

KIMBALL UNION ACADEMY STUDY COMMITTEE

The charge of this committee is to meet with representatives of the Kimball Union Academy (KUA) administration to maintain an ongoing review of the relationship between the academy and the town, and to report its findings at annual town meeting. This year's committee held three meetings between November 2015 and January 2016.

SUMMARY OF THE COMMITTEE'S FINDINGS:

Based on all that your committee was able to learn and discuss, the committee recommends for the 2016 tax year, a 50% tax exemption on Kitchens, Dining Halls and Dormitories as allowed by RSA 72:23.

This year, Plainfield is experiencing a particularly difficult school budget year in that an out-of-district placement at Plainfield Elementary School (PES) will result in a significant increase in revenue needed to be raised from tax dollars (an out-of-district placement is a specialized school or program for a Plainfield student outside of our local school district). Compounding this is the uncertainty of the optional exemption which has been an annual issue of concern for both KUA and the Town, making it difficult to fully understand costs early enough in the annual budgeting process.

The group discussed that the KUA/Town financial relationship began as a result of KUA being on hard financial times back in 1974. Now, with an overall declining enrollment at PES and the financial issue stated above, perhaps we have reached the point to begin to phase-out this exemption process over time.

Therefore, given the financial issues that PES is facing, KUA and the committee suggest that the optional exemption be reduced from last year's level of 80% to 50%, this will have a net increase on KUA's tax burden and will begin the process of phasing-out the current, annual exemption process.

Both parties would like to come up with a different system. The possibility exists to explore a KUA/Plainfield Tuition System, or a 'special rate' for Plainfield students. This will help move the issue out of the political arena of town meeting and will allow for all parties to assess costs earlier in the budgeting cycle with more clarity.

KUA TAX EXEMPTION 2015/16 AND FINANCIAL AID:

1. Neither the Town of Plainfield nor the Plainfield school district pays any portion of the KUA tuition for local students.
2. KUA believes there will be 21 returning non-faculty students from Plainfield. One student has recently moved to town and is enrolled. The family of a second currently-enrolled student is purchasing a home in town this summer and should return (both are included in the 21).

3. Six local students will graduate from KUA this year. At this time KUA has applications from 11 local 8th grade students (non-KUA faculty children). Plainfield non-faculty-student enrollment could exceed 26 next school year. Two of the (11) 8th grade KUA applicants are Plainfield residents who are currently attending schools other than PES.
4. KUA anticipates that there will be 7-8 children of KUA faculty who reside in Plainfield and who will likely attend KUA next year.
5. KUA property is assessed at \$36 million dollars, of which \$27.7 million of that figure is exempt by state law.
6. Regardless of any changes to the discretionary Kitchens, Dining Halls and Dormitory exemption, KUA has indicated that there are at least two residential properties on the campus (\$600,000 taxable value) that they intend to request a tax exemption on for 2016. These properties are now used as faculty housing and therefore may qualify for exempt status.
7. The assessed value of Kitchens, Dining Halls and Dormitories is \$6.5 million that may be exempted at the discretion of the Town's voters. Last year, at the 80% exempt level, the property value exemption equaled \$5.21 million and the tax exemption equaled \$142,142. At a 50% exempt level, the property value exemption equals \$3.26 million and the tax exemption equals \$88,835 (using the 2015 tax rate).
8. Last tax year, KUA paid property taxes of \$85,547 to the Town of Plainfield. This makes KUA the highest property taxpayer in the town.
9. LHS tuition is \$14,266 per student for this school year 2015-2016.
10. The 2014-2015 Plainfield School District budget would have been \$370,916 higher if the 26 students had not chosen to attend KUA.
11. At the writing of this report, the Plainfield School Board has budgeted for 85.40 Plainfield students to attend LHS next school year. That is \$1,218,316 (\$14,266 per student) designated in the Plainfield School's budget for tuition.
12. If the KUA kitchen, dormitory and dining hall properties currently under tax exemption had been taxed at the full rate this year, the Town would have received an additional \$142,142. This amount represents .55 cents on the tax rate. As an example, a home with a tax-assessed value of \$250,000, would pay an additional \$138/year to off-set the discretionary tax exemption granted to KUA.

COMMUNITY RELATIONSHIP:

1. In the absence of the discretionary exemption, KUA, in conjunction with this committee, intends to explore a new model for the future that will continue to provide enhanced opportunities for Plainfield students to attend the private school. This will likely involve the development of a reduced day-student tuition rate for qualifying local students.
2. The Post Office lease is currently under a renewal (extension) option that runs until 8/31/2020 but can be terminated at any time with 180 days written notice by either party. KUA and the town are considering options to relocate the Post Office before the end of the lease extension period. The Selectmen are working with KUA and Plainfield's Library

Trustees on a possible joint project to relocate the post office to the Meriden Library facility. An article funding a detailed study of this concept will be on the 2016 town meeting warrant.

3. There is increased concern of KUA student safety given that students are now living in dormitories along Main Street located from the top to the bottom of the hill. To improve safety, representatives of the Town and KUA are discussing options to improve lighting along walkways and crossings, and decrease speed and volume of vehicular traffic on Main Street and Route 120. Given the anticipated opening of a new tavern on Bean Road, KUA is also discussing safety issues relating to crossing Route 120. Some general discussions have commenced about the town possibly requesting that Main Street become a locally controlled public highway rather than part of the state public highway system.
4. KUA is Plainfield's largest employer. More than eighty of KUA's 150 full- and part-time employees live in Plainfield.
5. Plainfield School is currently educating 13 students of KUA faculty that live on campus.
6. KUA makes its facilities available to Plainfield organizations and residents for a variety of activities and functions typically at no charge.
7. Residents are encouraged to visit the town's web site for an up-to-date listing of KUA events and happenings open to the public. Access times and directions to KUA facilities for Plainfield residents are available on the KUA website www.kua.org

Respectfully Submitted,

Stephen Beaupre, Robert Blake-KUA, Eric Brann, Betsy Duany, Myra Ferguson, Christian Forman-PCS School Board, Steve Halleran-Town Administrator, Rob Hewett-Chair, Pamela Miller, John Yacavone

Plainfield KUA Study Committee 2015/16