

**HOLLIS BROOKLINE COOPERATIVE SCHOOL DISTRICT
BUDGET COMMITTEE
MARCH 25, 2021
MEETING MINUTES**

A meeting of the Hollis Brookline Cooperative School District (COOP) Budget Committee was conducted on Thursday, March 25, 2021 at 6:34 p.m.

Chairman, Darlene Mann, presided:

Members of the Budget Cmte. Present: Raul Blanche, Vice Chair
 Matthew Maguire, Secretary (participation began at 6:53 p.m.)
 David Blinn
 Brian Rater
 Lorin Rydstrom

Members of the Budget Cmte. Absent: Tom Enright
 Cindy VanCoughnett, School Bd. Rep.

Also in Attendance: Kelly Seeley, Business Administrator

Due to the COVID-19/Coronavirus crisis, and in accordance with Governor Sununu's [Emergency Order #12](#) pursuant to [Executive Order 2020-04](#) (extended by Executive Order 2021-02), this Board is authorized to meet electronically.

As stated on the agenda, the meeting was aired live via Zoom; Meeting ID: 941 1533 5689 / Passcode hR6b2L.

Each member participating electronically was asked to state, for the record, where they were, why their attendance in person was not reasonably practical, who, if anyone, was with them, and whether or not they were able to hear the proceedings.

David Blinn

Stated he was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, he was alone in the room he was in, and could hear the proceedings.

Lorin Rydstrom

Stated he was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, he was alone in the room he was in, and could hear the proceedings.

Vice Chairman Blanche

Stated he was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, he was alone in the room he was in, and could hear the proceedings.

Brian Rater

Stated he was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, he was alone in the room he was in, and could hear the proceedings.

Chairman Mann

Stated she was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, she was alone in the room she was in, and could hear the proceedings.

The Board was reminded that all votes would be taken by Roll Call.

AGENDA ADJUSTMENTS

A request was made to amend the agenda to include acceptance of prior meeting minutes following Appointment of Meeting Observer.

There being no objection, the agenda was amended as requested.

PLEDGE OF ALLEGIANCE

Chairman Mann lead in the Pledge of Allegiance.

APPOINTMENT OF MEETING OBSERVER

Chairman Mann appointed Vice Chair Blanche to serve as Process Observer.

APPROVAL OF MINUTES

COOP Budget Committee [January 28, 2021](#)

**MOTION BY MEMBER RYDSTROM TO ACCEPT, AS PRESENTED
MOTION SECONDED BY MEMBER RATER**

A Viva Voce Roll Call was taken, which resulted as follows:

Yea: David Blinn, Brian Rater, Lorin Rydstrom, Raul Blanche, Darlene Mann
5
Nay: 0

MOTION CARRIED

Jt. COOP Budget Committee – COOP School Board [February 2, 2021](#)

**MOTION BY MEMBER RYDSTROM TO ACCEPT, AS PRESENTED
MOTION SECONDED BY MEMBER BLANCHE**

A Viva Voce Roll Call was taken, which resulted as follows:

Yea: Brian Rater, Lorin Rydstrom, Raul Blanche, Darlene Mann
4
Nay: 0

MOTION CARRIED

Member Blinn Abstained

COOP Budget Committee – **Public Hearing** [February 2, 2021](#)

**MOTION BY MEMBER RYDSTROM TO ACCEPT, AS PRESENTED
MOTION SECONDED BY MEMBER BLANCHE**

A Viva Voce Roll Call was taken, which resulted as follows:

Yea: Brian Rater, Lorin Rydstrom, Raul Blanche, Darlene Mann 4
Nay: 0

MOTION CARRIED
Member Blinn Abstained

COOP Budget Committee [February 11, 2021](#)

**MOTION BY MEMBER RYDSTROM TO ACCEPT, AS PRESENTED
MOTION SECONDED BY MEMBER BLANCHE**

A Viva Voce Roll Call was taken, which resulted as follows:

Yea: Brian Rater, Lorin Rydstrom, Raul Blanche, Darlene Mann 4
Nay: 0

MOTION CARRIED
Member Blinn Abstained

GENERAL BUSINESS

- Update on Grant Funding

The Committee was provided with a summary of grant funding received by the district. The information was [displayed](#) (tape counter 12:27).

In general, the district does not receive a great deal of aid. The funding being received related to COVID (CARES Act) is not as significant as other districts partly because the formula that has been used for part of the federal funding is the Title I distribution. There remains at least one more round of funding that has not yet been quantified. The end dates to use the funds will continue out until 2024 (at this point).

Kelly Seeley, Business Administrator, spoke of funding received in the COOP School District. Total funding received for the coverage period 3/2020- 12/2020 (\$339,806.26) came from the following sources:

CARES ACT - Elementary and Secondary School Emergency Relief Fund (ESSER I): \$20,077.89.

[CARES Act and ESSER](#) funding - The CARES Act was signed into law on March 27, 2020. It includes the Elementary and Secondary Schools Emergency Relief (ESSER) funds to help K-12 educational entities prevent, prepare for, and respond to impacts of COVID-19. ESSER funds are distributed to districts using a proportional distribution to the FY2019-2020 Title I, Part A allocations (not subject to the Title I, Part A requirements).

Governor’s Office of Emergency Relief and Recovery (GOFERR): \$63,560.98 (Applied for by Town of Hollis)

Supplemental Public School Response Fund (SPSRF) #1: \$248,200.00 (\$200/student).

SPSRF #2: \$7,967.39 (\$10M Reserve Fund; received 68% of what was applied for; GOFERR funding was

subtracted from what the district was eligible for).

Grants are structured so that money is allocated to the districts, which must identify activities and uses of the funds and then apply for reimbursement.

The SPSRF I and II funds were given directly to the district. The \$200/student was a flat amount. There was no need to identify specifically how the funds would be utilized, but when applying for SPSRF II you were asked for a breakdown of expenditures and need. Subtracted from the amount was the \$200/student. A percentage was utilized to be able to distribute the funds among all projects listed. Those were direct payments to the district.

Ms. Seeley noted, because there were so many applications for the funds, only 68% of what was applied for was distributed. It was wise to utilize the GOFERR funding, which was not subjected to the 68%.

The difference between the total expenses (using the State's categories) of \$343,640.53 and the amount received (\$339,806.26) is \$3,834.27.

Anticipated COVID related expense for the period of January 2021 – June 2021 (including the \$3,834.27 difference) is \$100,532.58. The hope is that the FY21 budget will cover these expenses.

Anticipated funding includes ESSER II; \$60,027.00 (available for obligation through 9/30/23) and ARPA's Coronavirus State Fiscal Recovery Fund; approximately \$125,000 (slightly more than double ESSER II) for a total of \$185,027.00. The Administration is currently discussing how to best utilize these funds; learning loss will be a priority.

ARPA's Coronavirus State Fiscal Recovery Fund appropriates \$220 billion in fiscal year 2021 for states, U.S. territories, and Tribal governments to mitigate the fiscal effects of the COVID-19 pandemic, available through the end of 2024.

Matthew Maguire

Stated he was participating electronically from home, attendance in person was not reasonably practical due to COVID-19, he was alone in the room he was in, and could hear the proceedings.

Chairman Mann opened the floor to questions concerning the funding summary.

Member Rydstrom asked for clarification the request is to use the FY21 budget to cover the \$100,532.58 shortfall and was told that is the current plan. Chairman Mann stated she had requested Ms. Seeley put the information together so that the Committee could understand where we are at this time. By the time we get to April or even the end of May there may be other things that need to be encumbered instead of or in addition to this type of expense. She recommended reviewing this information and having the discussion but holding off on taking a position until a better understanding of the results is available.

Asked about options, Chairman Mann stated they would be to utilize the ESSER II and ARPA funding. While there is a myriad of things the funds could be used for, one of the predominant things they would like school districts to use it for is to address learning gaps that may have occurred due to the remote environment. Aside from this additional funding, it could be that they would look at the unreserved fund balance. If there are funds remaining in the budget at year end that would be the recommendation rather than looking to any of the trust funds.

Vice Chairman Blanche questioned, and was informed the Committee would be provided with an update on the state of the current budget (expenses versus appropriations) in April.

- Overview of District Presentation

The Annual Meeting is scheduled for April 10th (rain date April 17th). Chairman Mann was uncertain of the format, e.g., whether she would be providing a presentation. The assumption is an outdoor meeting will be run in the same format as an indoor meeting.

She provided a draft of the presentation and requested feedback from Committee members.

The summary identifies the individual amounts for the appropriating articles. Vice Chair Blanche suggested the slide provide the amount approved in the prior year and the percentage of change.

The 10% limitation was calculated and included in the MS27. There is a legal requirement to stipulate what the maximum is that can be approved by the legislative body. The backup information includes a budget to actual comparison. A chart is included showing the inflation adjusted view of the budget over time. Student enrollment information is provided identifying how it is split between the two towns and includes five out years of estimated enrollment numbers. A chart is used to identify how what is raised through tax effort is lower than the budget amount. The chart will also identify that the FY21 tax effort is lower than estimated due to budget underruns related to spring 2020 school closures. The drivers for the lower tax effort for 2020 were the fund balance of \$1.2 million (returned to tax base) and the disparity aid received by Brookline; \$1,200,000 in total with \$750,000 allocated to the COOP district.

When discussing revenue and aid for the upcoming year, the unreserved fund balance is not estimated to be as high, and the district is not expected to receive the disparity aid. Those revenue and aid adjustments are separate from the budget, but directly impact the tax effort and tax rates.

Pie charts show the distribution between the two communities based on apportionment. Tax rate impacts on each of the towns is identified. There are potential legislative funding solutions that could reinstate the disparity aid; [HB623](#) states in part “ For fiscal years 2022 and 2023, the total education grant to each municipality shall not be less than the amount of such grant in the prior year.” This Bill is Retained in Committee. [SB145](#) addresses disparity aid going through FY22 or FY23.

There is also a House Bill that reduces the threshold to qualify for special education aid. There is the potential that could have an impact.

Asked for clarification of why the area on the chart that would show the estimated impact to the tax rate of HB623 for Hollis is empty, Chairman Mann responded should the bill or something similar reinstate disparity aid, Brookline was the only community in the COOP that received it. Disparity aid is specifically calculated based on equalized value per student, and if you met a certain threshold you did not qualify. Hollis meets the threshold and Brookline does not. If you fall short and do not meet the threshold, there is a sliding scale of how much gets allocated per student. Brookline is the town that qualifies for that not Hollis. Vice Chair Blanche suggested the slide include some notation to that affect.

The tax rate impact by category will be discussed. This chart will identify the shift in Average Daily Membership (based on enrollment from the fall). That enrollment number is not the same as ADM and is a significant shift back to Hollis (2%-point swing). We need to consider what the right number is to do an estimate. It does have a significant impact. What the chart will look to show is for every ½ percentage point change, this is how much money moves between the districts. Right now, based on the ADM shift we have (just because of ADM), almost \$500,000 shifts to Hollis. That is not an apportioned shift, it is a direct shift. If we had the exact same budget (revenue and aid) as was the case for FY21, and all we did was shift ADM, \$479,000 would go back to Hollis. From there we make those other adjustments like movement in adequacy aid, revenue, and the budget.

Vice Chair Blanche suggested footnotes to summarize what the impact is. He suggested noting that because of population shift growing in Brookline more so than in Hollis, it results in funding coming back to Hollis.

Chairman Mann commented on the intent to go through old files to see if a trend can be seen between October enrollment and end-of-year ADM; to see if there is any relationship between the two.

The estimated total tax rates (school/town/county) as well as a trend chart of the total tax rate will be discussed. What is interesting in the trend charts is the ability to see when revaluations occurred. Member Rater noted the disparity between the FY22 estimate for Brookline (total tax rate trend chart) and the estimated FY22 total for Brookline on the estimated total tax rates chart; should be \$29.44.

The charts displayed outlining the details of contract negotiations were the same as those provided at the public hearing. Additional charts include the summary of major operating budget changes; both increases and decreases, the proposed SAU budget and adjusted budget as well as an explanation of budget drivers, the various trust funds; beginning balances and proposed allocations and expenditures. The SAU Fund Balance Summary chart provides a comparison of where fund balances are.

Regarding the petition warrant articles, the Committee has taken positions, and Chairman Mann will speak to them.

- Legislative Update

Chairman Mann thanked Member Rater, Tom Gehan, and Chris Hyde who all participated in the online virtual public hearing for [HB484](#), which is the bill that would limit budget committee recommendations on the warrant articles. They all spoke eloquently in opposition to the legislation. The Municipal and County Government Committee did vote to move the bill forward; 10/9 ought to pass. There was a member of the New Hampshire Municipal Association who had originally supported the bill, but some of the arguments presented changed his opinion. It may have been a misunderstanding that the bill was merely clarifying the fact that budget committees cannot do this anyway, which is not the case.

In fact, [RSA 32](#) says what we shall do, which is make a recommendation on anything that appropriates, but is silent on other aspects, which means we are not prevented from doing it. Our own legal counsel has directed us, there is case law that supports us being able to do this, and it would be a very unfortunate limitation on every single town, school, and cooperative school district budget committee.

In communities that have cooperative arrangements and apportionment formulas many have just had those formulas forever, they never come up, nobody even talks about them. That is not the case in our district. The Committee has made impactful statements and representations to our community that it can continue to do, but it would be unfortunate if the recommendation could not be on a warrant article for something as impactful as a petition article to change the apportionment formula that deserves effective and considered financial analysis.

From a town perspective, an example would be the veterans tax credit, not something that has a specific appropriation, but something that the legislative body of the town looks to the budget committee for a recommendation on. In Hollis, where previously 50% of the land use sales tax dollars were allocated to the Conservation Commission, a petition warrant article was put forth (did not have an appropriation). The decision of changing the percentage from 50% to 100% was that of the legislative body. Although the legislative body did not take the recommendation of the Budget Committee, and ultimately passed the article, the Budget Committee was able to provide the implication to the community.

Member Rater commented the example he gave was the removal of grades 7 and 8 from the COOP; Brookline cannot absorb that kind of student input and would have to build a new school building. That is a conversation around millions of dollars. It makes no sense for the Budget Committee to not be able to make a

recommendation on an article that would cost one of our towns millions of dollars, and yet say it is okay to make a recommendation on a \$10,000 contingency fund.

For school districts that operate under SB2, what is printed in the warrant is all that most voters see.

Chairman Mann remarked she is uncertain of the best way to approach this going forward. She considered contacting the Hollis Legislators personally to request they oppose the bill. The Committee could take a position and make a request that the Legislators not support this bill.

Mr. Rater suggested getting other budget committees around the State to contact their State Representative and exert some influence. Chairman Mann noted there to be some difficulty as many committees do not meet before April 7th.

[SB130](#) would establish the Education Freedom Account program, which permits the treasurer to transfer adequate education grants, plus any differentiated aid that would have been provided to a public school, to a scholarship organization for disbursement to parents to be used for certain educational purposes. If you pull your child out of the public school district adequacy money would be put in the fund at the State level for you to use to be reimbursed for educational expenses. That bill was retained in committee.

[HB274](#) provides that the State shall pay 5 percent of contributions of retirement system employers, other than the state, for group I teachers and group II members. A bill to contribute 15% was retained in committee.

The Legislature is still addressing another bill that could reinstitute the disparity aid. The one that did it most cleanly was retained in committee.

[HB374](#) would amend the method of adopting official ballot referendum form of meeting; came out of committee with an ought to pass recommendation of 10-9. Will go before the House in early April.

MOTION BY MEMBER RATER TO PROVIDE WRITTEN COMMUNICATION TO THE LEGISLATURE, ON BEHALF OF THE COMMITTEE, STATING OPPOSITION TO HOUSE BILL 484

MOTION SECONDED BY MEMBER MAGUIRE

A Viva Voce Roll Call was taken, which resulted as follows:

Yea: Brian Rater, Raul Blanche, Lorin Rydstrom, David Blinn, Matthew Maguire, Darlene Mann

6

Nay:

0

MOTION CARRIED

ANNOUNCEMENTS

Chairman Mann questioned the will of the Committee relative to the necessity of an April meeting.

The consensus was to forego an April meeting. The next meeting is scheduled for May 27, 2021.

Chairman Mann spoke of the vaccination clinic conducted on March 23rd and 24th. The clinic served 1,014 teachers and staff from schools in Hollis, Brookline, Milford, Amherst, and Mont Vernon. The second dose will be provided in a clinic scheduled for April 13th and 14th at the HBHS. Ms. Seeley spoke of how well the event was conducted.

PROCESS OBSERVER READOUT

Vice Chair Blanche stated the meeting was very efficient, informative, and jovial.

ADJOURNMENT

MOTION BY MEMBER BLINN TO ADJOURN
MOTION SECONDED BY MEMBER RYDSTROM

A Viva Voce Roll Call was taken, which resulted as follows:

Yea: David Blinn, Raul Blanche, Brian Rater, Lorin Rydstrom, Matthew Maguire, Darlene Mann

6

Nay:

0

MOTION CARRIED

The March 25, 2021 meeting of the COOP Budget Committee adjourned at 8:05 p.m.

Date: _____

Signed: _____