

The Report of the Piermont School Budget Advisory Committee - February 16, 2016

The Piermont School Budget Advisory Committee was convened by the School Board to examine the School Budget on behalf of the town about 3 months ago. We have met with and deposed the SAU Superintendent, SAU Staff, Piermont School Principal and State Officials. We are unsure how many hours we have collectively spent to fully comprehend the budget, but they are many and long. Much to our amazement the SAU still does not have an exact figure of what education actually costs despite the year and a half Dr. LaPlante says they have been working on it. It is beyond comprehension to think that an organization which is in charge of educating our children hasn't mastered mathematics and the same budgeting skills we the tax payers must perform daily.

By the end of January we had pared down the budget to come up with a total FY17 budget of \$1,847,430, but more work remained. On 2/February we were given an updated budget from the SAU of \$2,093,640. This was going in the wrong direction.

FIRST, we recommend the Piermont School Board must take full ownership of both the School Budget and all hiring and firing of school staff from this point forward. This can only be achieved by increasing the number of monthly School Board meetings and work sessions to perform their tasks responsibly so they may represent Piermont in the manor which all Tax Payers deserve. The School Board must earn its salary by working for us, the Citizens of Piermont. The use of advisory committees is encouraged to examine specific issues, but the final responsibility lies solely with our elected board members to deliver an affordable budget. Our School Board would do well to remember SAU#23 works for us, not the other way around. If the School Board's agreement with SAU#23 must be rewritten to reflect this, please do it now. The Advisory Budget committee further recommends the SAU serve in an advisory position only in regards to the school board.

We have noted the medical insurance expenses this year rose by 62 %. We have been told that there is an effort underway to review the offered employee plans. We would charge the school board with bringing these costs down by selecting a plan that would require higher co-pays and higher deductibles keeping more in line with what is offered in result oriented private industry.

We recommend immediate and complete termination of "High School Choice" which has cost Piermont Taxpayers in unneeded excess for years. Our Town Residents can no longer afford this luxury. If this action requires a warrant article, we ask that it be submitted for a legislative body vote. At present the average tuition cost for 27 High School students is \$14,432.78 each (\$389,685.05 total). Dr. LaPlante has stated that the average tuition should be \$11,000. By sending all our high school students to one school we can negotiate a lower tuition fee and save the town of Piermont close to \$100,000.00 annually. It has also been stated that perspective schools would actively compete for our students. By increasing their student count, perspective school's available State and Federal funds would increase

as would their overall cost effectiveness. If this is adopted the Piermont School Board would need to start work on this immediately.

We recommend the Piermont School board put forth a warrant article demanding all Piermont School Funds not used in the previous budget year be returned to the town within 14 days (July 14th) of the close of every fiscal year to lower the tax rate. A transparent quarterly review of all expenditures should be conducted by the School Board to ensure there is balanced and authorized spending of Tax Payer Funds.

We recommend the board seek independent legal review of the special education situation. We are willing to pay for a private tutor for the year to cover educational training at approximately \$50K but we cannot pay for services that are not directly related to education, i.e. food, shelter and 24/7 housing. This process must be challenged to the fullest extent.

Budgetary Options are as follows:

Option One: Accept the budget the way it has been given to us by the SAU 23. The Budget advisory committee feels that this option does not reflect an earnest attempt at cutting costs which was obviously and loudly mandated by last year's town meeting. (SAU suggested budget for FY17 = \$1,847,430 plus 79k plus for sped \$1,926,430). ***The Budget Advisory Committee does not recommend this option.***

Option Two: Do not accept the budget as it has been put forth by the SAU. Instead consider the following recommendations.

It should be noted, gross mismanagement by the SAU in replacement of 4 Teaching positions last year helped to exacerbate cost overrun. A more proactive role should have been adopted by the SAU to find teachers with multiple endorsements to save Piermont tax payer money. Some of the following actions would not be necessary if a cost saving philosophy had been adopted by the SAU and enforced by the Piermont School Board.

The current staffing at the Piermont School consists of 16 total employees equaling 6 support staff, 9 teachers and 1 teacher/principal. There are currently less than 56 students, K-8. This is a 5.6 to 1 student/teacher ratio. With so few students and an overabundance of teaching staff the published student test scores should have been much, much higher. We recommend that of the 6 support staff, the nursing position that is not an RSA requirement be eliminated and other support staff be kept. The teaching staff should be reduced to 5 teachers, 1 Special Education Instructor plus an Administrative Principal who would give us a 9.3 to 1 student/teacher ratio which is still very high. The 5 remaining teachers are fully trained to teach the grade levels they have been hired to teach eliminating the need for any teaching specialists. The 1 special education instructor should be able to teach any special needs. If the remaining staff will not seek additional endorsements to better serve our students, they

risk termination and an immediate search should begin to fulfill the school's needs and requirements. The preceding changes will save Piermont Citizens approximately \$217,000.00.

Also, the "Affordable Care Act" has placed a \$38,000.00 increased burden on the Piermont Taxpayers in rising healthcare premiums. Roughly translated this means we cannot afford to maintain as many employees as before.

Furthermore, we should note both pre-k and summer school are special education driven. These extra programs should only be funded at state and federal requirement levels for special education students only, saving the tax payer approximately \$22,169.

The Guidance position should be able to be covered by the Principal which will eliminate \$14,613.00. We should investigate which of the 'Itinerant Teaching' positions are mandated by the RSA and assign these responsibilities to be covered by one or more of the remaining 6 teaching staff as this will eliminate another \$34K.

Custodial Staff should be directed to work with the Principal for all Grounds and Building related issues and when necessary seek input/help from the town to coordinate work needed for the buildings and grounds to save Piermont Tax Payer money. This will eliminate the SAU Grounds supervision share in the budget. This number has not been made clear to us but it would be additional savings.

We do not recommend pay raises of any kind for PVS staff or SAU staff for FY17. Test scores do not reflect a result oriented system to benefit our students. The remaining salaries should be rolled back to FY16 actual numbers. The Town's interests are not served by arbitrary pay raises given outside our community nor is Piermont directly represented during these negotiations. We must remember Piermont is largely a retired community. Our citizens receiving Social Security and our Military Retired received NO cost of living increase, with that in mind, how can we ask them to fund pay raises for others. We also feel the School Board should adopt a policy stating that no future pay raises can exceed Social Security or Military retired cost of living allowances whichever is lower.

-Also included within this option are decreases in all budget line items which are not designated with exact pre-authorized fund expenditures. Decreases of approximately \$88,248 are designed to force the SAU and Piermont school management to adopt a proactive planning process involving the school board. All proposed line item expenditures should be accompanied by at least 3 bids for requested material which are submitted to the Piermont School Board for approval a budget year in advance. The manifests created with this process should be available for public inspection at any time. No rounded figures should be accepted from this point forward. The School and SAU excess budgeting philosophy must end today.

Option two changes will result in a total decrease of at least \$384,489. The first FY17 budget number that we were given was \$1,898,000.00, if we subtract these deductions and add back \$80K for special

education (which is outlined in the included SAU special education document) a proposed budget of \$1,593,511.00 remains. This is still too high but adoption of option two and the previous recommendation ending "High School Choice" {at a savings of approximately \$100,000.00} would bring us closer to a budget of \$1,493,511.00. Which could result in a tax rate decrease of \$5.00 or greater? This might be a good start with further budget reductions to be studied and enacted by the Piermont School Board.

Option Three: Do not pass a budget, determine full tuition K-12 to a competing school or schools, with simplification of transportation. The Tuition budget would be approximately \$1,148,000.00. Adoption of option three may decrease Piermont's tax rate by as much as \$9.00 or more. If option three is enacted an active Piermont school board or at least a form of taxpayer representation should be retained as part of the negotiation with the tuition school/schools. Adoption of option 3 must also include option 2 to protect Piermont tax payers during the tuition transition process that may become protracted due to any existing contractual stipulations.

In Summary, we didn't take this task lightly, it is very serious business. These recommendations are a huge change and uncomfortable for a lot of people. But with the small and aging population of Piermont, this demands that we make changes that are affordable to everyone.

Also, these recommendations come after seeking to understand what is mandated versus what we are being told we have to provide according to the SAU. We are confident that there is more flexibility in how we manage our school than what we have been led to believe.

Respectfully submitted,

The Piermont School Budget Advisory Committee

Signature and Date below:

Mr. Mike Hogan - Committee Member

Mrs. Diane Kircher - Committee Member

Mr. Randy Subjeck - Chairman

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CATASTROPHIC AID PROJECTION FOR
PIERMONT SCHOOL DISTRICT FOR
SCHOOL YEAR ENDING 6/30/17

Tuition rates are figured on 15-16 rates, with a projected 3% increase.

The figures for the cat aid cap and 3.5 times average cost per pupil are based on 14-15 figures. The rates for 15-16 have not yet been released, and 16-17 figures will not be known until spring of 2017.

The figures for this estimate are based on 14-15 rates. The new rates for schools are not set until early fall, and the Department of Education does not figure cat aid cap until much later in the year.

These figures are for student #5038, IF she is placed in a residential program at the Spaulding Youth Center in Tilton, NH.

Based on the 15-16 rates, the total cost for her educational program next year if placed at Spaulding will be \$327,941.01. This figure is for the Neuro-Behavioral Unit at Spaulding, residential program and related services as based on her current IEP, with a 3% increase over costs for 15-16. This is for 365 days of residential and 236 days of instruction. For related services, this estimate is for 15 hours per day x 7 days per week, as was the case at her last residential placement.

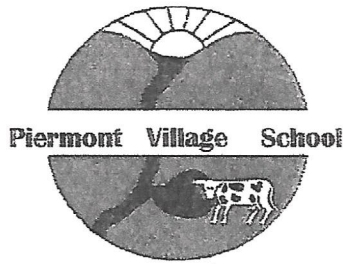
Estimated cost for 16-17 is \$327,941.01.

Piermont School District pays the 'cap' of \$52,570.59 (The cap figure is an estimate only, as these figures are not determined until later – this is \$2,000 over the 14-15 cap).

Total Cost:	\$327,941.01	
Minus the Cap	-\$52,570.59	Piermont Pays This
Balance	\$275,370.42	
Minus 10x amount	-\$142,765.70	State Pays this
Balance	\$132,604.72	
District pays 20% of balance	\$26,520.94	Piermont Pays This

This would bring Piermont's estimated cost to \$79,091.53 – or the sum of the cap plus 20% of what is left after state pays the 10x amount. Typically, cat aid has been funded around 70%, which could mean an additional cost. Cat aid for this placement would be paid in January of 2018 (for a 16-17 placement). Districts often take out a loan in anticipation of cat aid to help pay costs throughout the year.

We will also be able to bill many of this student's costs to Medicaid. While it does not cover tuition costs, it does help fund costs for the many related services the student receives. The District could receive up to \$20,000 in reimbursement costs for those services. But please note: this is entirely dependent on the family keeping all of their Medicaid paperwork in order. If there is any lapse in the student's eligibility, we are not eligible for reimbursement for that time period.



Smarter Balanced Assessment Consortium (SBAC) 2014-2015

Percent of Students at Level 3 or Above for students at Piermont Village School, 2014-2015

ELA/Literacy

Mathematics

Grade	Percent at Level 3 or Above	State		Grade	Percent at Level 3 or Above	State
Grade 3	57%	55%		Grade 3	85%	53%
Grade 4	60%	56%		Grade 4	80%	49%
Grade 5	44%	63%		Grade 5	55%	44%
Grade 6	50%	57%		Grade 6	100%	45%
Grade 7	50%	62%		Grade 7	33%	51%
Grade 8	100%	58%		Grade 8	88%	44%

Performance on Each Achievement Level for Students at Piermont Village School, 2014-2015

ELA/Literacy

Mathematics

Grade	Level 1	Level 2	Level 3	Level 4		Grade	Level 1	Level 2	Level 3	Level 4
Grade 3	29%	14%	14%	43%		Grade 3	0%	14%	71%	14%
Grade 4	0%	40%	20%	40%		Grade 4	0%	20%	60%	20%
Grade 5	56%	0%	22%	22%		Grade 5	0%	44%	44%	11%
Grade 6	0%	50%	33%	17%		Grade 6	0%	0%	67%	33%
Grade 7	17%	33%	50%	0%		Grade 7	33%	34%	33%	0%
Grade 8	0%	0%	63%	37%		Grade 8	0%	12%	25%	63%