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**SCHOOL ADMINISTRATIVE UNIT NO. 27**

Litchfield, New Hampshire 03052

**April 3, 2008**

**Approved Minutes**

**Legislative Meeting**

**(approved as amended 5-14-08)**

**In attendance:** Dennis Miller, Chair; Cindy Couture, Vice Chair; Dot Beauregard, Member; Ralph Boehm, Member; Pat Jewett, Member; Dr. Elaine Cutler, Superintendent; Michele E. Flynn, Secretary

**Legislative guests in attendance:** Senator Betsi DeVries, Representatives Lynne & Russ Ober, Representatives John & Mary Ann Knowles, Representative Andrew Renzullo, Representative Robert Haefner, Representative Lars Christiansen, Representative Jordan Ulery.

**1) Public Session – Call to Order - Pledge of Allegiance**

Mr. Miller called the meeting to order at 7:11 p.m. He welcomed Senator Betsi DeVries and Representatives Robert Haefner, Lynn & Russ Ober, John & Maryanne Knowles, Jordan Ulery, Andrew Renzullo, and Lars Christiansen.

**2) Discussion of Legislation with Potential Impacts to Litchfield**

Mr. Miller noted that none of the items being discussed tonight are law. They are bills that are in Committee.

a) **SB 539: Relative to Education Funding**

Mr. Miller indicated that this bill's purpose is to define the cost of an adequate education. It represents a \$1.5M loss in education funding.

Dr. Cutler explained that this bill would be devastating to the town of Litchfield in its present form. It would have more of a tax impact on the town, adding \$550 to taxes, than the proposed new school would have cost. Litchfield would lose \$1.5M or 33% of State aid if the current bill passes. We would like our voices heard on this bill. Dr. Cutler shared her appreciation with the Senator and Representatives for attending this meeting, stating that she is sure they will represent Litchfield equally with the other districts they represent. She stressed that if Litchfield receives funding cuts and is mandated to implement kindergarten, it will be a financial crisis for this community. This is the time to be heard and to act.

John Latsha, 10 McElwain Drive, queried about the role of the School Board in the legal action taken against the State for the definition and cost of an adequate education.

Representative Lynne Ober stated that this bill is a result of the Londonderry Coalition suit as they sued for a per pupil allocation of education funding. She explained that the Claremont suit began with targeted aid, then donor towns brought legal action, and now the Londonderry Coalition asked for a different funding, which resulted in per pupil funding.

Senator DeVries stated that the legislature is operating under a court mandate. The court mandated that the legislature has until July of this year to define an adequate education and its cost. She added that each court decision brought Litchfield to its current situation and with the last court ruling there is little room to maneuver for towns that have poor property wealth.

Mr. Latsha queried about the impact on the tax rate and why Litchfield joined the coalition.

Mr. Miller indicated that if the bill stays in its current state, it would mean a \$1.50 increase to the tax rate to maintain the current amount of services in our schools. He added that Litchfield did not join the Londonderry Coalition and gave no financial support. Mrs. Couture clarified that Litchfield supported the Londonderry Coalition in writing, but not financially.

Mr. Boehm commented that the legislature depicts all southern tier towns as "rich", which they determine by median household income. However, people in the southern tier have higher incomes because both parents work. Towns such as Manchester whose median income is less because of single parent families are considered poor towns, but they also receive other funding. He added that some towns allocate a bigger percentage of their property tax to the town than to the school district and they are considered a "poor" town. Litchfield is an industry poor town.

Dr. Cutler commented that the per pupil allocation of education funding is a good idea, but the concern is the calculations. If the legislature goes forward with a per pupil allocation, you should consider all students, including those on IEP's and free/reduced lunch; 308 combined in Litchfield School District.

Senator DeVries explained the education funding process the legislature has completed to date and indicated that there were additional categories of aid added: disparity aid which Litchfield did not benefit from, and transitional aid that added \$500,000 in the first year and \$250,000 in the second year for Litchfield. She indicated that the legislature is going to continue working on this bill and there is no doubt the numbers will change. The Senator stated that the collective voice of the Representatives that represent Litchfield and herself will move education aid in Litchfield's direction. She also felt that the constitutional amendment will enable the legislature to return aid to the poorer towns.

John Harte, a Litchfield resident and Budget Committee Vice Chair, commented that if this version of education funding passes, Litchfield will realize a \$1.5M impact this coming year, \$1.75M the following year, and \$2M in the third year. Senator DeVries concurred commenting that the legislature is working to change that result.

Representative Christiansen indicated that there are 37 donor towns that are paying extra to redistribute this aid and the Governor has stated he will not approve of donor towns. The court has ordered that we define and calculate the cost of an adequate education. We need to work through this bill and keep the courts out of it.

Representative Haefner commented that Litchfield is losing \$1.5M while Hudson and Pelham are gaining funding. He indicated that if this bill came forward today, he would vote against it. He felt he needed more information regarding additional aid for towns with children on free/reduced lunch.

Representative Lynne Ober commented that the legislature has many opportunities in tweaking education aid to make sure Litchfield receives more funds. She explained the process that bills go through to be approved. There are thirteen State representatives who will vote on HB539. She also reported that the retirement restructuring bill that has passed through the House of Representatives and has gone to the Senate will increase the liability of the town in contributions by 30% next year. Litchfield will gain some momentum from that bill.

Representative Russ Ober commented that the education funding bill will change many times and he pledged to vote against it if any of the three towns that are represented loses with this bill.

Representative Mary Ann Knowles echoed her colleagues' sentiments and indicated that we will do whatever we can to make this bill passable. She indicated that ultimately we have to consider a constitutional amendment.

Representative John Knowles agreed that this bill is not right in its present state. An increase in transitional aid will help for only one or two years. We need a long-term solution and a constitutional amendment is a long-term solution.

Senator DeVries commented that the worse case scenario will be if a bill isn't passed by the deadline and the courts step in, which she predicts will result in a larger loss for Litchfield.

Representative Renzullo indicated that the problem is the complexity in which adequacy was defined and the failure to consider what that would cost. He commented that he believes in level funding. He will vote against this bill.

Representative Ulery commented that if any one of the three towns he represents loses money, he will vote against the bill. There are many reasons why this bill is not a good one and the deficit will make it more difficult for all districts. The role of local communities in determining an adequate education has shifted to Congress and if Litchfield suffers a loss, I will vote against the bill.

b) CACR34: Constitutional Amendment Relative to Funding an Adequate Education

Dr. Cutler indicated that the Constitutional Amendment was covered in the above statements. There will be a legislative session regarding this proposal on Tuesday, April 8, 2008 in Concord.

Mrs. Couture commented that when Litchfield joined the Londonderry Coalition, we did not contribute money, but we did believe in what they were fighting for. The judgment from the courts indicated that once you completed three tasks there is nothing stopping you from targeting communities that need additional aid. It is time to think about what will benefit all of us. She added that median income is not a determination of wealth. Per capita income, which is low in Litchfield, should be part of the plan.

c) SB 530: Relative to Kindergarten Aid

Mr. Miller indicated that this bill is a continuation of building aid (75%) for communities that do not have kindergarten or 100% funding for a free standing building.

Dr. Cutler explained that a recently proposed new school that included kindergarten classrooms was voted down in Litchfield. At the time we were approved for the Kindergarten Construction Grant, which would have funded 75% of the construction, furnishing and equipping of the proposed classrooms. The remaining 25% would have been funded with impact fees resulting in a zero impact on the town. To date, all districts have to implement kindergarten by 2009 and submit a plan by fall of 2008. The State will fund portables for three years and will fund \$1,280 per student. This will not be enough to fund staff. Dr. Cutler asked the Senator and Representatives to provide their view of SB530 and the suspension of RSA 28A.

Representative Lynne Ober indicated that she testified yesterday to this bill, which will be heard Tuesday, April 8, the by Education Committee. She felt the bill would pass. We are proposing: 1) 100% funding for all permanent construction for kindergarten to be implement in 24 months with no bond; 2) a voucher for kindergarten; 3) 75% construction aid to be open until each town completes kindergarten construction.

Mr. Boehm queried as to the NH DOE approval of 100% funding of kindergarten construction.

Representative Lynne Ober indicated that the DOE will have to fund a building with minimized code compliance.

Representatives Christiansen, Haefner, John Knowles, Renzullo, and Russ Ober indicated that if it is mandated by the state, they should pay for it.

Senator DeVries indicated that she would concur with amendments to the bill. The State will pay for whatever the DOE determines needs to be built and code compliant for half-day kindergarten. Mr. Boehm clarified that Mr. Ed Murdough, NH DOE Department of Building Aid, stated that the 100% funding option for a free-standing kindergarten building is a minimal code compliant building, which would be a wood frame building on a slab, with vinyl siding and a wood truss roof. Mr. Murdough indicated that the building would last only five years.

Ms. Tracy Caprioglio, 12 Brandy Circle, commented that a 'stand alone' kindergarten building in Litchfield would only consist of 3 or 4 classrooms. We were also told by the DOE that they would not approve any addition on GMS because of the water problem. Building a 'stand alone' building would add to our budget and eventually the operating costs will fall on Litchfield, which would put a strain on the town. Ms. Caprioglio stated that the State will build a code compliant school for kindergarten, but will not approve funding for renovations for a building that is not code compliant. She added that with this process you are hurting our chance of replacing a building that is in poor condition.

Dr. Cutler clarified that Mr. Murdough testified that 'it would be criminal to put any additions on GMS or LMS. Mr. John Harte queried about the impact to the town if kindergarten is not approved by the voters due to the potential loss of \$2M in education funding.

Representative Russ Ober noted that there is no language [or penalty] in HB530 pertaining to consequences for towns or school districts that do not implement kindergarten.

Representative Renzullo indicated that there is no penalty listed, however, the State does have the power to bring the town to court if kindergarten is not implemented. The State Board of Education is the driving force and there is little doubt they will allow non-compliance with the law by Litchfield, which could result in a lawsuit.

Mr. Harte commented that the biggest fear is that Litchfield becomes a town of 55+ housing developments because working families will not be able to afford to live here if these bills are passed.

Senator DeVries pointed out that there is no specific penalty under this legislation, however, there may be an ability to extend the timeline for implementation in Litchfield. She added that she does not believe the State can sue the school district, but will work with Litchfield to be in compliance.

A Community Member commented that GMS would not be a healthy environment for her child and that she will have to send her child to a private school because she has a medical condition brought on by dampness. She felt if Litchfield loses a large portion of education funding, she and her family will not be able to afford living here. She queried as to why the State would take Litchfield to court if we don't implement kindergarten, but will not help the community renovate our schools.

Senator DeVries indicated that the reason the legislation was passed was to prevent the cost of education funding from being decided by the courts. She commented that the courts are ready to take over if the legislature doesn't comply with costing an adequate education. Senator DeVries explained that the basic education funding plan has no reference to income and is a standard formula used in the entire state. The property wealth that Litchfield does not have allowed Senator DeVries to add transitional aid for the District.

Senator DeVries also responded to the question of Litchfield schools code compliance issues. She indicated that legislation was passed to address code compliance and to give districts more strength in dealing with these safety issues through the Fire Marshal's office.

Representative Renzullo indicated that the issue surrounding local code violations is, in effect, a local issue. If the State gets involved and orders compliance, the State must provide funding.

Mr. Harte queried about the Board's direction in relation to the State's provision of portables for kindergarten, asking if the Board has done any analysis on operating costs of kindergarten. Mr. Miller indicated that a previous analysis had been completed and the Board has had preliminary discussions on the location of kindergarten. Mrs. Beaugard commented that the bathrooms in the portables will not be able to be hooked up at GMS because of the septic system. She added that the bathrooms were not hooked up in the portables as LMS because of the cost.

Dr. Cutler pointed out that HB530 does include 75% of the construction, equipping, and furnishing of the implementation of kindergarten.

d) HB 766: Relative to Special Education

Mr. Miller indicated that Dr. Ronda Gregg, Director of Special Services has reviewed this bill.

Dr. Cutler explained that the State currently conducts a peer review of the Special Education programs. This bill states that the majority of the review will be by parents and community members, not qualified professionals. Review of a special education program should be done by educated professionals, as some parents/community members are overly zealous and feel the school district should pay for every facet of special education needs (including medical needs). Peer review offers an organization the internal drive toward positive change and allows

opportunities for improvement. Dr. Cutler also explained that another section of this bill compels districts to write both goals and objectives for Individual Education Plans. Litchfield have been required only to goals for the past three years and reports the data to parents on a quarterly basis. This approach allows districts to focus on the results desired instead of spending more time writing sub-goals and objectives. She asked the legislature keep in mind that there is no need to exceed the federal regulations.

e) HB 1127: Relative to Collective Bargaining Units

Mr. Miller explained that this bill proposes to allow less than 10 people to form a bargaining unit in a place of employment. It emphasizes that these employees have similar jobs. If this bill passes, a real potential will exist to force districts and towns to negotiate with many units. The ramifications to towns that have groups larger than 10 should be explored and school districts could spend more money on negotiations.

Representative John Knowles indicated that this bill is not mandatory and none of this will happen unless the School Board wants it to happen. Employees can only form smaller groups if the employer approves. If a board does not approve, there is no legal recourse.

Representative Mary Ann Knowles explained that one of the reasons this bill was brought forth was to help small towns that wanted to form unions, but could not.

Mr. Miller was concerned that teachers could separate into groups and form several bargaining units [i.e. math teachers, history teachers, science teachers, etc.]. Representative John Knowles indicated that would not be the case. Mr. Miller observed that language indicating that there would be no legal recourse if a board does not approve of a bargaining unit formed under this bill should be included in the bill.

Representatives Russ and Lynne Ober believe that the bill does not prohibit anyone from legal recourse. If a group of teachers withdraw from their union and forms another union and the school board does not approve, those teachers can go to the Labor Board and the school board would have to defend their position.

Mr. Miller encouraged the Senator and Representatives to consider protection for Litchfield under this bill and include language for towns that already have established unions in relation to splintering to form another union.

Senator DeVries explained that some requested references may not happen as they are drafting laws regarding bills and attorneys must stay within those guidelines.

Selectman Frank Byron commented that this bill was an ill-conceived proposal and will present all types of problems for communities throughout the state. Representative Haefner echoed Mr. Byron's sentiments.

f) HB 1436: Relative to the Evergreen Clause

Mr. Miller summarized that this bill is relative to negotiations and if an impasse is reached in negotiations, the contract will continue in force including increases in schedules, ranges, etc. This bill removes one of the reasons for negotiations.

Representative Ulery indicated that there was a large and pointed debate that took place in the House over this issue. If this bill passes, employees will get increases even without a contract. It is a guaranteed method in making sure a contract does not get negotiated.

Representative Renzullo commented that this bill shifts the balance radically in both directions and could be a bad situation for the taxpayer.

Representative John Knowles observed that the bill only applies to contracts that are ratified. There is a question of balance and issues of fairness. The bill applies to step increases, but not to cost of living increases.

Mr. Miller was concerned about the impact on contract negotiations in this fall. He agreed that the bill has benefits for both sides, but felt that people may negotiate in bad faith.

Representative Russ Ober commented that this is another example of the state pushing itself into local negotiations.

Senator DeVries offered to see what amendments have been proposed. She also requested a copy of the Litchfield Education Association contract.

3) **Adjourn**

Mr. Miller thanked the Senator and Representatives for attending the meeting and sharing their views.

*Mrs. Couture made a motion to adjourn at 9:35 p.m. Mrs. Jewett seconded. The motion carried 5-0-0.*

Respectfully submitted,

Michele E. Flynn  
School Board Secretary