room and meals and business taxes. Taxes may come out of our pockets but they go into our economy and back into our pockets. The gas tax should have been sold as a jobs program.

Senator Sanborn reported that 246% of what he deposits in the bank is his tax base more than his take home pay. Senator Sanborn shared bills in front right now that will raise taxes. He spoke about priorities. He spoke about other states that are doing well; 38 states cut taxes last year.

Representative Coffey said that the pie can be grown by having a good business climate. Businesses relocate here because of the quality of life. He spoke about the perception that there is a declining school enrollment and costs are not declining.

Pierce Rigrod spoke about a skilled, trained work force. We don't seem to have a vision of where we are going. Too much time is spent on non-substantive items. This conversation tonight is valuable. How many Superintendents and School Districts meet with Reps and Senators?

Senator Sanborn said that he would love to have deeper conversations to understand more.

Linda Quintanilha said that schools are not just in the business of education, we are in the business of saving lives. The social safety net is huge. Senator Sanborn encouraged the dialogue for future decisions.

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Jon Manley reported that they see hundreds of bills; many on education and not all are attached to money. He confirmed that an established dialogue is necessary. We are your representatives; he encouraged calls.

Representative Coffey said that the school district has a series of tasks. We should explore how we do things. Just because we have done something for 10 years doesn't mean it is the best way. We should look at both sides of the equation.

Dr. Minnihan reported that non-money issues have unintended costs associated. He cited the area of bullying legislation. The costs of investigating bullying charges comes with real costs. An example of a bullying allegation outside of school took one of our Assistant Principals three days worth of work investigating, which in turn did not allow her to service all of the other students.

A representative asked if the school could run without the Federal Department of Education. Some agreed while others cited the importance of protecting the civil rights of all students.

Kimberly Saunders reported that our kids are not competing with MA or other states for jobs; they are competing with India and losing. We need a lens that sees across our country. A level of expectation for American students should be in place.

Representative Coffey asked how our students fair in terms of students from foreign countries. Dr. Minnihan reported that some countries are bringing American teachers to help them learn how to solve complex problems. We don't compare because the tests are different. There is a role for the Federal Government but the reach comes without funding.

Representative Manley reported that in terms of the level of education, it never rose to the level of the cabinet as stated by one president, which resulted in the formation of the Department of Education.

Marian Alese said that there is a bigger issue because Representatives and Senators have been elected by constituents and yet they have to think about what is best for the greater good; similar to a School Board. We value local control while at the same time want global services and support.

Linda Quintanilha said that NCLB is a Civil Rights Bill; there needs to be growth for every child. She shared an example for the testing of special education students.

Butch Estey expressed his thanks for Representatives and the Senator attending tonight. The dialogue was great. He hoped that this is not a one-time meeting. The dialogue goes a long way in helping to move forward.

Senator Sanborn asked that those present weigh in on all of the bills that he has in front of him. Should he support the schematic bill, the concussion bill etc?

Motion and second to adjourn at 8:47 p.m. Unanimous.

Respectfully submitted,

Brenda Marschok

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