

Pittsfield School District

Proposed 2010-2011 School District Budget

As was true last year, the Pittsfield School Board is again challenged to provide a strong educational program for the children and youth of the Pittsfield School District in an economically difficult time. The Board recognizes that many Pittsfield families are having a tough time coping with the impact of the recession.

The proposed 2010-2011 budget reflects a decrease of 3+%, or about \$300,000, when compared with the current 2009-2010 budget (which was decreased by 1.7% compared with the 2008-2009 budget). The proposed 2010-2011 operating budget - \$9,538,404 - reflects a zero tax impact for Pittsfield taxpayers, without warrant articles.

Most warrant articles also reflect a zero tax impact for Pittsfield taxpayers. Proposed warrant articles address the food service program, federal grant programs, the teacher collective bargaining agreement (additional information on the other side of this sheet), replacement of the PMHS gym roof, and the reserve fund for costs associated with educating disabled children.

To achieve an operating budget with no local tax impact, the board's proposed budget has had to accommodate increased costs in a number of key areas, including contributions to the New Hampshire Retirement System (+5%) and health insurance costs (+18.9%).

The proposed budget also reflects the second consecutive year of a 10% reduction in allocations for books, supplies, and equipment, as well as the elimination of 10+ staff positions in the areas of teaching, administration, guidance, and the support staff. The proposed staff reduction will mean larger class sizes and fewer class or curriculum options for high school students.

To continue to improve student learning, the district is embarking on a major initiative to redesign the instructional program of our middle high school. This multi-year project aims to increase both student engagement and student achievement.

Once again, revenues from federal, state, and other non-tax sources will provide funding for more than half of this budget; this includes funding through the state's Adequacy Grant and Catastrophic Aid, which supports special education placements, among others.

In addition, entitlement and competitive grants are providing another \$941,000 to support Pittsfield's students in the current year. As always, the district has been aggressive in seeking and winning competitive grants to support the education of Pittsfield's children and youth.

PITTSFIELD SCHOOL DISTRICT

| | 2008-2009 ACTUAL | 2009-2010 BUDGET | 2010-2011 REQUEST | DIFFERENCE |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>Instructional Programs</u> | | | | |
| 1100 - INSTRUCTIONAL PROGRAMS | | | | |
| Elementary School | \$1,511,299.00 | \$1,482,830.00 | \$1,403,874.00 | (\$78,956.00) |
| Middle School | \$445,186.00 | \$417,835.00 | \$476,320.00 | \$58,485.00 |
| High School | \$1,172,869.00 | \$1,238,769.00 | \$1,030,139.00 | (\$208,630.00) |
| TOTAL | \$3,229,354.00 | \$3,139,434.00 | \$2,910,333.00 | (\$229,101.00) |
| 1200 - SPECIAL EDUCATION | | | | |
| Elementary School | \$829,797.00 | \$911,813.00 | \$857,257.00 | (\$54,556.00) |
| Middle School | \$508,960.00 | \$400,437.00 | \$261,781.00 | (\$138,656.00) |
| High School | \$873,695.00 | \$1,005,772.00 | \$1,101,654.00 | \$95,882.00 |
| TOTAL | \$2,212,452.00 | \$2,318,022.00 | \$2,220,692.00 | (\$97,330.00) |
| 1300 - VOCATIONAL EDUCATION | | | | |
| Elementary School | \$ - | \$ - | \$ - | \$ - |
| Middle School | \$ - | \$ - | \$ - | \$ - |
| High School | \$9,487.00 | \$10,000.00 | \$14,000.00 | \$4,000.00 |
| TOTAL | \$ 9,487.00 | \$ 10,000.00 | \$ 14,000.00 | \$ 4,000.00 |
| 1400 - OTHER INSTRUCTIONAL PROGRAMS | | | | |
| Elementary School | \$7,559.00 | \$8,003.00 | \$11,110.00 | \$3,107.00 |
| Middle School | \$24,050.00 | \$35,354.00 | \$34,817.00 | (\$537.00) |
| High School | \$67,568.00 | \$81,529.00 | \$80,202.00 | (\$1,327.00) |
| TOTAL | \$99,177.00 | \$124,886.00 | \$126,129.00 | \$1,243.00 |
| INSTRUCTIONAL PROGRAMS TOTAL | \$5,550,470.00 | \$5,592,342.00 | \$5,271,154.00 | (\$321,188.00) |
| <u>Student and Staff Services</u> | | | | |
| 2120 - GUIDANCE SERVICES | | | | |
| Elementary School | \$70,938.00 | \$76,569.00 | \$79,772.00 | \$3,203.00 |
| Middle School | \$89,417.00 | \$96,107.00 | \$65,789.00 | (\$30,318.00) |
| High School | \$167,191.00 | \$180,766.00 | \$206,528.00 | \$25,762.00 |
| TOTAL | \$327,546.00 | \$353,442.00 | \$352,089.00 | (\$1,353.00) |
| 2130 - HEALTH SERVICES | | | | |
| Elementary School | \$75,675.00 | \$80,444.00 | \$82,169.00 | \$1,725.00 |
| Middle School | \$22,012.00 | \$22,829.00 | \$24,325.00 | \$1,496.00 |
| High School | \$40,835.00 | \$43,617.00 | \$44,311.00 | \$694.00 |
| TOTAL | \$138,522.00 | \$146,890.00 | \$150,805.00 | \$3,915.00 |
| 2140 - PSYCHOLOGICAL SERVICES | | | | |
| Elementary School | \$0.00 | \$5,000.00 | \$3,000.00 | (\$2,000.00) |
| Middle School | \$0.00 | \$0.00 | \$1,000.00 | \$1,000.00 |
| High School | \$5,446.00 | \$9,000.00 | \$8,800.00 | (\$200.00) |
| TOTAL | \$5,446.00 | \$14,000.00 | \$12,800.00 | (\$1,200.00) |
| 2150 - SPEECH / LANGAUGE SERVICES | | | | |
| Elementary School | \$115,604.00 | \$117,401.00 | \$122,002.00 | \$4,601.00 |
| Middle School | \$10,515.00 | \$12,888.00 | \$11,600.00 | (\$1,288.00) |
| High School | \$10,461.00 | \$12,941.00 | \$12,982.00 | \$41.00 |
| TOTAL | \$136,580.00 | \$143,230.00 | \$146,584.00 | \$3,354.00 |

2160 & 2163 & 2190 - PHYSICAL THERAPY, OCCUPATIONAL THERAPY & VISION THERAPY SERVICES

| | | | | |
|-------------------|--------------------|---------------------|---------------------|--------------------|
| Elementary School | \$81,062.00 | \$98,795.00 | \$111,690.00 | \$12,895.00 |
| Middle School | \$6,897.00 | \$3,516.00 | \$12,907.00 | \$9,391.00 |
| High School | \$10,604.00 | \$25,112.00 | \$27,442.00 | \$2,330.00 |
| TOTAL | \$98,563.00 | \$127,423.00 | \$152,039.00 | \$24,616.00 |

2210 - IMPROVEMENT OF INSTRUCTION

| | | | | |
|-------------------|---------------------|---------------------|---------------------|--------------------|
| Elementary School | \$60,495.00 | \$48,056.00 | \$45,863.00 | (\$2,193.00) |
| Middle School | \$12,549.00 | \$26,617.00 | \$34,417.00 | \$7,800.00 |
| High School | \$48,758.00 | \$35,248.00 | \$51,578.00 | \$16,330.00 |
| TOTAL | \$121,802.00 | \$109,921.00 | \$131,858.00 | \$21,937.00 |

| | | | |
|-----------|-----------|-----------|------------|
| 2008-2009 | 2009-2010 | 2010-2011 | |
| ACTUAL | BUDGET | REQUEST | DIFFERENCE |

2220 & 2225 - MEDIA & TECHNOLOGY SERVICES

| | | | | |
|-------------------|---------------------|---------------------|---------------------|-------------------|
| Elementary School | \$81,475.00 | \$73,844.00 | \$84,370.00 | \$10,526.00 |
| Middle School | \$61,454.00 | \$67,262.00 | \$65,054.00 | (\$2,208.00) |
| High School | \$113,289.00 | \$123,130.00 | \$120,088.00 | (\$3,042.00) |
| TOTAL | \$256,218.00 | \$264,236.00 | \$269,512.00 | \$5,276.00 |

STUDENT AND STAFF SERVICES TOTAL \$1,084,677.00 \$1,159,142.00 \$1,215,687.00 \$56,545.00

Administrative Services

2310 & 2320 - SCHOOL BOARD & SAU ADMINISTRATIVE SERVICES

| | | | | |
|-----------------------|---------------------|---------------------|---------------------|-------------------|
| School Board Salaries | \$43,914.00 | \$49,421.00 | \$50,719.00 | \$1,298.00 |
| SAU Admin Services | \$326,604.00 | \$330,703.00 | \$337,609.00 | \$6,906.00 |
| TOTAL | \$370,518.00 | \$380,124.00 | \$388,328.00 | \$8,204.00 |

2410 - PRINCIPAL'S OFFICE

| | | | | |
|-------------------|---------------------|---------------------|---------------------|-------------------|
| Elementary School | \$338,628.00 | \$377,684.00 | \$388,037.00 | \$10,353.00 |
| Middle School | \$142,248.00 | \$147,615.00 | \$146,532.00 | (\$1,083.00) |
| High School | \$268,425.00 | \$281,351.00 | \$276,501.00 | (\$4,850.00) |
| TOTAL | \$749,301.00 | \$806,650.00 | \$811,070.00 | \$4,420.00 |

ADMINISTRATIVE SERVICES TOTAL \$1,119,819.00 \$1,186,774.00 \$1,199,398.00 \$12,624.00

Facilities and Transportation

2600 - BUILDING MAINTANENCE

| | | | | |
|-------------------|---------------------|---------------------|---------------------|----------------------|
| District Wide | \$130,330.00 | \$234,100.00 | \$195,191.00 | (\$38,909.00) |
| Elementary School | \$329,941.00 | \$291,984.00 | \$294,189.00 | \$2,205.00 |
| Middle School | \$152,866.00 | \$137,628.00 | \$134,061.00 | (\$3,567.00) |
| High School | \$285,493.00 | \$249,861.00 | \$243,404.00 | (\$6,457.00) |
| TOTAL | \$898,630.00 | \$913,573.00 | \$866,845.00 | (\$46,728.00) |

2700 - TRANSPORTATION

| | | | | |
|-------------------|---------------------|---------------------|---------------------|--------------------|
| District Wide | \$142,416.00 | \$148,878.00 | \$156,321.00 | \$7,443.00 |
| Elementary School | \$52,041.00 | \$54,500.00 | \$55,645.00 | \$1,145.00 |
| Middle School | \$121,778.00 | \$127,442.00 | \$9,760.00 | (\$117,682.00) |
| High School | \$137,824.00 | \$160,842.00 | \$340,380.00 | \$179,538.00 |
| TOTAL | \$454,059.00 | \$491,662.00 | \$562,106.00 | \$70,444.00 |

FACILITIES AND TRANS TOTAL \$1,352,689.00 \$1,405,235.00 \$1,428,951.00 \$23,716.00

Debt Service

5221 - DEBT SERVICE

| | | | | |
|---------------|--------------|--------------|--------------|---------------|
| District Wide | \$663,395.00 | \$427,909.00 | \$413,334.00 | (\$14,575.00) |
|---------------|--------------|--------------|--------------|---------------|

DEBT SERVICE TOTAL \$663,395.00 \$427,909.00 \$413,334.00 (\$14,575.00)

Transfers

| | | | | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| - | | | | |
| 5221 TRANSFER TO FOOD SERVICE FUND | \$13,681.00 | \$12,000.00 | \$12,000.00 | \$0.00 |
| 5251 TRANSFER TO CAPITAL RESERVE | \$40,000.00 | \$55,000.00 | \$0.00 | (\$55,000.00) |
| | \$53,681.00 | \$67,000.00 | \$12,000.00 | (\$55,000.00) |
| GRAND TOTAL | \$9,824,731.00 | \$9,838,402.00 | \$9,540,524.00 | (\$297,878.00) |

Summary

| | | | | |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| District | \$643,264.00 | \$763,102.00 | \$739,840.00 | (\$23,262.00) |
| Elementary School | \$3,554,514.00 | \$3,626,923.00 | \$3,538,978.00 | (\$87,945.00) |
| Middle School | \$1,697,932.00 | \$1,495,530.00 | \$1,278,363.00 | (\$217,167.00) |
| High School | \$3,211,945.00 | \$3,457,938.00 | \$3,558,009.00 | \$100,071.00 |
| Debt Service | \$663,395.00 | \$427,909.00 | \$413,334.00 | (\$14,575.00) |
| Transfers | \$53,681.00 | \$67,000.00 | \$12,000.00 | (\$55,000.00) |
| GRAND TOTAL | \$9,824,731.00 | \$9,838,402.00 | \$9,540,520.00 | (\$297,878.00) |

Anticipated Capital Projects

| <u>Project</u> | <u>Estimated Cost</u> |
|--|-----------------------|
| PMHS Gym Roof Replacement | \$280,000 - \$322,000 |
| o Roof is 20-25 years old | |
| o Professional survey indicates that roof is at the end of its service life | |
| o Project includes additional structural support and additional insulation | |
| PMHS Gym Floor Replacement | \$90,000 |
| o Floor is original, 46 years old | |
| o Subsurface has been professionally reviewed and has deteriorated | |
| o Floor is estimated to be near the end of its ability to be safe for two to three years | |
| PMHS Gym Bleacher Replacement | \$30,600 |
| o Bleachers are original, 46 years old | |
| o Repairs are required regularly | |
| PES Roof Replacement | \$275,000 |
| o Roof is 21 years old | |
| o Professional survey indicates 1-2 years of service remain | |
| PES Window Replacement | \$46,000 |
| o Upper floor classroom windows have been replaced | |
| o Project would complete lower floor classroom window replacement | |
| o Windows on front side of building also remain to be replaced | |
| PES HVAC System Upgrade / Replacement | not available |
| o System is 21 years old | |
| o Energy audit is planned for 2010 | |

Pittsfield School District
Anticipated 2010 - 2011 School District Revenues

| | 2008-2009 <u>Received</u> | | 2009-2010 <u>DRA Approved</u> | <u>2010-2011 Estimated Revenue</u> |
|---|------------------------------|-----------|----------------------------------|--|
| Unreserved Fund Balance | \$ 234,279.75 | \$ | 263,813 | |
| Warrant Art. CIP Expendable Trust | | | | |
| Warrant Art. Transfer Disability Reserve | | | 20,000 | |
| State Sources: | | | | |
| Adequacy Grant | \$ 4,222,570.00 | \$ | 4,224,752 | 4,224,752 |
| School Building Aid | \$ 150,873.35 | \$ | 95,635 | 89,923 |
| Area Vocational School | \$ 3,403.20 | \$ | 3,600 | 3,400 |
| Driver Education | \$ 6,450.00 | \$ | 6,300 | 6,300 |
| Catastrophic Aid | \$ 236,475.91 | \$ | 280,392 | 271,253 |
| Food & Nutrition Programs | \$ 2,886.40 | | 3,000 | 3,000 |
| Sub Total: State Sources | \$ 4,622,658.86 | \$ | 4,613,679 | \$ 4,598,628 |
| Federal Sources; | | | | |
| Food and Nutrition Programs | \$ 100,143.82 | | 110,000 | 110,000 |
| Federal Grants | \$ 651,947.72 | | 750,000 | 900,000 |
| Medicaid | \$ 215,556.40 | | 150,000 | 150,000 |
| Sub Total: Federal Sources | \$ 967,647.94 | \$ | 1,010,000 | \$ 1,160,000 |
| Sale of Bonds: | | | | |
| Sub Total: Sale of Bonds | \$ - | \$ | - | |
| Transfer from Capital Reserve | | | | |
| Local Sources: | | | | |
| Tuitions Regular | \$ 300.00 | | | |
| Special Education Tuition | \$ 45,339.22 | | | |
| Earnings on Investments | \$ 1,498.62 | \$ | 1,500 | 1,500 |
| Other: Trust Income | | | | |
| Food Service Sales | \$ 123,288.57 | \$ | 187,547 | 187,547 |
| Other: Building Rental | | | | |
| Grant indirect costs | \$ 4,342.50 | \$ | 4,200 | 5,000 |
| Prior Yrs Expenditure Refund | \$ 10,389.46 | | | |
| Sub Total: Local Sources | \$ 185,158 | \$ | 193,247 | \$ 194,047 |
| Total Non-Tax Revenues | \$ 6,009,745 | \$ | 6,100,739 | \$ 5,952,675 |
| Deficit Assessment | | | | |
| District Assessment | \$ 4,317,611.00 | \$ | 4,131,101 | \$ 4,131,132 |
| State Education Taxes | \$ 659,443.00 | \$ | 657,261 | \$ 657,261 |
| Total Appropriations | \$ 10,267,856.00 | \$ | 10,889,101 | \$ 10,741,068 |
| | | | | includes |
| | | | | food service |
| | | | | and grants |
| | | | | and general |
| | | | | fund budget of |
| | | | | \$ 9,540,520 |
| INCREASE IN DISTRICT ASSESSMENT | | | | |
| \$ | 31 | | | |
| TAX INCREASE | | | | |
| \$ | 0.00 | | | |

Anticipated 2010 - 2011 Warrant Article Tax Impact

| | 2008-2009 APPROVED | 2009-2010 APPROVED | 2010-2011 PROPOSED | ESTIMATED TAX RATE IMPACT |
|---|-----------------------|-----------------------|---------------------------|------------------------------|
| Warrant Article III School Lunch Program Cost offset by revenues \$12,000 transfer from general fund expected | \$ 315,724 | \$ 300,547 | \$ 300,547 | no tax rate impact |
| Warrant Article IV Federal Grant Program Allows district to accept and expend anticipated federal funds Cost offset by revenues | n/a | \$ 750,000 | \$ 900,000 | no tax rate impact |
| Warrant Article V Teacher Contract (additional information below) One year contract Retains current salary structure provides for salary increase based on education and experience | n/a | n/a | \$ 56,900 | \$0.18/thousand |
| Warrant Article VI Replace and insulate Pittsfield Middle High School Gym Roof (additional information below) Utilizes reserve funds for partial expense of roof replacement | n/a | n/a | \$280,000 or \$322,000 | no tax rate impact |
| Warrant Article VII Reserve Fund for Expenses for Educationally Disabled Children To support unanticipated expenses Up to \$20,000 to be added from June 30, 2010, fund balance (if available) | \$ 15,000 | \$ 20,000 | \$ 20,000 | no tax rate impact |
| Warrant Articles IX Operating Expenses for Schools Decrease of approximately 3% from current year | \$ 9,952,131 | \$ 9,783,554 | \$ 9,540,520 | no tax rate impact |

Pittsfield School District Reserve Funds

Account Balances

| | |
|--|-----------|
| Drake Field Capital Reserve Fund (established March 1999) | \$16,537 |
| School Buildings and Equipment Capital Reserve Fund (established March 1994) | \$14,111 |
| School Buildings Maintenance Reserve Fund (established March 2004) | \$170,582 |
| Special Education Reserve Fund (established March 1996) | \$153,454 |

Article V – Negotiated Agreement
Between the Pittsfield School Board and the Education Association of Pittsfield

The School Board has negotiated a new one-year contract with the Education Association of Pittsfield (EAP). The EAP represents the school district’s teachers and other categories of professional employees. The EAP does not represent the district’s support staff or administrators.

The current school year, 2009-2010, represents the final year of the three-year existing contract between the school district and the EAP. School board and EAP negotiators met throughout the fall to reach an agreement. What resulted is a one-year contract that was accepted by both the school board and the EAP membership.

In addition to agreement on number of contractual issues such as sick time and professional development, the new contract lowers the cap the district is required to pay for health insurance and maintains the current salary schedule, which is commonly known as a “step and track” system.

In addition, the new contract maintains the current salary schedule. The schedule used is commonly known as a “step and track” system. In a “step and track” salary schedule, an employee’s salary is determined by his/her years of experience (the “step”) and educational level (the “track”). For example, when a teacher works for an additional year in the school district, the teacher will be placed on the next salary step. Similarly, if a teacher earns additional university credits or an advanced degree in his/her field, the teacher will be placed on the next salary track. The 2010-2011 “step and track” salaries remain the same as they are in 2009-2010.

Pittsfield’s salaries have historically been low when compared with area school districts. This is illustrated by the following comparisons of sample track and step salaries for the 2010-2011 school year:

| <u>Education:</u> <u>Experience:</u> | BA New Teacher | BA+30 credits 5 th Year | MA 10 th Year | MA+30 credits 16 th Year |
|---|-------------------|---------------------------------------|-----------------------------|--|
| Pittsfield | \$28,947 | \$34,126 | \$40,746 | \$51,351 |
| Allenstown | \$33,225 | \$41,687 | \$55,550 | \$64,284 |
| Barnstead | \$31,204 | \$37,601 | \$45,952 | \$55,359 |
| Chichester | \$35,927 | \$43,518 | \$55,720 | \$66,847 |
| Concord | \$36,833 | \$45,673 | \$60,407 | \$76,245 |
| Epsom | \$33,721 | \$42,258 | \$55,342 | \$65,737 |
| Franklin | \$30,152 | \$37,388 | \$44,624 | \$53,067 |

In practical terms, a relatively low salary schedule provides the school district with relatively lower personnel costs. On the other hand, the Pittsfield salary schedule presents challenges in recruiting and retaining the strongest teachers. This is especially evident in hard-to-fill positions that require a high degree of specialized knowledge and skill, areas identified as “critical shortage areas” by the New Hampshire Department of Education such as teachers of upper level math, sciences, and world languages.

As noted, the negotiated agreement keeps the current salary guide in place for another year. Because each teacher receives credit for the 2009-2010 year of teaching experience, approval of the negotiated agreement will require an additional \$56,900, which has an impact of approximately \$.18/thousand on the Pittsfield tax rate.

The school board believes the negotiated agreement to be fair and thanks the Education Association of Pittsfield for collaborating on a positive outcome in this year’s negotiations.

Article VI – Replacement and Insulation of PMHS Gym Roof

The Pittsfield Middle High School gym roof is approximately twenty-five years old and is at the end of its service life. This conclusion was confirmed by a formal roof survey and condition report recently completed by a roof management specialist.

The school board has been anticipating this need and had received a \$70,000 estimate for the replacement of the roof in 2008. This project became the top priority in the district's capital improvement plan update, which was also completed in 2008. The voters of the district have been adding to a reserve account for capital projects. At this time, the balance in this account is approximately \$170,000.

However, over the past two years since the original cost estimate for roof replacement, the school board has witnessed the sharp increase in energy costs. As we all realize, energy costs are likely to continue to increase. As a result, the board requested an engineering study to determine the feasibility and cost of insulating the roof at the time of replacement.

The addition of insulation, however, will require structural reinforcement work to accommodate a greater load that would include both the insulation itself and added snow and ice loads. Such reinforcement would bring the structure into compliance with current standards. Added insulation and air sealing would provide a R-37.2 rated roofing system, which would have an immediate and lasting impact on the school's energy use.

The cost estimate for this expanded project is \$280,000. However, the school board is proposing to complete this project during the summer of 2010 with no impact on Pittsfield's local property taxes. To do so, two options are available.

Option 1 – Roof Replacement with Energy Efficiency Block Grant Award

With the support of the Pittsfield Board of Selectmen, the district is in the process of applying for an Energy Efficiency Block Grant funded by the American Recovery and Reinvestment Act. This grant could cover some or all of the costs associated with this project. Grant awards are due to be announced on March 10, 2010, the day before our annual school district meeting.

Should a partial grant be awarded, such a grant would be supplemented by funds from reserve funds up to \$184,600, and by funds from a potential unreserved fund balance.

Note, however, that grant requirements relative to salaries paid for such a project would increase the project cost to an estimated \$322,000.

Option 2 – Roof Replacement without Energy Efficiency Block Grant Award

Should the district not receive the grant, the project will be funded by reserve funds of \$184,000, and by funds from a potential unreserved fund balance of \$95,400.

The school board plans to put both options on the warrant and withdraw one of the two articles based on the award or non-award of the energy efficiency grant.

Should the grant be awarded, it is anticipated that revenue figures may be changed based on the amount of the grant. In any event, the project will not impact the Pittsfield tax rate.