

CITY COUNCIL WORK SESSION

School Department Budget

Monday, April 20, 2011 – 6:30 p.m.

Eileen Dondero Foley Council Chambers

City Council Present: Mayor Ferrini, Assistant Mayor Novelline Clayburgh, Councilors Lister, Hejtmanek, Spear, Coviello, Dwyer, and Kennedy

City Council Absent: Councilor Smith

Staff Present: John P. Bohenko, City Manager; Judie Belanger, Finance Director; Edward McDonough, Superintendent of Schools; Steven Zadavec, Assistant Superintendent of Schools; Steve Bartlett, School Business Administrator and Dianne M. Kirby, Deputy City Clerk

School Board Members Present: Dr. Mitchell Shuldman, Chair; Ann Walker, Vice Chair; Kent LaPage, Thomas Martin, Leslie Stevens, and Henry “Clay” Hayward

School Board Members Absent: Dexter Legg, Rebecca Emerson and Carol Chellman

Mayor Ferrini called the work session to order at 6:33 p.m.

I. Introduction

Mayor Ferrini welcomed everyone and turned the meeting over to Dr. Mitchell Shuldman, School Board Chair.

Dr. Shuldman thanked everyone for their hard work. He stated there is excellence happening in our Schools. He said this year’s budget is not without its concerns. Dr. Shuldman said there are both risks and opportunities in some of the decisions they are putting forth this year, particularly doing away with the Director of Technology and the Director of Special Education. He stated the models suggested are not without precedence and some of the reorganization suggested takes into account some of what was learned in the comparison of their Cohort Districts. Dr. Shuldman stated there are some members of the community that believe that if the City Council votes to support the School Budget that they are voting in favor of wasteful public spending. He said voting in favor of our schools is voting in favor of the future.

Edward McDonough, Superintendent of Schools stated our mission is to educate all children to the highest levels. He said as a district we believe all children can learn. He stated the Federal Law “No Child Left Behind” sets ambitious learning goals for each and every child in our Nation. Superintendent McDonough stated in Portsmouth we are implementing a plan of action that finds us improving student performance by focusing on three key strategies. He stated the key strategies for improving organizational performance is:

- Investing in teacher quality
- Using formative assessments to monitor student progress and focus instruction on precise needs of each student (just-in-time support)
- Deploying intervention/enrichment blocks as well as a series of extra-help strategies (extended days, jump start summer school)

Superintendent McDonough said through it all they are about creating a collaborative, professional school culture that finds us improving as a District.

Steven Zadravec, Assistant Superintendent of Schools stated the Professional Learning Communities (PLC) have teachers working in teams teaching the same content in the interest of increasing student achievement. He said this gives them information on which students need more assistance. He discussed the elementary reading and math advances with 97% proficient and 61% distinguished results, the Middle School reading and math programs with an increase in Level 4 distinguished results. Mr. Zadravec stated a need to focus intervention and the High School reading and math programs resulted in consistently above the State average in reading and an improvement in all subgroups in math.

Mr. Zadravec stated this is their fourth year of full day kindergarten. He stated we are 96% of the benchmark on Kindergarten DRA and proficient or greater on third grade NECAP Reading. He stated last year our students scored above the State in the District Cohort Reading Comparison and this year they scored above the State in both the District Cohort Reading Comparison and the District Cohort Math Comparison. He also reviewed the reading and math skills in both the Middle School and the High School.

Mr. Zadravec stated Portsmouth is a leader in the State for dropout prevention. He stated 85% of Portsmouth High School students go on to a two or four year college. He said he attended the League of Innovative School conference and the consortium goals are:

- Increase graduation rate to 90% or higher
- Decrease dropout rate to less than 1%
- Increase percentage of 2 and 4-year enrollment to 80% or higher
- Reduce number of required remedial courses

Mr. Zadravec stated presently Portsmouth High School has a:

- 94% graduation rate
- 0.28% dropout rate
- 85% post secondary

Superintendent McDonough stated the goal of the School Board is:

“Develop, track and report the district’s performance against a peer cohort group”

He stated their Cohort Districts are Governor Wentworth, Merrimack Valley, Contoocook and Oyster River. Superintendent McDonough reviewed their standings within the Cohort Districts in enrollment, economically disadvantaged students, per pupil spending, average teacher salary, teacher degree attainment, student-teacher ratio, central office configuration – 2010-11, Identified population, annual drop out percentages and percentage of post-secondary education.

Steve Bartlett, School Business Administrator stated on the operational side there are several initiatives and practices that the School Department staff are working on to provide a more efficient and cost effective quality education for their students. He stated bearing in mind that their need for a responsible budget, environmental stewardship and greater inter-departmental efficiencies. He said some of the initiatives they are working with are:

- Wellness Committee – He said this committee has worked to implement a healthy life style model called 5210. He stated 5210 breaks down to 5 serving of fruits and vegetables per day - 2 or less hours of TV/Computer screen time per day – 1 hour of physical activity per day and 0 soda or sugar drinks per day.
- NH Partners for Healthy Schools program seeks to identify allergy triggers within our school environment. He said there is a new requirement from the NH Department of Education for a yearly self audit on indoor air quality issues with results being sent to the Department of Education, the School Board and the local Health Department. He stated the School Department of Portsmouth has taken a pro-active approach in this area.
- Green Cleaning Supplies and Mythology goes hand and hand with the healthy schools program. He stated they are converting everything to certified green cleaning products and they have changed to using micro fiber technology for cleaning equipment.
- participated in the recycling program, due to their volume they are in a dual stream program.
- participation in the Capital Improvement Program over the last six years has allowed them to plan more effectively and achieve the project scale they need to get the bigger projects completed at a reasonable price. He stated the Middle School Project is a perfect example of CIP which will have collateral benefit beyond the modern teaching spaces and energy efficient building for the Middle School. Business Administrator Bartlett said the building will follow in NE CHIPS protocol which is similar to the LEADS program. He said this allows the school to get an extra 3% from the State for reimbursement for the project. He stated another benefit to this project is the new turf field at the High School which has benefited the Middle School athletics, the High School athletics and band programs, as well as recreational programs at all levels.
- partnered with the City Recreation Department and Rus Wilson has greatly enhanced the School's athletic programs. He said the second gym will assist them in reaching another efficiency goal of extending the athletic/recreational director partnership to include the Middle School students and looking down the road to include the elementary students as well.
- secured and set up a contract with Dore and Whittier to do K-5 facilities assessments. He stated this assessment will assist the School Department plans for the future. He

said the School Department has also participated in the City's Interim Report on Operational Efficiencies. Business Administrator Bartlett stated the results of that report pointed out existing areas of collaboration that can be looked at such as legal, purchasing, joint bidding, engineering review and rolling stock management. He said new areas were identified such as small equipment maintenance, pavement sweeping, pavement marking, routine tree maintenance and exterior lighting maintenance.

- worked to analyze what is done by the School Department and the Public Works Department and it was discovered that there are situations where simple trade-offs could reduce travel and mobilization time in mowing and snow removal. He stated using the rolling stock program they have been able to adjust their equipment needs to become more efficient.
- Public Works Department and the School have done joint bidding on natural gas and electricity for the past few years which have resulted in a multi year contract for both at a reduced rate.
- Portsmouth High School was awarded the Energy Star Award, but it doesn't cost less to operate if you don't have it adjusted properly. He stated the High School staff and the Maintenance Director have worked over the last few years to refine the computerized energy management system and have the High School energy usage under control.

Superintendent McDonough reviewed their Budget stating the FY2011 Budget = \$36,904,000. He further stated salary and benefits = \$31,331,261 or 85% of the budget. He stated their FY2012 "status quo" budget includes a salary increase of \$1,075,161, a benefits increase of \$783,104 and an operating increase of \$142,535 for a total of \$38,859,800 or 85% of the Budget. He said a level adjustment required is \$1,955,800.

Superintendent McDonough stated the General Fund Staff has been reduced by 11.93 FTE positions. He said the following is a break down of the reduction:

Central Office:

- combined the Special Service Director and the Title 1 Director positions into 1 position
- the Director of Technology position will be taken on by the Assistant Superintendent's position
- 1 Administrative Assistant, 1 Computer Technician, 1 Maintenance Technician, .5 FTE District-Wide Psychologist and .6 FTE Speech instructors will be cut.

Portsmouth High School:

- .5 FTE Automotive, .33 FTE Art, .5 FTE Nurse, and 1 FTE Counselor will be cut.

Portsmouth Middle School:

- 2 FTE English Language Arts personnel will be transferred from the Portsmouth Middle School to the Portsmouth High School.

Elementary Schools:

- 2 FTE Counselors will be deleted and they will move to 1 full time counselor at each building.

Superintendent McDonough stated this is a loss of 29 positions over the last 2 budget cycles. He stated they have had a reduction of 8% of the General Fund workforce over the last 2 years.

Mayor Ferrini opened the meeting to questions.

Councilor Spear stated this was a great presentation. He said the next two years are going to be challenging. He said we strive for low class sizes, but low class size is an expensive tool. He asked if the Board has thought of other tools they can use to get more bang for their buck. Assistant Superintendent Zadravec stated it is an important point to have the School looking at what is effective and what is not. He said class size seems to work best.

Councilor Dwyer stated the math coaches have worked out great. She said that kind of investment is not about how small the group is, but about how you have retooled the teacher's knowledge on how to teach math. She said it is not about making the groups smaller, but having the correct teacher for the group.

Councilor Lister stated the School Board did a good job. He said he is very pleased that they are looking at the full day Kindergarten and how it has positively impacted the kids over the years. He said success breeds on success. He stated his priority is its better to have high achieving students than worry about class size. He said you go for maximum achievement than work on class size.

Ann Walker, School Board Vice Chair said they have been concerned with keeping the class sizes low especially in K-3 then adapting it differently for the older kids.

Councilor Kennedy asked how student transportation is working out with the increase in the gas expense. She asked if the School Board has worked with COAST to come up with a plan. Business Administrator Bartlett stated they are presently reviewing this.

Councilor Kennedy asked if the Business Office has been looking at how the down shifting of State and Federal funds will affect them. Business Administrator Bartlett said they have looked at some of that, but they are waiting to receive instructions to proceed from the City Manager.

Superintendent McDonough said the good news is the House Bill restored the Building Aid and secondly, CAT Aid will remain at the same level we enjoy this year. He said the only draw back is the retirement system. City Manager Bohenko stated retirement is the biggest exposure we have and if 35% is totally eliminated we will have about a \$1.8 million City wide exposure. He said there are things within the House and Senate Bill that would restore some of that through adding additional requirements for contributions from employees, but we would

need to see how that is all going to shake out. He said we have been tracking it and even with the increase to the employees, we could still have a \$20 million dollar shortfall.

City Manager Bohenko stated that revenue sharing is statutorily supposed to come back, but it was not included in this year's budget. He said that figure is \$657,000.00. He said the other area of weakness on the revenue side is the Highway Block Grant. He said that is \$429,000.00. He said one of the things that is exposed in the Highway Block Grant is the \$30.00 surcharge for motor vehicle registrations and if that goes away and it looks like it will, that would affect Portsmouth by about \$70,000.00. He said our exposure, except for the retirement is on the revenue side of the budget.

Councilor Coviello stated he is very impressed with the information that has been provided. He said last year they asked for a reasonable budget and this year they asked for a zero budget. He said at some point there is nothing more that can be done. He asked if there is a long term plan to solve this problem.

Councilor Hejtmanek said there are two parts to that equation. He said one, is the salaries of the teachers and administrators and the other, is income of the people paying the taxes. He said test scores and schools are what people look at when moving to a new community. He stated if we get the test scores up, he thinks the community will be a lot more attractive to young families and that will help solve the demographics problem.

Assistant Mayor Novelline Clayburgh thanked the School Board and School Administration for the presentation. She said she sees an increase in free and reduced lunches. She said this shows Portsmouth people are not all rich. She said a few years ago when her children were in the Portsmouth School System the percentage of students going on to higher education was 68% now it is 85%. She said this should be what people look at not test scores.

Councilor Kennedy said we need a long term plan. She said in 2014 there will be a National Assessment. She said we need to start looking at the long term. She suggested a committee be formed to see what residents want to see in our schools and what they are willing to pay for. Councilor Spear said the School Department budget has gone up 5% since the 2009 budget and the Police, Fire and Municipal Department budgets have either gone down or stayed even with staff reductions. He stated human capital is the most important thing we have. He said when you have a highly motivated, highly educated, creative society they can rebuild very easily. He said our role in Portsmouth is to increase that human capital. Councilor Spear said the human capital is really the foundation of our staying power.

Councilor Dwyer stated we need more kids, parents and workers.

School Board Chair Shuldman stated they have started to look into their labor contracts with their annual reviews. He said the School Board has begun the conversation, but they are still a couple of years out. He said labor contracts are where most of their budget costs are.

Assistant Mayor Novelline Clayburgh stated the Council is looking into work force housing and bringing in younger people with families that can afford to live here. She said we can work together on this to try to bring in younger families to fill up our schools.

Tom Martin, School Board member said the Board's focus is on how we can improve on this. He said we have looked into going outside our District to broaden our dollars.

Mayor Ferrini thanked everyone for the outstanding presentation. He said we will all work together to solve these problems as we move forward.

IV. Adjournment

At 8:15 p.m., Mayor Ferrini closed the Work Session.

Respectfully submitted by:

Dianne M. Kirby, Deputy City Clerk