

Sullivan School Board

Public Meeting Minutes

September 13th, 2023

Present: Board Members: Michael Brooks, Stephanie Milotte, William Thorndike, Paul Bolduc

Superintendent: Kim Caron
District Treasurer: Ann Gray

Public: None

Call to Order:

Mike Brooks meeting Called to order at 6:30 PM

MINUTES

Motion Malinda motioned to approve the minutes from **August 8th, 2023** Board's meeting.

Second by Will

Discussion: None

Voice Vote: Unanimous

Motion so passes and the **August 8th, 2023** Minutes are approved.

Treasurer's Report - Appointed Treasurer Ann Gray

Ann Gray went over the manifest with the board.

- **Manifest:** The current manifest for this month is for the amount of **\$1,999.75**
 - The starting bank balance is **\$75,249.03**
 - Total Deposits **\$273,521.02**
 - Town of Sullivan \$75,000.00 August 2023 Payment
 - Town of Sullivan \$50,000.00 Sept 2023 Payment
 - State of NH \$148,353.00 Sept 2023
 - Mascoma \$168.02 Interest Earned

Payments

\$252.00	Perfect Balance (Aug 2023 Bookkeeping)
\$712.50	Terri Drogue (July & Aug services)
\$713.25	Educational and Behavioural Consulting (Aug 2023 Student Services)
\$322.00	Gathering Waters Chartered Public School (Mar-June 2023 Student services)

TOTAL PAYMENTS: \$1,999.75

Ending Bank Balance \$346,770.30

Motion: Stephanie motioned to approve the manifest of **8/10/23-9/13/23**

Seconded by **Will**

Discussion None

Voice Vote: Unanimous

Motion so passes and the **August/Sept** Manifest is approved and so accepted.

On 8/9/23 meeting the School Board approved the transference of monies to the district from the town electronically to reduce time delay.

On 9/13/23 - The Bank Form was signed by the board members and will be submitted to the town by Ann Gray.

Superintendent's Report - written by Kim Caron

The following is a general update of activities, as of September 10th, since the last Board meeting.

State Aid for Education. The superintendent discussed changes in State education aid and the adequacy formula for FY24 the school board meeting on August 9th. Based upon board discussion, I forwarded some additional information received from NHED regarding changes in state aid for education on August 10th. To summarise; The State made some changes to the adequacy formula for FY24 resulting in increased revenue for FY24. The Base and Differential Rates have increased. The Third Grade Reading Aid has been eliminated. The Extraordinary Needs Grant was substantially increased from the previous year. Stabilization and Relief Aid were eliminated. A hold harmless grant was established to ensure districts receives at least 104 percent of the NHED adequacy previously estimated for FY 24. The superintendent recommends that the increase in adequacy aid is placed on the September agenda as an action item. Please see the September 1, 2023 memorandum on this topic in your email.

- Malinda questioned the need to set up a special meeting for the town to approve \$34,759.00 budget increase for monies that we are receiving. It seems counterintuitive for we are not spending more. If the money is used to reduce the tax rate, it will put the District in a hole for the following year.
- Kim noted that this payment is given to the Town which will then disperse it to the School District. The purpose of the public meeting is to ensure that the public and Town are aware that these monies will be required. If the School District does not have a Public Meeting, the money automatically goes to the Town and they have no option but to return it to the citizen via lowering the tax.
 - I discussed changes in State education aid and the adequacy formula for FY24 at the school board meeting on August 9th. Based upon board discussion, I forwarded some additional information on August 10th that I received from the NH Department of Education regarding changes in state aid for education for your review.
 - To summarize; The State made some changes to the adequacy formula for FY24 resulting in increased revenue for FY24. The Base and Differential Rates have increased. The Third Grade Reading Aid has been eliminated. The Extraordinary Needs Grant was substantially increased from the previous year. Stabilization and Relief Aid were eliminated. A hold harmless grant was established to ensure districts receives at least 104 percent of the NHED adequacy previously estimated for FY 24. Based on this preliminary information from early August, it appeared that Sullivan may receive an increase of approximately \$28,000 in adequacy aid for the current fiscal year. The new adequacy formula increased the base from \$3866 to \$4100 per pupil. The base amount will increase by 2% per year. Districts receive an additional \$2300 for each free/reduced lunch eligible student, \$2100 for each special education student, and \$800 for each English language learner student.
 - I attended a meeting on August 30th with the Bureau of School Finance. The following bullet points summarize the information learned relative to Sullivan.

- The Bureau of School Finance reported that the maximum amount of increased adequacy funding that school district would receive in the current year, if approved by the town legislative body, is \$34,759.
- § We have the option to ask our legislative body (town meeting) to increase our appropriation for the current fiscal year for all or part of this increased funding. We would need to call for a special town meeting via state statute 197:3-a and develop a warrant article. This needs to be done by the end of September for the DRA and tax-setting season. This is a very tight timeline.
- Or we have the option of doing nothing and allow the increased funding to be applied automatically against the tax rate.
- The stabilization grant was eliminated in the new formula, which caused some districts to require a "new hold harmless" grant. Starting in FY 2026 the hold harmless grant will be reduced by 20 percent every two years. Therefore, the NHED is considering this funding as unstable. The funding will not be available for the long term and districts should not count on this money.
- § Therefore, the NHED is advising some school districts, including Sullivan, to avoid putting this increased funding in their school district budgets because it most likely will not be available in the future.
- The decision: Does the school board want to ask the town to increase the district's appropriation by an amount up to **\$34,759** or allow the increased funding to be applied automatically against the tax rate?
- Superintendent's thinking:
- § The timeline is very tight should the school board decide to ask the town to increase the district's appropriation in the current year. The provisions outlined by RSA 197:3-a need to be accomplished by the end of September in time for tax-setting season. That doesn't leave much time for the school board to discuss and plan with town leaders.
- § I am concerned that the current school budget is tight given our recent special education needs, anticipated expenses that occurred after the 2023-2024 budget was approved and planning for the unknowns. The district could use this funding. However, the town supported a sizeable increase in the budget for this school year.
- § Given this information, the school board might consider allowing this increased aid for education to be applied against the tax rate.
- § Consideration should be given building a healthy trust fund to address the unknowns.
- I recommend that the increase in adequacy aid is placed on the September agenda as an action item.

There is \$268,000 in the expendable Trust currently.

This must be posted by 9.15 in order to hold the meeting before the end of September.

Bureau of Federal Compliance (BFC). The BFC is requiring the school board to develop policies regarding the administration of federal grants as part of a corrective action plan. The BFC provided specific policy language for the district to manage federal funds appropriately. Policy DAF: Administration of Federal Grants is designed to govern a broad range of federal dollars that school districts around the state receive; from Title 1 services to federal free and reduced lunch programs to special education money to competitive and discretionary grants and more. The BFC found that the district must have this policy in place, even though the district only receives the federal special education

IDEA grant. Although the district has been using the IDEA grant properly by applying it to supplement special education expenses, the district has not had the policy and related safeguards in place. Policy DAF rectifies this concern in part. Policy DAF is on the September agenda for the second reading and scheduled for school board vote for adoption. A summary of key policy points as well as the larger policy document provided for the August meeting.

Motion Stephanie motioned to approve the DAF Policy (Administration of Federal Grant Funds) as recommended by the Superintendent.

Second by Malinda

Discussion: None

Voice Vote: Unanimous

Motion so passes and the adoption of the DAF Policy was passed.

Note: The Final Policy from the Federal Government DAF Policy will be added to the SAU's website for reference later.

Policy. The Board has been migrating to electronic signatures for most approved payments with our bookkeeper using QuickBooks and the bill pay system with the bank. This is a positive change overall and should help to improve record keeping, the audit process, and help to address BFC corrective action plans. With this change in practice, the superintendent developed policy DK: Payments, Checks, and Manifests, and related procedure DK-R, with the school board attorney, treasurer, bookkeeper, and business administrator. The purpose of this policy and procedure is to have the appropriate language and safeguards in place. Policy DK and DK-R will be on the September agenda for first reading.

The Board discussed the rough First Reading review of the DK and DK-R Policy.

Noted several items to change:

1. Change the Board Chair, and Bookkeeper to Board Chair, Vice Chair and Bookkeeper.
2. Each designated payer will have to use their own login credentials.
3. Allow the Treasurer access as **VIEW ONLY** to be able to do checks and balances.
4. No payee shall be paid in any amount over \$100,000 by authorized check writers with the exception to
 - a. Nelson School District
 - b. Keene Schhol District
 - c. Any other payee than those listed above will first have to be approved by the Sullivan School Board.

Financial reports. The MS-25 and DOE-25 are reports of the district's financial activities for the fiscal year ending June 30, 2023 and reported to the NHED and DRA. Although due by September 1st, a 30-day extension was granted. The superintendent will have the corresponding cover sheets for signature at the September school board meeting. Please note. The associated financials are in draft form and will be reviewed by NHED prior to submission by the end of the month.

Bookkeeper. The superintendent worked with the school board attorney to develop a bookkeeping services agreement. This is a rollover agreement including compensation and confidentiality language.

Motion Will motioned to approve the Bookkeeper Services Agreement

Second by Malinda

Discussion: None

Voice Vote: Unanimous

Motion so passes and the Bookkeeper Services Agreement is approved.

AREA. Planning for the AREA agreement is on the superintendent's report as a reminder. Audit. Financial information was delivered to the auditors by electronic means. The engagement and governance letters are prepared for signature at the September meeting. Preschool. Preschool special education presents challenges for the district not found in our K-12 agreements with the Nelson and Keene School Districts. Please see the September 8, 2023 memorandum on this topic in your email. Attachment 5.

Administration. The superintendent will be unable to attend the school board meeting on November 8, 2023. Non-public.

Motion to move the meeting into Non-Public at **7:36PM** to discuss preschool and student services by **Mike B.**

Seconded by **Stephanie M.**

Roll Call Vote: Unanimous

Discussion: None

Motion so passes - Meeting moved into Non-Public at **7:36 PM** to discuss student matters.

Motion to leave the non-public meeting at **8:08 PM** and return to Public Meeting by **Paul**

Seconded by **Will**

Discussion: None

Voice Vote: Unanimous

Motion so passes - Meeting moved back into Public at **8:08PM**

Upcoming Meetings / Events

- **The concern of the additional State Adequacy was discussed.**
 - The Board felt that the timing to ask for a Public Meeting, warrant/budget amendment is too tight as it would have to be completed before the end of September.
 - Given that the monies will be sent to the Town via state adequacy to be dispersed back to the taxpayers, it should be important for the SAU to write a letter in the Town Newsletter for October / November providing details around this process.

- **Next School Board Meeting October 11th 6:30 PM**
 - Note: Kim will be unavailable for our November Meeting.

Adjournment

Motion: Mike B. made a motion to adjourn.

Seconded by Stephanie Voice Vote: Unanimous

Motion passes and the Meeting closed at 8:23 PM

