

Plainfield School Annual Meeting

Saturday, March 6, 10:00 am

Plainfield Elementary School

Despite Cuts, Spending & Tax Increases Loom



The Plainfield School Board is recommending a 3.46% increase for the 2010-11 main budget. The increase mainly reflects higher tuition costs and more students attending Lebanon High School as well as added expenditures for special education and staff health care benefits. These three line items alone represent a \$338,440 (6.10%) increase over the current year budget. To offset these non-discretionary expenses, your School Board has worked with school staff and administrators to find savings in other areas, including eliminating two teaching positions. The result is a proposed main budget increase of \$136,797, or 2.46%. Teachers and support staff have also agreed to new two-year contracts in which there will be *no increase* in the salary grid for 2010-11. Pending voter approval, the contracts and wage increases for professional and support staff would add \$54,956, or 1.0%, to the 2010-11 budget, raising the total projected spending increase to 3.46%.

Budget Warrant Articles	Dollar Cost	Tax Impact	Property Cost*
Main budget	5,686,833	206.30 cents	\$412.60
Teacher contract	31,595	11.46 cents	22.92
Support staff contract	23,361	8.47 cents	16.95
Benefits Payable Fund	25,000	9.07 cents	18.14
Building Maintenance Fund**	40,000	14.51 cents	29.02
Special Education/Tuition Fund	39,432	14.30 cents	28.60

* Projected local school property tax impact on a home with a \$200,000 assessed value. Final tax rate not yet set.

** The Board will withdraw this warrant article if a related \$65,000 bond to repair the school roof is approved.

The main budget, not including contract changes, would increase by 2.46%

The main budget request is for **\$5,686,833**. The Plainfield School is projecting that enrollment in Lebanon High School will increase by about 10 students next year. At the same time, the tuition rate will rise from \$11,566 to \$13,144 per pupil. This 16.54% increase in tuition expenses, equal to \$187,504, is the single largest projected increase in the 2010-11 budget. The education of Plainfield's high school age students is of great importance to the district and costs will continue to grow in coming years. To insure the best possible secondary education options and better manage the district's investment on behalf of Plainfield students, the School Board is recommending approval of a warrant article to review the terms of the A.R.E.A. agreement with Grantham and Lebanon.

The other main increases in the operating budget are for special education (\$63,446) and employee benefits (\$87,593). The special education increase mainly reflects an increase in contracted services and tuition for students with special needs. The employee benefits increase does NOT reflect a change in provider rates—which are being held even in 2010-11—but rather an increase in the number of teachers and support staff who are electing to take two-person or family coverage. This reflects tough economic times in which spouses or partners have lost job-related benefits.

After much examination and debate, the School Board is recommending elimination of two teaching positions for 2010-11, one at the elementary school level and one at the middle school level. The School Board also recommends adding back in a half-time reading teacher position and .125 for a middle school science position. The incoming second grade of about 20 students may be combined into one class with continued support from a teacher's aide. The fifth and sixth grade classes of about 58 students may be divided into three homerooms and share some subject matter curricula in areas such as science and social studies. The incoming kindergarten class estimated at 16 to 19 students also may be consolidated into one morning session, with the kindergarten teacher available for other afternoon assignments. Decisions to eliminate teachers are never easy; in this case, one will be through attrition and the other will be through a reduction in force. Given continued declining

enrollment in the Plainfield Elementary School, the School Board believes these reductions are prudent as part of a long-term strategic plan.

Teacher warrant article: The School Board is recommending adoption of a warrant article to approve a two-year teacher contract in which there would be *no increase* to the salary grid in 2010-11 and a *1.5% increase* in the salary grid in 2011-2012. (About half of PES teachers are eligible for a 3.5% annual step increase.) Voter approval of the contract would increase the main budget by an additional \$31,595 in 2010-11 and by \$58,269 in 2011-12.

Support staff warrant article: The School Board is recommending adoption of a warrant article to approve a two-year support staff contract in which there would be *no increase* to the salary grid in 2010-11 and a *1.25% increase* in the salary grid in 2011-2012. (Nearly all support staff are eligible for a 4% annual step increase. Support staff at the top of the grid will receive a \$500 longevity bonus in each of the next two years.) The support staff contract also includes wage increases of 2.5% in 2010-11 and 3.5% in 2011-12 for school secretarial, custodial, food service and van driver staff who are not included in the contract's step grid. Voter approval of the contract would increase the main budget by an additional \$23,361 in 2010-11 and by \$31,596 in 2011-12.

Special Education/Tuition fund: The School Board is recommending a \$39,432 addition to the Special Education/Tuition Expendable Trust which would increase the size of the Trust to \$207,672.91. This amount represents the Lebanon tuition for 3 students – the number of students KUA is insuring will attend their school rather than Lebanon as part of the new tuition budgeting formula outlined above. Since this is the 1st year of this program, the School Board recommends “banking” these tuitions as a safeguard.

Benefits payable fund: The School Board is recommending a \$25,000 addition to the Benefits Payable Expendable Trust, which would increase the size of the Trust to \$48,898. This includes a current year withdrawal of \$11,102 to pay for self-insured unemployment compensation expenses. The School Board anticipates a substantial increase in state-mandated contributions to the New Hampshire Retirement System in coming years. This trust is being built to buffer such expenses as well as any unanticipated material increases in employee benefits.

Building maintenance fund: The School Board is prepared to bring forward a warrant article to add \$40,000 to the Building Maintenance Reserve Fund, which would increase the size of this fund to approximately \$116,376. This includes a current year withdrawal of \$20,080 to pay for paving of the circle in front of the school. The School Board is prepared to withdraw an additional \$65,000 from this fund for roof repairs this summer, if a related bond does not receive voter approval. (See second bond below.) The \$40,000 addition followed by a \$65,000 withdrawal for roof repairs would leave the fund with \$51,375, which the board considers a bare minimum for emergency repairs. However, the School Board will withdraw this warrant article if the \$65,000 bond request receives voter approval.

Facility Improvement Bond: The School Board recommends approval of a \$275,000 bond to install additional heating and ventilation equipment and make renovations throughout the 1989 addition to the Plainfield School building. This wing of the building is in decay and in need of repair. Last year, voters approved a \$25,000 warrant article to outfit a prototype classroom with a new heating/ventilation system and renovated exterior to provide energy savings and a better learning environment. The prototype has been a great success, with energy costs falling by 70% or more on a square foot basis. In addition, the classroom is quieter and has much more stable temperature and humidity control than surrounding classrooms. If adopted school-wide, this renovation could cut our annual energy bill in half.

The School Board believes the time is right to issue this bond. The year 2000 bond for the front end of the building is about to be retired, and interest rates are low. A new 10-year bond issued this spring likely would entail annual interest payments between 2.5% and 4.5%. Also of concern is that state support for such capital spending projects such as this could dry up after this year. If approved now, the State of New Hampshire would reimburse 30% of the capital costs over five years. In addition, National Grid is offering a \$30,000 rebate for lighting improvements. The Facility Committee is hard at work to find additional cost savings through donated materials and services as well as through state and federal grants. These renovations will address decay and mold issues that are becoming increasingly difficult to manage in this wing of the building, in addition to cutting heating costs and providing a quieter and more comfortable learning environment.

Roof Repair Bond: The School Board recommends approval of a \$65,000 bond for an urgent repair to a flat portion of the school roof that is causing moisture, decay and mold issues. This is intended as a five-year bond to defray the immediate cost of repairs. If the bond does not receive the required voter approval, the board will recommend adoption of the warrant article (referenced above) to increase the size of the Building Maintenance Reserve Fund and withdraw the necessary money from that fund.

AREA Agreement Review: The School Board recommends approval of an article to advise the Board to review, with Grantham and Lebanon, the current terms of our AREA Agreement. Both the rising cost of tuition and the fact that the agreement is dated in terms of the economic and educational climate in which it was originally drafted contribute to our request. All three parties have been discussing the need to revisit the agreement to find a more predictable approach to tuition payments. In addition, the Plainfield Board seeks to solidify the collaboration and partnership around educational programs and planning between the three districts. Philosophically, the Board feels that a review of the agreement among the three partners in education is the right way to go. While emphasizing collaboration and shared problem solving and solutions, the review process also still allows for withdrawal if that seems to be in our district's best interest. Most importantly, this warrant allows for us to discuss this as a community and the Board is eager to bring your perspective to the AREA discussion.

*Doug Cogan on behalf of the Plainfield School Board. **Contact:** schoolboard@plainfieldschool.org*

NOTE: Revised 2/5/10 to reflect final budget and articles as reflected in the district warrant