

Chapter 5

This chapter provides Prismatic’s response to the RFP question, “What is best for ConVal students and taxpayers?” It includes these sections:

- ◆ Conclusions
- ◆ Reconfiguration Recommendation
- ◆ Implementation Notes

Conclusions

In the course of this study, Prismatic reached a number of conclusions that bore upon its ultimate reconfiguration recommendation:

- ◆ The ConVal situation is unusual. The 1967 Articles of Agreement essentially handcuffed the school board in regard to elementary schools. In any other district, the disposition of school facilities is subject to school board vote, not popular vote. While this concession may have been necessary to secure the agreement of all the towns in 1967, it has created a situation where a ConVal ES can decline in enrollment to just a handful of students (or even no students) and the district has no recourse. In highly rural areas, extremely small schools are sometimes the only option. ConVal is not so highly rural and should have other options.
- ◆ Not only does the district have a surplus of student spaces at the elementary level, there is no evidence to suggest that ConVal enrollment will grow substantially over the next decade. Quite the contrary, the evidence suggests that ConVal is facing generally flat to declining enrollment over the next decade.
- ◆ Continuing to maintain facilities it is unlikely to need has a cost for the district. There are real costs in terms of facilities maintenance and various types of staffing. There are opportunity costs in terms of what is not provided to secondary students. There are opportunity costs in terms of what the district can offer for teacher salaries.
- ◆ While the district’s current per student spending is larger than peers, it does not have a bloated central office or areas of obvious financial waste/inefficiency. Closing the entire central office would only yield an annual cost savings of \$2.1M and the consulting team questions this figure to some extent because the district has not historically apportioned to schools the costs of some staff positions that are solely focused on providing services to multiple schools, such as some of the related services positions (such as psychologists). Looking for areas of waste/inefficiency is a core strength of the consulting team; Prismatic did not find any in the ConVal central office. There are opportunities to reduce costs in staffing, facilities, food services and technology with fewer school buildings in service.
- ◆ Although moving additional grades to the existing 8 ES was palatable to a portion of ConVal residents (such as creating PreK-6 schools), as evidenced by survey and town meeting input, they are not the best option educationally. Extremely small class sizes by grade would be the result and research does not support that as a best practice to support student learning. Moreover, based on the capacities of the 8 ES and the projected enrollments, most of the ES would still have empty seats.

- ◆ The current 8 ES are not equitable in a number of areas.
- ◆ Extremely small class size has not been shown to result in outsized performance on state assessments. Research supports the benefits of smaller class sizes (15-20), not extremely small class sizes.
- ◆ Of the district’s current budget, 83% is allocated to salaries and benefits. Benefits in 2023-24 were equal to 50% of salaries (49% at the elementary level). Given that this does not include salaries/benefits for outsourced transportation, food service, or custodial workers, ConVal is approaching a budgeting danger zone, where so much is spent on staffing that there is little funding left for supplies, resources, repairs, new initiatives, etc.
- ◆ Current middle and high school students had mixed opinions regarding their experiences in smaller ConVal ES. They did not evince strong support for maintaining the smaller elementary schools they just left.
- ◆ Although the district and community members indicated to the consulting team that one of its points of pride is a commitment to arts and music education, the main theater facility in the HS is substantially subpar. This could be an area the district has been unable to address because of the cost of supporting 8 ES.
- ◆ The ConVal community has some appetite for change; however, it has not historically embraced change. The community and district have been debating reconfiguration for at least a decade, but have not taken action. As any change in ES configuration will require a public vote, this would argue for a smaller reconfiguration recommendation than some would consider ideal.

Reconfiguration Recommendation

The consulting team considered a wide variety of reconfiguration options, starting from the premise that the status quo might be the best possible arrangement. The consulting team then considered the models explored in the 2012, 2016-17, and 2018-19 studies as well as some variations:

- ◆ 11 schools – 8 ES (PreK-5 or PreK-6), 2 MS, 1 HS
- ◆ 11 schools – 8 ES (PreK-4), 1 upper ES (5-6), 1 MS (7-8), 1 HS
- ◆ 10 schools – 8 ES (PreK-4), 1 MS (5-8), 1 HS
- ◆ 9 schools – 8 ES (PreK-6), 1 MS/HS (7-12)
- ◆ 8-9 schools - 5 or 6 ES (PreK-4), 2 MS (5-8), 1 HS
- ◆ 8 schools – 4 primary ES (PreK-2), 2 upper ES (3-5), 1 MS (6-8), and 1 HS
- ◆ 6-7 schools - 3 or 4 ES (PreK-4), 2 MS (5-8), 1 HS
- ◆ 4 schools – 2 primary ES (PreK-3), 1 upper ES (4-6), and 1 combined MS/HS
- ◆ 4 schools – 2 ES (PreK-4), 1 MS (5-8), 1 HS

With the exception of the status quo and the 11-school model that moved grades 5/6 to the ES, each of these options offered ConVal some improvements in the learning environment as well as cost savings.

Ultimately, given the previously noted findings and the overall aforementioned conclusions, the consulting team determined this to be the best option for ConVal at this point in time:

- ◆ **Leave the current MS and HS configuration as is.**
- ◆ **Request that the ConVal community approve a warrant article to keep 4 ES in operation (AES, GES, HES, and PES) and to close the 4 other ES (BES/Pierce, DCS, FES, and TES).**

In order to generate the necessary popular vote for this change and to ease the implementation of this change, the consulting team recommends:

- ◆ **Provide families with options.** Families at each of the closing schools would be able to select 1 of 2 new schools to attend:
 - Former FES and BES/Pierce students can choose AES or GES.
 - Former DCS students can choose HES or PES.
 - Former TES students can choose GES or PES.

The district would provide transportation for these students to these schools.

- ◆ **Commit to before and afterschool programming in at least AES and PES.** This should be available to all students who attend each of these schools. This should be offered for free to families that qualify for free/reduced-price meals and at reasonable cost for other families. Transportation to before school programming and from afterschool programming would be the responsibility of the parent.
- ◆ **Provide world language options beginning in MS and expand world language options in HS.** Doing so would begin to address current shortcomings in secondary course offerings. Once this is complete, the district should assess opportunities for further secondary course offerings.

Implementation Notes

Prismatic recommends that the district adopt these key components in implementing the reconfiguration recommendation:

- ◆ **Do not reduce staff in the initial rollout.** Instead of making staffing reductions when the 4 ES are closed, Prismatic recommends instead that the district commit to no layoffs or reductions in force. The district should rightsize its staffing through attrition.
- ◆ **Plan for a 3-year implementation timeline.** In Prismatic's experience, hasty proposed or actual changes in a school district frequently fail. The public often underestimates the thought, planning, and coordination required in making a large change in a multi-site, multi-million-dollar school district. A 3-year implementation timeline would mean that the district and taxpayers would not see immediate cost savings, but it would probably make it more likely that the change

(and resulting annual cost savings) will be successful. A recommended timeline of activities is provided below.

Implementation Plan Recommended by Prismatic

<p>Year 1 2024-25</p>	<p>Year 2 2025-26</p>	<p>Year 3 2026-27</p>
<ul style="list-style-type: none"> ◆ Do not reduce any staffing, but potentially begin to move some staffing to new sites. ◆ Meet with town officials of Bennington, Dublin, Frankestown, and Temple to determine the best future use of their facilities. ◆ Hold planning meetings between the staffs of the schools to be combined to determine potential schedule changes, new class configurations, and ideal staffing. ◆ Have the facilities director lead planning of space reconfiguration at the schools to remain in operation. This should include regular education and special education teachers. ◆ Determine adjustments in the ConVal CIP. ◆ Request that the PTAs of the schools to be combined work together to identify and address areas of school culture that need to be blended, such as school colors, mascots, and special ceremonies. ◆ Assess opportunities for adjustments in special education staffing, beginning with those that can be implemented through 	<ul style="list-style-type: none"> ◆ Do not reduce any staffing, but move some staffing to new sites as needed. ◆ Move 4 ES principal positions to the central office to assist in reconfiguration implementation and other projects. ◆ Close BES/Pierce, DCS, FES, and TES as schools and implement town-specific plans for facility reuse. ◆ Open before and afterschool programming at AES and PES. ◆ Begin offering world language options in MS. ◆ Begin offering expanded world language options in HS. ◆ Establish a planning committee to develop a new performing arts facility. ◆ Assess opportunities to redesign typical assignment of special education paraprofessionals from a 1:1 to 1:3 basis. 	<ul style="list-style-type: none"> ◆ Consider revising school start times, so the secondary students can start school later, in keeping with research on adolescent development, if this has not been accomplished as part of school reconfiguration. ◆ Assess opportunities for transportation cost savings for special education students. ◆ Assess the potential for before and afterschool programming at GES and HES. ◆ Assess the potential for expanding world language programming into ES, beginning with AES and PES. ◆ Evaluate the actual cost savings in Year 2 with those estimated in Year 1.

Year 1 2024-25	Year 2 2025-26	Year 3 2026-27
<p>reductions in contracted staffing in Year 2.</p> <ul style="list-style-type: none">◆ Develop world language course sequences, then determine teacher staffing needed.◆ Work with the transportation provider to develop revised transportation routes, which may include additional routes to keep ride times at <60 minutes as much as possible. Consider whether new school start times can be accommodated in Year 2, as part of the reconfiguration.◆ Negotiate with the food service provider regarding the upcoming school changes.◆ Negotiate with the custodial services provider regarding the upcoming school changes.◆ Finalize planned cost savings over the next 3 years as a guide for staff implementing the changes and to guard against “implementation creep.”		



The remaining sections of this chapter provide further specifics and considerations by area.

Regular Education

Over time, the staffing in the 4 ES that remain could achieve student to teacher ratios that are more in line with those of peers, the state, and research on small class sizes. Eliminating 4 facilities would also reduce school administrative costs. While the details of school-level staffing plans could vary, the consulting team estimates that a minimum of 16.4 teaching positions could be eliminated. This means that starting in Year 3, ConVal could expect to begin realizing annual savings of:

- ◆ \$615,604 in salaries and benefits for 4 school principal positions
- ◆ \$1,198,133 in salaries and benefits for 16.4 teacher positions

Special Education

With the switch to just 4 ES, there are a number of adjustments possible in all special education and related services caseloads and in the use of paraprofessionals. That flexibility suggests that reconfiguration efforts can be successfully implemented in ConVal without negatives regarding quality of special education services.

When planning for reconfiguration, it is always more than a numbers game for any group of students; this is particularly and uniquely true for special education students. Caseload models such as employed by New Hampshire look at potential. Caseload models must be adjusted to the needs of the special education students and the workloads those adjustments mean for teaching staff. Workload models take into account what teachers must do to assure the delivery of quality services to students. A combination of caseload and workload seems best.

State caseload models acknowledge the flexibility that paraprofessionals provide in special education classrooms by permitting services to an increased number of students in self-contained settings. These settings are found in preschool special education programs and when students' needs are such that more than 60% of student time is spent in a special education self-contained setting. New Hampshire is silent on the use of paraprofessionals in any other setting. Therefore, it is up to ConVal to decide how to use and employ paraprofessionals. The district may want to consider moving away from 1:1 assignments of paraprofessionals to students. The consulting team recommends a 1:3 model for assigning paraprofessionals whenever possible.

There is potential to manage ConVal's caseload/workload more efficiency when reconfiguration brings slightly larger groups together in fewer locations. The amount of that potential depends on the needs of students.

When looking at financial implications, the consulting team gathered current costs and analyzed what savings could be found with reconfiguration. For example, savings or increased cost based on several levels of staff changes should be reviewed. A specific example might be changing related services caseloads of existing staff to increased numbers that reflect future savings at caseloads between 15 and 20 for resource teachers, while related services caseloads can be examined at levels of 25-30, 40, and 50. That approach can provide a continuum of savings based on further analysis of workload issues compared to district and school goals.

Potential Financial Implications of Adjusting Caseloads

Potential	Student	Teachers per Caseload	Average Salary + Benefits	Annual Savings
Resource Caseload Adjustment	100		\$78,165	
12	X	8.5	\$664,403	
15	X	6.5	\$508,073	\$156,330
20	X	5	\$390,825	\$273,578
PreK SPED Self-Contained	50			
8	X	8.3	\$648,770	
10	X	5	\$390,825	\$257,945
12	X	4.2	\$328,825	\$320,477
Paraprofessionals	10		\$28,352	
1 to 1 model	10		\$283,520	
1 to 3 model	3.3		\$93,562	\$189,958
Speech and Language	100		\$78,165	
25		4	\$312,660	
40		2.5	\$195,413	\$117,247
50		2	\$156,330	\$156,330
Occupational Therapy	100		\$78,165	
40		2.5	\$195,413	
50		2	\$156,330	\$39,083
Physical Therapists	100			
30		3.3	\$234,495	
40		2.5	\$195,413	\$39,082
50		2	\$156,330	\$78,165
Psychologists	100		\$78,165	
20		5	\$390,825	
25		4	\$312,660	\$78,165
30		3.3	\$257,945	\$132,880

Source: ConVal School District, Compiled by Prismatic Services, October 2023

For simplicity and in an effort to be conservative, the consulting team estimates a minimum of 2.5 special education positions can be reduced via reconfiguration. This savings would begin in Year 3, for an annual total savings of \$195,405 in salaries and benefits.

Facilities

The savings from removing 4 ES from service has 2 parts:

- ◆ annual maintenance, repair, and cleaning costs the district will not need to pay for each facility
- ◆ capital improvements that are avoided for each facility

These will need to be offset by any new renovation expenses that are needed in the remaining 4 ES and any costs for mothballing facilities that are no longer needed.

Estimated Annual Maintenance and Cleaning Expenses That Will Be Avoided

Obj	Description	BES	DCS	FES	TES	Total
330	Purchased Services	\$64,605	\$77,018	\$70,840	\$72,456	\$278,639
411	Water/Sewer	\$1,557	\$0	\$0	\$1,260	\$4,237
421	Disposal	\$1,797	\$1,797	\$1,797	\$1,797	\$7,188
422	Snow Plowing	\$5,505	\$7,947	\$11,197	\$16,303	\$38,013
430	Repair/Maintenance	\$2,028	\$13,384	\$4,601	\$21,692	\$41,778
431	Structural Repair/Maint	\$5,300	\$32,000	\$5,500	\$5,700	\$48,500
432	Electrical Repair/Maint	\$300	\$300	\$400	\$400	\$1,400
433	Mechanical Repair/Maint	\$4,800	\$1,100	\$6,000	\$5,900	\$17,400
434	HVAC Repair/Maint	\$2,112	\$1,980	\$1,980	\$1,980	\$8,052
435	Safety Repair/Maint	\$1,940	\$1,640		\$960	\$5,500
610	General Supplies	\$3,381	\$2,480	\$2,470	\$2,470	\$11,712
622	Electrical	\$24,946	\$26,474	\$20,240	\$20,828	\$91,233
623	Bottled Gas	\$0	\$0	\$0	\$0	\$0
624	Heating Oil	\$26,800	\$22,000	\$19,600	\$15,600	\$82,400
	Total	\$145,071	\$188,120	\$144,625	\$167,346	\$645,162

Source: ConVal School District, October 2023

Estimated Near-Term Capital Improvement Expenses That Will Be Avoided

	2023-24	2024-25	2025-26	2026-27	Total 2024-25 to 2026-27
BES/Pierce	\$37,000	\$19,000		\$133,000	\$152,000
DCS	\$83,000		\$30,000		\$30,000
FES	\$98,000	\$123,000			\$123,000
TES	\$109,000	123,000			\$123,000
Total	\$271,000	\$265,000	\$30,000	\$133,000	\$428,000

Source: ConVal School District, October 2023

If a school is closed for service and not placed into some type of alternate service, the district will incur “mothballing” costs. The consulting team estimates that mothballing each of the 4 ES would cost approximately 0.5% of each building’s replacement value each year. At a total of 77k square feet of facilities and a current replacement cost of \$349/square foot, this would mean annual mothballing costs of \$134,365 across the 4 facilities. However, the consulting team does not recommend that the facilities be mothballed. The district should instead work with town officials to determine a new use for each facility.

Food Services

The reconfiguration to 4 ES from the current 8 offers opportunities to reduce the financial losses in the food service program and perhaps achieve financial breakeven. The potential for increased participation in breakfast and lunch meals would result in increased revenues. Combined with operational savings from no longer transporting food to 4 ES, the food service program could thus achieve financial self-sufficiency.

PES is the only ES that prepares and serves meals at their school. Its kitchen, serving area, and dining area are sufficient to accommodate the preparation of additional meals resulting from increased enrollment. Former DCS and TES students would benefit from increased meal options. The move to 4 ES could reduce the current annual gap between revenues and expenses by 1/4th.

Using June 2023 data and assuming a simple scenario where all former BES/Pierce students would choose to attend AES, all former FES students would choose to attend GES, and all former DCS/TES students would choose to attend PES:

- ◆ Enrollment would increase by 68 at AES. Average daily breakfasts served in June was 44 at AES and 11 at BES/Pierce. Serving an additional 11 meals will be feasible with no changes or negative impact. Average daily lunches will increase by 35. The additional lunches served will not result in a negative impact.

Currently, the meals for Antrim are prepared at GBS. The GBS cafeteria manager indicated the dry storage area could hold more inventory but felt the refrigeration and freezer areas could not. The refrigerator at BES/Pierce could be moved to AES or GBS to accommodate the increased purchases of refrigerated and frozen food items. No additional kitchen equipment would be needed. Meals are wheeled across the parking lot to AES by GBS kitchen staff. No district van is used. Transporting 11 more breakfasts and 35 more lunches should be feasible with the current equipment. Since the meal service would be identical to what is currently served at BES/Pierce, there probably will not be any increase in participation.

The FSMC staffing guide allocates 1 food service worker for 5 hours per day for each elementary school. There will not be a need for additional staff at AES. Staffing can be reduced by 1 with the closure of BES/Pierce, resulting in savings of \$14,091.

The serving equipment at AES is sufficient to serve additional meals. The kitchen space can hold an additional refrigerator and holding cart which can be moved from BES/Pierce.

- ◆ GES had 94 students and FES had 44 in June 2023. Average daily breakfasts served in June were 21 at GES and 15 at FES. The average daily lunches served were 34 at GES and 23 at FES. The kitchen and serving equipment at GES can accommodate serving these additional meals. Meals for both schools are prepared at SMS, so there would be no change or impact with this combining of schools. There would be 1 less van stop for the delivery of meals. Staffing can be reduced by 1 with the closure of FES, resulting in savings of \$14,091.
- ◆ PES had an enrollment in June of 264, DCS had 61, and TES had 32 for a total of 357. The average daily breakfasts served was 36 at PES, 6 at DCS, and 11 at TES. Average daily lunches served were 137 at PES, 24 at DCS, and 16 at TES.

PES prepares their own meals while SMS prepares meals for DCS and TES. The PES cafeteria manager indicated the refrigeration and freezer areas could hold more inventory. However, there currently is no storeroom for supplies and dry goods; these items are stored on shelving in the kitchen. This setup is not ideal and adding food and disposable items for additional meals will require a storage space outside the kitchen. There is a custodial room off the lunchroom, and nearby the kitchen, that could be repurposed into a storeroom for the kitchen. Basic cleaning and painting costs would be absorbed by the maintenance department. Additional wire shelving will be needed for an approximate cost of \$1,500. The manager also indicated the

single convection oven would not be large enough for the preparation of additional meals. A double convection oven would cost approximately \$13,800.

The 2 staff positions allocated to DCS and TES could be eliminated for a cost savings of \$28,182. The current 2 employees assigned to PES at 7.5 hours each should be sufficient for increases in participation as the meals per labor hour (MPLH) would still be in the acceptable range as per industry standards.

Meals at PES are prepared and served as bulk meals from a steam table as compared to meals served unitized from a plastic bag at DCS and TES. This type of meal service presents the possibility for increases in participation since PES's average daily lunch participation to enrollment is ~10% higher than DCS and 3% higher than TES. A conservative estimate would be to serve 10 more lunches per day. Using the free rate of reimbursement over 180 serving days there would be an additional \$7,938 revenue received per year.

In summary, there would be additional startup costs of \$15,300. Labor savings for the FSMC would be \$56,364 annually. Additional revenue would be \$7,938 annually and would yield a net gain of \$64,302. This gain should reduce the subsidy amount the district pays the FSMC, which is based on the difference between revenue and expenditures.

Technology

The primary technology savings from a reduced number of facilities will be in reduced Internet access costs and the need for fewer classroom-level devices, such as Smartboards. The district may also reduce some future replacement costs, if it determines that recouping existing devices in schools that will be taken out of service can be redeployed into remaining schools.

Transportation

With the move to 4 ES, some of the runs for some elementary students will likely take an hour or more to complete, unless additional service is added. This is because a few, current elementary bus runs are already at or near the 1-hour threshold:

- ◆ The current BES/Pierce ES AM run 20 already takes 60 minutes from first pick up until school drop off.
- ◆ The current DCS ES AM run 16 takes 54 minutes.
- ◆ The current HES AM run 11 takes 55 minutes.
- ◆ FES, GES, and TES all currently have bus runs that take ~40 minutes.

Of course, this does not mean that all students on those buses are on the bus for that length of time. Rather, it means that the first students picked up are on the bus for that length of time.

Once BES/Pierce, DCS, FES, and TES students begin attending their new schools, a rough estimate of the new bus route times would include adding travel time from those towns to the new schools. Travel times between the towns range from 5 to 15 minutes in good weather. More time will also have to be added to elementary bus runs to pick up students who live less than one mile from their previous ES and

were therefore ineligible for busing, but now will become eligible for busing. Picking up these formerly ineligible students may add an extra 5+ minutes to morning elementary bus runs.

ConVal can take steps to reduce bus run times, such as expecting students to travel farther to their bus stop, condensing bus stops wherever possible, and avoiding left hand turns onto major roads that can take longer to execute safely. NHDOE does not have a regulation that stipulates that elementary or secondary bus runs must be an hour or less. The 1-hour limit has become a standard local expectation in ConVal. If ConVal decides to adhere to this standard, additional buses and drivers may be needed to successfully implement the reconfiguration. Each additional STA bus or van will cost ~\$67,000 in 2024-25 with an additional 3% price increase scheduled for 2025-26, the last year of the current bus contract with STA. The community should note that adding a bus currently costs less than adding a teacher. The consulting team estimates that an additional 3 bus runs may be needed, depending on the new schools selected by Bennington, Dublin, Frankestown, and Temple students, in order to keep bus runs under 1 hour. Any new elementary bus runs would be tied to new middle/high school bus runs as well, thereby shortening some of the secondary school bus times.

In order to reduce transportation costs, the district should look at options:

- ◆ to reduce transportation costs for special education students. There are potential savings in reducing the current travel reimbursements paid in staff's current split assignments. There are also potential savings in offering parent contracts (reimbursing parents for providing their own transportation for their special education students).
- ◆ to transport students K-12 on 1 bus where it makes sense. This is commonly done in rural areas in other states and typically results in many siblings being transported together. This could be done with the addition of an aide, if it was felt to be necessary, as an aide would cost less than a 2nd bus.
- ◆ for developing a bus depot system, bringing in multiple buses to several common points, then having students transfer buses to get to their school. This kind of system can reduce a district's bus needs.
- ◆ for new route efficiencies as part of the recommended school start time analysis. Depending on the start times selected, new bus tiering options could lead to reduced transportation needs.

The quantifiable cost savings are summarized in the table below. The community should not expect to see any savings until Year 2 of implementation. Full savings will not be achieved until normal staffing attrition enables the district to reach desired staffing levels.

Estimated Savings of Reconfiguring to 4 Elementary Schools

Area	Specifics	Estimated Annual Savings
Regular Education	The consulting team estimates that a minimum of 16.4 teaching positions could be eliminated.	\$1,198,133
Regular Education	School administrator positions would be reduced by 4.	\$615,604
Special Education	The consulting team estimates that a minimum of 2.5 special education positions could be eliminated.	\$195,405
Facilities	Annual maintenance, repair, and cleaning costs would be eliminated for 4 facilities.	\$645,162
Facilities	Capital improvement costs would be avoided for 4 facilities. These vary from year to year for each facility. They totaled \$428,000 for 2024-25 through 2026-27 for the 4 ES to be closed, an average of \$107,000 per year.	\$107,000
Food Services	Eliminating 4 facilities would both reduce costs (\$56,364) and likely increase meal participation among ES students who move to new facilities (\$7,938).	\$64,302 ¹
Technology	Eliminating 4 facilities would reduce building-level Internet access costs and reduce the need for some classroom-level devices.	Not quantified
Transportation	The ConVal cost per bus run is ~\$66,000 per year. The consulting team estimates that an additional 3 bus runs will be needed with the elimination of 4 facilities. Chapter 5 outlines some steps the district could take to reduce this need, including adjusting school start times, but the consulting team has not assumed that the district will do any of them.	-\$198,000
Total		\$2,627,606

The estimated \$2.6M in annual savings is Prismatic’s conservative estimate of the annual cost savings, once reconfiguration is fully complete. It does not include costs of the other components Prismatic recommends be done at the same time -- adding before/after school programming and expanding world language into middle schools. Before/after school programming could potentially be provided at a cost-neutral level. Expanding world languages will require a minimum of 2 teachers, 1 at each middle school. Conversely, with reconfiguration, the district could save even more than the \$2.6M estimated. The district could find additional cost savings by:

- ◆ further analyzing regular education staffing needs for additional efficiencies
- ◆ further analyzing special education staffing needs for additional efficiencies
- ◆ taking steps to reduce transportation needs

¹ At PES, additional wire shelving and a double convection oven will be needed to accommodate higher student enrollment, at an estimated cost of \$15,300.

Taking into account likely new expenses and the potential for additional cost savings, **Prismatic estimates the actual annual cost savings to be a range from \$2.4M to \$4.0M.**

Property Tax Implications

State aid is received based on amounts per number of students. Federal revenues and other minor revenues are received based on grants and other criteria, not on the actual district cost of providing education to students. The district's Local Education Tax revenue is the only source that is impacted directly by costs. Thus, any impact to district costs will normally have a corresponding impact on the local education tax assessments for the district and therefore will impact the local education tax rates and resident's tax bills. Impacts to the local education tax assessments is normally proportionally impacted by increased or decreased costs, however the board at different times has elected to utilize funds in the district's general fund balance to reduce assessments needed to fund a particular year's proposed operating budget.

The table below presents the potential impact on the local education tax assessments and local taxes if a conservative estimate of \$2.5M in reduced costs is incorporated into the assessment needs to fund annual budgets. The exhibit presents the estimated impact to a resident's local education tax using a property valued at \$300,000. The annual estimated cost savings is after the district has completed the implementation and staff reductions have been realized.

Property Tax Implications of a Minimal Reduction in Annual District Operating Expenses

Town	Local Education Tax Assessment ²		Tax Rates per 1k of Equalized Valuation ³	Allocated Estimated Assessment Impact	Current Estimated Tax on a \$300k Property	Estimated Tax Impact on a \$300k Property
	Amount	Percent				
Antrim	\$4,154,628	11.13%	9.20	(\$280,534)	\$2,760	(\$186)
Bennington	\$2,452,137	6.57%	12.78	(\$165,576)	\$3,834	(\$259)
Dublin	\$3,702,223	9.92%	8.56	(\$249,986)	\$2,568	(\$173)
Francestown	\$3,498,200	9.37%	9.68	(\$236,209)	\$2,904	(\$196)
Greenfield	\$3,127,894	8.38%	11.08	(\$211,205)	\$3,324	(\$224)
Hancock	\$3,900,616	10.45%	9.34	(\$263,382)	\$2,802	(\$189)
Peterborough	\$12,817,823	34.35%	10.63	(\$865,500)	\$3,189	(\$215)
Sharon	\$906,217	2.43%	11.40	(\$61,191)	\$3,420	(\$231)
Temple	\$2,759,864	7.40%	11.25	(\$186,355)	\$3,375	(\$228)
Total	\$37,319,602	100%	10.17	(\$2,519,937)		

Of course, the answer to the question, "What is best for ConVal students and taxpayers?" should first answer the first part of that question. **Prismatic asserts that what is best for ConVal students is a**

² 2022 Annual Report

³ 2022 NHDOE

smaller number of elementary schools, combined with increased options for secondary students. The savings to taxpayers are therefore a beneficial, but secondary consideration.