

**COMMITTEE ON ACCOUNTS, ENROLLMENT
AND REVENUE ADMINISTRATION**

October 15, 1996

6:00 PM

Executive Conference Room

Chairman Elise called the meeting to order.

The Clerk called the roll:

PRESENT: Alderman Elise, Alderman Soucy, Alderman Shea ,
Alderman Pariseau, Alderman Hirschmann.

MESSRS.: Kevin Clougherty, Randy Sherman, Sean Thomas, Len Bernard,
School Committee Member Healy, and Mark Hobson

The Chair opened up discussion on item 3 of the agenda:

Discussion relative to the School Department's FY96 budget.

She stated that she had called the meeting because of the budgetary problems the School Department seemed to be having. She thought the Committee should hear what the problems are? What can be done to solve them now? And what suggestions can be made to look to avoid them next year?

Ald. Hirschman asked if we are talking about Fiscal Year '96 or Fiscal Year '97.

Ald. Elise responded: Fiscal Year '97.

Superintendent Len Bernard began by explaining that the School Department now has two flexible accounts: the first is for Special Education and Medicaid reimbursement which is earmarked for Special Education; the second is for everything else, like paper and supplies. If we use everything in the second account, and the first account runs dry, then we're in trouble. We've budgeted as much as we could this year. Back in 1986 or 1987, the

School District set up a budgeted item for Special Education. If we ran over, the City would pick up the difference. That's not the case now.

Mr. Hobson distributed a financial summary of the School District's estimated budget and explained the line items in the revenue classification. He pointed out that one of the most difficult to project was the Special Education account because the School District really did not know how many students would have to be serviced under this account during the course of the school year, or what the needs of all the new students might be. He stated that the City was responsible for all students who move into Manchester.

Ald. Elise: So if you knew the parameters of Special Education, you might have more flexibility? There are other issues than just dealing with running out of supplies?

Mr. Bernard: Right.

Ald Hirschmann: Is there some kind of insurance for Special Education?

Mr. Bernard: Good question. We can get, in some cases, a 50% reimbursement from Medicaid. Granite State Billing is the third party that works with the insurance, their carriers, etc. But to look at what can happen with the budget and the insurance reimbursement, we have put several plans into place to monitor Special Education.

Ald. Shea: How much has been set aside?

Mr. Bernard: Salaries are under control for the certified teachers and their support staff. Problems which arise often come in the tutoring account which is \$500,000, transportation & busing which is \$490,000. Right now, it looks like we should have enough to get through the year end, but there's not enough for a comfort level.

Ald. Hirschmann: What are our per pupil costs? If we didn't accept students from Hooksett and Auburn, could we cut down on Special Education costs?

Mr. Bernard: 15.8% of our student population are Special Education students. They account for 25% of the City's portion of our budget. The town's Special Education students only account for 10% of their share of the budget. I could find the numbers, but I only have them readily available on the high school level. The number of students in Special Education is increasing, and so are our costs. Two years ago, 12% of our population were Special Ed. Now it's 15.8%.

Mr. Clougherty: We have talked about setting up a reserve for Special Education if property taxes turn around.

Ald. Hirschmann: But we're only 90 days into the budget, and we have a problem already?

Mr. Bernard: In our paper budget, yes. We budgeted 1500 pages per student. That wasn't enough.

Ald. Hirschmann: Twelve accounts are already at 70% of their budget, or better, already. How often do you look at these numbers?

Mr. Bernard: Monthly. But we never know about catastrophes.

Ald. Elise: That's true. But I feel we need to do something.

Ald. Pariseau: If you're looking at contingency funds, there's \$1 1/2 million. But if \$600,000 goes to the School District, well... Where are you going with this? What can we do?

Ald. Elise: I'd like to see if there is a solution.

Ald. Hirschmann: I think this meeting is productive, but it would be nice to know if there's a problem before it's too late.

Ald. Elise: Well, I'd like to see a Task Force set up to determine what we can do and can't do. Should we set up a reserve fund? We need to look at this from all perspectives: the transportation issue, residency, etc. We can't just sit here and do nothing.

Mr. Healy: Unfortunately, the regular students are having to take a step back because of the rising costs of Special Education.

Ald. Shea moved to table further discussion on the item. Motion was seconded by Ald. Hirschmann. Motion passed.

There being no further business, Ald. Shea moved to adjourn. Seconded by Ald. Pariseau. Motion passed.

A True Record. Attest

Clerk of Committee