

**Refining and Enhancing the
Public Education Delivery System
in the Greater Berlin NH Area**

Challenges and Opportunities

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REPORT



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BACKGROUND

This study was commissioned by the City of Berlin and its School Department in an effort to develop a better understanding of the regulatory and operational elements that influence and control how public education systems may be organized and structured in the state of New Hampshire. City and School District officials recognize the critical importance of providing high quality, affordable public education as a fundamental cornerstone of long term community sustainability. As the largest community in the North Country, Berlin has had to face and address virtually all the economic, social and demographic challenges associated with the impacts of globalization on rural America. Yet, while the City has faced significant reversals in the past several decades, it has consistently placed high priority on the quality of its school system programming and the related infrastructure, even when financial pressures were extreme. The City has been working hard to address its challenges through consistent, on-going efforts to identify and seize upon even the smallest of opportunities, and there are numerous recent indicators that indicate these efforts are paying off and resulting in positive change.

As City and School District leaders look to the future, one major area of focus is to explore opportunities to refine and enhance the executive and operational structure(s) associated with how the public educational system in the Greater Berlin area organizes, manages and delivers high quality, affordable public education to the residents of Berlin and the surrounding communities in the Androscoggin Valley. This study is an early step that will hopefully lead to discussions within the City as well as within the region, about the mutual benefits of a region-wide focus on more collaborative, cooperative approaches.

The general economic challenges of the Androscoggin Valley have been well documented and are widely known. As we will review in more detail, the demographic information clearly shows median household income and equalized property values per capita in the region are well

Past efforts to develop cooperative/collaborative relationships with surrounding communities to pursue improved programming and overall school efficiency by restructuring school management and/or educational delivery systems have often been met with, *“we won’t be able to work with the Berlin School District as long as it is a dependent school district.”* Our assessment leads us to conclude that this dependency has little relevance to successfully addressing the issues facing the towns of the Androscoggin River Valley.

We are aware that Berlin staff have raised questions regarding the need for and benefits of increased cooperation between schools, as well as the issue of an independent vs. dependent school district. We feel it is critically important that these issues be thoroughly addressed with the administrators and teachers. A number of these issues are included herewith under the Frequently Asked Questions (FAQ’s) at the end of this report.

All of this has led the City of Berlin to take a critical look at how it currently delivers education and what should/could be done to continue to provide quality education for their children and improve the overall school system and ask, “What, if anything, can we do to better address the continuing squeeze on our resources and the need to continue to provide quality education and improve the overall school system?” This report will review this question in an attempt to reduce confusion and uncertainty about the options and provide a base line for future discussion and action.

Basic Definitions

In our discussions with local officials, it became clear that certain words and concepts get used in discussions about how school districts may work together that may mean different things to different people. For the purposes of this report, we are using the definitions shown below for these common terms:

- School District -- by state law RSA 194:1, each town/city is also a School District which is responsible to provide for education of students residing within the geographic boundaries of the town/city. The district is independent of the town/city, has its own governance, makes its own budget, and elects its own officers. The town/city must raise taxes to support the district’s budget, although in dependent city school districts the City Council makes the final determination on the bottom line amount of the district’s budget but has no line item control.
- Cooperative School District – by state law RSA 195:1, a Cooperative School District is one in which two or more school districts enter into a legal agreement to pool governance, ownership and liability, and create an over-arching school district which contains all of the pre-existing districts. The new cooperative has a School Board elected from within all of the communities that comprise the District. (e.g. GRS Cooperative School District). The cooperative district’s budget is approved at an annual school district meeting at which all the citizens of the pre-existing districts may vote (one person-one vote). The budget is

apportioned to the towns whose pre-existing districts now comprise the cooperative as provided in the articles of agreement of the cooperative.

- Regionalization – any form of cooperation between school districts to attempt to achieve better education more economically. In this report particularly, cooperation between the communities in the Androscoggin Valley (Berlin, GRS, Milan, Dummer and Errol), as a means of providing school services at less cost and/or greater efficiency. While it is true in NH that many school districts refer to themselves as ‘regional’, many are in fact Cooperative School districts under NH state law. It is also true for the purposes of this report that school districts which cooperate by informal means or by the more formal means of an AREA agreement or tuition contract under state law are regional in nature. In accordance with a state-approved, 20-year agreement, Berlin High School is also the Berlin Regional Career and Technical Education Center (CTE) for students from Gorham High School who participate in CTE classes. This agreement specifies state and local tuition to be paid to Berlin.
- Consolidation – a specific form of cooperation whereby individual school districts dissolve in order to create one over-arching Cooperative School district, or in the case of an SAU, two or more SAU’s dissolve to become one larger SAU, or finally in the case of an individual school district or more than one school district, one or more schools are closed and their students all ‘put into one ‘consolidated’ school which has the capacity to take them all.
- Dependence and Independence – for the purposes of this report, the word dependence refers to the school districts in nine of the thirteen cities in the state which must submit their budgets to the city’s legislative body (Mayor and Council) for appropriation approval. In three of the remaining four* cities and most, if not all, of the towns in the state, the school districts have their own legislative body which is the annual meeting for appropriating their budgets. These are therefore referred to as independent school districts.

**Note: The Concord city school district is unique in that it has a state sanctioned Charter which provides that the School Board itself is the appropriating authority just like the Mayor and Council are for the city.*

CONCLUSIONS AND RECOMMENDATIONS

The body of this report contains a great deal of data, discussion and explanation of that data, summary ideas and opinion based upon our experience which lead us to the conclusions and recommendations listed below. We believe this material might be useful in shaping discussions and framing future decisions and actions which are facing Berlin and the communities of the Androscoggin Valley and we encourage the reader to read this report in its entirety. As the population center and hub of commerce for the region, the City of Berlin is the likely and logical driver of discussion about future sustainability of the region. By virtue of its size, the City has and will continue to have the “critical mass” of student population that is so critical to maintaining diverse, high quality programmatic offerings in public education. Beyond that, the physical size and condition of the school facilities in Berlin are such that regional solutions could be accommodated without significant additional investment in bricks and mortar.

It is reasonably clear that Berlin has sufficient school facilities to serve all the K-12 students in the Androscoggin Valley. However, change of this scale is often difficult and there is and has been considerable resistance to the notion of consolidating all the schools in the Valley into a single system including Berlin. This resistance comes both from within and without the Berlin School District. While it is likely that there will always be some residents of the region that will cling to the status quo, we believe that, given the age and condition of many school facilities, the demographic realities of the region, and the future overhead costs associated with duplicative and redundant organizational structures, maintaining the status quo will become increasingly and rapidly prohibitive for the taxpayers within the Androscoggin Valley.

Consequently, we support and encourage the initiation of discussions focused on the future of the educational system in Berlin and the surrounding area that have recently begun. Hopefully the discussions will lead to beneficial outcomes and positive direction for way educational services in the region are organized, managed and delivered in the future.

Conclusion #1: Some Type of Regionalization of Androscoggin Valley Schools is highly likely

We believe that efforts to force total consolidation of school districts are likely to fail, and even if successful, will have unending problems. There are multiple examples in the last decade of towns acting to leave Cooperative Districts across the state, and we believe their problems are the same as those in the Androscoggin Valley. Nonetheless, we believe that there is abundant data demonstrating that the self-interest of each community in the Valley will inevitably lead to the development of a regional management and delivery system for public education in the whole of the Valley. We believe that the education system which will be evolved will not include moving elementary students from their local schools, but likely will involve some middle school and all high school students attending Berlin schools.

Conclusion #2: *Anti-Berlin bias will inhibit, but not prevent, regionalization*

The existence of an anti-Berlin bias has been identified and acknowledged by most of the Berlin officials we interviewed. While these officials recognize the benefit of working closely with surrounding towns, they perceive that it is not likely to happen until the residents of the region begin to understand the educational quality and variety and the operational efficiencies that shared management and programming can provide. Any area wide approach must be understood and viewed as attractive and mutually beneficial. There is however, real concern that the time it will take to move forward on regionalization will be so long that no one can afford to continue to shoulder the cost of the current educational delivery system, and public education in the Androscoggin Valley collapses.

We are in general agreement with this overall view of the situation but are also convinced that the status quo is simply not sustainable for the long term given economic and demographic trends. In our view, the longer a serious discussion of an alternative regional solution is delayed, the more time and resources will likely be wasted and the more adverse the consequences for students and taxpayers alike.

Conclusion #3: *The “problem” of Berlin School District’s dependent relationship with the City government is more perceptual than real*

We conclude that the issue of the Berlin School District being dependent on the City Council for budget appropriation is not a serious impediment to any area wide relationship, except creation of a Cooperative District, which we believe is too complex and complicated to be considered a realistic alternative. The real issues seem to be imbedded in the history, culture, economics and politics of the area and the resultant biases need to be addressed openly and head on. We believe that several existing circumstances are converging to make a conversation about a new model of educational management and delivery particularly meaningful and strategic in the very near term:

- The likelihood of school management and operations staff turnover in the region.
- The long-term demographic trend in the region begs for an approach that reduces or at least stabilizes tax burden as the general population – including student age residents - declines while at the same time that the number of senior citizens on fixed incomes increases.
- The White Mountain Community College is seeking to identify ways to grow and attract additional students.
- There is significant duplication and redundancy in program offerings, facilities, equipment and overhead within the current area wide educational systems;
- The State of NH is eliminating stabilization funds which will increase the local tax burden for educational support.

Strategy for the Future

- The Berlin School District is certainly headed in the right direction with its programs for improving the quality of its product. This is true in spite of the fact that it probably has more working against it in terms of declining enrollments, high property taxes, decreasing aid, student with specialized needs and the like than most if not all other school districts in the state. It has been wrestling seriously with the above issues in an effort to maintain and improve quality in spite of these issues. Clear straight-forward and frank communication is needed, certainly with administrators, teachers and most likely with the public, about the problems the district is dealing with and why it is moving in the direction it is moving.
- It is clear that a major issue with teachers is job security, as one would expect. Teachers should be assured that every effort will be made to maintain positions, and where cuts are necessary, utilize attrition. Obviously, the District cannot guarantee to anyone that their job will forever be secure. The Berlin School District should do everything it can to reduce its costs without reducing the quality of its education. To the extent it can be done through grade restructuring, it should be and we know this is being considered. The District needs to be very realistic and business-like in doing this.
- The Berlin School District should continue to concentrate on working closely with surrounding towns to the greatest extent possible without worrying greatly about forming a legal structure similar to the GRS or worrying about whether it is a dependent or independent school district. Economic challenges notwithstanding, the District still has the clear majority of the students to be educated in the region, it has the largest assemblage of high quality teachers and administrators in the region, it has an excess of excellent school facilities and a long history of providing high quality education. It is these qualities and further improvement in them, which will make Berlin Schools the attractive and competitive center of public education in the Androscoggin Valley.
- We believe that in the long run, one SAU, rather than two would make a-sense for the Valley, not only because it may save some money, but probably more importantly because it would be more likely to encourage and facilitate more cooperation among the towns than currently exists. Two administrative bodies serving very small school districts, no matter how friendly they are toward each other, have a natural territorial imperative which may naturally work against full cooperation. Potential upcoming retirements make this seem like an auspicious time to begin to consider it, as it will take a year or two to achieve under the best of circumstances. This is only true if both SAU's see the advantage of such a consolidation. We recommend the establishment of a planning committee under RSA194c:2 for that purpose.

- We believe that the most efficient course Berlin schools should take is to ensure that they are working together with neighboring school systems to exploit every possible program and building advantage that they have. We believe that working to create a single SAU in the valley is a much more realistic and valuable first step in whatever form of regionalization might be pursued in the long term.
- Running Start and Dual and Concurrent enrollment programming is a great example of the kind of collaboration that can occur between a school and institutions of post-secondary education. Continuing the development of the strong relationship and program sharing with White Mountain Community College certainly will be rewarding. The potential to create a model for equipping high school students with college credits while they are still in High School is huge and could be a model for the rest of the state. Clearly full advantage should be taken of the technical facilities that exist in both Berlin and WMCC. Efforts to consolidate and eliminated duplication of facilities and expand career program offerings should be evaluated and pursued as determined viable and appropriate.

Recommendations

It is recommended that Berlin seize upon the unique strategic opportunity that converging circumstances present and quickly engage local and state leadership and residents of the area communities in a focused discussion of the need for and viability of an area wide model for organizing, managing and delivering “cradle to grave” educational services that factor all assets into a consolidated delivery system.

We imagine the possibility of an ideal long-term approach where the role of 2 superintendents and a college president might be merged into a single educational leadership position, supported by a single administrative staff instead of three, overseeing a team comprised of existing teachers, working at various existing facilities, all engaged in providing meaningful learning opportunities for students of all ages.

Such an approach could result in multiple synergies and opportunities:

- **For students** - concurrent learning opportunities for college bound students to earn college credits in HS; expanded, hands-on training and apprenticeship opportunities for students leaning towards a career in the trades; a larger student body which affords more and better non-academic programs such as band, sports teams, social/civic organizations and clubs.
- **For teachers** – greater job security and expanded teaching opportunities.

- **For the communities** – a smaller tax burden resulting from improved efficiency and the possibility that a unique and novel educational delivery system would serve as an economic development driver and growth stimulus tool to attract new families and businesses to the region which would grow the tax base and spread the tax burden.

We believe that Berlin should pursue a two-phase approach:

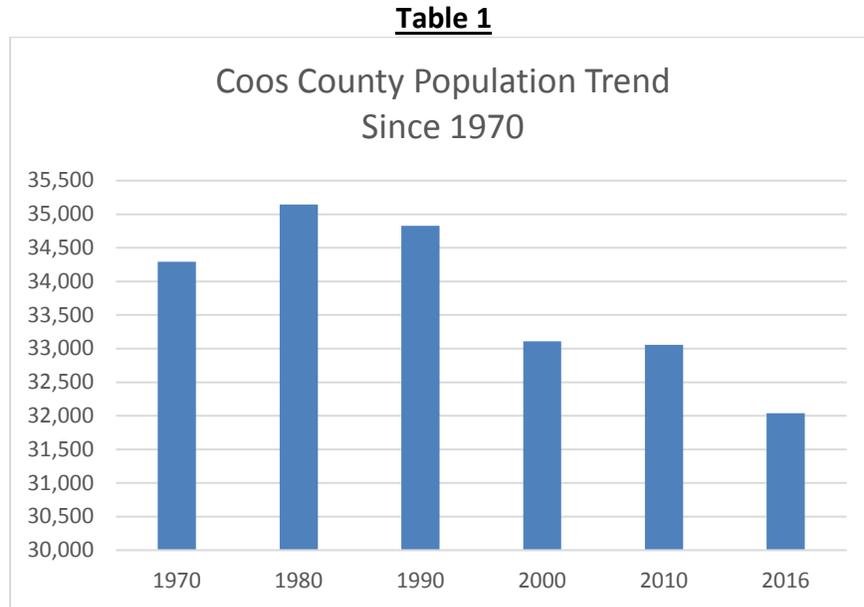
In the short run (next 3-5 years at most), continue to maximize the advantage its existing physical facilities provide; but be willing to pare back if existing space can be better utilized. Decision making should focus on keeping school operations as efficient as possible, while trying to maintain a full and diverse educational program. At the same time, Berlin should pursue efforts to expand and improve existing cooperating/collaborative relationships with the GRS Coop and the towns, following its previous policies of sharing its educational programs in order to provide the highest degree of educational variety to the most students.

In the long run a new model of area-wide organization, management and delivery for educational services that will meet the needs and demands of the evolving economic and social realities of the New Hampshire North Country should be structured in concert with the State Department of Education, the NH Community College System and the municipalities of the Androscoggin Valley. The economic and demographic realities of the Valley require that responsible leadership recognize and embrace these realities and hammer out a plan that will ensure that future generations of children are provided with educational opportunities that can be affordable for those taxpayers who will have to provide the financial support.

ANDROSCOGGIN VALLEY DEMOGRAPHICS

Population Trends

Table 1 below summarizes the general decline of the population of the City of Berlin and the three towns of the Gorham/Shelburne/Randolph GRS Cooperative School District as well as the three remaining towns (Milan, Dummer and Errol M/D/E) of the Androscoggin Valley over the past four and half decades since 1970.



Source: NHRS ELMI Community Profiles

Coos County was growing in population at a rate of about 2.4% per decade between 1970 and 1980. However, since 1980, it has experienced slow decline which, as much as anything, reflects the large loss of paper mill jobs in Berlin and Groveton over this period.

The City of Berlin currently makes up about a third of the population of Coos County. Its population, because of the loss of paper mill jobs throughout the late 20th century, shrank dramatically from about 15,000 in 1970 to about 10,000 today. While it appears to have leveled off and may actually have increased a small bit since 2010, likely due to the addition of a new Federal Prison within its borders, Berlin has lost a third of its population in thirty years. The hope is that the City has hit its lowest point in terms of decline and now may begin slow growth of jobs in more diversified manufacturing and tourism.

In addition, there has been a net out-migration from the area (as well as from the State) with younger people leaving to look for jobs, leaving the existing population to age, which results in both a smaller and an older population.

These population trends are reflected in the general decline in school populations in the entire state, but certainly in the Androscoggin Valley. The total population of these towns is currently estimated at 15,871. This compares with a 2010 census population of the area of 15,513. However, the apparent increase is likely explained by the opening of a new Federal Prison in Berlin around 2011.

As can be seen from Table 5 below, the six towns of the Androscoggin Valley did not experience the kind of population decline that the City of Berlin, or even that of the County, experienced. However, they have not as a group experienced any significant growth either.

The State of New Hampshire as whole however, experienced tremendous growth during this period going from a population of 737,681 in 1970 to today's 1,334,795, an increase of about 55%. During the first two decades of this period the State's population growth exceeded 20% per decade. Since then, the rate has slowed considerably to 6.6% per decade from 2000 to 2010. Currently, it appears to be running at about 3% per decade. Even with that growth, there are many communities in the State experiencing school enrollment decline and the vexing problems that go along with that.

It seems that one of the main reasons for this is that younger people who grow up in New Hampshire tend to leave the state for jobs elsewhere. This is a problem the State is trying to counter-act with various programs to attract young people back to the State. In the Androscoggin Valley, the problem is the same but much more acute; jobs are far fewer and therefore many youths tend to leave for better opportunities and quite often don't return. The result is not only a stagnant population base in the Androscoggin Valley but also a population base with a greater and greater senior population and smaller and smaller young population.

Table 2, taken from the Berlin 2010 Master Plan, illustrates some of the reasons for the lack of population growth in Berlin for the decade from 1990 to 2000. During this decade, the population loss was 1,493 according to the US Census. Deaths exceeded births by 434 which left a net out-migration from the City of 1,059 during that decade. This effect, while stronger in Berlin, has undoubtedly been going on in the other Androscoggin Valley towns as well.

Table 2
Berlin Natural Population Loss and Out-Migration

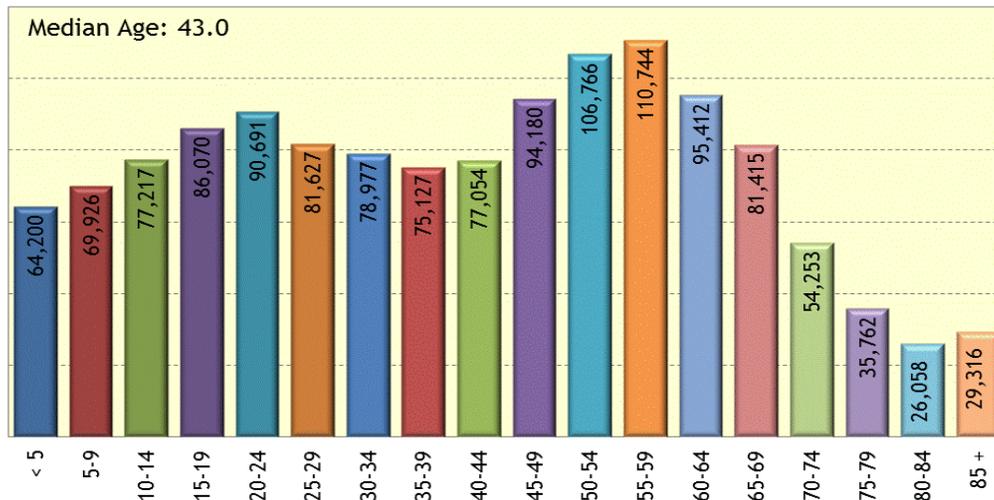
1990 Population	11,824
2000 Population	10,331
Population Loss	1,493
Births (1990-2000)	1,092
Deaths (1990 - 2000)	1,526
Natural Change	434
Net Out Migration	1,059

Source: NH Department of Health and Human Services

With this dynamic going on over the course of three or four decades, one would not be surprised to see declining enrollments in the Berlin schools, and perhaps to a lesser extent, in the towns of the of the Androscoggin Valley region.

The dynamic also shows why the population in Berlin and the surrounding Androscoggin Valley towns is aging. Table 3 below breaks down the State of NH population by age. While the state population is still growing, there is much concern that the state’s population is also aging and that too many young people are leaving the state to seek better opportunities elsewhere.

Table 3
Population by Age in New Hampshire, 2016
Total Population Estimate: 1,334,795



*Source: US Census Bureau, Annual Estimates of Resident Population for Selected Age Groups by Sex, June-17
Prepared by: Economic & Labor Market Information Bureau, NHES
Next Scheduled Update: June-18*



Table 4 and Table 5 below, taken from the NHDES ELMI Community Profiles data, provide similar breakdowns of population by age for City of Berlin and then by percent of total town population for all the Towns in the AV compared with each other and the State as a whole.

Table 4
Berlin Population by Age

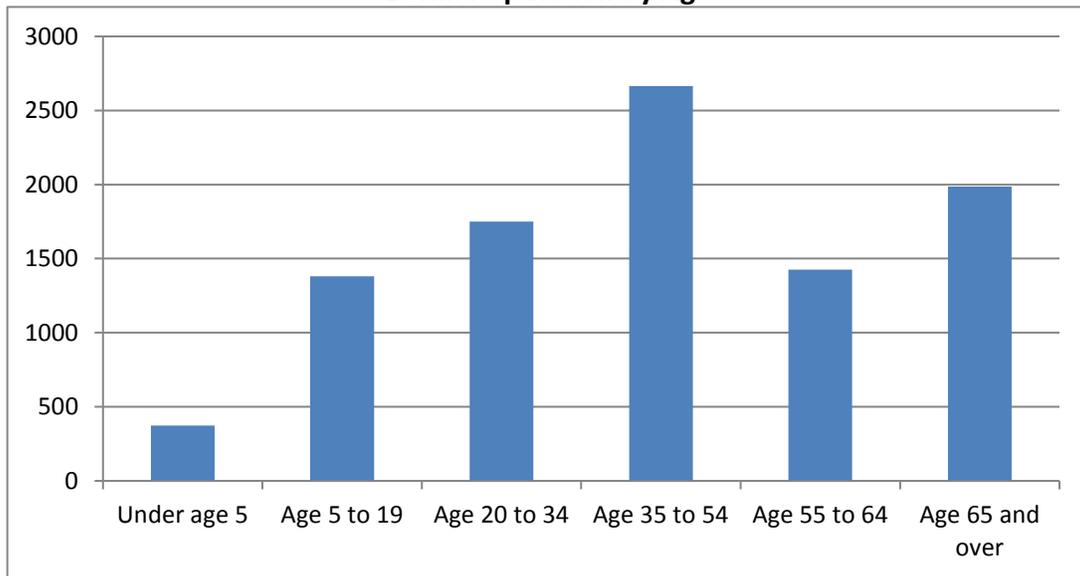


Table 5
Population by Age Comparing State, Berlin and AV Towns

	<u>Under</u> <u>age 5</u>	<u>Age 5</u> <u>to 19</u>	<u>Age 20</u> <u>to 34</u>	<u>Age 35</u> <u>to 54</u>	<u>Age 55</u> <u>to 64</u>	<u>Age 65</u> <u>and over</u>	<u>Median</u>
State	4.8%	17.5%	18.8%	26.5%	15.4%	17.0%	43.0
Berlin	3.9%	14.4%	18.3%	27.8%	14.9%	20.7%	44.5
Gorham	5.6%	15.0%	14.0%	26.8%	19.5%	19.2%	46.8
Shelburne	4.4%	13.2%	4.4%	24.5%	25.3%	28.1%	56.5
Randolph	0.8%	7.5%	10.8%	20.8%	21.3%	38.8%	61.5
Milan	3.4%	15.2%	16.1%	29.7%	19.9%	15.8%	48.8
Dummer	1.0%	18.9%	6.5%	28.3%	20.8%	24.4%	52.3
Errol	1.0%	8.6%	12.3%	31.6%	17.6%	28.9%	54.5

Table 5 above reveals that, on a percent-of-the-whole-population basis, Berlin is well behind the state in youth under age 5 and also between 5 and 19 years of age. It is reasonably close to the state in the 20 to 55 range, but significantly exceeds the state in the age 65 and over category, again telling us what we already know that Berlin is aging faster than the state as a

whole, which is aging faster than it would like to be. The median age of the City is 44.5 years which compares with the state-wide median age of 43.

Table 5 also shows that all of the towns in the Androscoggin Valley have substantially older populations than Berlin, with median ages ranging from 46.8 in Gorham to 61.5 in Randolph.

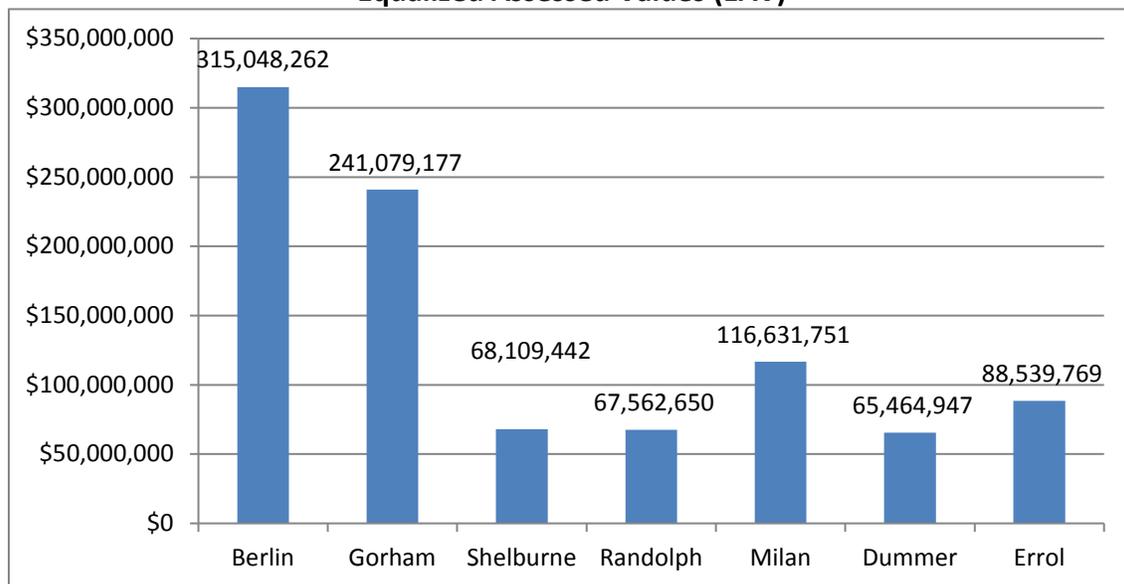
Property Values

Property values of towns in New Hampshire play an extremely significant role in the financing of local public services, including education. All of the Towns in the state assess the value of the taxable real estate property within their borders so that these values can be used to set a tax rate by which to raise property tax revenues to fund most of these local public services. The sum of all assessed values in a town is known as the town's Assessed Value.

Because these values are not fully updated each year, town assessments can fall behind the actual market values of the properties in that town. Such 'fall behind' (or in some cases, 'fall ahead') is used to calculate an assessment ratio. Each year the State engages in a process to equalize prior year's assessment ratios in all NH towns so that the property values throughout the State can all be valued on a comparable basis. This yields a value for each town known as Equalized Assessed Value or EAV. This value is probably the best way to compare the actual property values in any one town against those of any other town. The EAV is also what the State of New Hampshire uses in setting State property tax rates.

Table 6 below shows the EAV's for the City of Berlin and the six other towns in the Androscoggin Valley.

Table 6
Equalized Assessed Values (EAV)



Having about 2/3rds of the population, one would expect that the City of Berlin would have the highest total property values of all the towns in the Androscoggin Valley. However, when you think about the population differentials of each of the towns, Berlin's total EAV per capita is relatively low in comparison to the surrounding towns, and to the rest of the state for that matter. This is shown in Table 7 below where the EAV is divided by the population.

The differential among the communities is significant, with Berlin having a property value per capita of \$30,108, or less than half of the EAV/capita of Gorham and Milan at \$88,469 and \$92,126 respectively. This makes it far more difficult for Berlin, relative to its neighboring towns, to pay into any regional school funding formula which is not based substantially on property values as opposed to student enrollments of which Berlin will have by far the highest numbers relative to the surrounding towns.

Table 7
Equalized Assessed Value/Population

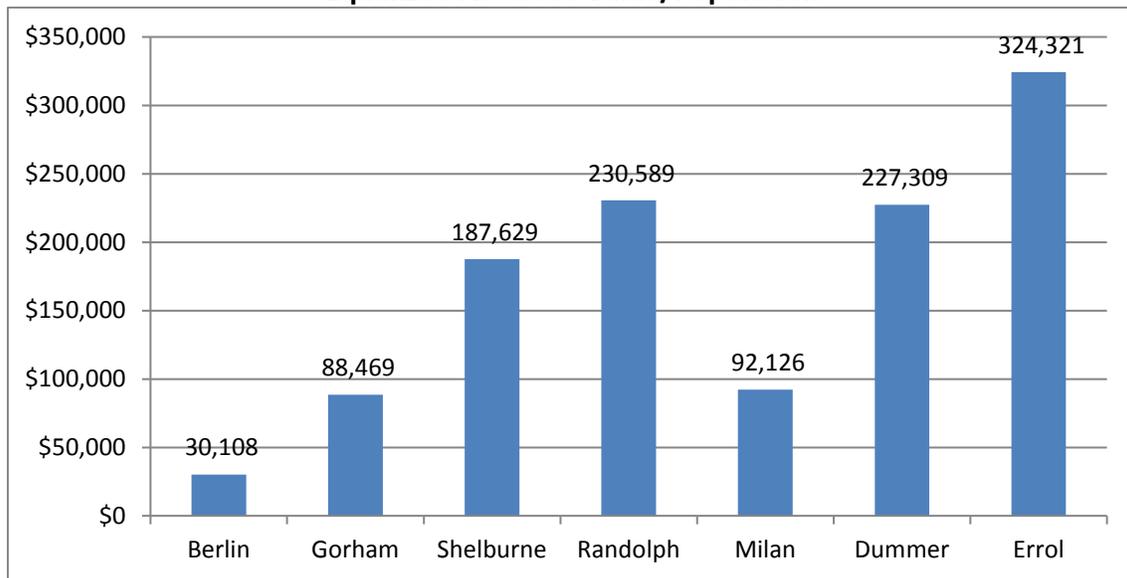


Table 8
School Enrollment by Town (NHDOE)

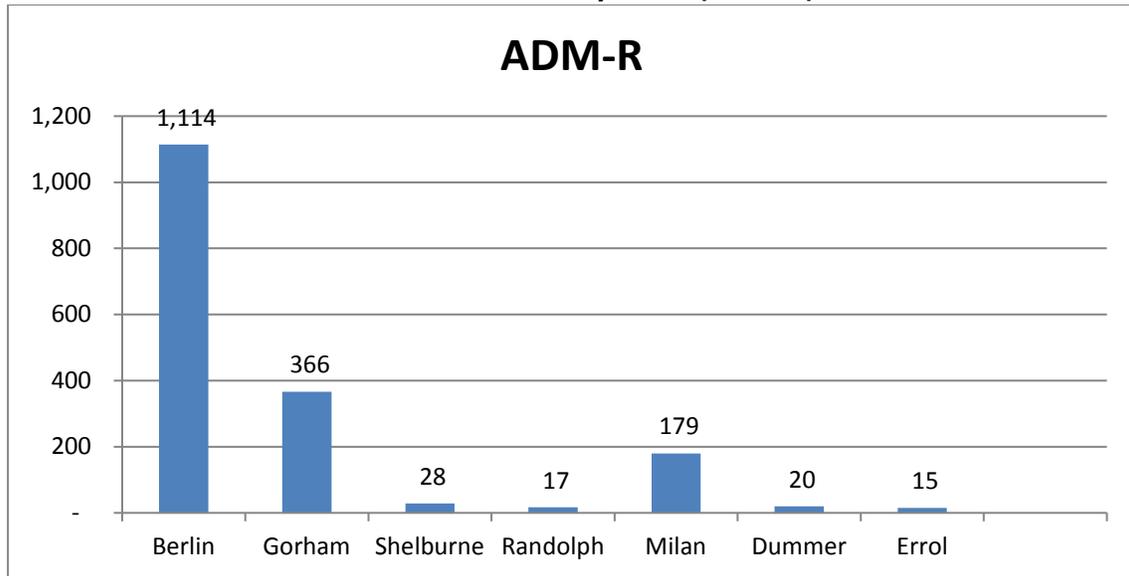
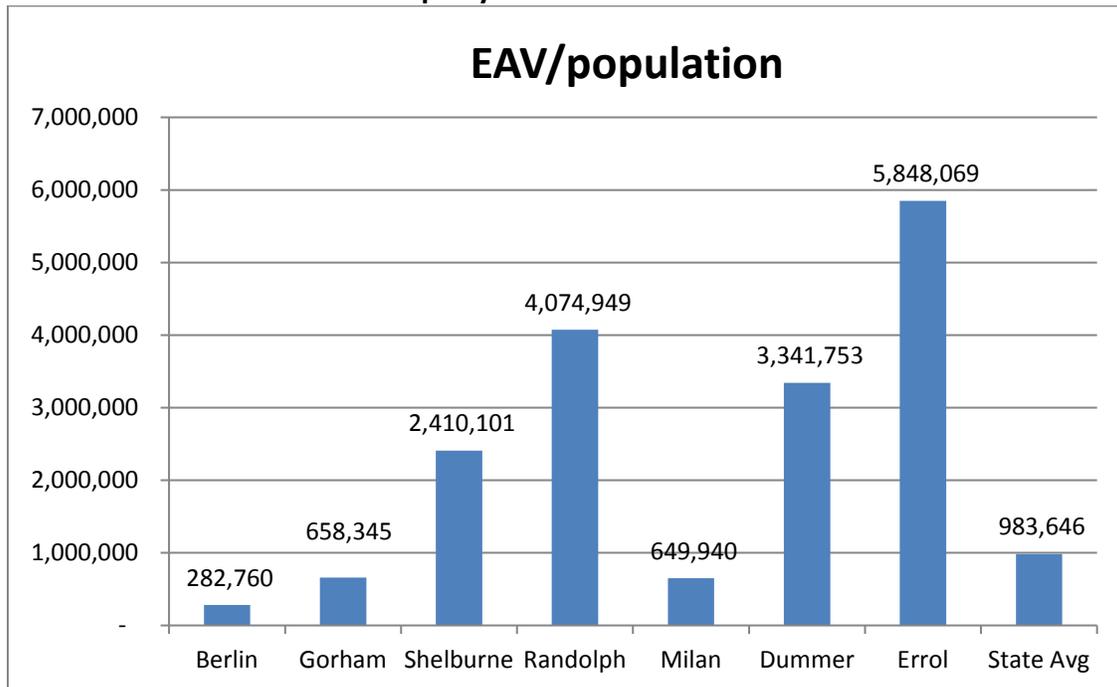


Table 8, above, shows school enrollment for Berlin and for each of the other towns in the Androscoggin Valley. Not surprisingly, as with population, Berlin dominates with about 64% of the 1,739 school aged students in the AV region. However, again when equalized assessed value is divided by enrollment to get EAV/pupil, we get a breakdown shown in Table 9 below.

Table 9
Property Wealth Per Student



Very similar to the EAV per capita table ([Table 7](#)), [Table 9](#) shows the property wealth or value available to support each student from the town. Berlin ends up in a similar position in this table with less than half of the property wealth to support each of its students as the next two towns, Gorham and Milan, and less than a third of the average of all the towns in the state. This again demonstrates the variations in property wealth per capita or per student that can occur even in the very small Androscoggin Valley, not to mention the State of New Hampshire.

It seems odd and illogical that the large towns and population centers in the Androscoggin Valley can have such a small portion of property value per capita or property value per pupil shown in the above tables. How is this possible?

[Appendix C](#) at the end of the report lists all of the 234 municipalities in the State of New Hampshire with their equalized assessed valuations, populations and EAV per capita. Highlighted in yellow in Appendix C are the seven municipalities in the Androscoggin Valley. This shows that the very small towns of Errol, Randolph and Shelburne are easily in the top quarter of Towns in the state with respect to their property wealth per capita. Much further down the long list, Milan and Gorham are very close together at the top of the bottom quarter of towns in the state. Finally, of the 234 towns in the state, the City of Berlin ranks last, or 234th, in wealth available per capita to support its schools.

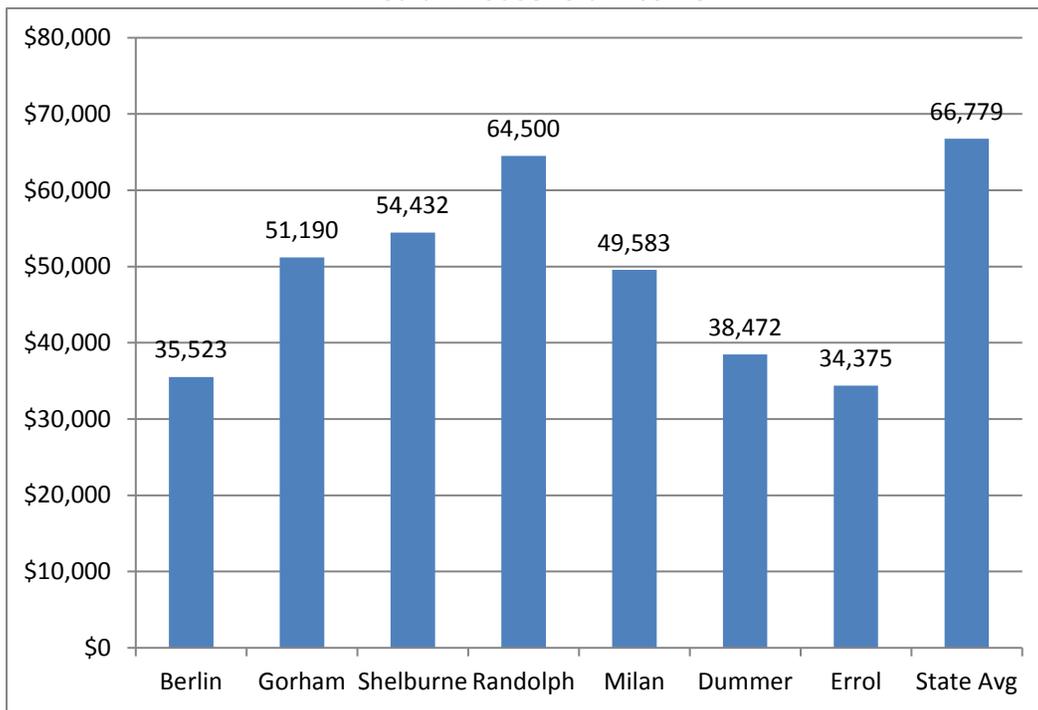
Just as we know that Berlin was a growing and thriving industrial city of twice its size in population and rivaling the other cities in the state at the time in the early 1900's, we also know that the City then suffered a precipitous decline of its pulp/paper industries over the remaining course of that century. While making significant positive strides in the last decade, the loss of that entire industry and the ancillary industries that served it, the population declined dramatically, causing a large decline in school enrollments, and a significant decline in property values relative to the rest of the state. It is notable that the town ranked just above Berlin at 233rd in EAV/capita is the Town of Northumberland, NH, which is just up the road from Berlin and which suffered the loss of the same pulp/paper industry that Berlin suffered.

Median Household Income

Along with property value decline, the economic base of Berlin was further impacted by the loss of hundreds of jobs. While employment opportunities have been increasing, a quick look at the current largest employers in the City shows that private employment is still much lower than it was during the time of the thriving pulp and paper industry. Much of the current employment base is made up of local, state and federal agencies and non-profit health and social service providers which are largely dependent, directly or indirectly, on government revenues. In fact, the three largest employers are the Androscoggin Valley Hospital with 340 employees, the new Federal Correctional Institution (FCI) with 275 employees and the Berlin School District with 255 employees. Even as Berlin continues to work hard to recover from the loss of the paper industry jobs, the impacts of the collapse of its primary long-term employer has translated into lower wages throughout much of the region, higher unemployment and

higher poverty rates, all of which now put Berlin, as the regional population center, at the low end of many measures of economic health characteristics among the towns in the state. [Table 10](#) below, taken from the 2011-2015 American Community Survey 5-Year Estimates, compares the Median Household Income or general affluence of each Androscoggin Valley community with each other as well as the State as a whole. Apart from the Town of Errol, which clearly is nowhere near as wealthy by household income as it is by property, each of the other towns in the region are clearly more affluent than the City of Berlin. However, it is important to note here that even Randolph, by far the most affluent by income of the Valley towns, does not reach the New Hampshire state average of \$66,779. There can be little doubt that while each of these towns may not have suffered the same level of economic impact that occurred in Berlin, the fact that Berlin is the population hub and was at the center of the economic base for the region, the loss of the major industry in Berlin translated into a corresponding negative impact for all the communities in the Androscoggin Valley.

Table 10
Median Household Income



Source: 2011-2015 American Community Survey 5-Year Estimates

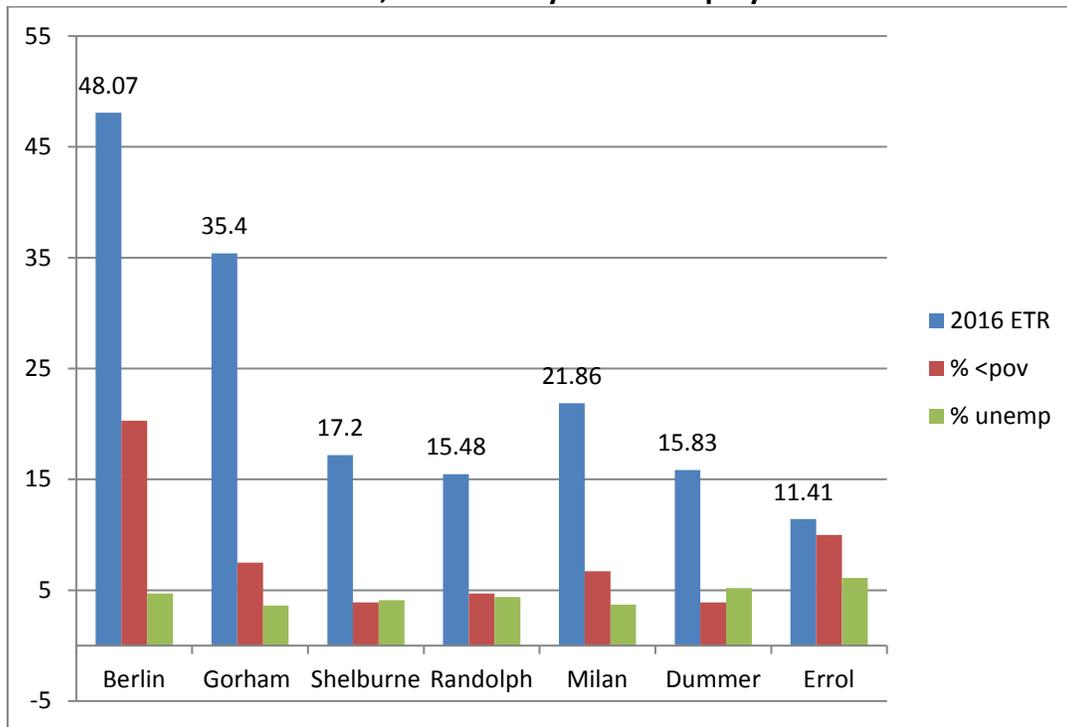
Taxes, Poverty and Unemployment

Adding to this picture, [Table 11](#) below shows the Equalized Tax Rates, the percent of the population in poverty and the unemployment rate in each of the towns of the Androscoggin Valley region (see Appendix B for state-wide EAV and Appendix C for state-wide equalized tax rates). As with so many of these characteristics, the City of Berlin as the regional population and



commerce hub is by far the most stressed economically with an equalized tax rate of \$48.07, 20% of its population considered to be below the poverty line and 5% unemployment. The unemployment figure, is below the state average, and is the most positive data point in the set. While the other towns in the Valley have somewhat more positive numbers in these measures, what is striking is the wide range of them even in the small area of the Androscoggin Valley.

Table 11
Tax Rates, % in Poverty and Unemployment



In using [Table 11](#) it is important to understand that property taxes include city and county taxes. [Appendix C](#) lists the local education portion of the 2016 equalized tax rate for the school districts in the state as provided by the NHDOE. In this ranking, the Berlin School District at \$18.56 per thousand is very close to the top, ranking 13th highest of all the school districts in the state. The state average is \$10.73. The GRS Coop is very close to the state average at \$10.91 but the town of Gorham’s portion of that is at \$14.60. It is important to note that these rates are currently heavily offset by the State’s Stabilization Funding which is beginning to be phased out. It is not surprising that the municipality with the very lowest property values in the state would have very high tax rates.



THE CURRENT ANDROSCOGGIN VALLEY SCHOOL LANDSCAPE

Capsule of Berlin's Current School Situation

Personnel pay and benefits in 2017 in the Berlin School District amounted to 82% of the total School Budget expenditures not counting debt service. This is typically the biggest expenditure of most school budgets. With enrollments declining each year in Berlin (and also all across the state), one would expect to see a corresponding decline in the number of teachers in the school district. However, there are multiple factors which influence staffing decisions including the need to meet existing and/or new state or federal minimum requirements, union contract conditions and simply unwillingness to eliminate jobs in an area which has been hit far harder than anywhere else in the state with job loss.

Tables 12 and 13 below illustrate these trends for the nine years from 2007 to 2016 in the Berlin School District.

Table 12
Berlin School District Enrollment Trend

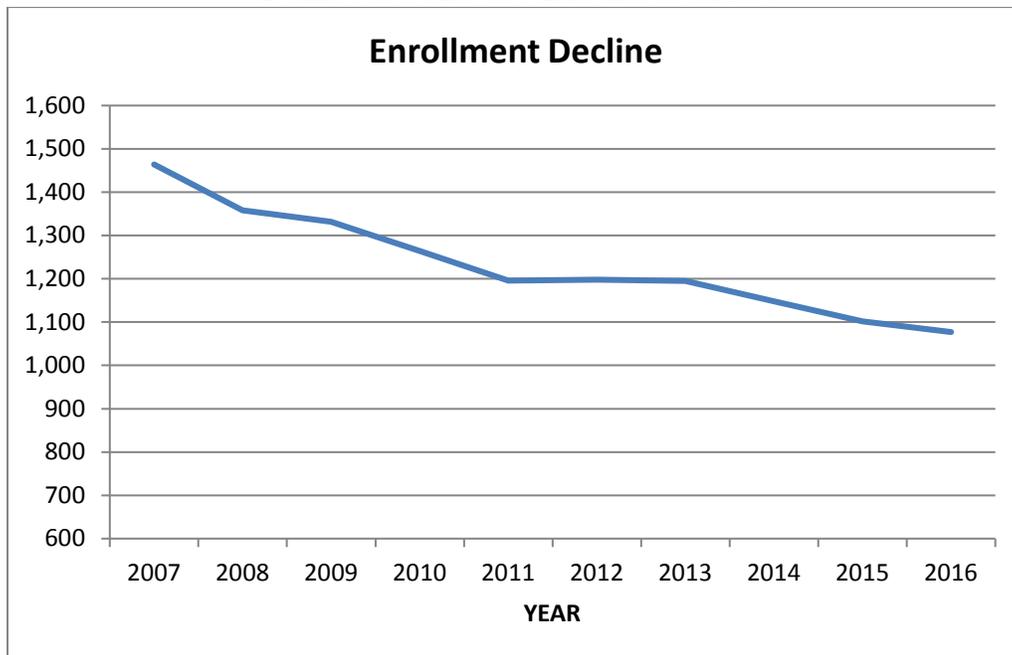
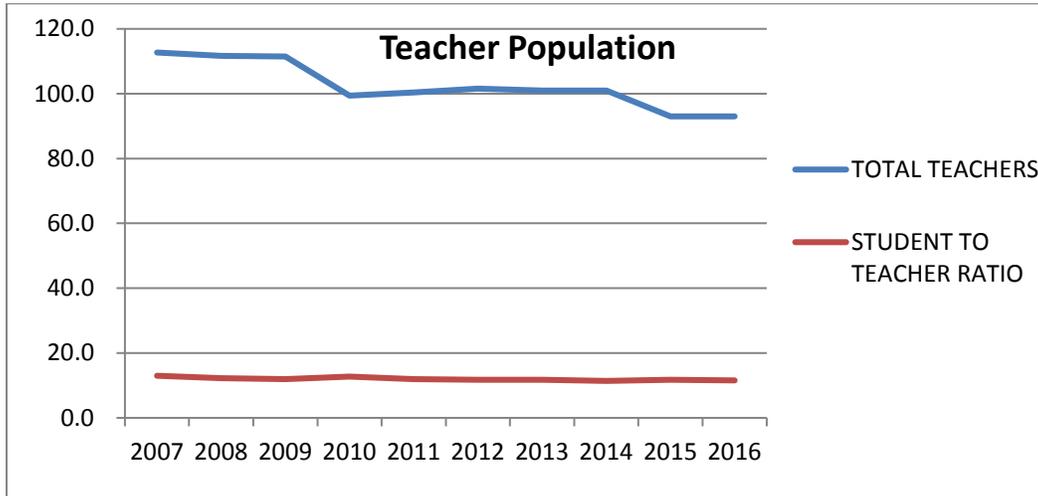


Table 13
Berlin School District Teach Population
and Student Teacher Ratio

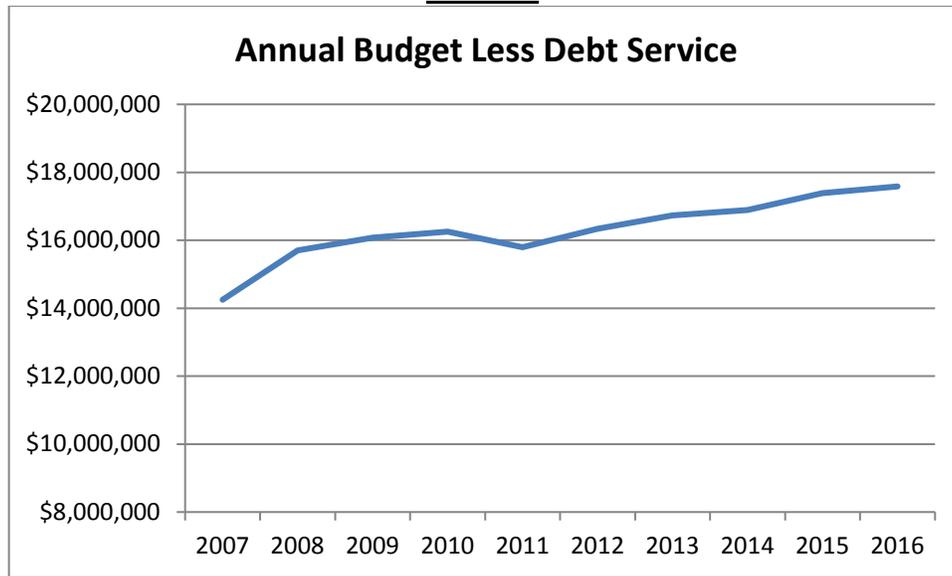


The Berlin School District saw an enrollment decline from 1,464 to 1,077 or 26.4% in the nine years from 2007 to 2016. During this same period, the teaching staff in the school district went from 112.7 to 93 or a reduction of 17%. One would not necessarily expect the reduction in teaching staff to directly follow the reduction in enrollment, but the lag of the teacher staff reduction behind the enrollment reduction has led to what seems to be the odd situation where the student/teacher ratio has actually gone down rather than up, as one might expect in the tighter economic situation. Over this same period, the overall student to teacher ratio went from 13.0 down to 11.6. This shrinkage in the teacher-pupil ratio is seen as a strong positive for the quality of education being delivered in Berlin schools.

One might also expect that over this period of overall significant enrollment decline that annual operational spending of the school district might also decline. That also has not been the case as shown in [Table 14](#) below.



Table 14



Here one can see that the school district budget has gone from \$14,249,000 in 2007 to \$17,584,000 in 2016 or an increase of 23.4% over the period. We believe that the reason for this seeming contradiction is annual salary increases from bargaining unit agreements, health insurance rate increases of 8%-20% a year, and retirement system contribution increases stemming from a poorly administered state retirement system. It is a difficult situation almost everywhere in the state, but it is particularly onerous in the area of the state that can least afford to pay for it.

The loss of stabilization funding (see Appendix D) by the state translates into the loss of over \$10M in aid over 25 years and a reduction in school funding of about \$220,000 per year for Berlin. This is probably the equivalent of two to three full-time teaching positions each year. The District has reduced teaching positions by about two such positions per year from 2007 to 2016. It is difficult to believe that further reductions to offset the loss of stabilization funding can continue without beginning to erode the quality of education unless some alternative approach is implemented.

SAU #3 Staffing

School Administrative Unit #3 (SAU #3) serves the single district Berlin City Schools with a staff consisting of six full-time employees plus one part-time *school year* employee. Full-time employees include 1) the Superintendent; 2) Business Manager; 3) the Payroll Clerk (who also handles accounts receivable for the District); 4) Human Resources (also receptionist, who also handles record keeping for staff development activities, and is secretary to the Superintendent); 5) Accounts Payable Clerk (also handles accounting for all Federal Grants); 6) IT Director (oversees IT Technician and IT Technology Integrator); 7) Transportation Director; 8)

Building and Grounds Director; 9) Food Service Director; 10); Special Education Director; 11) Project Coordinator for Office of Student Wellness.

The Special Education Director’s office is at Marston School and this employee is also the district Title IX coordinator, and also manages related services like speech, occupational therapy, school psychologists.

Berlin School Facilities

Table 15 below provides a quick look at all the schools and their condition and current uses in the Berlin School District. This table summarizes information received from the Berlin School District.

Table 15
Berlin School District Facilities

SCHOOL	GRADES	ENROLLMENT	CAPACITY	CONDITION	NEEDS MOST
BROWN	K-2	258	Full-maxed	Good/Very Good	
HILLSIDE	3-5	226	Comfortable	Good/Very Good	
MARSTON	Sped offices using just 1 st floor			Good/Very Good	Roof to be replaced summer of 2018
MIDDLE	6-8	286	Minimal excess space	Good/Very Good	
HIGH SCHOOL	9-12	388	Lots of space	Fairly new roofs on all buildings	

In addition to the High School Career and Technical Education Center (CTE), Berlin has: A Middle School (grades 6-8), which was the former High School (pre-1972); and the Hillside and the Brown Elementary School. Marston school has three floors and a basement but only the first floor is currently in use and only for offices. The Bartlett and Marston Elementary Schools were both closed to students in 2009. The Berlin Middle School is adequately serving its current population and is currently close to its capacity.

The Berlin High School, built in 1972, is in good physical condition and has the capacity to support more students than the combined SAU #3 and area high school populations. This fact bears serious further consideration. A CTE center was added in 1976. A system-wide Facility Study conducted in 2002 recommended an addition and renovations. A \$6M bond was issued to address roofing, ADA requirements and replacement doors and windows, etc. A 5-year capital improvement plan exists. The boilers have been upgraded and asbestos has been removed from the boiler room. Continuation of these repairs is a priority. The school has a modern kitchen and a pleasant lunch area for students. The building is clean and well maintained. There are playing fields and parking on site for students and staff. One significant



capital planning item which has been under consideration for some time is the creation of a perimeter road around the High School to make possible an alternate entrance and additional parking.

We were advised that the District has recently received a grant to support making physical changes to address security issues at the schools.

Public Official Opinion Sampling

A day was spent interviewing available members of the Berlin School Board, the Mayor and City Council. The public officials we interviewed were largely unanimous in speaking very highly of the Berlin school system and the people who run it. Speaking as members of a company serving the entire state, we can safely say that we frequently meet successful people working all over the state that grew up in the area and were educated in Berlin Schools.

There was general consensus on the following:

- There should be more working together and collaboration with surrounding towns, but Berlin needs to be willing to go it alone if partners cannot be attracted;
- there is opportunity and need for more collaboration with White Mountain Community College (WMCC);
- high school is seen as under-utilized with capacity that could be shared with others;
- the schools are in good physical condition;
- elementary schools should stay pretty much where they are;
- don't want to see jobs lost so downsize by attrition;
- student withdrawals due to home schooling presents a challenge ;
- one SAU might make sense;
- declining enrollments will ultimately mean cuts;
- there is concern about potential of losing federal funding if there is any consolidation;
- progress depends on good and advanced communication;
- there may be strategic advantage in taking advantage of upcoming retirements;
- some sort of consolidation makes sense for the entire Androscoggin Valley;
- There is adequate good physical plant available, so no more bricks and mortar are needed.

State Aid

It appears that the State of New Hampshire is determined to follow-thru on removing Stabilization Funding to the property poor towns in the State. Since Berlin is one of the most property-poor municipalities in the state and has benefitted significantly from this state

assistance, it will be important for the City to begin planning for the future without this funding source. The loss of this funding source creates a revenue gap which the property tax structure can't easily make up. The removal of Stabilization Funding, even if spread over time, is a significant challenge for all of the Androscoggin Valley communities and, when coupled with regional demographics that include declining enrollments, declining populations, increasing senior citizens on fixed incomes, low regional incomes, and already high property taxes creates a picture that simply begs for early and creative regional discussions and planning in pursuit of long-term regional sustainability.

Table 16 below shows the so-called Adequacy Aid, Stabilization Aid and other funding received by the Androscoggin Valley towns since 2012. Under the current law, Berlin is losing about \$220,000 in Stabilization Funding each year. Over 25 years the amount for Berlin will have gone from \$5,495,595 to \$0. The Town of Gorham loses about \$34,000 each year and the Town Milan loses about \$25,000 each year. Randolph and Errol received minimal amounts which have already been phased out, and Dummer and Shelburne are each losing a couple thousand dollars per year.

Estimated FY2019 as of 11-15-17
 Adequacy Grant = Preliminary Grant plus Stabilization Grant

Table 16
Loss of Stabilization Aid in the Androscoggin Valley

	FY2019 Preliminary Grants = Cost of Adequacy Less SWEPT	FY2012 Stabilization Grant	Stabilization If Preliminary Grant > 0 and ADM > 0 then FY12 Stabilization @ 88%	Estimated FY2019 as of 11-15-17 Adequacy Grant = Preliminary Grant plus Stabilization Grant	\$ Loss/Gain/Yr
Berlin	4,753,907	5,495,595	4,836,124	9,590,030	219,824
Gorham	1,098,592	849,335	747,415	1,846,007	33,973
Randolph		16,897			
Shelburne	31,850	58,638	51,601	83,451	2,346
Milan	514,287	627,508	552,207	1,066,494	25,100
Dummer	16,014	50,888	44,781	60,796	2,036
Errol		14,426			

An important question is “What would happen to state and federal funding if there were some type of collaborative structure or merger among the Androscoggin Valley School Districts?” It is our understanding that this funding follows the students it is awarded to support. Accordingly, barring major legal changes, the creation of a single SAU, a Cooperative School District, or a regional system, will not result in losses of federal funding to any school district.



ANDROSCOGGIN VALLEY SCHOOL DISTRICTS AND THE LAW

General

Appendix A at the end of this report excerpts most of the school district organization and governance law in the State. The general rule for public education in New Hampshire since 1842 is that each town constitutes a single district for school purposes. Since then, the legislature has enacted laws that provide for governance organizations that are larger than a single town. These include School Administrative Units (SAU), Cooperative School Districts (Co-ops) and Authorized Regional Enrollment Area Schools (AREAs).¹ Each of these will be reviewed.

There are 13 municipalities in New Hampshire which are organized as cities. Each has a charter. Nine of these cities have what are so-called *dependent* as opposed to *independent* school districts. Dependent School District School Boards formulate their own budgets, but overall approval of the bottom line school district spending has to be approved by the legislative body of the city. Independent school districts, which are by far the majority of all school districts in the state, set their own budgets, which are usually approved by an annual school meeting. Here the School District simply tells the city or town how much money it needs, and the city or town is obliged to provide it.

The City of Berlin is one of those nine cities which have a dependent School District. This is laid out in its city charter. Some concern has been voiced that this dependence arrangement could get in the way of Berlin and the surrounding communities in the Androscoggin Valley regionalizing their schools because the city's Mayor and Council would effectively always have veto power over the spending of the cooperating school districts.

As stated in the FAQ's, if and only if it was decided that there should be a new Cooperative School district which, for example, was made up of the City and all the towns of the Androscoggin Valley, then the City and all the towns would have to give up their existing school districts in favor of the new over-arching Cooperative District which would replace them all. That, by itself, would require a change in the City Charter in order to recognize the dissolution of the Berlin School District in which would become part of the new Cooperative School Board. Doing that would mean that the city of Berlin would have to pay its share of cooperative school district budgets as determined by the apportionment agreed to as part of the creation of the cooperative.

School Administrative Units (SAU)

Below is summary description of a School Administrative Unit (SAU) in New Hampshire which is taken from a March 2015 paper by Daniel Barrick, then Deputy Director of the New Hampshire

¹ NHDOE, Information Regarding SAUs, Co-ops and AREAs, undated informational paper pg. 1.

Center for Policy Studies titled School Consolidation in New Hampshire: Some Points for Discussion:

“School Administrative Units are corporations charged with overseeing the operations of school districts. Every school district in New Hampshire is required to belong to an SAU, and each SAU must provide “superintendent services” (though not, technically speaking, “a superintendent,” to its member districts). Each SAU is governed by a board composed of members from the school boards of its member districts. An SAU can be composed of a single district, as is often the case in the state’s larger cities and towns, or of multiple school districts. In most SAUs, a superintendent serves as the chief executive officer, often supported by an assistant superintendent, business manager and other staff. In short, the superintendent is the educational and administrative leader for the district, responsible for district-wide planning, evaluation, assessment, curriculum development, data analysis, and budgeting, among other duties.

It can be easy to confuse an SAU with a school district, but the two are distinct legal entities. And the relationships can sometimes be confusing, with multiple school districts often belonging to a single SAU. We can take as an example SAU #24, which covers the towns of Henniker, Stoddard and Weare. The SAU includes four school districts: single-town districts for each of the three-member towns, as well as the John Stark Regional School District. The SAU also operates three elementary schools (one in each member town), a single middle school, and a single high school, John Stark Regional High School. (However, Stoddard children do not attend the SAU 24 high school: Instead, they tuition to Keene High School.)

While each district has its own school board, responsible for school-level budgeting, such as salaries and maintenance costs, the SAU oversees matters such as transportation contracts, personnel and salary negotiations, curriculum coordination, and other matters that cross district lines. The SAU’s costs (mostly salary and benefits costs of SAU employees) are apportioned across the four-member districts. Most SAUs cover a K-12 school system, with a single high school that educates students from the member districts. Districts, on the other hand, may be limited to a specific grade span – kindergarten through 6th grade, for instance. In the example of SAU #24 above, the districts (and respective school boards) in Henniker, Weare and Stoddard each operate a single elementary school. The John Stark Regional District operates the high school, and all four districts are members of the SAU. A small number of SAUs, however, do not have their own high school, and another handful don’t operate any schools at all. In those cases, the SAU must arrange with another SAU to provide for its students’ education across all grade levels.....”

This first type of joint cooperation among school districts can come with the creation by two or more towns of a larger School Administrative Unit (SAU) for administrative purposes only. In other words, each town maintains its own schools and school board but there is only one SAU which provides administrative services to all the Towns in the SAU. RSA 194-C covers this type of joint cooperation among school districts for administrative services. Under this arrangement, there is an over-arching school board for the administrative services provided by this SAU, and in multi-district SAU's it provides for a weighted vote on this SAU school board based on the numbers of students from each town in the SAU. An example of a single district SAU is the Berlin SAU #3 which is the SAU for the Berlin District School system. On the other hand, the multi-district Gorham, Shelburne, Randolph (GRS) Cooperative School District has its administrative services provided by SAU #20. In this case however, SAU #20 also provides administrative services for not only the GRS Cooperative school district, but also the School Districts of the towns of Dummer, Milan and Errol even though Dummer and Milan have traditionally tuitioned their grades 7-12 students to Berlin Schools under an AREA and/or tuition agreement as described below.

Recently, the Town of Randolph initiated action to go through the statutory process for withdrawal from the GRS Cooperative School District. It decided not to pursue that, but if it had, it presumably would have remained in SAU #20 as a single district town like Dummer, Milan and Errol.

Cooperative School Districts

The second and most formal and involved and structurally different of the legal forms is the Cooperative School District. In 1947, the law allowing for the creation of Cooperative School Districts was first passed by the State Legislature. From then until about 1963, eight Cooperative School Districts were formed under the law. As noted previously, all school districts, whether single, AREA or Cooperative are each served by an SAU; some SAUs may serve just that school district or a number of school districts including a cooperative school district, as is the case with the GRS Cooperative which serves Milan, Dummer and Errol in addition to the GRS Cooperative. Many cooperatives are named "Regional" although they are, in fact cooperatives. White Mountain Regional is an example.

A Cooperative School District is a district created by replacing two or more pre-existing school districts with a single Cooperative School District. Under RSA 195:1, this may include elementary and secondary schools, or both. Cooperative School Districts have the same authority as regular school districts for bonding purposes, construction of school facilities and other functions necessary to have proper facilities for a complete program of education. RSA 195:5 grants the cooperative district school board the same powers and duties as regular school boards under RSA Chapter 189.

The procedure for forming a cooperative school district is set out in detail in RSA 195:18. The procedure for a town to withdraw from a cooperative school district is governed by RSA 195:25-31. The fundamental constraints on withdrawal are a minimum of 10 years of participation in the cooperative district before seeking withdrawal, and withdrawal must be approved by a majority of the voter of the cooperative district itself, not simply the voters of the district proposing to withdraw.² Even if withdrawal is successful, the withdrawing district will continue to have responsibility for its share of the outstanding debt incurred by the cooperative district for capital projects prior to formal, statutory notice of withdrawal until such debt has been repaid, even if this occurs after the date of withdrawal.

Gorham, Shelburne and Randolph are currently incorporated into a Cooperative School District (see Appendix F), and operating expenses are shared 95% on the number of students from each town and 5% on equalized valuation of each town. Since this formula provides very little credit (5%) for property wealth, it would seem that this Cooperative School District would gain financially on the operations side by having Berlin in it because Berlin would provide most of the students and would have to pay on the same per pupil basis as each of the towns for those students, even though Berlin has far less property wealth per student from which to raise the payment.

On the other hand, the Gorham, Shelburne, Randolph (GRS) Cooperative District has its building costs based 100% on equalized property value. Because Berlin has such low property values compared to all other towns, this would seem to give Berlin some financial advantage with respect to building costs if it were in such a cooperative. Perhaps, these two quite different operating and building cost formulae would cancel each other out in a way that would make all the parties comfortable with such an arrangement. Nonetheless, it is likely the issue of widely disparate property values between the municipalities will make a cooperative school district nearly impossible to create. It should be borne in mind that disparate property wealth appears to consistently be the leading creator of tensions and conflict regarding educational funding by the municipalities within cooperative school districts. This factor seems to be primary driver that leads to the withdrawal of municipalities from such districts, or the refusal of others to join in such districts.

Authorized Regional Enrollment Area (AREA) Schools

In 1963, another less formal form of cooperative school structure was legislated. This form is known as Authorized Regional Enrollment Areas (AREA) Schools (see Appendix E). The concept behind this idea was that Districts could enter into less formal AREA Districts to see if they liked the new regional system without being so tied up as they were in Cooperative School Districts. Presumably if they liked the experience, they could stay with it, or go on to form a Cooperative District. If they didn't like it, it was much easier for them to withdraw.

² Knowing the Territory published by LGC, 2008 edition, pgs. 28 & 29.

AREA Schools are covered in RSA Chapter 195-A. The purpose of these types of schools is to "increase educational opportunities within the state by encouraging establishment of area schools...to permit efficient use of area school facilities and to provide improved instruction." These arrangements provide for tuition payments by the "sending districts" to the "receiving districts" to maximize the ability of school districts to provide educational resources to residents.

AREA schools are initiated with a legislative body vote to establish a planning committee of three people. Planning committees may join with other district planning committees to study the advisability of adopting an AREA school plan. Resulting proposals must cover issues named in RSA 195-A:3V. At least one public hearing must be held, and any plan must be submitted to the State Board of Education for approval. An approved proposal is presented to the voters for the ballot vote at an annual or special school district meeting, a simple majority of which will adopt the plan. Adopted plans remain valid for a minimum of 10 years unless mutually agreed otherwise.

AREA schools, once established, have the ability to convert to cooperative school districts. The agreements establishing the area schools may also be modified to cover less than 100 percent of the sending district's students and will be considered wherever a charter school is established within the same area. Statutory provisions authorize enlargement, withdrawal, review of the area plan and the addition of other grade levels to the district.³

Berlin is currently an AREA *receiving* school for students from grades 7-12 from Milan. Milan is the *sending* district in this AREA agreement, which expires June 30, 2018, and is replaced with a Tuition Agreement which allows families to have choice of the schools their children attend. Below is a matrix of the three more formal forms of regional school districts reviewed above with some of the major characteristics of each. However, it should be kept in mind that there can be any number of combinations of these types of units. For example, one might have a Cooperative School District participating in a larger AREA District, or a Cooperative and an AREA district in an even larger SAU.

³ Knowing the Territory published by LGC, 2008 edition, pg. 29

Table 17
Legal Structure Comparison Chart

	SAU	COOPERATIVE	AREA
Purpose	To provide admin services	Increase educational opportunity	Increase educational opportunity
Organization	Corporate body for Administrative Services only	A combination of multiple single town districts into one school district	Each town school board retained and sending and receiving districts defined – essentially a long-term contract with rights
Formation	Extensive process involving planning committee, review and recommendation from the State BOE and 3/5ths vote required.	Extensive process involving planning committee, review and recommendation from the State BOE (See RSA 195:18)	Extensive process involving planning committee an approval of the State BOE and the voter approval of each participating school district
Powers	To sue & be sued, hold property and make contracts for admin. only; Does not provide many direct educational services.	Cooperative School Board has all the powers of a regular school district. Provides direct education to students.	Receiving District has all the powers of a regular school district. Provides direct education to students.
Property Ownership and new Facilities	Hold admin. property only. May not purchase land or construct facilities.	Cooperative District	Receiving District
Term	Indefinite	Indefinite	Minimum 10 years
Funding Formula	50% Equalized Valuation (EAV) and 50% Average Daily Membership (ADM)	Various usually based partly on per pupil (ADM) and/or property values	Tuition per pupil paid by sending districts to receiving district
Method of Representation	Weighted vote based on pupils (1 vote for every 16 students enrolled with 3 additional votes if maintain 1 or more school facilities)	All members elected at large or one of several alternatives to come as close to one person, one vote principle.	3 representatives from each district to joint board which has advisory power only
Process for withdrawal	Extensive process involving planning committee, review and recommendation from the State BOE and 3/5ths vote required.	After 10 years, extensive process involving study committee and withdrawal. Must be approved by State BOE and be approved by voters of the Cooperative School District and must pay remaining share of capital costs.	After 3 years a school plan review board may be established which may make recommendation to the State Board. If approved, then voted upon by each school district.

One might ask, how it is that over 30 Cooperative School Districts got established between the late 50's and the turn of the 80's, given the natural sort of territorial imperatives that exist among small towns? It seems that at least part of the answer is that it was a time of significant population and economic growth. New schools needed to be built to accommodate this growth and many small towns weren't equipped to deal with this by themselves. The State of New Hampshire was encouraging this type of district consolidation, property taxes were far lower and together the money was available for these towns to jointly accomplish a lot in spite of the fact that the marriage required entering into extended mutual obligations which have become far more onerous since populations and particularly enrollments have been declining in the new century and property taxes are now seen to be relatively high. This brings these obligations and, in many cases, perceived financial and power sharing arrangement inequities into much brighter focus.

Go Your Own Way

There is nothing in State law that says one of the above statutory approaches has to be taken or followed in order for schools or school districts to cooperate on a more regional basis. It may be possible to fashion other combining structures with State Board approval. Generally, the approach of state government has been to let local school districts work out regional arrangements on their own. That is what has been happening in the Androscoggin Valley and common sense says that should be encouraged and continued.

NEW HAMPSHIRE AND OTHER STATES' EXPERIENCE

In this section, the structure and governance of several other New Hampshire school district situations where there is a larger City adjacent to or near smaller towns is reviewed.

City of Concord

The City of Concord (population 42,501) has had its own independent school district for years. It is also a single district School Administrative Unit, SAU #8. This District is unique in that it has its own charter, originally adopted by state law, subsequently amended by the voters of the city and approved in state law. It is also one of the four NH city school districts that is independent of the Mayor and Council, meaning that it is able to appropriate its own budget each at the School Board level without having to obtain appropriation approval from the Mayor and Council. It is also unique in that it is the Concord School Board that has appropriations authority and so there is no annual school district meeting as there is in other independent cities. It is one of the larger school districts in the state and it receives tuition students from one of the surrounding towns at the High School level. It has five K-5 elementary schools, one 6-8 middle school and one 9-12 high school. The Concord SAU #8 also operates the Concord Regional Career and Technical Education Center, which serves Concord and nine other surrounding sending districts for grades 9-12.

Concord is a larger, fairly property wealthy city about 4 times the size of Berlin. While it is an independent school district, it has no formal organizational relationship with any of the surrounding districts or towns. Deerfield, not even in the same county, contracts to send its high school students to Concord, pays tuition for each student but has no say in school governance, operations or cost. Concord High School serves about 160 high school students from Deerfield (population 4,480). The Town of Deerfield is in the separate multi-district School Administrative Unit #53. Deerfield, like many in the state, has experienced an overall decline of about 12% in enrollment over the last ten years.

It seems that this arrangement, while dramatically different in size, is very similar to the current situation in Berlin where students are sent to Berlin under an AREA agreement for middle and high school students from the Town of Milan. Students from Dummer, which is in SAU #20 and has its own elementary school, but does not have a middle or high school, attend Berlin High School or Gorham High School. Errol has very few students and is not in any agreements. The fact that Concord is an *independent* School District wouldn't seem to have any relevance to the Berlin arrangement with Milan because the exact same thing could be done as in Deerfield, regardless of whether the Berlin School District was a dependent or independent school district. The Concord arrangement is in fact less formal than the current Berlin arrangement because the Berlin AREA agreement requires more obligatory commitments from both parties than a simple tuition arrangement like Concord and Deerfield have.

City of Claremont

The situation in the City of Claremont (population 13,233) is a little different than that of Concord. School Administrative Unit #6 serves two separate independent school districts, one of which is the City of Claremont district and the other the adjacent Unity (population 1,604) district, which is a separate single school district. This SAU has a school board consisting of representatives of the two municipalities in addition to two other separate school boards, one for the city school district and one for the town school district. Unity has its own elementary and middle school but also, like Deerfield to Concord, *tuitions* its middle and high school students to Claremont. Claremont SAU also operates the Sugar River Valley Regional Career and Technical Education Center for grades 9-12.

It is common knowledge that Claremont has faced severe economic challenges and that its demographics, like Berlin's, are at the lowest end in the state. It is also worth noting that the property values per capita, even though very low with Unity at 213th and Claremont 230th out of the 234 municipalities in the state, are relatively very close together so the likelihood of serious argument about how to share costs in any consolidated school structure should be small. The fact that the only consolidated district that they have is the SAU should further greatly reduce the likelihood of this argument to little or nothing since SAU costs are very low relative to overall school operating costs.

City of Franklin

Until recently, the SAU #18 included the City of Franklin (population 8,553) and the Town of Hill (population 1,092) which had only an elementary school. After discussion of Hill consolidating with Franklin did not catch fire, the Town of Hill decided to send its middle and high school students to the Newfound School District under an AREA agreement with that District. Franklin then decided that it should be a single district SAU #18, rather than a two town SAU, and proceeded with the process to do that. Hill became a new single-town SAU #103 just for its elementary school. This appears to be a case of the small town territorial imperative finding its way.

City of Keene

SAU #29 is comprised of the City of Keene (population 23,145) School District and 6 other town single school districts. These are the Chesterfield School District, Harrisville School District, Marlborough School District, Marlow School District, Nelson School District and Westmoreland School District. This SAU has 14 separate bargaining units within it. Keene SAU #29 also operates the Cheshire Regional Career and Technical Education Center which serves that area.

SAU 29 is the 3rd largest multi-district SAU in New Hampshire (NH). Its responsibilities include managing a collective budget of approximately \$84.3 million, maintaining 14 school buildings, coordinating the activities of seven independent school boards, and supervising the education program for approximately 4,100 students. SAU 29 and its

member districts employ more than 1,000 people and cover 211 square miles in southwestern New Hampshire. (SAU 29 website)

It is noteworthy that all the six towns in the SAU #29 Board have three votes and that technically Keene, being much larger, can call for a weighted vote. In practice, we are told that that hardly ever happens, and the practical effect is that each of the seven municipalities has one vote.⁴ It also must be remembered that each of the seven municipal school districts still control their own school district budgets, and that the only budget approved by the SAU #29 Board is just for the SAU #29 budget itself. This is a small fraction of the overall school spending which is still controlled by each municipal school district.

Under this setup, as organizationally involved as it is, all of the 6 towns have their own elementary schools, and an AREA agreement with the City under which their students are tuitioned to the Keene Jr. High and High School (See Appendix G). A number of other towns *tuition* their students into Keene schools without an AREA agreement but instead simply a tuition agreement (See Appendix H for an agreement between Keene and Winchester).

Implications of the Keene Model

Locally, the Keene model is very similar to, if quite a bit larger than, that situation which has existed with Berlin and its AREA agreement with the town of Milan and tuition agreement with Dummer. Informationally, there is no formal agreement with Errol, however students are accepted on a tuition basis. The only structural difference is the fact that Milan is a member of School Administrative Unit #20, which includes the GRS and as well as the Towns of Errol and Dummer, and the Berlin SAU #3 serves only the Berlin School District. If Milan were in the same SAU as Berlin, the setup, although smaller in size and numbers, would be identical. The *independent* status of the Keene School District or the *dependent* status of the Berlin School District should have no relevance at all in the ability of this organization setup to work in the Androscoggin Valley just like it does in Keene.

The large attraction of each of these structures is that unlike the Cooperative School District model, they eliminate to a very great extent the friction over cost-sharing and representation because each School District free to maintain complete control of its own schools and costs without accumulating obligations for debt while at the same time being able to cooperate with a much larger structure to maximize things like building infrastructure and diversity of curricula and programs. In short, each district is encouraged to cooperate for greater efficiency but maintains control of its own destiny.

It is worth noting, we believe for reasons of loss of local control as described here and described in more detail elsewhere in this report, that none of the 13 cities in the state are involved with the Cooperative form of School District. We do not believe that the Cooperative

⁴ January 5, 2018 phone conversation with SAU#29 Business Administrator Tim Ruehr.

School District structure is a viable structure for the City of Berlin and the surrounding towns. This recommendation for Berlin is not in any way to be construed as a comment or recommendation on the desirability or viability of the GRS Cooperative involving Gorham, Randolph and Shelburne which appears to be working well.

Other States' Experience

Before making any decision to undertake the regionalization of a school system, it certainly shouldn't hurt to take a look at what the experience has been elsewhere.

An undated but recent brief by Bruce D. Baker, PhD, Rutgers University and Wendy I. Geller of the Vermont Education Agency conclude:

- "1. Vermont's very small school districts experience a combination of:
 - a. higher spending than both like and neighboring states;
 - b. higher taxes than like and neighboring states;
 - c. less comprehensive academic programs than could be provided at scale.*
- 2. High costs vis-à-vis student enrollment are most evident in tiny elementary schools and districts*
- 3. Program breadth and depth may be compromised in the state's very small high schools"*

The level of state spending in Vermont as a percent of total state product is among the highest in the nation, and the State has by legislation made significant legislative pushes toward local school regionalization as the state has had greater difficulty sustaining this level of cost and at the same time seen declining levels of enrollment since 1997.

Baker and Geller go on to say that:

".....The best empirical literature does suggest that consolidation of very small districts and schools as exist in Vermont can lead to long run cost savings as well as improve equity in access to curricular and co-curricular opportunities...."

Citing a report on economies of scale by Andrews, Duncombe and Yinger from 2002, Baker and Geller state that:

"...district level per pupil costs tend to level off as district enrollments approach 2,000 pupils. Districts enrolling over 2,000 pupils are able to produce comparable outcomes to smaller districts at much lower per pupil costs. The authors also note that this finding is consistent with literature on student outcomes in schools of varied sizes, which finds that

high schools of around 600 to 900 pupils seem to be optimal in terms of production of student outcomes.”⁵

While one must be cautious in coming to any conclusions based on analysis from different states or even the same state, the findings of Baker and Geller seem to be reasonable and realistic in the sense that much of the landscape and small-town flavor of Vermont is similar to that of New Hampshire, particularly that of the North Country. Their claim that district enrollments approaching 2,000 pupils, when compared to those with smaller enrollments, should be able to achieve some economies of scale not achievable in the smaller districts, has some face validity, but hasn't been proven. In addition, such larger districts should be able, through more diversified programs, to be able to provide a more diversified education than the much smaller districts.

In a policy paper entitled “School District Reorganization in Maine: Lessons Learned for Policy and Process.”⁶, Janet Fairman and Christine Donis-Keller provide what they believe to be lessons learned from the State of Maine’s attempt beginning in 2007 to *encourage/force* local school districts to consolidate from 290 such districts down to 80 districts across the state. Like Vermont and to a lesser extent New Hampshire, Maine is a very rural state with many very small towns and small school districts.

“Five years later, the success of this policy is still open to debate. While the total number of school districts did decline from 290 units in 2007–08 to 164 in 2011–12, many school districts were not required to reorganize, and several that reluctantly consolidated to avoid fiscal penalties now seek to separate from their regional partnerships (e.g., Gagnon 2012; Moretto 2012; Steeves 2012). Substantial revision of the law each year, a delay in enforcing the penalties until 2010–11, and the elimination of the fiscal penalties for 2012–13 diminished the authority of the policy and returned Maine to a system of voluntary consolidation and regional collaboration.”

As the authors Fairman and Donis-Keller indicate above, the success of this overall Maine State legislation driven effort is still open to debate, but they feel that there are still clear lessons to be learned from the effort, it seems that first and foremost

“The most problematic task for planning groups statewide, and for the groups we studied, was determining a fair and acceptable way to share educational costs, assets, and debt (Fairman et al. 2008).

⁵ Baker, Bruce D., Rutgers University and Geller, Wendy I., Vermont State Agency of Education, [When is Small Too Small? Efficiency, Equity and the Organization of Vermont Public Schools.](#)

⁶ Fairman, Janet C. , and Christine Donis-Keller. "School District Reorganization in Maine: Lessons Learned for Policy and Process."

Maine Policy Review 21.2 (2012) : 24 -40, <http://digitalcommons.library.umaine.edu/mpr/vol21/iss2/6>.

Other lessons learned according to the authors in this Maine effort that may have application in New Hampshire are:

- *Effective communication and persuasion are needed to build support for the policy, and the rationale should include educational benefits along with cost-savings.*
- *Ample time should be allowed for public discussion of options, stakeholder input, and consensus-building for the policy.*
- *Districts need a reasonable time frame for planning and implementation. Changing cultural beliefs and satisfying common interests takes time. The process may take two years or more.*
- *The larger the number of partnering districts the more time will be needed for negotiation and planning, and the more difficult the process will be.*
- *Regional planning is hard, messy work requiring many hours for district leaders and planning members. How districts approach the process matters. Negotiations may bring communities together or stir up contention and negative feelings.*
- *Positive relationships or collaboration between partnering districts facilitates the reorganization process but does not guarantee reorganization success.*
- *A trained and trusted facilitator who is familiar with the communities can help members stay focused on the task and overcome differences.*
- *Leadership from the superintendent and others is critical for building support for reorganization. Effective communication and persuasion are needed.*
- *District and community support for consolidation will center primarily on the satisfaction of self-interests to meet fiscal, governance, and educational benefits. The desire to maintain some degree of local control in these aspects still runs deep in Maine communities.*

In March of 2015, the NH Center for Policy Studies published a report by Daniel Barrick, titled *School Consolidation in New Hampshire: Some Points for Discussion* pointed out recent trends in the New Hampshire educational system:

- *Demographic pressure, most notably declining school enrollments,*
- *Declining state financial aid,*
- *Increased pressure on districts for reporting, assessment and accountability from state and federal governments*

Further, he confirms the general aging of the population and declining school enrollments previously discussed:

“Public school enrollment in New Hampshire has fallen more than 10 percent over the past decade, and population projections forecast that decline to continue through the coming decade or so. Statewide, the population of residents aged 5 to 19 years is projected to fall from 256,000 in 2010 to less than 222,000

by 2025, a decline of 13.4 percent. That decline is expected to vary considerably across the state, from virtually no change in Grafton County (less than 1 percent drop in the 5-to-19 year-old population) to declines of greater than 20 percent in Coos and Rockingham counties.....”

In a 2009 paper entitled “*An Exploration of District Consolidation*”, Kathryn Rooney and John Augenblick of Augenblick, Palaich and Associates, Inc. of Denver, Colorado, undertook an extensive review of the plethora of studies on educational consolidation throughout the United States. What seems most noteworthy about this review is how just about every assumption or assertion that has been made about school district consolidation is still subject to contradiction and denial in other studies. The only item on which there seemed to be some general agreement on was that larger school districts may generally be able to provide broader curricula. This does not mean that it is axiomatic they will achieve savings from *economies of scale* or even that they will be academically superior to smaller districts or even that full advantage of the ability to offer greater curricula will even be taken. It seems simply that there is greater opportunity for these things in larger districts if the districts discipline themselves to take advantage of them.

POSSIBLE OPTIONS AVAILABLE

Comparison of NH School Government Structure with Town Government

Many New Hampshire citizens are familiar with local government in New Hampshire. It is sometimes overlooked that schools are a local government like a town except that their sole purpose is to provide and operate schools. Below in Table 18 provides a quick comparison of town local government and structure with school local government structure and function in New Hampshire. It is for this reason that we have made the comparison as it may be helpful to better understand the similarities and differences with school government structure.

Table 18
NH City/Town and School District Governance

TOWN	SCHOOL DISTRICT
<p><u>Legislative Body:</u> Annual Town Meeting (or Town/City Council*)</p> <p>All legal residents of town/city vote (1 person=1 vote) to:</p> <ul style="list-style-type: none"> • Elect officers ie Selectboard • Appropriate budget, authorize borrowing, approve special projects* • Collect taxes for town, county and schools* • Approve policy* 	<p><u>Legislative Body:</u> Annual District Meeting</p> <p>All legal residents of district (town) vote (1 person=1 vote) to:</p> <ul style="list-style-type: none"> • Elect officers ie School Board • Appropriate budget, authorize borrowing, approve special projects • Demand payment of appropriation from town • Approve policy
<p><u>Governing Body:</u> Board of Selectmen (BOS) (or Town/City Council*)</p> <ul style="list-style-type: none"> • Town/City Operations: Finance/budget, hiring/firing, purchasing, HR, facilities/infrastructure, compliance, risk management, public safety, planning/zoning, code enforcement, assessing, licensing, and others. 	<p><u>Governing Body:</u> School Board</p> <ul style="list-style-type: none"> • District Operations: Finance/budget, hiring/firing, purchasing, HR, facilities/infrastructure, compliance, risk management, food service, staff development/teacher evaluation, transportation, curriculum development, and others.
<p><u>Administration:</u> Board of Selectmen often with Administrative Assistant, Town Administrator/Manager</p> <ul style="list-style-type: none"> • In small towns BOS does much hands-on management, while in larger municipalities most is done by administrators. 	<p><u>Administration:</u> Superintendent and SAU</p> <ul style="list-style-type: none"> • Administers most operations of the district, while school board establishes policy and decides on major issues. Superintendent is responsible for ensuring compliance with state law.

Just as there are various forms of municipal government in the state ranging from small towns with Select Boards and Town Meeting as the legislative body to larger cities with no town meeting but instead an elected legislative body (usually Mayor and Council) which often employ a city manager, school government structure can also take on various legal forms.

The basic governmental structure for schools is the School District, with which most people are familiar. However, all school districts in New Hampshire, large or small, are served by a School Administrative Unit (SAU), which is a separate legal structure, and which provides



administrative (superintendent) leadership and services to the school district or districts that it serves. We summarize these again briefly below:

School District: The municipal corporation responsible for education in every town in the state, by state law, is a single school district, unless that form has been replaced by another form approved by the Department of Education. Exceptions are the Concord School District which is somewhat unique in having its Charter provided by the legislature, the Interstate School District in Hanover, or any of the 30 plus Cooperative School Districts in the state made up of more than one town.

School Administrative Unit (SAU): A service unit consisting of a Superintendent, or a State approved administrator, and a staff, organized to provide educational leadership and management, and business services, to one or more school districts. The SAU School Board, consisting of the members of all of the school boards of the constituent districts sets the SAU budget and apportions costs of operations to the districts on the basis of one-half the cost apportioned on equalized valuation and one-half on student membership.

Cooperative School District: A single school district formed from 2 pre-existing districts by will of the voters of the former districts. Costs are apportioned on the basis of a formula which is part of the articles of incorporation of the former districts, but usually is based in part on student enrollment and in part on equalized valuation. All of the residents of both former districts vote as members of the district at the district meeting (1 person=1 vote) for officers and all warrant articles.

Using our Town/School comparison from Table 18 above, it may be useful to recognize that a Cooperative School District is really new form of school government that replaces the government of one or more existing school districts. It would be somewhat similar to saying that we, the towns of Coos County, are going to give up our powers and duties as towns and turn them all over to Coos County to oversee and carry out. We will still have one-person/one-vote in the County that we are a part of, but we won't have the responsibility for running our town and its service functions any more.

It seems likely that in the last half of the last century, when most of the Cooperative Districts were created, that small towns near each other were faced with accomplishing the very large task of providing schools for a growing population. That background makes it easier to see why towns might be willing to give up their school district sovereignty to a new larger government body which they felt to be better able to take on that large task.

School Building Consolidation

The Berlin School District closed the Bartlett Elementary School in 2009 leaving it with two elementary schools – the Brown Elementary School and the Hillside Elementary School which is

located adjacent to the Middle (grades 6-8) School. Certainly, in an era of declining enrollment, to the extent reasonable and feasible, schools should be consolidated in order to save on school capital and operational costs as well as teaching costs. This does not mean that any town should necessarily give up its elementary school in favor of a larger school in another town as long as the town is willing to pay the costs for that school. This is an option that should always be looked at when enrollments are declining just as building new facilities has to be looked at when enrollments are increasing.

Joint Maintenance Agreements

It appears from our reading of State law, that School Districts in the State are not limited to joint cooperation through SAU's, Cooperative Districts or AREA Districts. For example, RSA 194:21 quoted below also allows for joint maintenance agreements of High School(s) from different districts:

194:21 Joint Maintenance Agreements. –

1. Two or more adjoining districts in the same or different towns may make contracts with each other for establishing and maintaining jointly a high school or other public school for the benefit of their pupils, and may raise and appropriate money to carry the contracts into effect; and their school boards, acting jointly or otherwise, shall have such authority and perform such duties in relation to schools so maintained as may be provided for in the contracts.

In other words, if Berlin and Gorham now decided that they wanted jointly to operate the Berlin High School, they probably could under existing state law. The difficulty in any such arrangement will be the same as for any of the other forms of discussed, the relative population size and equalized valuation. The Barnstead-Alton High school is operated under a joint maintenance agreement. Even though these two communities are of relatively equal size, there is a large disparity in equalized valuation between them. The early part of the agreement's operation was contentious.

Tuition to other Districts

Another legal tool available for informal district cooperation is the ability for one school district to contract with another to send their students to the other district and pay tuition to the receiving district. It may well be that this is a major method of cooperation among school districts in New Hampshire because it is less formal and more flexible. However, we talked to a number of districts which made numerous references to tuition being paid for students attending one district from another without any reference to more formal legal arrangements, simply by mutual agreement...

194:27 Tuition. – Any district not maintaining a high school or school of corresponding grade shall pay for the tuition of any pupil who with parents or

guardian resides in said district or who, as a resident of said district, is determined to be entitled to have his or her tuition paid by the district where the pupil resides, and who attends an approved public high school or public school of corresponding grade in another district, an approved public academy, or a nonsectarian private school approved as a school tuition program by the school board pursuant to RSA 193:3, VII. Except under contract as provided in RSA 194:22, the liability of any school district hereunder for the tuition of any pupil shall be the current expenses of operation of the receiving district for its high school, as estimated by the state board of education for the preceding school year. This current expense of operation shall include all costs except costs of transportation of pupils.

Districts need not have schools, as in Dummer, and may opt to pay tuition to approved schools in other districts. Interestingly, in SAU #20, all the non-GRS middle and high school tuition students are sent to Berlin and not to the GRS middle-high school, which is very small for a NH middle-high school with a high school student population 140-145.

Authorized Regional Enrollment Area (AREA) Agreement

An AREA agreement under RSA 195-A is a more formal type of tuition agreement which runs for a minimum of ten years between a receiving district (one which accepts tuition students from a sending district), and one or more sending districts. The agreement defines the educational program offered, tuition costs, and other guarantees. The State is a signatory to the compact. The sending districts have non-voting representation with the receiving district school board. Some state aid is provided. The existence of the AREA agreement may assist the receiving district in being able to finance capital expenditures. Both the sending districts and the receiving district retain their own school boards. Although AREA Schools can transition into Cooperative Districts, we are not aware of this actually happening anywhere. As with Tuition Agreements below, the AREA arrangement is not really a structural change in the school districts, it is simply two or more districts agreeing by contract to do something together.

The Town of Dummer has no schools and has for some time tuitioned its students into Berlin. It appears that the main difference between this AREA approach and the tuition approach previously mentioned is simply that the AREA approach has more legal requirements and obligations attached to it than the simple tuition approach. Having said that, the AREA approach does not have anywhere near the legal requirements and obligations that the Cooperative School District approach has. The Towns of Errol and Milan each have an elementary school but no Junior High or High School. Students from these towns have also traditionally been tuitioned into Berlin for Junior High and High School under the AREA agreement.

The Towns of Gorham, Shelburne and Randolph make up a small Cooperative School District. The Elementary, Middle and High School of this School District are within the Town of Gorham.

If these facilities are under-utilized, consideration should be given to closing any under-utilized or outdated facilities and sending those students to Berlin under an expanded AREA agreement. It would have to first be clear to all the parties that this type of regional approach would make clear and lasting sense both from a cost perspective as well as from an educational perspective.

This would need to be explored in some detail to get a handle on the likely cost savings (if any) of such a move. On the one hand, there should be significant savings by closing one or more schools in Gorham, but there would be new transitional and transportation costs of moving students to and from Berlin. There would also be soft costs of losing the local school(s) in Gorham. However, it is an approach that has been used successfully in Keene with its surrounding towns and merits continuous consideration because it is a completely voluntary approach that has to make sense to both parties and does not create a new government form.

195-A:15 Conversion of Area School Plan to Cooperative School District. –

1. The school districts comprising an authorized regional enrollment area plan may convert the plan to a cooperative school district as provided in RSA 195:18 upon the expiration of 5 years after date of operating responsibility, and thereafter. Provided, however, that, if such area plan then includes a city school district or the dependent school department of a city, such conversion may only be accomplished by special act of the legislature upon petition of the cooperative school district planning board. In proceedings for conversion, the school boards of the several school districts in the area plan, acting jointly, shall constitute the cooperative school district planning board. The articles of agreement for such conversion shall provide for assumption by the cooperative school district of all outstanding debt of each receiving district incurred for its area schools and shall provide for termination of tuition payments on date of operating responsibility of the new cooperative district.

The RSA quoted above provides a procedure whereby an AREA school district can be converted to a Cooperative District after five years of AREA operation. We are not sure if this has ever happened in New Hampshire. However, as indicated by the underlined sentence, because Berlin is both a city and has a dependent school district, such a conversion would have to be accomplished by a special act of the legislature and most likely a change in the City Charter to recognize the new school structure. For reasons stated previously, we do not see this as a likely or advisable path for either the GRS or Berlin to take.

SAU Consolidation

An SAU provides superintendent and administrative services to one or more school districts or Cooperative School Districts. The Berlin School SAU #3 is a single district SAU which provides SAU administrative services just to the Berlin School District. Such single district SAU's are in fact legally one with the single district school district and the SAU board is in fact the Berlin School District board.

An example of a multi-district SAU is SAU #20 which provides SAU services to the GRS Cooperative, made up of the towns of Gorham, Shelburne and Randolph⁷ as well as the single district towns of Errol, Milan and Dummer. In such multiple district SAUs, the SAU is a separate legal entity from the participating districts. Such an SAU has its own board which is distinct from the member district school boards.

The procedure for adding a district to an existing SAU is laid out in RSA 194-C:2. There may be some political/procedural issues in converting a city-single-district to a member of a multi-town SAU but it's what the City of Keene and its surrounding towns have is, at least, a model for the process. The impetus for joining an SAU comes from the district seeking to join – the process generally takes more than a year; approval of a study committee at a district meeting with decision at the next meeting.

There would be nothing, aside from unwillingness on the part of one or both, to prevent the consolidation of SAU #3 and another SAU into one SAU. For example, such a consolidated SAU could provide services to all of Androscoggin Valley area schools, including the Berlin School District and the surrounding Districts of Gorham, Randolph, Shelburne, Milan, Dummer, and Errol. Given, the still relatively small size of such a consolidated SAU, some significant savings in administrative costs should be able to be achieved because of the elimination of duplication in services.

Cooperative School District

Forgetting the issue of currently separate school districts and the inevitable political issues which will arise, the question should be asked whether or not it would make any sense to consolidate one or more of the area schools with the Berlin Schools (middle and high school), which have significant excess capacity. If such appears to be clearly beneficial cost-wise and/or education-wise, then it may be that expanding the Berlin system or creating a new Cooperative District which includes Berlin, and any of the surrounding towns would be appropriate. It seems as discussed elsewhere that one of the biggest problems with being in a Cooperative District. For reasons discussed at length previously, we feel that this approach is impractical and not likely to be successful.

Asset Sharing and Creative Cooperation

Video conferencing and other forms of resource sharing must be explored. Distance learning can provide significant opportunities in courses where small class sizes prevent scheduling a course locally but might be possible on a regional basis.

⁷ The Town of Randolph recently formally started the very involved process outlined in state law for considering withdrawal of that town from the GRS Cooperative. We understand that the Town voted not to pursue this.

It is also our understanding that students from Berlin are able to take classes at the White Mountain Community College. This represents a great opportunity, but we feel the program should be expanded and institutionalized so that the available combined program of studies eliminates duplication. To the extent that WMCC is under-utilizing its resources, it would seem to be an area for exploration by both parties.

Nothing prevents school districts and other educational institutions from working together informally to provide better educational opportunities for students.

North Country Educational Services

North Country Educational Services is a member supported non-profit professional development center set up to support all the member school districts in the North Country with special education, psychological, speech therapy and other services intended to benefit all the member districts. Berlin as a member pays about \$17k per year for this service. It is located on Rte. 2 at the top of Gorham Hill. The services provided are those deemed necessary by the member school districts. Certainly, the concept of North Country school districts working together to provide needed services makes sense. However, the cost of NCES has to be justified by savings to members. One area that might bear further exploration would be centralized purchasing for the member districts. All the districts utilize paper and office supplies, janitorial supplies, and heating fuel. One contract for each of these types of products might lead to savings for all.

White Mountain Community College

194:22 Contracts with Schools. *Any school district may make a contract with an academy, high school or other literary institution located in this or, when distance or transportation facilities make it necessary, in another state, and raise and appropriate money to carry the contract into effect. If the contract is approved by the state board the school with which it is made shall be deemed a high school maintained by the district.*

There has been an effort between the Berlin School District and White Mountain Community College to work together to take advantage of the resources of both in providing college classes to high school students at both the technical and college academic level. The Berlin School District has approved great programs such as Running Start and Dual and Concurrent Enrollment in cooperation with WMCC whereby high school students can receive college credit for courses taken at the college or college credit courses can be taught by Berlin School staff.

We feel that this is a great start and that these programs should be built upon and expanded to the maximum extent possible.

POTENTIAL IMPEDIMENTS TO REGIONAL COOPERATION

The decision of whether to, and how to, form some sort of regional education delivery system by two or more towns or districts will require considerable thought and analysis of variables, and an open and frank evaluation of local differences and characteristics. A workable system will require some compromise by all participants.

The City Charter

Currently, the City of Berlin and the Berlin School District operate under a City Charter (excerpted in part in italics below) which was adopted by vote of the people of the City and approved by the State Legislature.

There are 13 municipalities in New Hampshire which are organized as cities. Each has a charter. Nine of these cities have what are so-called *dependent* as opposed to *independent* school districts. Dependent School District School Boards formulate their own budgets, but approval of the bottom line of school district spending has to be by the legislative body (usually Mayor and Council) of the city. Independent school districts, which are by far the majority for the towns in the state, set their own budgets which are usually approved by an annual school meeting. Here the School District simply tells the town how much money it needs, and the City is obliged to provide it.

The City of Berlin is one of the nine cities which have a *dependent* School District. The City Charter lays out the government for the City and provides that the Berlin School Board must each year present its school district proposed budget to the Mayor and Council of the City for appropriation of the funds to pay the annual budgeted costs of the Schools.

Section 5. [School district.]

Said city shall constitute one (1) school district, and the administration of all fiscal, prudential, and district affairs of said district shall be vested in the city council, except such as shall herein after be vested in the school board.

Section 6. [Property, debts of city generally.]

All property of said City of Berlin, or of the school district of said town, shall be vested in said city, and all debts of said town and said school district shall be considered for all purposes as the debts of said city.

Section 15. [Election of school board-Appointment; vacancies, compensation, elections at-large; terms.]

The general management and control of the public schools and of the buildings and property pertaining thereto shall be vested in a school board, to consist of five members who shall ordinarily be chosen by the city's registered voters in the same regularly scheduled municipal elections in which members of the council are chosen. Except as provided elsewhere in this section, two of such members shall hold office for four years; and three of such members shall hold office for two years. All members shall serve also until their successors are elected and qualified. Ballots shall identify which candidates seek two and four year terms respectively.

Vacancies on the school board which may occur during unexpired terms of members, or which may occur because of failure to choose a member by election, shall be filled by the council or as directed by the council. In filling a vacancy, the council may choose a qualified citizen for the remainder of the term, or until an election is held, or may schedule a special election., or may direct that the vacancy be filled at a municipal or other election already scheduled during the unexpired term, or may choose more than one of these methods as in its judgment it deems fit.

Members of the board shall receive only such compensation as may be fixed by the council. Members' terms shall begin on the third Monday in January, except as provided in this section. No member shall be a member of the council. All members shall be registered voters of the city.

Elections shall be at-large. Order of candidates' names on ballots shall be by random selection by the city clerk and shall appear without party designation. No candidate's name shall appear on the ballot unless on the date that qualification of candidates' names are made, the candidate is eligible to serve, except that the name of a council member, whose term will expire on or before the date the board term to be filled commences, may appear on the ballot.

At first election for the board, one member shall be elected for a term of four years; and four members shall be elected for a term of two years. The school board appointed by the council as it exists at the time of adoption of this section shall continue to serve until such time as the term of the members elected pursuant to this section commence. If an election for members of the board, contingent upon adoption of this section, is held on the date the voters adopt this section, the school board appointed by the council shall be deemed dissolved, and shall be replaced by a board composed of those members elected by the voters, which members shall serve until the commencement of their regular terms. (Amended by referendum vote, March 14, 1972; referendum vote, November 2, 1993)

Section 16. [Same-Appropriations.]

The appropriations for schools shall be vested in the city council and the school board shall be accountable to the city council for its expenditures.

As stated in previous sections, the issue of Berlin being a *dependent* school district is perceived by some of the public as a reason why other school districts shouldn't or won't join with Berlin to form cooperative programs. The basis for this reason is the concern that dependency could give the city's Mayor and Council veto power over the spending of such a consolidated school effort. Effectively, this perception limits Berlin and the surrounding Androscoggin Valley districts from regionalizing their schools

While this needs to be confirmed by legal opinion, we believe that a change in the Charter would only be necessary if Berlin sought to be in a Cooperative School District. The Charter language above would have to be changed to recognize the dissolution of the Berlin School District and the recognition of the new Cooperative School District which would replace it.

While the issue of the changing the Berlin City Charter could be a potential impediment to the ability of the City School District to form a Cooperative School District, it appears to us that such a change is a relatively straight forward legal matter that could be easily addressed. However, in our view, as discussed previously, it is highly unlikely that such a course of action would ever be determined viable within the region.

Table 19 below is a summary comparison prepared some time ago by the Berlin City Clerk's office of amendment language in the City Charter with amendment language in state law. It will require close guidance from the City Attorney to move the City through any Charter change should it desire to go in that direction.

Table 19
Comparison of Berlin Charter and RSA 49-B:5 Amendment Processes

Berlin Charter	49B Home Rule Charters
<p><u>Section 1:</u> 2/3rds vote of members may make itself or approve 5 others as a charter commission for the purpose of drafting a charter (and presumably, to make amendments to a Charter)</p>	<p><u>49-B:5-I:</u> Municipal Officers may determine amendments necessary and provide for notice and hearing in accord with law. Within 7 days after the hearing, may order amendment placed on ballot at next biennial election, at the next regular state biennial election held not less than 60 days nor more than 180 days after order, or they may order a special election not less than 60 days from the date of the order. Each amendment is limited to a single subject and alternative statements are not allowed.</p>
<p><u>Section 2:</u> Not later than 15 days later, the Commission shall meet and hold public (and private?) hearings</p>	<p><u>49-B:5-IV:</u> Municipal Officers shall by order provide for a public hearing. Notice in newspaper of general circulation at least 7 days prior to hearing with text and explanation of amendment. Within 7 days after the hearing, the MO's shall file with Clerk the report of the final draft of amendment and written legal opinion that it is compliant with state laws and constitution. Within 7 days after hearing, the MO's shall order the amendment to be placed on the ballot as describe above.</p>
<p>Within 9 mos., it shall report its recommendations and findings.</p>	<p><u>49B:5-a:</u> Within 10 days of final draft report, Clerk must file with Sec. of State, AG and DRA for review</p>
<p>City Clerk shall distribute to voters not less than 30 days prior to referendum.</p>	<p><u>49-B:6:</u> "Shall the municipality approve the charter amendment reprinted below?"</p>
<p><u>Section 3:</u> Referendum shall be the next general or regular city election occurring not less than 60 days following the filing of the commission's report with the Clerk, or at a special election not less than 60 or more than 120 days after such filing.</p>	<p><u>49-B:7</u> Within 3 days of election, the Clerk must record with the Sec. of State</p>
<p><u>Section 4:</u> Adopt by majority vote of electorate</p>	
<p><u>Section 5:</u> talks about amendments and later referenda but is confusing when it starts talking about adopting the amending process w/o adopting the either of the 2 charters provided in the chapter (refers to 49-A which no longer exists)</p>	



Our analysis of other forms of regionalization suggests that the charter does not pose an obstacle to other forms of regional cooperation since none of the other possibilities involve giving up governing authority, funding responsibility, or representation.

Culture/Politics/Size

We know from our own experience and from the history we have learned from others, that politics within any municipality can get rather difficult at times. This may result from any number of causes, but disagreements seem intrinsic to human society. These reasons can range from cultural differences within the community to people simply vying for influence within the community, often over some policy issue or issues. Consider taking known differences within each town and then asking each town to agree to cooperate with other towns to divide up the costs and form a regional school system. Such a proposal would certainly increase the normal political friction by some very significant factor.

For instance, it may be that Town A has historically been at odds with Town B, or felt that Town A was better than Town B. In some cases, it is the socioeconomic or ethnic differences in population makeup that leads to friction. In others it may be that a smaller town is afraid of being swallowed up by a larger neighbor. Whatever “it” may be, “it” may pop up at any time and be a formidable obstacle to working together.

Loss of Local Schools

Another potential impediment to the creation of a more regional school system is the potential for one or more communities to have to close their local school(s), which they consider part of the fabric of their community. Compounding this loss is having to see their children bussed to some other school or town, often much further away. This explains why so many small towns have retained their elementary schools, even though they may have been willing to send older students to other towns for the upper grades. The local school is close by and people want to send their younger children to community schools. Moreover, the school building is often used as a community center and may be civic center of the community. It seems logical that most communities are willing to continue paying for a local school.

Loss of Local Control

If a cooperative school district is created by several towns, an argument might be advanced that closing smaller schools was a logical way to achieve savings. If enough support for this argument were found in the cooperative, the over-arching nature of the cooperative district’s governing authority could over-rule the wishes of any of the cooperative’s member communities. This could result in the closure of one of a town’s most treasured assets and this loss would result from the loss of local control inherent in the consolidation into a cooperative.

It is the fear of loss of control over costs, and loss of meaningful representation in the governance of the new consolidated district that works against the creation of consolidated districts. It is this same sense of loss which seems to have led to so many towns in these types of districts to consider withdrawal despite the possibility of uncertainty and financial liability.

Transportation

Today, student transportation is a very significant cost in public education. Changes proposed to the educational structure of an area will likely involve changes in the transportation patterns that currently exist. These changes may increase or decrease education costs, but the likelihood is that regionalization will increase transportation costs since it is easier to move students than schools. Transportation costs could be a significant consideration in any regionalizing plan.

The Second Biggest Challenge

Concurrent with and perhaps part of the tough issue of sharing the costs of any new or expanded cooperative or regionalized educational system is how the system is to be governed. Each member town is going to want to be represented on the directing body. Every town wants an equal say with every other town. However, the larger town(s) or the ones with the most people and/or the most students of school age or who are putting up the most money toward the district will feel that they should have more than equal (or weighted) vote or representation in such a district or districts.

RSA 195:19a below provides several options for allocating member representation in a School Cooperative District. Each of the suggested methods try to find a balance between the size of the representative body, practicality and some consideration of the underlying principal of representation proportionality (one person/one vote).

195:19-a Composition of Cooperative School Boards. – The number, composition, method of selection, and terms of members of cooperative school boards shall be as provided in the bylaws or articles of agreement of the cooperative school district, as the case may be; provided, however, that such bylaws and articles of agreement shall be limited to the alternatives contained herein where applicable; and provided further that no cooperative school district in existence on August 22, 1971 shall be required to conform hereto unless it is so voted pursuant to RSA 671:9.

- I. All members of the cooperative school board shall be elected at large; or
- II. The cooperative school district shall be divided into single board member districts according to population with as nearly equal population in each district as possible; or
- III. The cooperative school district shall be divided into multiboard member districts or a combination of single member or multimember districts so that proportional representation will be most nearly achieved; or

IV. The members of the cooperative school board shall each be domiciled in and represent a pre-existing district with each pre-existing district having at least one such resident representative but all members of the cooperative school board shall be elected at large; or

V. Such other method of selection of cooperative school board members compatible with proportional representation, one-man one-vote principle as may be approved by the state board of education.

VI. The terms of the members of the cooperative school board shall be as provided in the bylaws or articles of agreement provided that in no case shall such terms exceed 3 years.

VII. Whenever the bylaws or articles of agreement provide for the election of cooperative school board members pursuant to this chapter, said election shall be with the use of the non-partisan ballot system under RSA 669.

Source: 1996, 158:13, eff. July 1, 1996.

In theory, proportional representation is fine and fair. However, in practice, if you are in a small town, you may not feel that your representation is effective, even though it is proportional to the small population of your town. When a smaller town joins in a compact with a large town, the size of the population will usually guarantee that the larger town will have greater influence, based on the concept of proportionality. Essentially, you may feel that your town's voice in your cooperative structure is too important to be drowned out by the many voices of other towns. The greater the differences in population the more difficult forging and continuing a cooperative structure will be.

The Biggest Challenge

The most significant impediment to the creation of any combined effort to regionalize municipal and school operations in NH seems to be the complexity of creating and maintaining a working relationship between participating members, and then agreeing on what each member is going to pay at startup and through the life of the effort.

In education services one might think it is a simple matter for each town simply to pay its "fair share". But what is each town's fair share? One solution could be: simply divide up the total cost by the number of students each town puts into the system and charge the sending town that amount. That seems fair, doesn't it? Fortunately, or unfortunately, that is not the way any single town in the state of New Hampshire pays for its school system. Instead the citizens of the town pay their school property taxes not at all based on how many (if any) children they put in the school system of the town, but instead on the basis of how valuable each property within the town is. We may not have any children at all in our school system, but we still have to pay school property taxes based on the value of our property, just as we have to pay property taxes for other town services, whether or not we utilize those services.

This approach in New Hampshire is based on the seemingly reasonable (to our forebearers) idea that all citizens benefit from public services, and the way we raise funds for local services in NH is the property tax. Therefore, schools, which benefit the public generally, should be paid for like other local services. Public services are paid for not on how much a public service is used by any one citizen, but instead on everybody contributing to the cost of the totality of all local public services. The amount of the payment is based on property value, or in short for most of us, paying property taxes based entirely on the value of our property, or for most of us, our home.

Consider two or more towns working together in some form of regional education structure and paying for the operation of that cooperative structure from property taxes. If one town has very few students but high property value and the other town(s) has many students and low property value, the town with high property value may pay more than the other town(s), even though it is using less service. This can cause loud complaints, even though that is exactly what currently happens within any one town (the property wealthy paying for the education of the property poor). When a relatively property-wealthy town joins with a relatively property-poor town in any joint structure, with costs allocated on property wealth, it should not be surprising that the property wealthy town may have some serious second thoughts about the venture. This will come up despite the fact that costs within the town are allocated in exactly the same manner. The complaints may start at the time the cooperative effort is considered, or later when the tax bills appear, or when service demands change. We believe that this is undoubtedly the 'elephant in the room' when it comes to NH cities and towns working together to provide as large and expensive a public service as a public education.

**POTENTIAL BENEFITS OF A NEW OR EXPANDED
REGIONAL SCHOOL APPROACH**

Savings through ‘Economies of Scale’

It seems to be common sense to most of us that smaller schools are going to be more expensive to operate, per pupil, than larger schools. Larger schools can distribute the same or close to the same overhead over a larger base thereby saving money on a unit of cost basis. This thinking is undoubtedly the reason behind efforts to consolidate school districts into more regional operations.

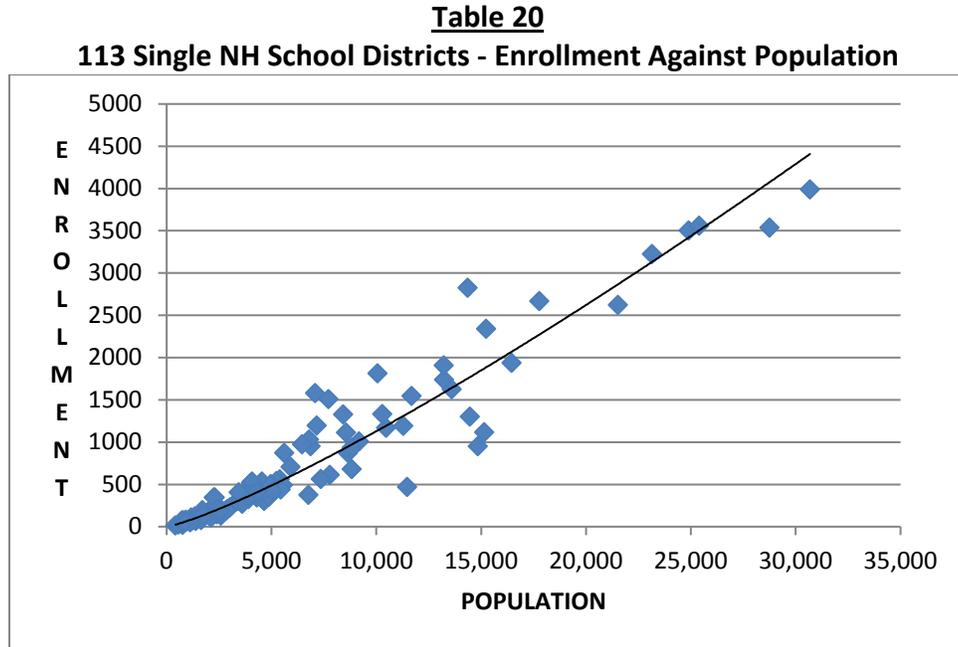
The advantages accrue mostly at the middle and high school level – a regional high school can have a wider program of instruction because it has more students, which equates to more classrooms, which makes wider possible differentiation of course content. For instance, instead of 9th grade math, 10th grade math, 11th grade math.... there can be business math, algebra, AP algebra, pre-calculus, etc. However, as we have seen in Vermont and Maine, for any number of reasons, the verdict is still out on the overall savings achievement of regionalization of schools in these states.

In an ideal circumstance it would be instructive to be able to study the ‘*before*’ and ‘*after*’ results of the consolidation of the Cooperative School Districts in the state. That would not necessarily be a perfect way of assessing whether or not consolidation achieves significant savings, and, over what period of time the savings lasted, but it would be better than any other measure that we have. Care would need to be taken in the extrapolation of results from cooperatives to other forms of regionalization. Nonetheless, trend information is likely available from such a study. Since we aren’t dealing with an ideal situation, we must use a less direct means of assessing what the likelihood is that a new or expanded Regional compact might achieve savings.

One way to look at this issue in New Hampshire is to take an overall look at the school districts in the state to see if we can identify any patterns where things like ‘economies of scale’ are evident with increase in the size of the district. One way to do this, where a significant body of districts are involved, is by means of ‘scatter plots’ which simply place every factor being studied on an x/y graph located by means of two variables, being studied for each district.

For example, it would seem to be common sense that in most school districts in NH, there should be a relatively close relationship between the population in the school district (or in this example single town districts) and the enrollment in the schools in that district. Higher population should mean higher enrollment, right? Probably in most cases, but demonstrably not in all cases. There are a large number of differing characteristics of school districts which could disturb the obvious relationship. One or more districts may have a much greater elderly population than the other districts. Such district(s) might have a very high population, but very

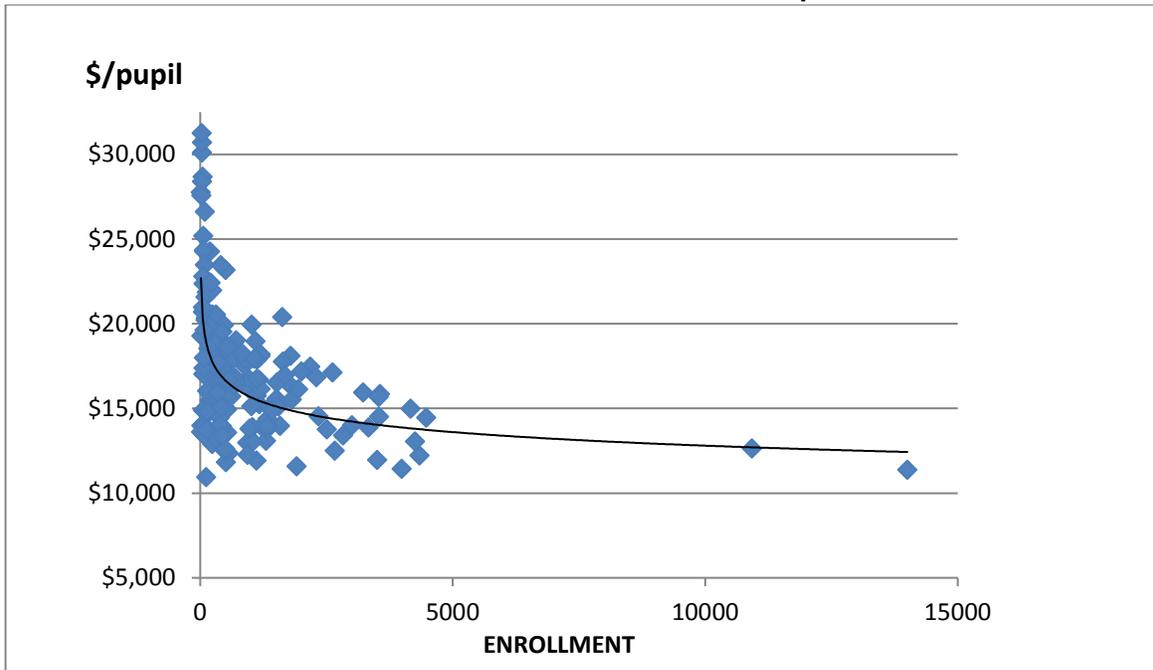
few kids in the schools. Nevertheless, it would seem that such extreme characteristics should not invalidate our hypothesis that enrollment should increase in a pretty close relationship with population size. The scatter plot of 113 NH single school districts in [Table 20](#) below represents that relationship.



It would appear from the chart that our hypothesis is essentially reliable, and that generally, an increase in district population means an increase in school enrollment, at least among the populations of 113 NH single school districts. The relationship appears fairly tight and strong particularly at district populations between 0 and 6k population. It is still very clear but much less strong in populations above that. There are fewer districts with the higher populations, and they are more widely dispersed based on some idiosyncratic characteristic(s) which takes them further away on either side of the trend line.

Using this same approach and assuming economies of scale exist among NH school districts, i.e. larger districts on the whole should have lower costs per pupil than smaller districts, one would think that an indication of that would become clear by looking at all the districts in the state and weighing their Average Daily Membership (ADM) against their overall cost per pupil by means of a scatter plot. Below in [Table 21](#) is a scatter plot of just that. Each dot is a New Hampshire School district located on the chart based on its enrollment (ADM) and its overall cost per pupil.

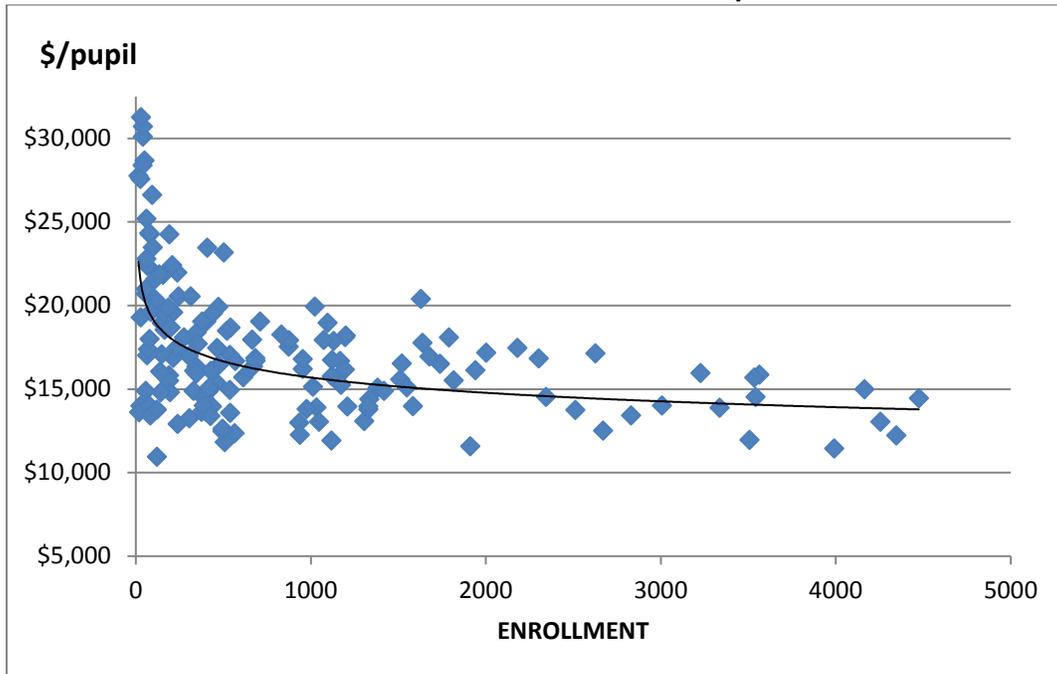
Table 21
All NH School Districts - Cost Per Pupil



While this scatter plot does in fact show an overall trend toward the reduction of unit cost with increased enrollment, the trend appears to be far weaker and somewhat inconsistent. There are two districts which are above 5,000 enrollments and most of the rest of the 146 districts are bunched along the vertical cost/pupil axis at extremely low enrollments. In other words, not surprisingly, most of the districts in the state in fact are of very low enrollment and range all over the board in per pupil cost. In fact, many of them are as low in per pupil cost and several of them are even lower in per pupil cost than the two districts over 5,000 enrollment districts. A stronger economy of scale trend would show much more compactness along the trend line as we had with the first chart and the trend line would have a steeper downward slope.

If we drill down a little further by removing the two large enrollment districts, (Manchester and Nashua) as outliers, we get a better view of the smaller more numerous NH districts in [Table 22](#) below.

Table 22
NH School Districts - Cost Per Pupil



Here, the trend is a little clearer because the horizontal enrollment axis is not so compressed. But still it is clear that there are many small enrollment districts dispersed fairly widely on the vertical axis operating at both relatively low cost/pupil and many operating at very high cost per pupil. There might be enough of a trend here to tell us that if we were going to go from say 500 students to 5,000 students in a regional district that there should be some significant *economy of scale* savings. If we are talking going from around 1,100 students to 1,600 students as would be the case in the Androscoggin Valley, the likelihood seems far less.

In short, at the very low levels of enrollment that we are talking about in the Androscoggin Valley, looking at the evidence from across the state, while suggesting economy of scale with significant increases in enrollment, it is far less clear that going say from 1,100 students to 1,600 students will produce significant savings in operations with any great degree of certainty.

Another way to look at this is to separate the above school district population into the Cooperatives and the non-cooperatives or single districts to see if the cooperatives show any noticeable differences from the population of single districts. The two scatter plots in [Table 23](#) and [Table 24](#) below do just that. The top scatter plot represents the population of 113 single school districts which have enrollments under 4,000 and cost per pupil costs under \$25,000. The scatter plot in [Table 24](#) shows the population of 33 cooperative Districts also of enrollments fewer than 4,000 and cost per pupil under \$25,000. The trend lines of the plots are very similar with perhaps the trend line of the cooperatives appearing to run a little higher in

cost per pupil than the trend line of more numerous single districts. Again, there is probably not a clear pattern difference between these two plots to rely on in terms of identifying a probability of savings by the type of district consolidation that could occur in the Androscoggin Valley.

Table 23
113 Single Districts 4k ADM Max and \$25k/Pup Max

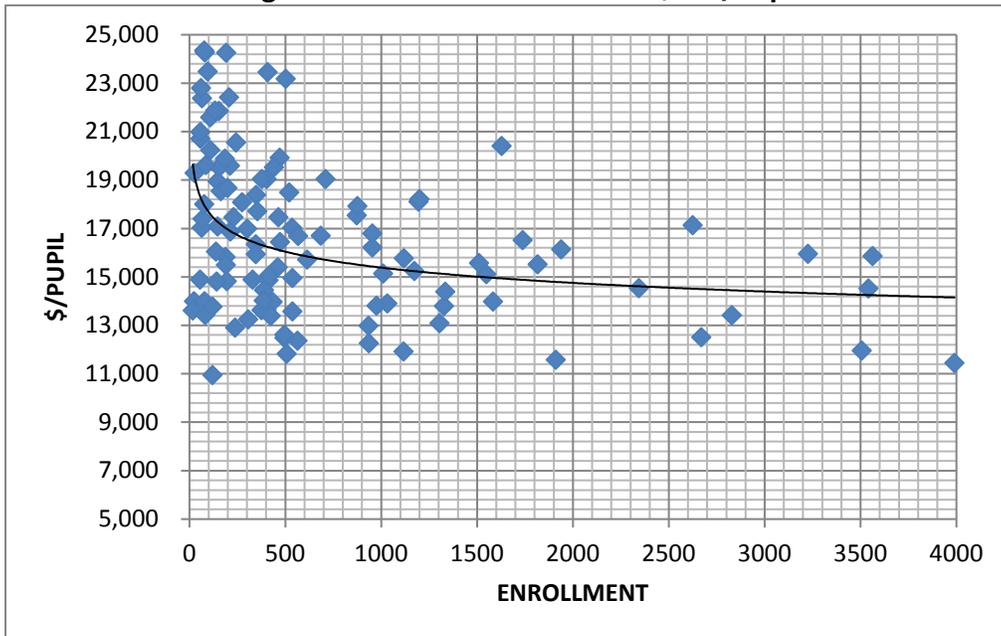
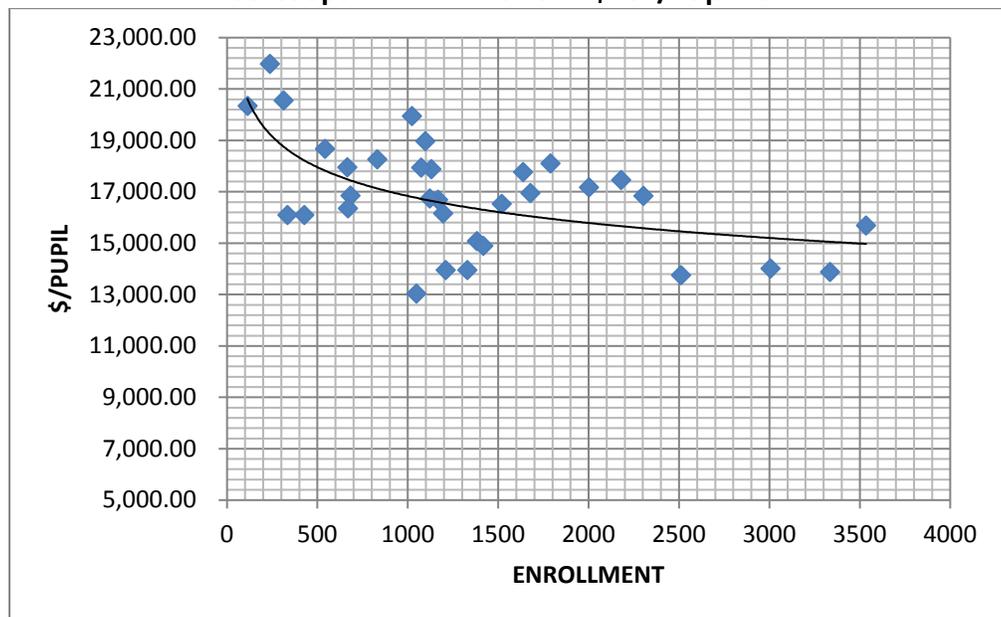


Table 24
33 Coops 4k ADM Max and \$25k/Pup Max



This is not to say that there cannot be savings from the regionalization of schools in the Androscoggin Valley. It is simply that you can't say with any great degree of confidence that there will be reduced costs in this enrollment increase range based on this type of analysis.

Clearly, for example, if SAU #3 and another SAU combined into one SAU, and two Superintendents, two business administrators and two administrative assistants, two IT Directors etc. became one of each, then some savings would definitely occur from the salaries and benefits of the duplicated positions eliminated. While SAU costs are a fairly small percentage of total school costs, savings are savings and, in an area as economically challenged as the Androscoggin Valley, every possible savings must be seriously considered.

Similarly, if a school or schools can be closed either with or without regional consolidation, then it may also be possible to save money by reducing the number of teaching positions, janitorial staff etc. and reducing maintenance or debt costs. We use the word "may" because first the action to make the reduction has to be taken.

If a Superintendent and a Business Administrator are eliminated in an SAU consolidation, but it is decided that an Assistant Superintendent is now needed, some of the *savings* is lost. If in fact janitorial, maintenance, clerical and teaching positions are not reduced because it is felt that jobs should not be lost in the North Country where there is already a shortage of them, then there will be no savings. If it costs more to transport students under the new system, this can offset savings.

During any consolidation effort, exceptional care should be given to try to retain valuable employees. Such a retention approach has to be carefully balanced with the purpose of the consolidation to ensure that the primary goals of the organization are achieved. If savings is a primary goal, then efforts to retain employees will need to reflect that goal. Reassignment, retraining, and thorough analysis will assist. Since employees make up the vast majority of the cost in a school district, it is clear that the greatest area for continuous long-term savings in a consolidation is in the ability to do the same or more with fewer employees.

Additional Academic and Non-Academic Offerings

As was pointed out in the previous discussion, a potential benefit of regionalization, of almost any variety, is the ability of the regionalized school system to provide more variety in academic and non-academic offerings. Maintaining a diversity of programmatic offerings is largely dependent upon having sufficient numbers of students interested in specific offerings (critical mass) to warrant staffing and resource allocation. As student population throughout the region continues to decline the element of critical mass will increasingly become an issue. Common sense suggests that the demographic trends in the region will, at some point, warrant combining of student bodies to preserve a reasonable variety of academic programmatic offerings and non-academic opportunities. We feel that this is perhaps the strongest reason of

all for Berlin to initiate discussions with the other districts in the Androscoggin Valley focused on cooperative alternatives for delivering educational services on a region wide basis.

College Credit

We view the developing relationship between the Berlin School District and White Mountain Community College (WMCC) as a unique and enlightened form of regionalization that should continue and expand to the maximum extent possible. It is a credit to the Berlin School District and the WMCC Administration that they are already working in that direction. To the extent that high school students can take advantage of White Mountain Community College offerings and receive credit for college courses, both the Berlin Schools and WMCC have the opportunity build and grow a model for the rest of the state. Beyond that, the potential for sharing facilities, staff and administrative support services could result in efficiencies and cost avoidance for both. Being able to graduate high school students who have already been exposed to college level academics and have potentially achieved a year or more of college credits could have the effect of making Berlin Schools much more competitive and attractive both inside and outside the region. Not only might the nearby districts want to take similar advantage by joining in such a partnership, but both families and businesses looking to relocate might be attracted to the area specifically because of such a unique alternative education delivery model.

FREQUENTLY ASKED QUESTIONS

What is the difference between a dependent and an independent school district?

There are 13 cities in the state of NH. Nine of them – Manchester, Nashua, Somersworth, Dover, Rochester, Franklin, Berlin, Laconia, and Portsmouth -- have what are the so-called dependent school districts. In these nine cities the school board puts together its budget, but final budget approval is vested in the Mayor and Council of the city. Four of the cities – Keene, Claremont, Lebanon and Concord have what are called independent school districts. These school districts, like the majority of other school districts in the state, set and appropriate their own budgets by means of an annual school district meeting. Once a budget is approved at the annual school district meeting the city or town levies and collects the taxes and provides them to the school district throughout the year.

What does dependence or independence have to do with the City of Berlin Charter?

Similar to the Constitutions of the State or the United States, the organizational structure and powers and duties of the City of Berlin are laid out in its Charter. This document has been approved by vote of the people of the city and approved by the state legislature. Changes to it must be approved in a similar manner. The City Charter describes the Berlin School District structure and makes clear that final approval of its budget must come from the Mayor and Council of the city. A change from a dependent school district to an independent school district would therefore require changing the City Charter.

What is an SAU?

Under state law, a School Administrative Unit (SAU) is a leadership/administrative unit set up to provide superintendent and administrative services to one or more school districts. By state law, every town has a school district and every school district has an SAU. In a single community district like Berlin, the district must still have an SAU, but the SAU and the school district are essentially the same entity, and have the same school board. In a multi-district SAU such as SAU #20 which serves the GRS Cooperative School District as well as the towns of Milan, Dummer and Shelburne in the Androscoggin Valley, each town school district and/or cooperative school district served by the SAU retains its own school board, but such a multi-district SAU also has a board made up of representatives of all the towns within the SAU, which governs SAU policy. As mentioned, SAU #20 not only serves the towns of Milan, Errol, and Dummer but indirectly the towns of Gorham, Shelburne and Randolph by directly serving the Cooperative GRS School District made up of these three towns. In these three towns, there is no longer a local school board, but instead an over-arching Cooperative school district board, made up of representatives of each of these towns, which operate all of the schools in that Cooperative School District. (No one said this was simple.)

What does the dependence or independence of a school district have to do with whether or not school districts cooperate with each other?

We do not believe the question of school districts cooperating with each other has much to do with the dependence or independence of a school district except in the case of Cooperative School Districts. In that case, each individual participating school district cedes its power and sovereignty in favor of the Cooperative District. Each town is represented in the Cooperative District, but the local school district is no longer necessary and essentially disappears. All ownership, governance and operational decisions of such a multi-town school district are placed in the hands of the Cooperative School District, through its Board and its annual meeting.

If the City of Berlin were to become a member of a Cooperative School District, the current Berlin school district and its board would no longer exist and therefore no longer be responsible for the school budget.

The new Cooperative School District and its board would now be responsible for the Cooperative District budget and the Cooperative School District meeting would now be responsible for appropriating the money for that budget. The fact that there would no longer be any Berlin School district, and that it wouldn't be developing a budget or coming to the Mayor and Council for its approval would be in clear contradiction with the City Charter. Therefore, in the case of a Cooperative School District, it seems clear that the City Charter would have to be amended to recognize the dissolution of the Berlin School Board and acknowledge creation of the new Cooperative School District and its sovereignty as the new regional school district.

How about consolidation of multiple districts under one SAU?

One might argue that forming a single SAU covering the City and the towns of the Androscoggin Valley would also require a change to the City Charter. We disagree with that argument. First, even though such a new SAU would have one Superintendent and administrative service office serving the Berlin School Board and the School Boards of the surrounding towns of Dummer, Milan, Errol, and the Cooperative GRS School district of Gorham, Shelburne and Randolph, **each of these school boards would continue to exist and operate with full authority and sovereignty.** Second, the Berlin School Board would continue to develop its budget as it does now as would the school boards of each town and the GRS school board. In the case of Berlin, the Berlin School Board would continue to bring its budget to the Mayor and Council for approval in accordance with the Charter. The relatively small budget for the consolidated SAU would show up in the city school budget as a line item just as do items for electricity or teaching assistants.

What does the research say is the best school size?

Our review of the research seems to indicate that there is no good, uncontested answer to this question. The advantages to smaller school size are often seen as affording greater local control, more individual attention given to students, and greater interaction between and among students and teachers. Among the advantages cited for larger school size are the potential for lower cost per student because of more efficient class sizes, the ability to offer a wider variety of courses and a broader array of extracurricular activities. In both instances the advantages are perceived to translate into higher academic performance and more positive student outcomes.

In the end however, no matter how one looks at it, all of the schools in the Androscoggin Valley will likely continue to fall into the category of ‘smaller school’ size with the City of Berlin contributing the majority of students, regardless of the organizational model that is ultimately determined.

How can costs be balanced with quality?

This is a question which every local government and school district has to struggle with - but the intensity of the struggle seems more pressing in the Androscoggin Valley because property values are so low, property tax rates are so high, and the demographic shifting is so great. To a significant extent, Stabilization Funds from the state had eased this burden somewhat in the face of low property values and declining enrollments. The projected loss over time of that funding stream only serves to exacerbate the already difficult situation. While school districts must be realistic and business-like in recognition of the situation, their mission remains to provide the highest quality education they can for all students within their available resources. Ideally, if the communities and their school districts can see their way clear to work together they can stretch their combined resources and eliminate duplication and redundancy in a consolidated effort to manage and deliver the best possible education for all the students in the Androscoggin Valley.

Is there a cost savings to any or all of the various forms of regionalization?

This is one of those “it depends” answers. There is an evident direct cost savings if one SAU were formed in place of the two that exist in the Androscoggin Valley now. This is because the redundant cost of one SAU is eliminated. Likely, the combined SAU would have to be somewhat larger than the present SAU of neighboring communities, but the added staff would not be close to the cost of operating a second SAU. Keep in mind that even a combined Androscoggin Valley SAU would still be very small, as New Hampshire SAU’s go. It’s also important to remember that the cost of an SAU is a small fraction of the cost of operating a school districts, which have large personnel costs (80%-85% of the budget).

Similarly, if it were determined that the best model would be one Cooperative School District for the Androscoggin Valley, one would hope/expect there to be the potential for savings. Further, that savings even in such a Cooperative would not materialize unless the Cooperative School Board has the political strength to make the hard decisions regarding class reorganization, personnel reductions and school consolidation. We believe that a Valley-wide Cooperative will founder on the difficult issues of cost apportionment and the alleged loss of local control.

Finally, we do believe that the same potential cost savings can exist with existing Androscoggin Valley districts cooperating voluntarily with each other and/or by means of tuition and AREA agreements which do not require any school district to give up local sovereignty.

What happens to federal money if school districts cooperate on a regional basis in some form more than they do now?

Educational aid dollars generally follow the students in categories that qualify for the funds. The state Adequate Education Grant is based on the district average daily membership in residence. Therefore, the funds should stay with the town in which the student resides no matter if the schools are combined or otherwise regionalized. Overall, federal funding for schools has been decreasing and as we know, the so-called Stabilization Funding portion of Adequate Education Aid is currently being phased out altogether.

What are the specific benefits and adverse effects for each situation?

We see no downside impact to educational quality caused by replacing the two SAU's in the Valley with one combined SAU. Such a move should yield cost savings for all because of the elimination of duplicated positions. A combined SAU will provide the educational leadership for all districts and make regional cooperation more likely without any district giving up its local control and sovereignty.

As reviewed in this report, and discussed above, we believe that not only is it politically unlikely that a Cooperative School District which includes Berlin will ever be established but also that such a Cooperative School District would be fraught with issues which would continue to plague it throughout its existence. There are no cities in the state that are part of a Cooperative. The Cooperatives that exist in the state such as the GRS Cooperative tend to be made up of smaller towns which might have had a hard time dealing with building and providing K-12 schools for their small populations on their own and therefore were willing to give up their local school district and board in favor of the Cooperative School Board. And it is important to note that many more cooperative districts have been dissolved in the last 10-15 years than have been formed.

Berlin, Milan and Dummer have had a regional cooperation agreement which worked well for some time, as well as an agreement for GRS students to attend the CTE Center at Berlin High

School, although its use is presently declining due to students selecting out of attendance due to the stated hardship caused by attending school in Berlin. A regional school structure will work only so long as the receiving district and the sending district(s) believe in supporting the aim of regionalization, and that seems missing at this time.

Having looked at these alternatives, we believe that voluntarily working together as an Androscoggin Valley region will benefit all of the towns as well as the City. It is imperative that everyone grasp the fact that, unless the parties work together, the entire structure of public education in the region is at growing risk of collapse. By the words ‘working together’ we mean looking at all the school infrastructure with an eye to getting the most efficient use out of all of it on a Valley-wide basis and looking at all the courses and programs being provided to see if they can be made available to more students by traditional means and emergent learning technologies. There will be some who will argue that the City, or the GRS, or one of the other districts, benefits more or less than others from instituting cooperative plans. This argument will be used to attempt to sustain multi-generational beliefs about quality of education which aren’t factually accurate. If quality education in the Androscoggin Valley is to be sustained, voters have got to be brought to understand that working together is the only path to preventing that collapse. There can be no question that elementary education should be conducted as close to student’s homes as possible, and that future plans should be based on this tenet. These schools should be under the control of a local school board, and responsive to the community they serve. Moreover, if possible the same “close to home” philosophy should apply to middle schools.

And it is true that, in the past, the City had the critical mass to create a large brick and mortar school infrastructure which would be extremely difficult and expensive to try to re-create, particularly in today’s economic environment. Further, the size of Berlin’s student population has made it possible to bring into being larger middle and high school programs of studies, as well as a broader array of non-academic activities, like sports and band, than could not be afforded in any of the other districts alone. The challenge of trying to choose the best performing, most economical path forward lies in fitting educational programs to the student population and finding the most efficient use of existing infrastructure.

Earlier you compared Berlin to the rest of the State of New Hampshire; how does New Hampshire stack up against the rest of New England?

Demographic work presently going on is cited in a recent editorial in Foster’s Daily Democrat (Dover, NH):

Editorial: NH’s aging population poses serious challenge

Posted Feb 14, 2018 at 12:26 PM Updated Feb 14, 2018 at 12:27 PM

Whether you call it “silver tsunami” or “brain drain,” New Hampshire is facing a demographic crisis that has been building for decades.

Ten years ago when Exeter demographer Peter Francese and Stratham farmer and Agricultural Secretary Lorraine Merrill sounded the alarm in their book and documentary “Communities and Consequences: The unbalancing of New Hampshire’s human ecology, & what we can do about it,” they were largely voices crying in the wilderness. A decade later, after 10 more years of poor decision making that led to New Hampshire being the second oldest and fastest aging state in the nation, Francese and Merrill are back, along with filmmaker Jay Childs, and it appears state leaders are finally ready to listen.

Todd Leach, chancellor of the University System of New Hampshire and chairman of the New England Board of Higher Education, notes our population of high school age students is plummeting. New Hampshire expects to graduate 27 percent fewer high school students by 2032, followed by Maine and Vermont which anticipate declines of 23 percent in that same time period. At 60 percent, New Hampshire also has the highest rate of high school graduates who leave the state to attend a four-year college in another state. When they leave, they very often don’t come back.

At the same time New Hampshire youth are leaving and staying away due to a lack of affordable housing, lack of investment in higher education, resulting in some of the highest public university costs in the nation, and far lower pay than in Massachusetts, the Granite State seems to be doing everything it can to attract retirees.

“The risk is that employers will have such a hard time finding workers that they will leave the state,” Francese told Seacoast Sunday. “That’s a serious risk. A decline in the workforce is essentially a permanent recession. We are in peril of that.”

Adds Merrill: “I’ve seen young families or young couples who want to live here in New Hampshire in the communities where they grew up, and there’s no way they can afford it. There’s no place for them, and we’re suffering the consequences for that now.”

We’ve seen this demographic crisis coming for a long time, and it would have been better if we had acted sooner. But it’s not too late. If we focus now on making this state more attractive to young adults — **and this includes improving our public schools, making our community and four-year colleges more affordable**, creating more certain pathways to employment and changing zoning to allow for more workforce housing, particularly starter homes, — we’ll all reap the benefits. If we fail to act all signs point to a stagnant state and economy in the near future.

APPENDIX A



Municipal
Resources, Inc.

APPENDIX A: School State Law Excerpts

(Note: due to space, these excerpts of state law do not include sections which do not seem relevant)

TITLE XV EDUCATION CHAPTER 194

SCHOOL DISTRICTS

General Powers and Duties

194:1 What Constitutes a District. – Each town shall constitute a single district for school purposes; provided that districts organized under special acts of the legislature may retain their present organization, and the word "town," wherever used in the statutes in connection with the government, administration, support, or improvement of the public schools, shall mean district. The special state prison school district, as established by RSA 194:60, shall constitute a single district for school purposes, and shall be subject to the provisions of RSA 194:60.

Notwithstanding any other provision of law to the contrary, in the case of unincorporated towns or unorganized places in a county, the county shall constitute the district.

Source. RS 69:1. CS 73:1. GS 78:1. GL 86:1. 1885, 43:1. PS 89:1. 1909, 23:1. 1921, 85, IV:1. PL 119:1. RL 138:1. RSA 194:1. 1992, 124:1. 1998, 270:5. 2007, 99:1, eff. Aug. 10, 2007.

194:1-a Single District School Administrative Units. – As provided in RSA 194-C:3, single district school administrative units shall be considered the same as a single school district.

Source. 1996, 298:2, eff. Aug. 9, 1996.

194:3 Powers of Districts. – School districts may raise money, as required by law, or, in addition thereto:

I. To procure land for lots for schoolhouses and school administrative unit facilities, and for the enlargement of existing lots;

II. To build, purchase, rent, repair, or remove schoolhouses and outbuildings, buildings to be used for occupancy by teachers in the employ of such school district, and buildings to be used for educational administration including office facilities for school administrative units;

III. To procure insurance against such risks of loss, cost or damage to itself, its employees or its pupils as its school board may determine;

IV. To provide group plan life, accident, medical, surgical and hospitalization insurance benefits, or any combinations of such benefits, for all regular employees of the district and their dependents, the cost thereof to be borne in whole or in part by the district;

V. To plant and care for shade and ornamental trees upon schoolhouse lots;

VI. To provide suitable furniture, books, maps, charts, apparatus and conveniences for schools;

VII. To purchase vehicles for the transportation of children;

VIII. To provide for health and sanitation;

IX. To provide for adult high school diploma and continuing education programs; and

X. To pay debts.

Source. RS 71:1. 1845, 224. CS 75:1. 1853, 1435. 1862, 2619:1, 2. GS 78:18; 80:1. GL 86:18; 88:1. 1889, 82:1. PS 89:3. 1911, 46:1. 1913, 51:1. 1921, 85, IV:3. PL 119:3. RL 138:3. 1951, 211:1. RSA 194:3. 1959, 164:1. 1967, 267:1; 449:1. 1975, 363:2. 1979, 459:4, eff. Aug. 24, 1979.

194:9 Apportionment of School Moneys. – Every district situate in 2 or more towns shall be entitled to its just proportion of school taxes, income from school funds, according to the value of property taxable therein.

Source. 1850, 974:1, 2. CS 73:18. GS 78:13. GL 86:13. PS 89:13. 1921, 85, IV:14. PL 119:9. RL 138:9.

194:14 Nonresident Pupils. – A district may determine upon what terms scholars from other districts may be admitted to its schools, and if a district neglects to make such determination the school board may do it.

Source. RS 73:7. CS 77:7. GS 78:19. GL 86:19. PS 89:12. 1921, 85, IV:13. PL 119:14. RL 138:14.

High Schools

194:21 Joint Maintenance Agreements. –

I. Two or more adjoining districts in the same or different towns may make contracts with each other for establishing and maintaining jointly a high school or other public school for the benefit of their pupils, and may raise and appropriate money to carry the contracts into effect; and their school boards, acting jointly or otherwise, shall have such authority and perform such duties in relation to schools so maintained as may be provided for in the contracts.

II. (a) The school boards of the component school districts shall hold at least one public hearing in each district. Reasonable notice of each hearing shall be provided no less than 10 days prior to the date of the hearing. Upon adoption of the joint maintenance agreement by the component districts, a copy of the agreement executed by each component school board shall be submitted to the state board of education for approval. If the state board of education approves the agreement, it shall forward it to the clerks of the component school districts for submission to the voters as soon as may be reasonably possible at an annual meeting or a special meeting called for the purpose. A majority of voters present and voting in each component district shall be required for approval of the joint maintenance agreement.

(b) If after review the state board of education determines that the joint maintenance agreement fails to comply with the provisions of this section, the state board shall forward written notice of its findings, including specific areas of deficiency, to the school boards of the component school districts. Such school boards shall correct any deficiencies and resubmit the agreement to the state board for review within 30 days of the state board's deficiency notice.

(c) The state board shall act on all joint maintenance agreement proposals within 30 days of receipt.

III. The school boards of the component school districts shall be authorized to incur indebtedness by the issuance and sale of bonds or notes, or otherwise, in the name of the joint maintenance agreement subject to approval by the legislative body of the component districts pursuant to RSA 33. The school boards of the component school districts shall be authorized to engage in collective bargaining pursuant to RSA 273-A and to hire staff in the name of the joint maintenance agreement, as may be necessary.

Source. 1845, 221:1, 2. CS 79:1. 1862, 2618:1. GS 82:3. 1869, 7:1. GL 90:3. PS 89:10. 1921, 85, IV:20. PL 119:20. RL 138:20. 2000, 215:1, eff. July 31, 2000.

High Schools

194:21-a Long-Term Contracts. – The school districts of the state may enter into a contract with each other for the establishing and maintaining jointly a high school for the benefit of their pupils and may raise and appropriate money to carry said contracts into effect. The school boards of said districts, acting jointly or otherwise, shall have the authority and perform such duties in relation to schools so maintained as may be provided for in the contracts. The term of any such

contract may be for a term not to exceed 20 years from the date of the contract. In entering into such contract either of said school districts may bind itself to the payment of tuition for the entire term of the contract and may also bind itself to annual payments on account of capital investments.

Source. 1959, 218:1, eff. Aug. 11, 1959.

194:21-b Special Meetings. – The adoption of a long-term contract as provided for by RSA 194:21-a may be taken by the school district at a regular annual meeting or a special meeting called for the purpose provided that an article is inserted in the warrant for said meeting relative to said contract.

Source. 1959, 218:2, eff. Aug. 11, 1959.

High Schools

194:21-c Application of Statutes. – The provisions of RSA 194:21 relative to joint maintenance of schools, and the provisions of RSA 194:27, as amended, relative to limitations on the payment of tuition, shall not apply to the school districts of the state if any long-term contract herein provided for is adopted by said districts.

Source. 1959, 218:3, eff. Aug. 11, 1959.

High Schools

194:22 Contracts With Schools. – Any school district may make a contract with an academy, high school or other literary institution located in this or, when distance or transportation facilities make it necessary, in another state, and raise and appropriate money to carry the contract into effect. If the contract is approved by the state board the school with which it is made shall be deemed a high school maintained by the district.

Source. 1874, 69:1. GL 90:15. 1885, 89:2. 1887, 111:1. PS 89:11. 1901, 96:6. 1903, 118:1. 1905, 90:1. 1909, 100:1. 1911, 137:1. 1915, 126:1. 1917, 219:1. 1921, 85, IV:21. PL 119:21. RL 138:21.

194:27 Tuition. – Any district not maintaining a high school or school of corresponding grade shall pay for the tuition of any pupil who with parents or guardian resides in said district or who, as a resident of said district, is determined to be entitled to have his or her tuition paid by the district where the pupil resides, and who attends an approved public high school or public school of corresponding grade in another district, an approved public academy, or a nonsectarian private school approved as a school tuition program by the school board pursuant to RSA 193:3, VII. Except under contract as provided in RSA 194:22, the liability of any school district hereunder for the tuition of any pupil shall be the current expenses of operation of the receiving district for its high school, as estimated by the state board of education for the preceding school year. This current expense of operation shall include all costs except costs of transportation of pupils.

Source. 1901, 96:1. 1903, 118:1. 1917, 16:1. 1921, 85, IV:24. 1923, 89:1. 1925, 129:1. PL 119:26. 1927, 18:1. 1933, 126:1. RL 138:26. 1949, 139:2. RSA 194:27. 1955, 166:1. 1957, 51:1. 1973, 299:1. 1998, 271:2, eff. Aug. 25, 1998. 2017, 182:5, eff. Aug. 28, 2017.

SCHOOL ADMINISTRATIVE UNITS

194-C:2 Organization, Reorganization, or Withdrawal. –

I. General Provisions.

(a) Any school district pursuant to an article in the warrant for any annual or special meeting may vote to create a planning committee in the following manner:

(1) The question shall be placed on the warrant of a special or annual school district meeting, which body shall have final authority to adopt the provision to create a planning committee.

(2)(A) In districts without annual meetings, the legislative body of the school district shall consider and act upon the question in accordance with their current procedures. To the extent and if permitted by local ordinance, upon submission to the legislative body within 60 days of the legislative body's vote of a petition signed by 100 or by 2 percent, whichever is less, of the registered voters, the legislative body shall place the question on the official ballot for any regular election otherwise in accordance with their current procedures for passage of referenda.

(B) The school district legislative body shall hold a public hearing on the question at least 15 days but not more than 30 days before the question is to be voted on. Notice of the hearing shall be posted in at least 2 public places in the municipality and published in media of general availability and usage at least 7 days before the hearing.

(C) In the event that the referendum is nonbinding, the question shall be returned for reconsideration to the legislative body which shall have final authority to adopt the provision to create a planning committee.

(D) In the event that the referendum is binding, the public vote shall be the final and binding authority to adopt the provision to create a planning committee.

(3) The planning committee shall consist of the following members:

(A) Two local school board members, appointed by the local school board.

(B) One member of the financial committee having the statutory authority to make recommendations concerning school budgets, appointed by the financial committee. In communities with no such financial committee, the number of public members under subparagraph (a)(3)(C) shall be increased to 5.

(C) Four public members representing the community at large, appointed by the school district moderator or, for districts without an annual meeting, the legislative body of the school district.

(D) The superintendent, who shall be a nonvoting member of the committee.

(4)(A) The first-named school board member shall call the first meeting which shall be no later than 30 days from the date of his or her appointment. All planning committee meetings shall comply with RSA 91-A.

(B) At the first meeting, a chairperson shall be elected by the members.

(C) A notice of all meetings of the planning committee shall be posted in all school districts in the existing school administrative unit and in any new school administrative unit which may be created as a result of organization, reorganization, or withdrawal.

(D) All meetings shall allow time for public comment.

(5) The members of the committee shall serve without pay for a term ending:

(A) At the annual meeting of the district next following the creation of the committee, if the committee is created at an annual meeting; or

(B) One year from the date of appointment, if the committee is created at a special meeting.

(C) One year from the date of appointment, if appointed in districts without annual meetings.

(6) Vacancies on the committee shall be filled by the appropriate appointing authority for the balance of the unexpired term.

(7) The district may appropriate money to meet the expenses of the committee at the meeting at which it is created or at any subsequent district meeting notwithstanding the provisions of RSA 32 or RSA 197:3, and such expenses may include the cost of publication and distribution of reports.

(8) A planning committee shall act by a majority vote of its total membership.

(b) If the planning committee chooses to recommend organization of, reorganization of, or withdrawal from a school administrative unit, it shall prepare a plan which complies with the requirements of this section.

(1) Before final approval of a plan by the planning committee, it shall hold at least one public hearing on the plan within the proposed school administrative unit and shall give such public notice of the hearing at least 2 weeks before the hearing and in all affected school districts.

(2) The plan for organization of, reorganization of, or withdrawal from a school administrative unit shall be submitted to the state board of education.

(3) The plan shall be submitted to the voters in accordance with the procedures outlined in this section.

(4) If the voters fail to vote in the affirmative by the 3/5 vote required, the school district may submit the plan to the voters at the next annual school district meeting. If the plan fails to receive the necessary 3/5 vote a second time, the school district shall not offer another warrant article seeking to create a planning committee for a period of 2 years after the date of the second vote by the district.

(c) If the planning committee chooses not to recommend organization, reorganization, or withdrawal from a school administrative unit, that recommendation shall be submitted to the voters of the school district at the next annual school district meeting.

(1) If a majority of voters present and voting vote in the affirmative, the recommendation shall be accepted.

(2) If a majority of voters present and voting reject the recommendation, the vote shall represent a vote to create a new planning committee in accordance with RSA 194-C:2, II and that planning committee shall prepare a plan for organization, reorganization, or withdrawal from a school administrative unit which meets the requirements of this section.

II. Organization.

(a) The planning committee shall:

(1) Study the advisability of establishing a school administrative unit in accordance with this chapter, its organization, operation, and control, and the advisability of constructing, maintaining, and operating a school or schools to serve the needs of such school administrative unit.

(2) Estimate the construction and operating costs of operating such school or schools.

(3) Investigate the methods of financing such school or schools, and any other matters pertaining to the organization and operation of a school administrative unit.

(4) Prepare an educational and fiscal analysis of the impact on the school districts within the existing school administrative unit and on any new school administrative unit which may be created, and prepare a proposed plan for the disposition of any school administrative unit assets and liabilities.

(5) Consult with the department of education regarding any unique issues and resolve such issues in a timely manner and submit a report or reports of its findings and recommendations to the several school districts within the existing school administrative unit.

(b) If the planning committee recommends the organization of a school administrative unit, it shall prepare a plan to provide superintendent services which meet the requirements set forth in RSA 194-C:4 for the proposed school administrative unit, and a transition plan and timeline which includes consideration of transition budgets and staffing and is signed by at least a majority of the membership of the planning committee.

(c) The planning committee shall submit a copy of the proposed plan to the several school districts within the existing school administrative unit and the school districts in any new school administrative unit which may be created as a result of organization, and shall hold at least one public hearing no less than 14 days prior to submission to the state board.

(d) The state board of education shall review the proposed plan within 60 days of receipt to determine whether the plan complies with the requirements of this section and RSA 194-C:4. If, in the opinion of the state board, all requirements have been met, it shall forward the plan to the school district clerk for a vote at a regular or special school district meeting.

(e) If the state board of education determines that all requirements of this section and RSA 194-C:4 have not been properly addressed, the deficiencies shall be noted and the plan shall be promptly returned for revision. When the plan is resubmitted, the state board of education shall promptly return the plan and make a recommendation for or against its adoption based on whether or not the plan complies with the requirements of this section and RSA 194-C:4. This recommendation shall be reported to the legislative body of the district. The state board shall not have veto power over any plan once it is resubmitted to the state board by the planning committee.

(f) The state board shall submit the organization plan to the school boards of the districts for acceptance by the districts as provided in subparagraph (c). Upon such submission, the state board shall cause the approved plan to be published once at the expense of the state in media of general availability and usage within the proposed school administrative unit.

(g) Upon the receipt of written notice of the state board's recommendation of the plan, the plan shall be submitted for approval by the school districts under the procedures outlined in paragraph I of this section. The question shall be in substantially the following form:

"Shall the school district accept the provisions of RSA 194-C providing for the organization of a school administrative unit involving school districts of _____ and _____ etc., in accordance with the provisions of the proposed plan?"

Yes _____ No _____

(h) If 3/5 of the votes cast on the question in each district shall vote in the affirmative, the clerk of each district shall forthwith send to the state board a certified copy of the warrant, certificate of posting, evidence of publication, if required, and minutes of the meeting in the district. If the state board finds that 3/5 majority of the votes cast in each district meeting have voted in favor of the establishment of the school administrative unit, it shall issue its certificate to that effect; and such certificate shall be conclusive evidence of the lawful organization and formation of the school administrative unit as of the date of its issuance.

III. Reorganization.

(a) The planning committee shall:

(1) Study the advisability of reorganizing school administrative units in accordance with this chapter, their organization, operation, and control, and the advisability of constructing, maintaining and operating a school or schools to serve the needs of reorganized school administrative units.

(2) Estimate the construction and operating costs of operating such school or schools.

(3) Investigate the methods of financing such school or schools, and any other matters pertaining to the reorganization and operation of a school administrative unit.

(4) Prepare an educational and fiscal analysis of the impact of the reorganized school administrative unit on any remaining districts in the school administrative unit and on the school districts in any new school administrative unit which may be created as a result of reorganization, and a proposed plan for the disposition of any school administrative unit assets and liabilities.

(5) Consult with the department of education regarding any unique issues and resolve such issues in a timely manner and submit a report or reports of its findings and recommendations to the several school districts within the existing school administrative unit.

(b) If the planning committee recommends the reorganization of a school administrative unit, it shall prepare a plan to provide superintendent services which meet the requirements set forth in RSA 194-C:4 for the proposed reorganized school administrative unit, and a transition plan and timeline which includes consideration of transition budgets and staffing and is signed by at least a majority of the membership of the planning committee.

(c) The planning committee may submit to the board of an existing school administrative unit, a plan for joining the existing school administrative unit. If approved, the plan shall be submitted to the state board of education and the school district voters in accordance with this section.

(d) The planning committee shall submit a copy of the proposed plan to the several school districts and shall hold at least one public hearing no less than 14 days prior to submission to the state board. Within 60 days, the state board of education shall review the proposed plan for administrative structure and to determine whether or not the proposed plan complies with the requirements of this section and RSA 194-C:4

(e) If in the opinion of the state board, all requirements of this section and RSA 194-C:4 have been met, it shall forward the plan to the school district clerk for a vote at a regular or special school district meeting.

(f) If the state board of education determines that all requirements have not been properly addressed, the deficiencies shall be noted and the plan shall be promptly returned for revision. When the plan is resubmitted, the state board of education shall promptly return the plan and make a recommendation for or against its adoption based on whether or not the plan complies with the requirements of this section and RSA 194-C:4. This recommendation shall be reported to the legislative body of the district. The state board shall not have veto power over any plan once it is

resubmitted by the planning committee.

(g) The state board shall submit the reorganization plan to the school boards of the districts for acceptance by the districts as provided in subparagraph (d). Upon such submission, the state board shall cause the approved plan to be published once at the expense of the state in media of general availability and usage within the proposed school administrative unit.

(h) Upon the receipt of written notice of the state board's recommendation of the plan, the plan shall be submitted for approval by the school districts under the procedures outlined in paragraph I of this section. The question shall be in substantially the following form:

"Shall the school district accept the provisions of RSA 194-C providing for the reorganization of a school administrative unit involving school districts of _____ and _____ etc., in accordance with the provisions of the proposed plan?"

Yes _____ No _____

(i) If 3/5 of the votes cast on the question in each district shall vote in the affirmative, the clerk of each district shall forthwith send to the state board a certified copy of the warrant, certificate of posting, evidence of publication, if required, and minutes of the meeting in the district. If the state board finds that 3/5 majority of the votes cast in each district meeting have voted in favor of the reorganization of the school administrative unit, it shall issue its certificate to that effect; and such certificate shall be conclusive evidence of the lawful organization and formation of the school administrative unit as of the date of its issuance.

IV. Withdrawal.

(a) The planning committee shall:

(1) Study the advisability of the withdrawal of a specific school district from a school administrative unit in accordance with this chapter, its organization, operation and control, and the advisability of constructing, maintaining and operating a school or schools to serve the needs of such school district.

(2) Estimate the construction and operating costs of operating such school or schools.

(3) Investigate the methods of financing such school or schools, and any other matters pertaining to the organization and operation of a school administrative unit.

(4) Prepare an educational and fiscal analysis of the impact of the withdrawing district on any school districts remaining in the school administrative unit and a proposed plan for the disposition of any school administrative unit assets and liabilities.

(5) Consult with the department of education regarding any unique issues and resolve such issues in a timely manner and submit a report or reports of its findings and recommendations to the several school districts within the existing school administrative unit.

(b) If the planning committee recommends the withdrawal from a school administrative unit, it shall prepare a plan for organization or reorganization. The plan shall include providing superintendent services, which meet the requirements set forth in RSA 194-C:4, and a transition plan and timeline, which includes consideration of transition budgets and staffing for the withdrawing district, and is signed by at least a majority of the membership of the planning committee.

(c) The planning committee may submit to the board of an existing school administrative unit, a plan for joining the existing school administrative unit. If approved, the plan shall be submitted to the state board of education and the school district voters in accordance with this section.

(d) The planning committee shall submit a copy of the proposed plan to the several school districts and shall hold at least one public hearing no less than 14 days prior to submission to the state board. Within 60 days, the state board of education shall review the proposed plan for administrative structure and to determine whether or not the proposed plan complies with the requirements of this section and RSA 194-C:4.

(e) If in the opinion of the state board, all requirements have been met, it shall forward the plan to the school district clerk for a vote at a regular or special school district meeting.

(f) If the state board of education determines that all requirements have not been properly addressed, the deficiencies shall be noted and the plan shall be promptly returned for revision. When the plan is resubmitted, the state board of education shall promptly return the plan and make a recommendation for or against its adoption based on whether or not the plan complies with the requirements of this section and RSA 194-C:4. This recommendation shall be reported to the legislative body of the school district. The state board shall not have veto power over any plan

once it is resubmitted by the planning committee.

(g) The state board shall submit the plan for district withdrawal from a school administrative unit to the school board of the withdrawing district for acceptance by the district as provided in subparagraph (h). Upon such submission, the state board shall cause the approved plan to be published once at the expense of the state in media of general availability and usage within the district which proposes to withdraw from a school administrative unit.

(h) Upon the receipt of written notice of the state board's recommendation of the plan, the plan shall be submitted for approval by the school district under the procedures outlined in paragraph I of this section. The question shall be in substantially the following form:

"Shall the school district accept the provisions of RSA 194-C providing for the withdrawal from a school administrative unit involving school districts of _____ and _____ etc., in accordance with the provisions of the proposed plan?"

Yes _____ No _____

(i) If 3/5 of the votes cast on the question in the withdrawing district shall vote in the affirmative, the clerk of that district shall forthwith send to the state board a certified copy of the warrant, certificate of posting, evidence of publication, if required, and minutes of the meeting in the district. If the state board finds that 3/5 of the votes cast in that district meeting have voted in favor of withdrawing from the school administrative unit, it shall issue its certificate to that effect; and such certificate shall be conclusive evidence of the lawful organization and formation of the new, single district school administrative unit as of the date of its issuance.

Source. 1996, 298:3. 1997, 245:1-3. 1999, 287:1, 3, eff. Sept. 14, 1999. 2010, 5:1, eff. June 18, 2010.

194-C:3 Single District School Administrative Units; Exemption. – Single district school administrative units shall be considered the same as a single school district and shall be exempt from meeting the requirements of this chapter, except that they shall provide superintendent services pursuant to RSA 194-C:4.

Source. 1996, 298:3, eff. Aug. 9, 1996.

194-C:4 Superintendent Services. – Each school administrative unit or single school district shall provide the following superintendent services:

I. An educational mission which indicates how the interests of pupils will be served under the administrative structure.

II. Governance, organizational structure, and implementation of administrative services including, but not limited to:

(a) Payroll, cash flow, bills, records and files, accounts, reporting requirements, funds management, audits, and coordination with the treasurer, and advisory boards on policies necessary for compliance with all state and federal laws regarding purchasing.

(b) Recruitment, supervision, and evaluation of staff; labor contract negotiation support and the processing of grievances; arrangement for mediation, fact finding, or arbitration; and management of all employee benefits and procedural requirements.

(c) Development, review, and evaluation of curriculum, coordination of the implementation of various curricula, provisions of staff training and professional development, and development and recommendation of policies and practices necessary for compliance relating to curriculum and instruction.

(d) Compliance with laws, regulations, and rules regarding special education, Title IX, the Americans with Disabilities Act, home education, minimum standards, student records, sexual harassment, and other matters as may from time to time occur.

(e) Pupil achievement assessment through grading and state and national assessment procedures and the methods of assessment to be used.

(f) The on-going assessment of district needs relating to student population, program facilities

and regulations.

(g) Writing, receiving, disbursement, and the meeting of all federal, state, and local compliance requirements.

(h) Oversight of the provision of insurance, appropriate hearings, litigation, and court issues.

(i) School board operations and the relationship between the board and the district administration.

(j) The daily administration and provision of educational services to students at the school facility including, but not limited to, fiscal affairs; staff, student, and parent safety and building issues; and dealing with citizens at large.

(k) Assignment, usage, and maintenance of administrative and school facilities.

(l) Designation of number, grade or age levels and, as applicable, other information about students to be served.

(m) Pupil governance and discipline, including age-appropriate due process procedures.

(n) Administrative staffing.

(o) Pupil transportation.

(p) Annual budget, inclusive of all sources of funding.

(q) School calendar arrangements and the number and duration of days pupils are to be served pursuant to RSA 189:1.

(r) Identification of consultants to be used for various services.

Source. 1996, 298:3, eff. Aug. 9, 1996. 2010, 5:2, eff. June 18, 2010.

194-C:5 Organization and Duties. –

I. The school board of each school administrative unit shall meet between April 1 and June 1 in each year, at a time and place fixed by the chairpersons of the several boards, and shall organize by choosing a chairperson, a secretary, and a treasurer.

II. (a) Each school administrative unit shall provide superintendent services to be performed as required by RSA 194-C:4. School districts shall not be required to have a superintendent and may assign these services to one or more administrative personnel working full or part-time; or such services may be independently contracted.

(b) The state board may establish certification requirements for superintendents in smaller and larger districts, and may designate services in addition to those established in RSA 194-C:4.

(c) Other administrative positions may be established, but only after 50 percent or more of the school districts in the school administrative unit representing 60 percent of the total pupils in the school administrative unit has voted favorably upon the establishment of the position.

III. The school board of each school administrative unit shall fix the salaries of all school administrative unit personnel, shall apportion the expense of the salaries and benefits among the several districts, and shall certify the apportionment to their respective treasurers and to the state board of education. The school administrative unit board shall have the authority to remove superintendents and other administrators.

Source. 1996, 298:3, eff. Aug. 9, 1996.

194-C:6 Federal Assistance. – School administrative unit boards are hereby authorized to cooperate with the federal government or any agency thereof to request, receive and expend federal funds for educational purposes. The receipt and expenditure of federal funds by a school administrative unit shall be accounted for in the same manner as established for federal funds processed through local school districts. Each school administrative unit is hereby directed to establish separate from its operating budget a federal grant account.

Source. 1996, 298:3, eff. Aug. 9, 1996.

194-C:7 Representation. – Every school district maintaining one or more public schools shall be entitled to 3 votes on the joint board of school administrative units, plus additional votes as provided in RSA 194-C:8. Districts not maintaining schools shall have one representative on the joint board, who shall be entitled to one vote. Each school district board member present shall be entitled to have a proportionate share of the school district's votes provided that the total votes per district shall be equally divided among the district's board members present and cast as each member present decides on any issue.

Source. 1996, 298:3. 1999, 287:2, eff. Sept. 14, 1999.

194-C:8 Weighted Voting. – In all votes regarding school administrative unit affairs, including the organization of such unit's school board and selection of officers, each district shall be entitled to one vote for each 16 pupils residing in that district and enrolled in schools under the administrative unit. A balance of 8 or more students shall entitle that district to an additional vote. A balance of fewer than 8 students shall have no net effect on a district's vote. Enrollments shall be based on the average daily membership in residence of each district for the school year which ended in the preceding June. Weighted votes shall only be used upon the demand of a majority of the members of any board present and voting in the school administrative unit. The school board members present at a school administrative unit school board meeting shall be entitled to cast the entire number of votes assigned to their school districts, provided that each representative present shall be entitled to a proportionate share of the total to be cast as provided in RSA 194-C:7.

Source. 1996, 298:3, eff. Aug. 9, 1996.

194-C:9 Budget. –

I. At a meeting held before January 1, the school administrative unit board shall adopt a budget required for the expenses of the school administrative unit for the next fiscal year, which budget may include the salary and expenses of supervisors of health, physical education, music, art, and guidance, and any other employees, and shall include the expenses necessary for the operation of the school administrative unit. Superintendents, assistant superintendents, business administrators, teacher consultants, and the regularly employed office personnel of the school administrative unit office shall be deemed employees of the school administrative unit for the purposes of payment of salaries and contributions to the employee's retirement system of the state of New Hampshire and workers' compensation. The school administrative unit board shall apportion the total amount of the budget among the constituent school districts in the following manner: the apportionment shall be based 1/2 on the average membership in attendance for the previous school year and 1/2 on the most recently available equalized valuation of each district as of June 30 of the preceding school year. Prior to January 15 in each year, the board shall certify to the chairperson of the school board of each constituent school district the amount so apportioned. Each district within a school administrative unit shall raise at the next annual district meeting the sum of money apportioned to it by the school administrative unit board for the expenses of services which each district received in connection with the school administrative unit office. The school administrative unit board in adopting the budget shall not add any new service to the school administrative unit budget unless a majority of the school districts in the school administrative unit representing not less than 60 percent of the total pupils in the school administrative unit have voted favorably upon the establishment of the service. A vote to accept a new service shall not be construed as a vote to raise and appropriate money within the meaning of RSA 197:3.

II. The provisions of paragraph I shall not apply to school administrative units comprising only one district. The budget for these units shall be a part of the school district budget and subject to the vote of the annual school district meeting or, for those districts without an annual meeting, by the legislative body.

III. Paragraph I of this section shall not apply to school districts which have adopted the provisions of RSA 194-C:9-a.

Source. 1996, 298:3. 2003, 279:1, eff. Sept. 16, 2003.

OPEN ENROLLMENT SCHOOLS

194-D:1 Definitions. – In this chapter:

I. "Open enrollment public school" or "open enrollment school" means any public school which, in addition to providing educational services to pupils residing within its attendance area or district, chooses to accept pupils from other attendance areas within its district and from outside its district.

II. "Parent" means a parent, guardian, or other person or entity having legal custody of a child or, in the case of a child with a disability, a surrogate parent who has been appointed in accordance with state or federal law.

III. "Pupil" means any child who is eligible for attendance in public schools in New Hampshire, and who lives with a parent.

IV. "Receiving district" means the school district to which a pupil is sent to attend an open enrollment school.

V. "Resident district" means the school district in which the pupil resides.

VI. "School board" means the school district school board.

VII. "Sending district" means the school district in which the pupil resides.

VIII. "State board" means the state board of education.

IX. "Teacher" means any individual providing or capable of providing direct instructional services to pupils, and who meets requirements prescribed in the Elementary and Secondary Education Act and the Individuals With Disabilities Education Act.

Source. 2009, 241:14, eff. Sept. 14, 2009.

COOPERATIVE SCHOOL DISTRICTS

195:1 Definitions. – The terms used in this chapter shall be construed as follows, unless a different meaning is clearly apparent from the language or context:

I. "Cooperative school district" means a district composed of 2 or more school districts of the state associated together under the provisions of this chapter and may include either the elementary schools, the secondary schools, or both.

II. "Elementary school" shall mean all grades from the kindergarten or grade one through grade 6, or kindergarten or grade one through grade 8.

III. "Secondary school" shall mean all grades from grade 7 through grade 12, or grade 9 through grade 12.

IV. "Cooperative school board" shall mean a school board serving a cooperative school district.

V. "Pre-existing district" shall mean a district or portion of a district which is included within the boundaries of a proposed or established cooperative school district.

VI. [Repealed.]

VII. "Commissioner" shall mean commissioner of education.

VIII. "Date of operating responsibility" shall mean the date or dates set in the resolution adopted at the organization meeting or in the articles of agreement adopted by the several school districts on which the cooperative school district shall take over operating control of those schools within such district which it was organized to operate. Wherever the words "establishment" or "date of establishment" appear in this chapter, they shall be given a meaning synonymous with "date of operating control".

IX. "Valuation" shall mean the valuation as determined by the commissioner of revenue administration for debt limits, under the provisions of RSA 33.

Source. 1947, 199:1. 1951, 213:1, par. 1. 1953, 225:1. RSA 195:1. 1955, 334:6. 1963, 258:3. 1973, 544:8. 1986, 41:29, VII, eff. April 3, 1988.

195:2 Standards. –

I. (a) It is the purpose of this chapter to increase educational opportunities within the state by encouraging the formation of cooperative school districts which will each:

(1) Be a natural social and economic region.

(2) Have an adequate minimum taxable valuation.

(3) Have a number of pupils sufficient to permit the efficient use of school facilities within the district and to provide improved instruction.

(b) The state board of education shall approve articles of agreement for a proposed cooperative school district, or agreements for the enlargement of a cooperative school district, only after determining that the formation or enlargement of the district will be in accord with such standards and the purposes set forth herein.

II. [Repealed.]

III. Advisory Powers of Board. The board may prepare recommended forms of articles of agreement and existing arrangements for cooperative school districts and may furnish its advisory services to cooperative school district planning boards or school boards who have such matters under consideration.

Source. 1951, 213:1, par. 2. RSA 195:2. 1963, 258:4. 1979, 459:4. 1996, 158:1, 2, eff. July 1, 1996.

195:4 Powers. –

I. During the period from the date of the vote of the organization of any cooperative school district organized prior to July 1, 1963, to the date of operating responsibility such cooperative school district shall have all the authority and privileges of a regular school district for bonding purposes, for the construction of school facilities and for all other necessary functions to obtain proper facilities for the provision of a complete program of education. When necessary the school board of the cooperative school district is authorized to prepare a budget and call a special meeting of the voters of the district for the purpose of adopting the budget and to determine the financial appropriations. Such meeting shall have the same authority as an annual meeting for these purposes.

II. Election of Officers. Every such school district may, as provided in RSA 195:19, adopt a bylaw to specify the number, composition, method of selection, and terms of office of its cooperative school board; provided that its cooperative school board shall consist of an odd number of members, not more than 15 for terms not exceeding 3 years.

III. Checklists. At the meetings held in the preexisting districts for the purpose of accepting the articles of agreement, or any existing arrangements, and at the organization meeting of the cooperative school district the checklist for each preexisting district shall be used. The school board of any preexisting district which does not have a checklist shall make, post, and correct a list of the voters in the district for use at such meetings as supervisors are required to do in regard to the list of voters in their towns. Thereafter the cooperative school board shall make, post, and correct a list of the voters of the cooperative school district acting as supervisors are required to do, except that such list shall indicate with respect to each voter the preexisting district in which the voter is domiciled. Any 2 members of the cooperative school board shall constitute a quorum at sessions for the correction of the checklist. Notwithstanding the foregoing provisions whenever each of the preexisting school districts is coextensive with the town in which it is located the cooperative school district may, at an annual cooperative school district meeting, under an article in the warrant for such meeting, vote that the supervisors of each town, acting as the supervisors of the cooperative school district, shall make, post and correct in each preexisting district a checklist of the voters in each preexisting district and shall certify the making, posting, and correction of the checklist acting as supervisors of the cooperative school district. At each annual meeting for the election of officers of the cooperative district the checklists prepared by the supervisors in each preexisting district in accordance with the provisions of this paragraph shall be used and the town supervisors from each preexisting district shall attend such annual meeting. The voters of the cooperative district shall be those whose names appear on the checklists as provided by this paragraph. The supervisors shall be paid such compensation as the district may provide.

IV. For purposes of state-wide supervision a cooperative school district shall be a school district.

V. The members of the cooperative school board shall serve with or without remuneration as the

district shall determine, but they shall be paid their necessary expenses while upon official business.

Source. 1951, 213:1, par. 4. 1953, 225:3. RSA 195:4. 1961, 44:1; 206:2, 3. 1963, 258:2. 1971, 252:2. 1979, 321:3. 1996, 158:3; 222:14. 2003, 289:18, eff. Sept. 1, 2003.

195:5 School Board; Powers and Duties. – The cooperative school board elected at the organization meeting shall organize and take office at the close of such meeting and proceed to assume its responsibilities and duties with respect to the administration and planning of the new cooperative school district; provided, however, that the cooperative board shall have no administrative authority as to the schools in the pre-existing districts until the date of operating responsibility. Thereafter all cooperative school district officers shall assume office at the close of the annual meeting. The cooperative school board shall have the same powers and duties as school boards in school districts as prescribed by RSA 189. Except as provided in this chapter, all the provisions of this chapter or of any other general law relating to or affecting school districts in the state shall apply to cooperative school districts organized as herein provided.

I. Clerk. The cooperative school board shall appoint annually and fix the salary of the district clerk who shall not be a member of the cooperative school board. The district clerk shall serve also as the clerk of the cooperative school board.

II. Treasurer. The treasurer of a cooperative school district shall be appointed by the cooperative school board for one or more terms not to exceed 5 years each, shall not be a member of the cooperative school board, and shall receive for services such sum as the cooperative school board may determine. The treasurer shall, before entering upon the duties of such office, give a bond to the cooperative school district with a surety company authorized to do business within the state in a form approved by the commissioner of revenue administration, and the premium shall be paid by the cooperative school district. The provisions of RSA 21-J:17, applicable to uniform accounting by school districts, shall apply to cooperative school districts.

Source. 1947, 199:4, 5. 1951, 213:1, par. 5. 1953, 225:4. RSA 195:5. 1963, 258:5. 1973, 544:8. 1996, 222:4, eff. Aug. 9, 1996.

195:6 Powers and Duties of Cooperative School Districts. –

I. Each cooperative school district shall be a body corporate and politic with power to sue and be sued, to acquire, hold and dispose of real and personal property for the use of schools therein, and to make necessary contracts in relation thereto, and have and possess all the powers and be subject to all the liabilities conferred and imposed upon school districts under the provisions of RSA 194. Whenever a cooperative school district assumes all the functions of a pre-existing district, it shall also assume the outstanding indebtedness and obligations thereof as of the date of operating responsibility; and on such date of operating responsibility the pre-existing districts shall be deemed dissolved, and any and all assets, property and records thereof not previously disposed of shall vest in the cooperative school district, unless otherwise provided in the articles of agreement or existing arrangements.

II. Each cooperative school district shall have the power to borrow money and issue its notes or bonds in conformity with the provisions of RSA 33, provided, however, indebtedness of a cooperative district organized to provide both elementary and secondary schools may be incurred to an amount not to exceed 10 percent of its assessed valuation as last equalized by the commissioner of revenue administration.

III. Whenever only a part of the educational facilities of a local school district are incorporated into a cooperative school district, such local district shall continue in existence and function as previously. The cooperative school district shall assume only those outstanding debts and obligations of the local school district which pertain to the property acquired by the cooperative school district for use by the cooperative school district. In such case no cooperative school district shall for elementary school purposes incur debt to an amount exceeding 5 percent, and for secondary school purposes, if organized for grades 9 through 12, to an amount exceeding 5 percent, and for secondary school purposes if organized for grades 7 through 12, to an amount not

exceeding 6 percent of the total assessed valuation of such district as last equalized by the commissioner of revenue administration. No cooperative school district described in this paragraph shall incur indebtedness if it subjects the taxable property of any school district forming a part thereof to debt, when added to the debt of such school district, of more than 10 percent of the total assessed value of such taxable property as last equalized by the commissioner of revenue administration.

Source. 1947, 199:3. 1951, 213:1, par. 6. 1953, 225:5, 6. RSA 195:6. 1955, 334:5, 8. 1957, 126:1, 2. 1959, 209:1, 2. 1963, 258:6. 1973, 544:8. 1996, 158:4, eff. July 1, 1996

195:7 Costs of Capital Outlay and Operation. –

I. If a cooperative school district was organized prior to July 1, 1963, during the first 5 years after the formation of a cooperative school district each preexisting district shall pay its share of all capital outlay costs and operational costs in accordance with either one of the following formulas as determined by a majority vote of the cooperative district meeting:

(a) All such costs shall be apportioned on the basis of the ratio that the equalized valuation of each preexisting district bears to that of the cooperative district; or

(b) One-half of all such costs shall be apportioned on the basis of the ratio that the equalized valuation of each preexisting district bears to that of the cooperative district and 1/2 shall be apportioned on the average daily membership for the preceding year.

(c) Some other formula offered by the cooperative school board with the board's recommendation, adopted by the cooperative school district and approved by the state board of education.

II. Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II, shall not be included in the average daily membership relative to apportionment formulas.

Source. 1951, 213:1, par. 7. RSA 195:7. 1955, 334:9. 1959, 195:1. 1961, 206:4. 1996, 158:5; 222:15. 1999, 17:37, eff. April 29, 1999; 281:5, eff. July 16, 1999.

195:12 Budget. – At least 30 days prior to the annual meeting, the cooperative school board shall prepare a budget for the ensuing year, after holding at least one public hearing upon a preliminary budget at some convenient place in the district, of which at least 7 days' notice shall have been given, and said budget, subsequent to its final approval by such board, shall be posted in a public place in each pre-existing district and given such other publication as the cooperative school board may determine. The provisions of RSA 32 shall apply to a cooperative school district.

Source. 1947, 199:9. 1951, 213:1, par. 12. 1953, 225:7. RSA 195:12. 1963, 258:9. 1996, 158:6, eff. July 1, 1996.

195:18 Procedure for Formation of Cooperative School District. – Cooperative school districts shall be organized solely in accordance with the following procedure:

I. (a) Any school district pursuant to an article in the warrant for any annual or special meeting may vote to create a cooperative school district planning committee consisting of 3 qualified voters of whom at least one shall be a member of the school board. The members of the committee shall be elected at the meeting at which the committee is created, unless the district determines that they shall be appointed by the moderator. The members of the committee shall serve without pay for a term ending (1) at the third annual meeting of the district following the creation of the committee, if the committee is created at an annual meeting, or (2) at the first annual meeting of the district next following the expiration of 3 years from the date of the creation of the committee, if the committee is created at a special meeting, or (3) upon the final adjournment of the organization meeting of any cooperative school district of which the district becomes a part. If the term of the committee ends at an annual meeting of the district, the district may create a successor

cooperative school district planning committee pursuant to the foregoing provisions. Vacancies on the committee shall be filled by the moderator for the balance of the unexpired term. The district may appropriate money to meet the expenses of the committee at the meeting at which it is created or at any subsequent district meeting notwithstanding the provisions of RSA 32 or RSA 197:3, and such expenses may include the cost of publication and distribution of reports. Cooperative school district planning committees from any 2 or more school districts may join together to form a cooperative school district planning board which shall organize by the election of a chairperson and a clerk-treasurer. The planning board may thereafter admit to membership planning committees from other school districts, but the members of a planning committee shall not be members of more than one planning board at any one time. A cooperative school district planning board shall act by a majority vote of its total membership.

(b) Any school district which votes at any annual or special district meeting to create a cooperative school district planning committee under RSA 195:18 shall elect the members of such committee as provided in RSA 195:18.

II. It shall be the duty of the cooperative school district planning board to study the advisability of establishing a cooperative school district in accordance with the standards set forth in RSA 195:2, its organization, operation and control, and the advisability of constructing, maintaining and operating a school or schools to serve the needs of such district; to estimate the construction and operating costs thereof; to investigate the methods of financing such school or schools, and any other matters pertaining to the organization and operation of a cooperative school district; and to submit a report or reports of its findings and recommendations to the several school districts.

III. A cooperative school district planning board may recommend that a cooperative school district composed of all the school districts represented by its membership or any specified combination of such school districts be established. The planning board shall prepare proposed articles of agreement for the proposed cooperative school district, which shall be signed by at least a majority of the membership of the planning board, which set forth the following:

(a) The school districts which shall be combined to form the proposed cooperative school district and the name of such cooperative school district.

(b) The number, composition, method of selection and terms of office of its cooperative school board, all in accordance with the provisions of RSA 195:19 through 23 inclusive, provided that the cooperative school board shall consist of an odd number of members not more than 15 for terms not exceeding 3 years.

(c) The grades for which the cooperative school district shall be responsible.

(d) The specific properties of pre-existing districts to be acquired by the cooperative school district and the general location of any proposed new schools to be initially established or constructed by the cooperative school district.

(e) The method of apportioning the operating expenses of the cooperative school district among the several preexisting districts and the time and manner of payment of such shares. Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II shall not be included in the average daily membership relative to apportionment formulas.

(f) The indebtedness of any preexisting district which the cooperative school district is to assume.

(g) The method of apportioning the capital expenses of the cooperative school district among the several preexisting districts, which need not be the same as the method for apportioning operating expenses, and the time and manner of payment of such shares. Capital expenses shall include the costs of acquiring land and buildings for school purposes, including property owned by a preexisting district; the construction, furnishing and equipping of school buildings and facilities; and the payment of the principal and interest of any indebtedness which is incurred to pay for the same or which is assumed by the cooperative school district. Home education pupils who do not receive services from the cooperative school district, except an evaluation pursuant to RSA 193-A:6, II, shall not be included in the average daily membership relative to apportionment formulas.

(h) The manner in which the state aid referred to in RSA 195:15, or any other available state aid, shall be allocated, unless it is otherwise expressly provided by the law making such aid available.

(i) The method by which the articles of agreement may be amended with the approval of the

board; except that no amendment may permit secession of territory. The provisions adopted under either subparagraph (e) or (g) above may be subject to review pursuant to an article for that purpose duly inserted in the warrant for a district meeting which may be held at any time after the expiration of the 5-year period measured from the date of the first annual meeting. If the apportionment formula for a cooperative school district has been duly changed, the basis for the apportionment of all such costs may be subject to review pursuant to an article for that purpose duly inserted in the warrant for a district meeting which may be held at any time after the expiration of the 5-year period measured from the date of the meeting at which the last change was made to the cost apportionment. However, such provisions may be amended at any time in order to permit the enlargement of a cooperative school district or an increase in the number of grades for which the cooperative school district shall be responsible.

(j) The date of operating responsibility of the proposed cooperative school district, and a proposed program for the assumption of operating responsibility for education by the proposed cooperative school district and any school construction; which the cooperative school district shall have the power to vary by vote as circumstances may require.

(k) Any other matters, not incompatible with law, which the cooperative school district planning board may consider appropriate to include in the articles of agreement.

IV. Notwithstanding the provisions of RSA 195:9, the articles of agreement, or any amendment thereto, may provide for the donation, the sale or the transfer under a lease-purchase agreement of any school property owned by a pre-existing district to the cooperative school district, except that no lease-purchase agreement shall extend for a period of more than 20 years. The adoption of the articles of agreement or any such amendment shall be sufficient authorization for the appropriate school boards to carry out the transaction. Obligations incurred by the cooperative school district in connection with any lease-purchase agreement hereunder shall not be deemed indebtedness of the cooperative school district for the purposes of ascertaining its borrowing capacity.

V. Before final approval of a proposed articles of agreement by the planning board, it shall hold at least one public hearing thereon within the proposed cooperative school district and shall give such notice thereof as it may determine to be reasonable. An executed copy of the proposed articles of agreement shall be submitted by the planning board to the board, and, when the board finds that the same are in accord with the standards set forth in RSA 195:2, it shall approve the same and cause them to be submitted to the school boards of the several pre-existing districts for acceptance by the districts as provided in paragraph VI. Upon such submission, the board shall cause the approved articles of agreement to be published once in some newspaper generally circulated within the proposed cooperative school district at the expense of the state. The planning board may amend a proposed articles of agreement to conform to recommendations of the board after holding a further public hearing thereon with notice as above provided.

VI. Upon the receipt of written notice of the board's approval of the articles of agreement, the school board of each preexisting district which is to be included in the cooperative school district shall cause the articles of agreement to be filed with the clerk of such preexisting district and submitted to the voters of the district as soon as may reasonably be possible at an annual meeting or at a special meeting called for the purpose, the voting to be by ballot with the use of the checklist, after reasonable opportunity for debate in open meeting. The duty to call such meeting for such purpose may be enforced by the superior court in an equity proceeding commenced by any voter or taxpayer of such school district. The article in the warrant for each district meeting and the question on the ballot to be used at the meeting shall be in substantially the following form:

"Shall the school district accept the provisions of RSA 195 (as amended) providing for the establishment of a cooperative school district, together with the school districts of _____ and _____ etc., in accordance with the provisions of the proposed articles of agreement filed with the school district clerk?"

Yes _____ No _____

If a majority of the voters present and voting in each district shall vote in the affirmative, the clerk of each preexisting district shall forthwith send to the board a certified copy of the warrant, certificate of posting, evidence of publication if required, and minutes of the meeting in such district. If the board finds that a majority of the voters present and voting in each preexisting

district meeting have voted in favor of the establishment of the cooperative school district, it shall issue its certificate to that effect. Such certificate shall be conclusive evidence of the lawful organization and formation of the cooperative school district as of the date of its issuance.

VII. If any pre-existing district fails to vote in the affirmative on the proposed articles of agreement within 90 days after its school board receives notice of approval thereof by the board, such district shall be deemed to have rejected the same. If the proposed articles of agreement fail of adoption as herein required, they may be resubmitted to all or a different combination of the several pre-existing districts either in their original form or as amended by the cooperative school district planning board, with the approval of the board, such articles if amended to be published once by the board as provided in the case of initial articles of agreement in paragraph V, and shall in such case be again acted upon by each district, as provided herein; but, prior to the approval thereof by the board for resubmission, the planning board shall hold one further hearing thereon as provided in paragraph V in the case of initial articles of agreement.

VIII. The board shall fix a time and place for a special meeting of the qualified voters within the cooperative school district for the purpose of organization and shall prepare the warrant for the meeting after consultation with the cooperative school district planning board. The warrant shall include articles for the selection of a school board and other necessary officers, the appropriation of money for the operation of the district, and any other items of business that require action at the organization meeting. The warrant shall be under the hand of the commissioner, in the name of the board, and the commissioner shall cause attested copies of same to be posted at least 14 days before the meeting in 3 public places in each pre-existing district and a copy of the same to be published at least one week before the date of the meeting in some newspaper generally circulated within the cooperative school district. The expense of posting and publishing the warrant shall be paid by the state. The agent or agents of the commissioner who post and cause publication of the warrant shall make a return thereof, which, with the warrant, shall be made a part of the district records. The organization meeting shall have the same power and authority as an annual meeting with reference to the raising or appropriating of money.

IX. The organization meeting of a cooperative school district shall be called to order by the chairperson of the cooperative school district planning board, or by the clerk-treasurer thereof, who shall serve as temporary chairperson for the first order of business which shall be the election of a moderator and of a temporary clerk, by ballot, who shall be qualified voters of the district. From and after the issuance of the certificate of formation by the board to the date of operating responsibility of the cooperative school district, such district shall have all the authority and powers of a regular school district for the purposes of incurring indebtedness, for the construction of school facilities and for such other functions as are necessary to obtain proper facilities for a complete program of education. When necessary in such interim, the school board of the cooperative school district is authorized to prepare a budget and call a special meeting of the voters of the district, which meeting shall have the same authority as an annual meeting, for the purpose of adopting the budget, making necessary appropriations, and borrowing money. Whenever the organization meeting is held on or before April 20 in any calendar year, no annual meeting need be held in such calendar year. Sums of money raised and appropriated at the organization meeting or any interim meeting prior to the first annual meeting shall be forthwith certified to the commissioner of revenue administration and the state department of education upon blanks prescribed and provided by the commissioner of revenue administration for the purpose, together with a certificate of estimated revenues, so far as known, and such other information as the commissioner of revenue administration may require. The commissioner of revenue administration shall examine such certificates and delete any appropriations which appear not made in accordance with the law, and adjust any sum which may be used as a setoff against the amount appropriated when it appears to the commissioner such adjustment is in the best public interest. The commissioner of revenue administration shall certify to the state department of education the total amount of taxes to be raised for said cooperative school district and the state department of education shall determine the proportional share of said taxes to be borne by each preexisting school district and notify the commissioner of revenue administration of its determination. Upon certification by the commissioner of revenue administration the selectmen of each town shall seasonably assess the taxes as provided by law. The selectmen shall pay over to the treasurer of the cooperative district such portion of the sums so raised as may reasonably be

required according to a schedule of payments needed for the year as prepared by the treasurer and approved by the cooperative school board, but no such payment shall be greater in percentage to the total sum to be raised by one local district than that of any other local district comprising such cooperative school district.

X. The provisions of RSA 195:7 and 8 shall not apply to cooperative school districts organized under this section, but all other sections of this chapter shall apply to such districts, except as otherwise expressly provided in this section or in any articles of agreement adopted pursuant hereto.

XI. Notwithstanding the provisions of paragraphs I-X or any other law to the contrary, no single school district that includes a city shall be prohibited from participating in a school district planning committee.

Source. 1963, 258:1. 1971, 252:6, 7. 1973, 544:8. 1991, 148:1. 1996, 158:10-12; 222:11-13, 18. 1999, 17:39, 40; 281:10, 11. 2000, 59:2, eff. June 16, 2000.

195:19-a Composition of Cooperative School Boards. – The number, composition, method of selection, and terms of members of cooperative school boards shall be as provided in the bylaws or articles of agreement of the cooperative school district, as the case may be; provided, however, that such bylaws and articles of agreement shall be limited to the alternatives contained herein where applicable; and provided further that no cooperative school district in existence on August 22, 1971 shall be required to conform hereto unless it is so voted pursuant to RSA 671:9.

I. All members of the cooperative school board shall be elected at large; or

II. The cooperative school district shall be divided into single board member districts according to population with as nearly equal population in each district as possible; or

III. The cooperative school district shall be divided into multiboard member districts or a combination of single member or multimember districts so that proportional representation will be most nearly achieved; or

IV. The members of the cooperative school board shall each be domiciled in and represent a pre-existing district with each pre-existing district having at least one such resident representative but all members of the cooperative school board shall be elected at large; or

V. Such other method of selection of cooperative school board members compatible with proportional representation, one-man one-vote principle as may be approved by the state board of education.

VI. The terms of the members of the cooperative school board shall be as provided in the bylaws or articles of agreement provided that in no case shall such terms exceed 3 years.

VII. Whenever the bylaws or articles of agreement provide for the election of cooperative school board members pursuant to this chapter, said election shall be with the use of the non-partisan ballot system under RSA 669.

Source. 1996, 158:13, eff. July 1, 1996.

AUTHORIZED REGIONAL ENROLLMENT AREA (AREA) SCHOOLS

195-A:1 Definitions. – The terms used in this chapter shall be construed as follows, unless a different meaning is clearly apparent from the language or context:

I. "School district" shall mean a town school district, a special school district, a cooperative school district, an incorporated school district operating within a city, and a city operating a dependent school department.

II. "Elementary school" shall mean a program comprising all grades from the kindergarten or grade one through grade 6, or kindergarten or grade one through grade 8.

III. "Secondary school" shall mean a program comprising all grades from grade 7 through grade 12, or grade 9 through grade 12 and may include a junior high school program comprising grades 7 and 8 or 7, 8 and 9 as well as a high school program.

IV. "Area school" shall mean an authorized regional enrollment area school, which may be elementary or secondary, and which when approved as hereinafter provided, shall be the assigned school for all the resident elementary or secondary pupils of the school districts or portions thereof within the region which it is established to serve.

V. "Sending district" shall mean any school district or portion thereof which sends its resident pupils to an area school located in a receiving district, paying tuition therefor to the receiving district.

VI. "Receiving district" shall mean a school district in which an area school is located.

VII. "School board" shall mean the school board, board of education or school committee of each school district.

VIII. [Repealed.]

IX. "Tuition" shall mean the sum of money which each sending district is obligated to pay to the receiving district to defray the cost of education of each of its resident pupils, for a school year, at the area school in the receiving district to which such pupils are assigned and it may be subdivided into elementary school tuition, junior high school tuition, high school tuition, or any other reasonable combination of grades, and shall be fixed as provided in RSA 195-A:3. Tuition may include an annual rental charge per pupil. The obligation of a sending district to pay tuition to a receiving school shall not be deemed indebtedness of such district for the purpose of determining its borrowing capacity under RSA 33.

X. "Annual rental charge per pupil" shall mean that additional payment included in tuition as defined in paragraph IX which represents a fair charge for building occupancy. It may also include a fair charge for any debt service and reduction of principal, which may become due between date of bond issue and date of building occupancy.

XI. "Date of operating responsibility" shall mean the date on which the area school shall officially open and shall relieve the schools of the sending districts, serving the corresponding grades, of their obligation to operate.

XII. "Meeting of a receiving district" may include any regular or special session of its legislative body in the case of a city with a dependent school department, or of its school board in the case of any separately incorporated school district within a city in which district meetings have been abolished.

Source. 1963, 277:1. 1965, 112:1, 2; 311:1. 1967, 152:1. 1969, 104:7. 1986, 41:29, VIII, eff. April 3, 1988.

195-A:2 Policy and Standards. –

I. It is the purpose of this chapter to increase educational opportunities within the state by encouraging the establishment of area schools in the receiving districts which will serve the receiving district and the sending districts throughout a natural social and economic region which has an adequate minimum taxable valuation and a number of pupils sufficient to permit efficient use of such area school facilities and to provide improved instruction. The state board may formulate and adopt additional standards consistent with this purpose and these standards; and the state board shall approve plans for the establishment of area schools only after determining that such establishment will be in accord with such standards and purposes set forth herein.

II. Geographical Plan. The state board is authorized and directed to prepare and publish a plan subdividing the territory of the state into suggested regions for area schools indicating the suggested receiving district or districts for the schools of each region, which shall be compatible with the plan for suggested cooperative school districts, and which plan shall meet the standards formulated under paragraph I. This plan shall be reasonably compatible with the areas of the several school administrative units. From time to time thereafter the state board may modify such plan.

III. Advisory Powers of State Board. The state board may prepare recommended forms of written plans for area schools and for enlargement of the areas served thereby and may furnish its advisory services to area school planning boards or school boards who have such matters under consideration.

Source. 1963, 277:1. 1979, 459:4, eff. Aug. 24, 1979.

195-A:3 Procedure. –

I. Any town, city or special school district pursuant to an article in the warrant for any annual or special meeting may vote to create an area school planning committee consisting of 3 qualified voters of whom at least one shall be a member of the school board. The members of the committee shall be elected at the meeting at which the committee is created, unless the district determines that they shall be appointed by the moderator. The members of the committee shall serve without pay for a term ending (a) at the third annual meeting of the district following the creation of the committee, if the committee is created at an annual meeting, or (b) at the first annual meeting of the district next following the expiration of 3 years from the date of the creation of the committee, if the committee is created at a special meeting, or (c) upon issuance by the state board of its certificate that a plan for an area school has been adopted in which the district is a participant. If the term of the committee ends at an annual meeting of the district, the district may create a successor area school planning committee pursuant to the foregoing provisions. Vacancies on the committee shall be filled by the moderator for the balance of the unexpired term. The district may appropriate money to meet the expenses of the committee at the meeting at which it is created or at any subsequent district meeting, notwithstanding the provisions of RSA 32 or RSA 197:3; and such expenses may include the cost of publication and distribution of reports. Area school planning committees from any 2 or more school districts may join together to form an area school planning board, which shall organize by the election of a chairman and a clerk-treasurer. The planning board may thereafter admit to membership planning committees from other school districts, but the members of a planning committee shall not be members of more than one planning board at any one time; provided, however, that a planning board so created may also study the advisability of forming a cooperative school district, if eligible therefor. An area school planning board shall act by a majority vote of its total membership.

II. In cities which operate a dependent school department, the power to create and appoint such an area school planning committee of 3, whose members shall serve for a term of 3 years from date of appointment, is vested in the school board; but the expenses of such planning committee, as defined in paragraph I, shall be raised and appropriated by the legislative body of such city upon certification by the school board. Vacancies on the committee shall be filled by the school board for the balance of the unexpired term, and the school board may create and appoint a successor area school planning committee pursuant to the foregoing provisions.

III. In cities in which there is a separately incorporated school district but where district meetings have been abolished, the power to create and appoint such an area school planning committee of 3, whose members shall serve for a term of 3 years from date of appointment, is vested in the school board who shall also have the power to raise and appropriate money for the expenses of such committee as defined in paragraph I. Vacancies on the committee shall be filled by the school board for the balance of the unexpired term, and the school board may create and appoint a successor area school planning committee pursuant to the foregoing provisions.

IV. It shall be the duty of the area school planning board to study the advisability of adopting an area school plan within the region in accordance with the standards set forth in RSA 195-A:2 and the advisability of establishing or constructing, maintaining and operating an area school or schools to serve the needs of such region; to estimate the construction and operating costs thereof; to estimate the tuition costs; to investigate the methods of financing such area school or schools, and any other matters pertaining to the organization and operation of an area school; and to submit a report or reports of its findings and recommendations to the several school districts.

V. An area school planning board may recommend that there be established an authorized regional enrollment area plan for elementary or secondary schools, or both, or any other reasonable combination of grades, composed of all the school districts represented by its membership or any specified combination thereof. At the time such recommendation is made, the planning board shall prepare a written plan for the proposed regional enrollment area, which shall be signed by at least a majority of the membership of such board, which shall set forth the following:

- (a) The name or names of each area school or schools proposed, and the receiving district in

which such schools shall be located;

- (b) The sending districts or portions thereof which, together with the receiving district, shall form the region which each area school or schools shall serve;
- (c) The grades for which each area school or schools shall be responsible (which may include a combination of elementary and secondary grades or any other reasonable classification);
- (d) The formula for calculation of tuition;
- (e) The manner in which any form of state aid shall be credited, unless otherwise expressly provided by law;
- (f) The existing school buildings in the several school districts which shall be discontinued;
- (g) The existing school buildings in the receiving district which shall be designated as an area school or schools including any existing buildings to be initially enlarged;
- (h) The proposed new area school building or buildings to be initially constructed in the receiving district and the initial location of same;
- (i) The estimated initial enrollment in each area school from each of the sending districts and from the receiving district;
- (j) The proposed date or dates of operating responsibility of each planned area school, which date may be subsequently postponed by the state board upon petition of a receiving or sending district, in the event of unforeseen circumstances or for good cause shown;
- (k) The scheduled date or dates during each year upon which tuition payments shall be made by the sending districts to the receiving districts and whether the tuition shall be payable in installments, or in a lump sum;
- (l) Procedure for improvement or changes in curriculum and other school programs and services;
- (m) The method, time, and manner in which the plan may be amended, subject to state board approval, where not incompatible with law;
- (n) The term of the agreement, which shall be for a minimum of 10 years unless otherwise provided by mutual agreement of the school districts consistent with the provisions of RSA 195-A:3, XI;
- (o) The manner in which the interests of the school boards of the sending districts will be addressed;
- (p) Whether the districts within the area plan shall adopt the provisions of RSA 194-B, and how the adoption of such provisions will affect the districts within the area plan;
- (q) Any other matters, not incompatible with law, which the area school planning board may consider appropriate to include in such written plan.

VI. Before finally agreeing upon a proposed regional plan, the area school planning board shall hold at least one public hearing thereon in each district within the proposed region and shall give such notice thereof as it shall determine to be reasonable. An executed copy of the proposed plan shall be submitted by such planning board to the state board, and when the state board finds that such plan is in accord with the provisions of RSA 195-A:2 and of paragraph V of this section and is otherwise lawful and feasible, it shall approve the same and cause it to be submitted to the school boards of the several school districts included in the plan for acceptance by these school districts as provided in paragraph VII. The planning board may amend a proposed regional plan to conform to recommendations of the state board without holding further public hearings thereon.

VII. Upon receipt of written notice of the state board's approval of such plan, the school board of each town or special school district and of each incorporated school district within a city, which is included in the plan, shall cause such plan to be filed with the district clerk and to be submitted to the voters of the district as soon as may reasonably be possible at an annual or special meeting called for the purpose, the voting to be by ballot with the use of the checklist, after reasonable opportunity for debate in open meeting. The duty to call such meeting for such purpose may be enforced by the superior court in an equity proceeding commenced by any voter or taxpayer of such school district. The article in the warrant for such district meeting and the question on the ballot to be used at the meeting, shall be in substantially the following form:

"Shall the school district accept the provisions of RSA 195-A (as amended) providing for the establishment of an area school or schools located in _____ to serve the following grades _____ from the school districts of _____ and _____ and _____, etc. in accordance with the provisions of the plan on file with the district clerk?"

Yes [] No []

VIII. In the case of cities with dependent school departments, the school board shall submit such plan, as approved by the state board, to the city clerk who shall communicate it to the legislative body of such city, and it shall be the duty of such legislative body, as soon as may be reasonably possible, to act upon the question set forth in paragraph VII with such nominal modification in the question as may be necessary, voting by roll call. In the case of any separately incorporated school district within a city in which district meetings have been abolished, the school board shall have power to adopt such plan for the district, voting by roll call on the question set forth in paragraph VII.

IX. If a majority of the voters present and voting in such school district meeting, including the legislative body of a city with a dependent school department and the school board of a city school district which has abolished district meetings, shall vote in the affirmative, the clerk of each school district shall forthwith send to the state board a certified copy of the warrant, certificate of posting, evidence of publication, if required, and minutes of the meeting or resolution adopted, as may be applicable to his district. If the state board finds that the plan has been thus adopted by each of the school districts named in the plan, it shall issue its certificate to that effect, which shall be conclusive evidence of the lawful adoption of the plan.

X. If any school district fails to vote in the affirmative on the proposed plan within 90 days after its school board receives notice of approval thereof by the state board, such district shall be deemed to have rejected the same. If the proposed plan fails of adoption by one or more of such school districts as herein required, it may be resubmitted to all or a different combination of such school districts either in its original form or as amended by the area school planning board, with the approval of the state board, and shall in such case be again acted upon by each school district as provided herein, but no further public hearing need be held by the planning board prior to such resubmission.

XI. An area plan adopted by the voters of the sending and receiving districts shall be valid for a minimum of 10 years unless otherwise provided by mutual agreement of the school districts. The area plan may be renegotiated at the request of a sending or receiving district or extended for additional 10-year periods upon a mutual vote of each sending and receiving school district legislative body 2 years prior to the expiration of the area plan.

Source. 1963, 277:1. 1965, 112:3, 4; 311:2, 3. 1969, 104:8. 1998, 271:3. 1999, 15:1; 119:1. 2000, 106:2, eff. July 7, 2000. 2009, 241:13, eff. Sept. 14, 2009.

195-A:4 Application of School Laws. – An area school shall be maintained and operated by the receiving district and its school board in accordance with all the general school laws applicable to schools of the grades which it includes, except only as otherwise provided in this chapter. The receiving district shall be obligated to provide for the elementary or secondary school education, or both, of all the resident pupils of the sending districts as well as its own, in accordance with the approved regional plan as adopted under RSA 195-A:3. The sending districts shall be obligated to assign and send their resident pupils to the area school, or schools, in the receiving district as provided in such plan and to raise and appropriate annually the tuition of each such pupil to be paid to the receiving district. The liability to pay tuition may be enforced by the receiving district in an action of debt against a delinquent sending district to be commenced in the superior court for the county in which either district is located. Transportation of resident pupils of the sending districts to the area school shall be governed by the general school laws applicable thereto and shall be the responsibility of each sending district. An area school shall be deemed the assigned school for all resident pupils in the region which it is established to serve, for purposes of the school attendance laws, except as provided in RSA 193:3.

Source. 1963, 277:1, eff. July 1, 1964.

195-A:5 Joint School Board Meetings. – The state board shall cause to be held, at reasonable intervals, at the request of a school board or school boards of the receiving or sending district, or on its own motion, a joint board meeting of the school boards of all school districts in the authorized regional enrollment area for the purpose of consulting and advising about any and all matters of joint interest. Each school board shall be entitled to 3 representatives at such meetings, which shall be presided over by an agent of the state board designated by the commissioner of education. Such meetings shall be advisory, consultative, and informational in nature and shall not infringe upon the legal authority and responsibility of the school board of the receiving district over the schools within such district.

195-A:11 Special Aid to Small Area High Schools. – In certain areas of the state where due to sparsity of population and distance between centers of population, an area high school cannot be established to serve as many school districts or pupils as would otherwise be standard, the receiving districts in any such small authorized regional enrollment areas as may be approved and established hereunder for a high school, in addition to the aid granted in RSA 198:19, shall be paid annually by the state board, from a fund appropriated by the general court, special supplemental aid in such proportionate amounts from the fund thus made available as may be determined by the state board, in accordance with the relative need of such smaller area high schools, for the purpose of faculty improvement. Such special aid shall be fairly and equitably apportioned by the state board as of June 30 in each year and paid to the eligible receiving districts in the succeeding fiscal year based upon conditions prevailing in the preceding fiscal year. Such special aid shall be deducted from current expenses of operation before tuition is calculated.

195-A:12 Enlargement of Authorized Regional Enrollment Area. –

I. The school board of a school district located in proximity to an authorized regional enrollment area, which did not join the plan when it was initially established, may petition the school board of the receiving district of such area to join the area plan. Thereupon it shall be the duty of the 2 school boards to engage in a joint study of the advisability thereof. The 2 school boards acting jointly shall have all the powers of an area school planning board as provided in RSA 195-A:3 and may prepare and sign a written plan which shall contain such of the provisions required by RSA 195-A:3, V, as may be applicable.

II. An executed copy of the proposed plan shall be submitted by the joint board to the state board and thereafter the procedure shall be that prescribed in paragraphs VI, VII, VIII, IX and X of RSA 195-A:3; provided, however, that such plan shall be submitted only to the voters of the receiving district and proposed new sending district and that prior public hearing thereon may be waived by the joint board.

Source. 1963, 277:1. 1965, 112:8, eff. May 28, 1965.

195-A:15 Conversion of Area School Plan to Cooperative School District. –

I. The school districts comprising an authorized regional enrollment area plan may convert the plan to a cooperative school district as provided in RSA 195:18 upon the expiration of 5 years after date of operating responsibility, and thereafter. Provided, however, that, if such area plan then includes a city school district or the dependent school department of a city, such conversion may only be accomplished by special act of the legislature upon petition of the cooperative school district planning board. In proceedings for conversion, the school boards of the several school districts in the area plan, acting jointly, shall constitute the cooperative school district planning board. The articles of agreement for such conversion shall provide for assumption by the cooperative school district of all outstanding debt of each receiving district incurred for its area schools, and shall provide for termination of tuition payments on date of operating responsibility of the new cooperative district.

II. [Repealed.]

Source. 1963, 277:1. 1969, 347:3. 1991, 188:4, eff. May 27, 1991 at 12:01 a.m.

APPENDIX B



Municipal
Resources, Inc.

APPENDIX B – Dispersion of EAV in Androscoggin Valley Towns

NHDRA 2016		EAV per capita ranked highest to lowest		
		2016	2016	
		EAV	POP	EAV/POP
1	WATERVILLE VALLEY	354,299.656	246	1,440.243
2	NEWINGTON	1,107,362.510	781	1,417.878
3	NEW CASTLE	740,008.008	963	768.440
4	MOULTONBOROUGH	2,968,525.437	4,085	726.689
5	JACKSON	419,562.607	839	500.075
6	LINCOLN	839,192.665	1,726	486.207
7	CARROLL	356,203.017	780	456.671
8	HEBRON	264,163.915	621	425.385
9	TUFTONBORO	1,011,343.921	2,385	424.044
10	RYE	2,179,578.301	5,439	400.731
11	CENTER HARBOR	422,393.988	1,078	391.831
12	HARTS LOCATION	16,397.629	42	390.420
13	SUNAPEE	1,272,664.429	3,437	370.284
14	BARTLETT	1,031,573.218	2,807	367.500
15	HOLDERNESS	749,189.147	2,106	355.740
16	NEWBURY	732,379.184	2,149	340.800
17	MONROE	262,928.560	792	331.981
18	WOLFEBORO	2,056,827.170	6,246	329.303
19	BRIDGEWATER	354,373.864	1,091	324.816
20	FREEDOM	495,962.022	1,532	323.735
21	PITTSBURG	282,815.995	874	323.588
22	ALTON	1,657,510.932	5,256	315.356
23	MEREDITH	1,968,530.387	6,341	310.445
24	ERROL	88,539.769	289	306.366
25	SANDWICH	407,562.797	1,333	305.749
26	SEABROOK	2,428,191.407	8,829	275.025
27	NEW LONDON	1,186,587.556	4,333	273.849
28	NORTH HAMPTON	1,205,314.710	4,514	267.017
29	PORTSMOUTH	5,713,043.888	21,524	265.427
30	EATON	105,083.796	408	257.558
31	FRANCONIA	286,981.348	1,117	256.922
32	EASTON	67,745.707	265	255.644
33	SUGAR HILL	143,310.453	574	249.670
34	GILFORD	1,774,276.810	7,153	248.047
35	GROTON	140,279.081	592	236.958
36	HAMPTON	3,374,610.103	15,145	222.820
37	RANDOLPH	67,562.650	307	220.074
38	DUMMER	65,464.947	301	217.492
39	LYME	369,240.639	1,710	215.930
40	HANOVER	2,475,094.793	11,467	215.845
41	HAMPTON FALLS	463,545.913	2,233	207.589
42	GREENLAND	792,696.949	3,886	203.988
43	HARRISVILLE	192,318.374	949	202.654
44	STODDARD	250,182.834	1,260	198.558
45	WAKEFIELD	1,000,775.256	5,058	197.860
46	MADISON	509,589.001	2,578	197.668
47	WASHINGTON	217,017.776	1,126	192.733
48	SOUTH HAMPTON	150,664.785	810	186.006
49	SHELBURNE	68,109.442	372	183.090
50	CLARKSVILLE	49,780.625	272	183.017
51	STRATHAM	1,323,778.265	7,359	179.886
52	WOODSTOCK	242,963.710	1,371	177.216
53	WINDHAM	2,499,003.308	14,358	174.050
54	ELLSWORTH	14,646.109	85	172.307
55	BEDFORD	3,887,593.206	22,733	171.011
56	NEW DURHAM	444,546.919	2,608	170.455
57	HOLLIS	1,321,056.568	7,775	169.911
58	SALEM	4,745,723.979	28,752	165.057
59	KENSINGTON	344,479.831	2,114	162.952
60	NELSON	117,135.085	725	161.566
61	GRANTHAM	484,841.012	3,018	160.650
62	BOW	1,225,599.333	7,715	158.859
63	SPRINGFIELD	209,068.637	1,329	157.313
64	CONWAY	1,575,470.562	10,053	156.716
65	AMHERST	1,757,997.930	11,283	155.809
66	CHATHAM	52,115.009	335	155.567
67	OSSIPEE	680,289.380	4,388	155.034
68	SANBORNTON	460,719.767	2,979	154.656
69	NEWFIELDS	261,062.999	1,692	154.293
70	ALBANY	113,372.311	736	154.038
71	BRISTOL	472,264.751	3,070	153.832
72	LONDONDERRY	3,879,315.817	25,361	152.964
73	SUTTON	282,603.745	1,849	152.841
74	LEBANON	2,049,212.795	13,599	150.688
75	THORNTON	371,019.540	2,532	146.532
76	ATKINSON	983,888.121	6,748	145.804
77	HANCOCK	239,392.496	1,647	145.351

78	TILTON	525,449,531	3,633	144,632
79	SHARON	50,569,181	353	143,255
80	CHESTERFIELD	513,663,084	3,598	142,764
81	WILMOT	190,559,016	1,362	139,911
82	BROOKFIELD	97,719,780	707	138,218
83	AUBURN	745,214,701	5,393	138,182
84	EAST KINGSTON	329,369,789	2,392	137,696
85	PLAISTOW	1,036,307,070	7,667	135,165
86	HOOKSETT	1,951,731,299	14,464	134,937
87	MADBURY	239,636,957	1,797	133,354
88	HAMPSTEAD	1,149,504,908	8,644	132,983
89	WINDSOR	28,642,893	217	131,995
90	DUBLIN	207,798,582	1,581	131,435
91	MERRIMACK	3,322,915,667	25,396	130,844
92	EXETER	1,924,940,913	14,845	129,669
93	NEW HAMPTON	288,481,676	2,233	129,190
94	PELHAM	1,690,014,097	13,221	127,828
95	LACONIA	2,086,317,897	16,444	126,874
96	NOTTINGHAM	625,997,374	4,962	126,158
97	DEERFIELD	562,963,312	4,480	125,661
98	STRAFFORD	508,258,488	4,058	125,249
99	BRADFORD	208,275,570	1,663	125,241
100	KINGSTON	758,151,346	6,069	124,922
101	BRENTWOOD	577,871,124	4,643	124,461
102	ENFIELD	566,775,229	4,629	122,440
103	GILMANTON	456,748,268	3,731	122,420
104	CANDIA	473,980,172	3,899	121,565
105	PIERMONT	94,688,509	782	121,085
106	CAMPTON	403,528,341	3,352	120,384
107	LANDAFF	49,708,196	415	119,779
108	EPPING	822,367,707	6,871	119,687
109	TAMWORTH	345,353,103	2,886	119,665
110	HUDSON	2,973,134,944	24,888	119,461
111	STARK	67,657,559	568	119,115
112	ASHLAND	247,297,685	2,082	118,779
113	ALEXANDRIA	193,877,823	1,639	118,290
114	HOPKINTON	662,217,698	5,612	118,000
115	NORTHWOOD	495,172,199	4,207	117,702
116	PLAINFIELD	280,041,688	2,399	116,733
117	FRANCESTOWN	182,300,239	1,562	116,710
118	RUMNEY	173,081,980	1,490	116,162
119	DUNBARTON	325,127,303	2,800	116,117
120	MASON	160,983,590	1,390	115,816
121	ACWORTH	103,783,348	897	115,700
122	ORFORD	142,852,681	1,235	115,670
123	CHESTER	570,784,548	4,969	114,869
124	NEW BOSTON	632,729,377	5,541	114,190
125	FEMPSTER	133,559,802	1,170	114,154
126	BROOKLINE	589,650,075	5,219	112,981
127	ROXBURY	25,289,746	225	112,399
128	CROYDON	84,358,402	758	111,291
129	LITTLETON	657,930,799	5,914	111,250
130	LYMAN	59,794,832	540	110,731
131	SURRY	81,439,868	739	110,203
132	DORCHESTER	39,555,891	359	110,184
133	CANTERBURY	260,039,944	2,366	109,907
134	NASHUA	9,622,829,137	87,590	109,862
135	BARRINGTON	968,377,783	8,843	109,508
136	LEE	473,960,648	4,335	109,333
137	WALPOLE	421,005,586	3,861	109,041
138	NEWTON	533,081,659	4,901	108,770
139	WEBSTER	203,826,014	1,877	108,591
140	ROLLINSFORD	274,016,276	2,527	108,435
141	COLUMBIA	81,532,572	756	107,847
142	LITCHFIELD	906,597,009	8,415	107,736
143	MONT VERNON	267,526,949	2,485	107,657
144	JEFFERSON	119,225,391	1,108	107,604
145	CORNISH	175,681,268	1,640	107,123
146	DOVER	3,256,575,668	30,683	106,136
147	CHICHESTER	272,756,526	2,573	106,007
148	EFFINGHAM	155,247,378	1,473	105,395
149	BATH	114,576,255	1,090	105,116
150	LOUDON	571,846,284	5,466	104,619
151	PETERBOROUGH	682,515,027	6,526	104,584
152	BARNSTEAD	479,880,284	4,617	103,938
153	FITZWILLIAM	248,213,859	2,390	103,855
154	WILTON	379,392,871	3,668	103,433
155	WENTWORTH	93,915,405	910	103,204
156	SANDOWN	643,078,809	6,260	102,728
157	TEMPLE	143,100,246	1,394	102,654
158	BETHLEHEM	261,188,486	2,554	102,266
159	LYNDEBOROUGH	174,066,117	1,709	101,853
160	DEERING	193,965,450	1,910	101,553
161	ANDOVER	238,916,535	2,360	101,236
162	WESTMORELAND	169,818,117	1,734	97,934
163	SALISBURY	136,036,493	1,399	97,238
164	FREMONT	450,591,553	4,669	96,507
165	ORANGE	31,858,375	331	96,249
166	CONCORD	4,061,020,935	42,501	95,551
167	WEAVER	841,351,452	8,821	95,381

168	PEMBROKE	666,826.427	7.072	94,291
169	NEWMARKET	862,437.884	9.172	94,029
170	WARNER	270,498.815	2.888	93,663
171	MILFORD	1,417,686.825	15.238	93,036
172	MIDDLETON	165,183.120	1.786	92,488
173	EPSOM	433,589.938	4.702	92,214
174	RAYMOND	947,178.823	10.282	92,120
175	DANBURY	107,218.580	1.173	91,405
176	DERRY	2,989,613.482	32.914	90,831
177	GOSHEN	73,815.208	815	90,571
178	DANVILLE	399,346.512	4.447	89,801
179	BELMONT	649,265.560	7.300	88,940
180	CANAAN	346,842.717	3.920	88,480
181	DALTON	86,406.570	981	88,080
182	RINDGE	552,882.802	6.322	87,454
183	GRAFTON	119,121.072	1.363	87,396
184	ANTRIM	228,588.210	2.619	87,281
185	MILAN	116,631.751	1.338	87,169
186	MILTON	395,689.904	4.549	86,984
187	HENNIKER	423,497.816	4.871	86,943
188	MANCHESTER	9,551,682.509	109.886	86,924
189	GOFFSTOWN	1,535,064.461	17.765	86,409
190	GORHAM	241,079.177	2.800	86,100
191	GREENFIELD	156,545.562	1.825	85,778
192	MARLOW	63,611.058	742	85,729
193	RICHMOND	97,862.840	1.156	84,656
194	ALSTEAD	164,022.467	1.949	84,157
195	LANGDON	57,698.688	692	83,380
196	HILLSBOROUGH	494,444.712	5.958	82,988
197	HINSDALE	333,966.481	4.029	82,891
198	MARLBOROUGH	176,109.358	2.129	82,719
199	STEWARTSTOWN	84,035.430	1.029	81,667
200	JAFFREY	436,467.335	5.387	81,022
201	WHITEFIELD	190,368.264	2.360	80,665
202	STRATFORD	59,963.125	747	80,272
203	ROCHESTER	2,380,977.980	30.027	79,295
204	KEENE	1,804,187.319	23.145	77,951
205	BENNINGTON	113,412.619	1.457	77,840
206	NEW IPSWICH	403,121.233	5.187	77,718
207	SWANZEY	568,642.409	7.334	77,535
208	BENTON	28,960.407	374	77,434
209	HILL	83,694.816	1.092	76,644
210	SOMERSWORTH	890,309.355	11.684	76,199
211	SULLIVAN	52,564.068	691	76,070
212	GILSUM	61,386.369	816	75,228
213	UNITY	117,271.981	1.604	73,112
214	LANCASTER	255,323.815	3.515	72,638
215	COLEBROOK	166,634.128	2.301	72,418
216	WARREN	66,080.862	916	72,141
217	HAVERHILL	334,921.766	4.669	71,733
218	PLYMOUTH	477,517.394	6.764	70,597
219	FRANKLIN	579,734.391	8.553	67,781
220	FARMINGTON	455,468.793	6.794	67,040
221	DURHAM	1,080,145.993	16.116	67,023
222	LISBON	106,892.993	1.599	66,850
223	NEWPORT	420,730.225	6.450	65,229
224	BOSCAWEN	256,230.157	3.952	64,836
225	ALLENSTOWN	278,859.939	4.307	64,746
226	NORTHFIELD	311,369.349	4.814	64,680
227	PITTSFIELD	252,579.826	4.072	62,028
228	TROY	121,313.518	2.132	56,901
229	CHARLESTOWN	280,863.762	5.110	54,964
230	CLAREMONT	706,379.839	13.233	53,380
231	WINCHESTER	231,232.849	4.333	53,366
232	GREENVILLE	102,862.626	2.069	49,716
233	NORTHUMBERLAND	104,877.259	2.244	46,737
234	BERLIN	315,048,262	10,464	30,108
	State		AVG	161,207
			Median	116,436

APPENDIX C



Municipal
Resources, Inc.

APPENDIX C – 2016 Equalized Local School Tax Rates

2016 TAX RATES PER \$1,000 OF EQUALIZED VALUATION

CLAREMONT		22.09
	CHARLESTOWN	21.08
MIDDLETON		20.90
BROOKLINE		20.57
	CANAAN	20.12
FREMONT		20.09
WINCHESTER		19.82
HOPKINTON		19.54
	MADBURY	18.95
HAVERHILL COOP		18.93
	LANGDON	18.92
MARLBORO		18.72
BERLIN		18.56
	DANVILLE	18.55
UNITY		18.27
	NEWTON	18.25
	TROY	18.18
WARREN		18.03
	PENACOOK ^K	18.01
HENNIKER		17.85
MONT VERNON		17.83
ORFORD-Rivendell SD,VT		17.37
MILFORD		17.12
	LEE	17.10
NORTHUMBERLAND		17.07
	ORANGE	17.04
PITTSFIELD		17.02
SULLIVAN		16.75
BRENTWOOD		16.72
	HILLSBORO	16.57
PLAINFIELD		16.57
	SANDOWN	16.44
	RINDGE	16.42
BARNSTEAD		16.40
	GRAFTON	16.39
SOMERSWORTH		16.28
KEENE		16.21
MASCOMA VALLEY REG		16.20
SANBORN REG		16.18
	SWANZEY	16.16
OYSTER RIVER COOP		16.13
	NEW IPSWICH	16.08
HILLSBORO-DEERING		16.05
HILL		16.02
HINSDALE		16.00
GILMANTON		15.99
	WILTON	15.93
AMHERST		15.89
	FITZWILLIAM	15.89
MONADNOCK REG		15.85
	DUBLIN	15.84
JAFFREY-RINDGE		15.65
BETHLEHEM		15.63
STEWARTSTOWN		15.63
FALL MOUNTAIN REG		15.61
CHICHESTER		15.60
WILTON-LYNDEBORO		15.56
ROLLINSFORD		15.55
BENTON		15.53
HAMPSTEAD		15.45
BARRINGTON		15.43
WEARE		15.42
NEW BOSTON		15.39
ALLENSTOWN		15.27
DEERFIELD		15.24
	LISBON	15.19
	PETERBOROUGH	15.17

	TEMPLE	15.13
MASCENIC REG		15.13
	ALSTEAD	15.12
	DURHAM	15.08
EPSOM		15.05
PEMBROKE		15.04
NEWFIELDS		15.03
EPPING		15.00
NORTHWOOD		14.78
	LYNDEBOROUGH	14.75
	DEERING	14.73
	KINGSTON	14.73
	JAFFREY	14.66
	BENNINGTON	14.60
	GORHAM	14.60
LITTLETON		14.60
WESTMORELAND		14.44
MERRIMACK		14.41
DERRY		14.39
CONTOOCH VALLEY		14.35
	BELMONT	14.26
BOW		14.25
SHAKER REG		14.22
EAST KINGSTON		14.21
	ENFIELD	14.20
	RICHMOND	14.17
RUMNEY		14.17
	WARNER	14.13
	CANTERBURY	14.11
TIMBERLANE REG		14.06
	FRANCESTOWN	14.04
MERRIMACK VALLEY		14.03
LEMPSTER		13.99
	SALISBURY	13.97
WINDHAM		13.97
RAYMOND		13.93
	HANCOCK	13.92
KENSINGTON		13.82
EXETER		13.81
LYME		13.66
MILTON		13.61
LITCHFIELD		13.60
	GREENFIELD	13.59
PIERMONT		13.54
STRATFORD		13.51
MASON		13.45
	BOSCAWEN	13.44
GRANTHAM		13.33
NEWMARKET		13.33
CHESTER		13.30
TAMWORTH		13.25
LONDONDERRY		13.14
DUNBARTON		13.13
	PLAISTOW	13.13
	SUTTON	13.05
FARMINGTON		12.99
	WALPOLE	12.98
COLEBROOK		12.88
LISBON REG		12.88
CAMPTON		12.87
	ROXBURY	12.82
GOFFSTOWN		12.77
	SPRINGFIELD	12.71
HAMPTON FALLS		12.69
NOTTINGHAM		12.67
STRAFFORD		12.67
NEWPORT		12.65
HOLLIS		12.48
	WEBSTER	12.47
STRATHAM		12.36
ANDOVER		12.29
CONCORD		12.29
LEBANON		12.26
MILAN		12.26

	EFFINGHAM	12.23
CORNISH		12.22
	LOUDON	12.18
	NORTHFIELD	12.17
	GILSUM	12.12
	ALEXANDRIA	12.05
	BRADFORD	12.00
CANDIA		11.80
	SHARON	11.78
	ANTRIM	11.73
	ATKINSON	11.67
WENTWORTH		11.65
PELHAM		11.51
THORNTON		11.48
BATH		11.44
	DANBURY	11.42
ROCHESTER		11.39
	GREENVILLE	11.37
ELLSWORTH		11.35
CHATHAM		11.33
	JEFFERSON	11.31
HOOKSETT		11.24
BEDFORD		11.22
	NEW DURHAM	11.16
ASHLAND		11.10
PLYMOUTH		11.00
CHESTERFIELD		10.93
GRS COOP		10.91
LANDAFF		10.88
	WILMOT	10.87
AUBURN		10.76
HUDSON		10.59
	LANCASTER	10.59
	WHITEFIELD	10.44
	DALTON	10.42
	ACWORTH	10.40
WINNISQUAM REG		10.22
	TILTON	9.77
SALEM		9.65
MARLOW		9.57
MONROE		9.57
NASHUA		9.57
DOVER		9.51
	SANBORNTON	9.42
	DORCHESTER	9.38
	NEW LONDON	9.27
WHITE MTNS REG		9.20
LACONIA		8.98
	SUGAR HILL	8.97
SOUTH HAMPTON		8.97
CONWAY		8.77
	LYMAN	8.75
	NEW HAMPTON	8.75
	OSSIPEE	8.66
GREENLAND		8.62
KEARSARGE REG		8.61
	BROOKFIELD	8.53
HANOVER		8.42
GILFORD		8.40
COLUMBIA		8.37
MADISON		8.29
	BRISTOL	8.26
SURRY		8.26
MANCHESTER		8.03
WASHINGTON		7.77
CROYDON		7.72
ALBANY		7.22
NORTH HAMPTON		7.17
LAFAYETTE REG		7.11
NELSON		7.11
HARRISVILLE		7.01
GOSHEN		7.00
STODDARD		6.88
STARK		6.80

	FRANCONIA	6.78
HOLDERNESS		6.60
	CARROLL	6.54
CLARKSVILLE		6.52
HAMPTON		6.39
ALTON		6.33
	WOODSTOCK	6.24
NEWFOUND AREA		6.19
FRANKLIN		6.16
GOV WENTWORTH		6.12
SUNAPEE		6.11
	MEREDITH	6.08
SEABROOK		6.00
	SHELBURNE	5.95
INTER-LAKES COOP		5.76
WINDSOR		5.58
	SANDWICH	5.39
WAKEFIELD		5.33
PITTSBURG		5.26
	WOLFEBORO	4.96
	CENTER HARBOR	4.60
	EASTON	4.56
PORTSMOUTH		4.52
FREEDOM		4.43
	NEWBURY	4.19
BARTLETT		3.98
EATON		3.98
LINCOLN-WOODSTOCK		3.72
RYE		3.53
	TUFTONBORO	3.38
DUMMER		3.24
JACKSON		3.10
ERROL		3.03
	LINCOLN	3.00
	GROTON	2.84
	RANDOLPH	2.73
	BRIDGEWATER	2.33
MOULTONBOROUGH		2.16
WATERVILLE VALLEY		1.08
NEWINGTON		0.52
	HEBRON	0.25
NEW CASTLE		0.18
HART'S LOCATION		0.04
	MARTIN'S LOC.	0.00
	MILLSFIELD	(0.14)
COOS COUNTY ^A		(0.81)
	DIXVILLE	(0.89)
	SUCCESS	(2.07)
CARROLL COUNTY ^A		(2.15)
	HALE'S LOC.	(2.15)
	CAMBRIDGE	(2.15)
	WENTWORTH LOC.	(2.15)
	DIX GRANT	(2.21)
	ODELL	(2.27)
	PINKHAMS GRANT	(2.57)
TOTALS	State Average	10.73
	Minimum	0.04
	Median	12.67
	Maximum	22.09

APPENDIX D



Municipal
Resources, Inc.

APPENDIX D – Adequacy Aid and the Loss of Stabilization

Frank Edelblut
Commissioner
STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, N.H. 03301
TEL. (603) 271-3495
FAX (603) 271-1953

October 1, 2017

Re: Adequacy Aid Calculations
From: Frank Edelblut, Commissioner
To: Superintendents
CC: John Beardmore, Commissioner Department of Revenue
Administration

Attached please find the revised Adequacy Aid for FY2018. These revisions have been updated using the FY2016-17 ADM data submitted to the NH DOE as of Wednesday, September 20th. The Department of Education reserves the right under **RSA 198:42 I** to make adjustments to the final grant payment in April 2018 necessitated by variations in the ADM data.

RSA 198:42 – Distribution Schedule of Adequate Education Grants; Appropriation.

I. The adequate education grant determined in RSA 198:41 shall be distributed to each municipality's school district or districts legally responsible for the education of the pupils who attend approved public schools within the district or in other districts or who attend approved programs for children with disabilities, as the case may be, from the education trust fund in 4 payments of 20 percent on September 1, 20 percent on November 1, 30 percent on January 1, and 30 percent on April 1 of each school year; provided that for a dependent school district, the grant determined in RSA 198:41 shall be distributed to the municipality, which shall appropriate and transfer the grant funds to its dependent school department. During the course of the school year, the commissioner may make adjustments in grant payments necessitated by variations in the ADMA data for a school district for any fiscal year in which the ADMA calculation is made.

NH Department of Education
Division of Program Support
Bureau of Data Management
November 15, 2015

FY2017 Estimated Adequate Education Aid

In the 2015 legislative session, HB2 and SB151FN amended the formula for the calculation and distribution of Adequate Education Aid. Included in House Bill 2 are provisions for raising the cap from 108% to 160% for municipalities and for the gradual phasing out of the stabilization grant at 4% annually. In addition HB2 grants the authority to the Commissioner of the Department of Education to distribute any

unexpended appropriations to capped communities after the final grant has been revised in March of 2017 for the April payment. Included in the Senate Bill is a provision for reimbursing communities for home educated students who are enrolled in an approved high school academic course. Each academic course shall count as an additional .15 to the base ADM calculation. Again the department shall only make grant payments for such pupils to the extent of available appropriations. These changes take effect with 2016-2017 school year. As such, please know these are strictly estimates. The Adequate Education Aid will be calculated at least three times.

1. These estimates are being calculated using the 2014-15 ADM data and include the change in Fall Enrollment by town between 2014-15 and 2015-16. This estimate will be used to pay the September 2016 payment.
2. The Adequate Education Aid will be recalculated for October 1, 2016 to provide revised estimates to the Department of Revenue for tax rate setting process. At this time aid will be calculated using the 2015-16 ADM. This revised estimate will be used to pay the November 2016 and January 2017 payments.
3. Prior to the fourth payment in April 2017, any corrections made to 2015-16 ADM reporting will be used and Adequate Education Aid will be recalculated a third time per RSA 198:42 I. At this time if appropriations are still available home educated ADM will be included in the final payment.
4. After the fourth payment in April 2017, the department shall distribute any unexpended appropriations to the capped communities subject to RSA 198:41 III(b). The unexpended appropriations shall be distributed based on the proportion of a municipality's average daily membership in relation the average daily membership of all such municipalities, but shall not exceed a municipality's uncapped amount.
5. Finally, any changes made to ADM reporting after the April payment but before the end of the school year, June 30, 2017, will be used for a final calculation of Adequate Education Aid. Any changes identified as part of this final calculation will be used to adjust the first payment in 2017-18.
6. Although the actual payments may vary from this original estimate, by law, the revised estimates and final payment will be no less than 95% of this initial grant estimate.

RSA 198:38 through 198:41 and RSA 198:46 as amended, specify how aid will be calculated and distributed.

Cost of an Opportunity for an Adequate Education

Students:

These Estimated Cost of an Adequate Education has been calculated using FY2015 **(2014-15 school year as compiled on September 14, 2015)** data for students in grades kindergarten through grade 12 who were legal residents of New Hampshire. Additionally, the base ADM was adjusted in proportion to the change in enrollment from Oct 1, 2014 to Oct 1, 2015. Student ADM was included based upon the following parameters:

- Attended a school operated by their resident district
- Were tuitioned by the resident district to a district operated school in NH or another state, or
- Were tuitioned by the resident district to a non-public school, such as a special education program.
- Preschool students are not included.
- The cost for students attending charter schools is addressed in RSA 194-B:11.
- Students in Kindergarten are counted as no more than .50 ADM.

Average daily membership (ADM) has been used to count the students. A full time equivalent student who is enrolled in school for the entire year has an ADM of 1.00 and a student who transfers between schools is counted as a fractional ADM at each school.

The 2015-16 ADM will be used to determine the final Adequacy payments for the 2016-2017 school year. Since the ADM will not be known until after the 2016-17 school year begins, adjustments to these estimates will be made during the 2016-17 school year.

Additionally during the 2012 legislative session, SB372 established an education tax credit that can be used to pay for non-faith based private school and home school scholarships. Sixty-five percent of these scholarships during the 2015-16 school year must reduce the adequacy grants to towns. Therefore, further adjustments to these estimates will be made, as necessary, during the 2016-17 school year to reflect scholarship grants.

Cost of Adequacy by Municipality:

The Department of Education calculates the Cost of Adequacy for students in each district-operated public school in NH and for students who attend certain other schools, such as privately operated special education programs or public schools in bordering states. The Department then sorts the student ADM and their cost allocations by municipality of residence. Beginning with July 1, 2015 biennium, the Department of Education shall adjust the base per pupil cost and individual differentiated aid factors by the average change in Consumer Price Index for All Urban Consumers, Northeast Region, using the “services less medical care services” special aggregate index, as published by the US Bureau Labor Statistics. For the biennium starting July 1, 2015 that adjustment has been determined to be 1.018%. See RSA 198:40-d for a complete explanation.

The base per pupil cost is \$3,561.27 per ADM-R, but certain individual factors (differentiated aid) increase that cost per student. These factors and rates are as follows:

- o \$1,780.63 for a free and reduced-price meal eligible student Free and reduced-price students are identified as any student enrolled in the Oct 1 Fall collection and identified in the related i4see:F&R collection and Direct Certification collection.

- \$1,915.86 for a special education student Special Education students are identified in the i4see: End of Year Sped Public submission.
- \$697.77 for an English Language Learner receiving English Language instruction ELL students are identified in the ESOL Fall data collection and include all students not yet advanced to a monitoring status.
- \$697.77 for each 3rd grade pupil who has not tested at proficient level or above in the reading component of the state assessment and who is not eligible to receive additional aid as a special education, English as a second language, or free or reduced-price meal eligible student. Grade 3 students who do not take NH assessment test are also excluded.

Statewide Education Property Tax Assessment:

In December, the Department of Revenue Administration notifies each municipality of the amount it must raise through the Statewide Education Property Tax (SWEPT) for the following school year. The Department first determines the rate needed to raise approximately \$363 million statewide. When applied to April 1, 2014 equalized valuations without utilities, the rate is \$2.345 per thousand. Each municipality must raise its proportional share of the total. The process is described in RSA 76:3 and RSA 76:8. Municipalities send the revenue raised by the Statewide Education Property Tax directly to school districts. Within cooperative districts the amount raised is credited to the individual towns.

Determination Preliminary Grants:

Each municipality's grant is determined by adding the base cost and any relevant factors to determine the Cost of Adequacy Aid, then subtracting the Statewide Education Property Tax assessment.

Determination of Estimated Adequate Education Grants for FY2017:

Beginning July 1, 2016, the Department of Education will distribute a total education grant to each municipality in an amount equal to the total preliminary grant for the fiscal year plus 96% the amount of the fiscal year 2012 stabilization grant, if any, distributed to the municipality.

Beginning July 1, 2016, the Department of Education will not distribute a total Adequate Education grant on behalf of all pupils who reside in a municipality that exceeds 160% of the total education grant distributed to such municipality in the previous fiscal year, FY2016(as of 10-01-15.) Because the FY2016 data has not yet been finalized the impact of the 160% will be recalculated prior to the April 2017 payment.

Districts will receive 20% of the estimated grant using the estimated 2015-16 ADM. Once the 2015-16 ADM has been finalized in September of 2016, Adequate Education Aid will be recomputed using the prior year ADM (15-16). The Commissioner will adjust the April payment to reflect the actual 15-16 ADM as well as changes due to the Education Tax Credit scholarships and home educated ADM. The Commissioner of DOE shall adjust the April Adequate Education grant disbursement to the extent necessary to ensure that the total education grant for each

school district is within 5 percent of the school district's estimated total education grant amount release on November 15, 2015.

Grant Payment Schedule:

Grant payment schedule is 20% by September 1, 20% by November 1, 30% by January 1, and 30% by April 1.

APPENDIX E



Municipal
Resources, Inc.

APPENDIX E – NH AREA Districts

SAU # of Receiving District	Receiving District	Grades	Sending District	SAU # of Sending District
3	Berlin (1966) Amended 2006 (Dissolved July 2009)	7-12	Dummer	20
	Berlin (1966) Amended 2007	7-12	Milan	20
7	Colebrook (1973) Amended 2004	1-12	Columbia	7
61	Farmington (1973)	1-12	Middleton	61
18	Franklin (1977) Amended 1993 & 2004	7-12	Hill	18
73	Gilford (1974) Amended 1999	9-12	Gilmanton	79
19	Goffstown (1971) Amended 2004	7-12	Dunbarton, New Boston	19
34	Hillsboro-Deering Coop. (1971)	1-12	Windsor	34
		9-12	Washington	34
29	Keene (1966) amended 1973, and 1986 (reviewed not changed 2009)	7-12	Harrisville, Marlow, Nelson	29
			Stoddard	24
		9-12	Chesterfield, Marlborough, Westmoreland	29
88	Lebanon (1967) Amended 1994	7-12	Grantham	75
		9-12	Plainfield	32
20	(1989) Amended 2005	1-6	Dummer	20
43	Newport (1966) Amended 1994 & 1999	4-12	Croydon	43
58	Northumberland (1971) Amended 2000	7-12	Stark	58
53	Pembroke (1969)	9-12	Allenstown, Chichester, Epsom (portion of)	53
7	Pittsburg (1977) Amended 1993 & 2004	K-12	Clarksville	7
52	Portsmouth (1968)	9-12	Greenland, New Castle, Newington, Rye	50
54	Rochester (1967) Amended 1970 & 2005	9-12	Wakefield	64
57	Salem (1991) Amended 2003 Dissolved July 1, 2008	9-12	Windham	28
56	Somersworth (1969)	7-12	Rollinsford	56

APPENDIX F



Municipal
Resources, Inc.

APPENDIX F – GRS Cooperative Articles of Agreement

ARTICLES OF AGREEMENT Between the Districts of Gorham, Randolph and Shelburne

Article 1: Composition and Name

The School Districts of Gorham, Randolph and Shelburne shall be combined to form a cooperative PK-12 school district which shall be named the Gorham Randolph Shelburne Cooperative School District until such time as the name will be formally selected and adopted by the Cooperative District by vote at the Organizational Meeting.

Article 2: Grade Levels

The Gorham Randolph Shelburne Cooperative School District shall be responsible for grades PK through 12.

Article 3: Date of Operating Responsibility

The date of operating responsibility of the Gorham Randolph Shelburne Cooperative School District shall be no later than July 1, 2007.

Article 4: School Board Composition

The School Board of the Gorham Randolph Shelburne Cooperative School District shall consist of eleven (11) members, to be elected at the organizational meeting in the following manner:

		<u>Term Ending</u>
Gorham:	2 members	2006
	2 members	2007
	2 members	2008
Randolph:	1 member	2007
Shelburne:	1 member	2007
At Large - Randolph Resident	1 member	2006
At Large - Shelburne Resident	1 member	2008
At Large - Gorham, Randolph or Shelburne Resident	1 member	2006

Members of the Cooperative School Board shall be elected by the voters of the pre-existing districts they represent and must be residents of those pre-existing districts. The at large members shall be elected by vote of all three pre-existing districts. Voting will be by the individual town's checklist. All members elected subsequent to the organizational meeting shall be elected to three (3) year terms at the regular town elections. Reapportionment of the Cooperative School Board may be proposed at any time in accordance with NH RSA 195:22 and NH RSA 671:9, but in any case the apportionment as specified above shall be subject to review for possible amendments in 2010 and every 5 years thereafter.

Article 5: Transfer of Real Property and Creation of School Facilities Capital Reserve Fund.

The Gorham Randolph Shelburne Cooperative School District shall assume ownership of the following school building facilities located at: Edward Fenn Elementary School - at

169 Main Street, Gorham NH, known as Map U-6, Lot-5 on 9.8 acres and roughly 29,645 sq. ft., the Gorham Middle High School – 120 Main Street, Gorham NH, known as Map U-5, Lot-66 on 2.9 acres of land and roughly 61,321 sq. ft., 13-17 Mechanic Street, Gorham NH, known as Map U-5, Lot-71 on 16,830 sq. ft. of land and 5 Mechanic Street, Gorham NH, known as Map U-5, Lot-70 on 9,143 sq. ft. of land as provided under the provisions of NH RSA 195:9. The NH Department of Revenue, Property Appraisal Division has conducted an appraisal of said properties for a sum of \$1,655,850 for the Edward Fenn Elementary School, the sum of \$1,640,650 for the Gorham Middle High School, the sum of \$74,575 for 13-17 Mechanic Street Multi-family Property and \$57,000 for 5 Mechanic Street Multi-family Property. The Gorham Randolph Shelburne Cooperative School District has agreed to assume ownership of said properties valued at \$3,428,075. The Capital assets of the Gorham Randolph Shelburne Cooperative School District shall also include a School Facilities Capital Reserve Fund hereby created by these Articles of Agreement in the amount of \$613,220. The purpose of the fund shall be for renovation and/or construction of school facilities. Expenditures from the fund shall require a vote of the Cooperative School District Meeting. The Gorham School District will contribute the aforementioned properties to the Gorham Randolph Shelburne Cooperative School District as its equitable share (\$2,814,854) in lieu of a contribution to the School Facilities Capital Reserve Fund established by these Articles. The Shelburne School District's equitable share of the value of the School Facilities Capital Reserve Fund shall be \$375,672 which shall be paid in 20 annual installments in the amount of \$18,784 each year and shall be assessed against the pre-existing Shelburne School District and placed in the School Facilities Capital Reserve Fund created by these Articles of Agreement. This annual assessment shall be in addition to Shelburne's annual assessment for operating and capital expenses assessed under Articles 7 and 8 of the Articles of Agreement. The Randolph School District's equitable share of the value of the School Facilities Capital Reserve Fund shall be \$237,548 which shall be paid in 20 annual installments in the amount of \$11,877 each year and shall be assessed against the pre-existing Randolph School District and placed in the School Facilities Capital Reserve Fund created by these Articles of Agreement. This annual assessment shall be in addition to Randolph's annual assessment for operating and capital expenses assessed under Articles 7 and 8 of the Articles of Agreement.

Article 6: Transfer of Furnishings and Equipment

All furnishings and equipment of the pre-existing school districts shall become the property of the Gorham Randolph Shelburne Cooperative School District.

Article 7: Operating Expenses

The operating expenses of the Gorham Randolph Shelburne Cooperative School District, payable in each fiscal year, shall be apportioned ninety-five percent (95 %) of the average daily membership in residence (ADMR) of the pupils in each pre-existing school district based on the three-year average of the three most current past fiscal years as determined by the Department of Education, and five percent (5%) of the State equalized valuation of the Gorham Randolph Shelburne Cooperative School District based on the three-year

average of the three most current past fiscal years as determined by the Department of Revenue Administration.

Article 8: Capital Expenses

The capital expenses of the Gorham Randolph Shelburne Cooperative School District, payable in each fiscal year, shall be apportioned one hundred percent (100%) of the State equalized valuation of the Gorham Randolph Shelburne Cooperative School District based on the three-year average of the three most current past fiscal years as determined by the Department of Revenue Administration.

Article 9: State Aid

All aid from the State of New Hampshire to which a pre-existing district would be entitled if it were not part of the Gorham Randolph Shelburne Cooperative School District shall be credited to said pre-existing district toward its share of the total operating and capital budgets. State building aid which may be available to the Gorham Randolph Shelburne Cooperative School District shall be applied to reduce capital expenditures prior to the apportionment of costs.

Article 10: Transfer Schedule

A schedule of monthly payments based on the sum of the respective shares of the towns of Gorham, Randolph and Shelburne for operating expenses and capital expenses shall be established and revised as necessary by the school board of the Gorham Randolph Shelburne Cooperative School District.

Article 11: Policies & By-Laws

The Gorham Randolph Shelburne Cooperative School District will operate under the Policies and By-Laws of the present Gorham School District for a period of up to 24 months (two fiscal year cycles) to afford a smooth transition to policies specifically adopted by the Cooperative Board.

Article 12: Existing Contracts

All contracts in force at the time of the Gorham, Randolph, or Shelburne School Districts fully transitioning to become the Gorham Randolph Shelburne Cooperative School District will continue to be honored in full by the Cooperative District for the duration originally indicated on the contracts not to exceed three years. All rights, responsibilities and remedies addressed by contracts so in place will remain intact and will not change.

Article 13: Transportation

The Gorham Randolph Shelburne Cooperative School District shall provide pupil transportation for all students through grade 12 attending schools of the Cooperative School District as required by law (RSA 189:6-9a), and otherwise, as determined by the Cooperative School Board.

Article 14: Community Use of Facilities

Facilities and equipment under the control of the District may be used for civic, town, and other non-district purposes as may be determined by the policies of the Gorham Randolph Shelburne Cooperative School District.

Article 15: Sites of Meetings

Annual Gorham Randolph Shelburne Cooperative School District meetings will be held at the Gorham Middle High School gymnasium until such time as another facility large enough to accommodate an annual meeting exists in Gorham, Randolph or Shelburne. Monthly meetings of the Gorham Randolph Shelburne Cooperative School Board will rotate, being held at equal frequency in Gorham, Randolph or Shelburne.

Article 16: Indebtedness

The Gorham Randolph Shelburne Cooperative School District shall not assume any of the indebtedness of the pre-existing school districts.

Article 17: Trust Funds

All trust funds created by donation and held by pre-existing school districts shall be held and applied as the terms of the trust indicate. If such trust allows, the funds may be applied for the same uses and purposes for the Cooperative District.

Article 18: Capital Reserve

A Bus Capital Reserve Fund in the amount of up to \$150,000 for the purpose of student transportation and a Building Capital Reserve Fund in the amount of up to \$250,000 for the purpose of maintenance, renovation and construction of school facilities will be established for the Gorham Randolph Shelburne Cooperative School District at its Organizational School District Meeting using funds to be contributed as indicated: the Gorham School District shall pay up to \$260,000 into these Capital Reserve Funds on or before the Date of Operating Responsibility, said sum to be paid from the Gorham School District's previously established Capital Reserve Funds and/or trust funds previously created pursuant to RSA 198:20-c. The Shelburne School District shall pay up to \$80,000 into these Capital Reserve Funds on or before the Date of Operating Responsibility, said sum to be paid from the Shelburne School District's previously established Capital Reserve Funds and/or trust funds previously created pursuant to RSA 198:20-c. The Randolph School District shall pay up to \$60,000 into these Capital Reserve Funds on or before the Date of Operating Responsibility, said sum to be paid from the Randolph School District's previously established Capital Reserve Funds and/or trust fund previously created pursuant to RSA 198:20-c. In the event such funds are not available from any of the pre-existing district's capital reserve funds or trust funds, the prorated share shall be based on the following percentages: Gorham – 64.8969%, Randolph – 15.1658%, and Shelburne – 19.9373%. The balance of any capital reserve fund or trust fund established by a pre-existing school district and any cash balance in the hands of the treasurer of said district will be used as a credit against the cooperative district assessment to be raised by the pre-existing district for a period not to exceed five years as the voters of the pre-existing school district shall determine at the annual school district meeting or at a special school district meeting called for that purpose. The

remainder, if any, of the Gorham School District's capital reserve funds and or trust funds shall be placed in a special fund to be used to defray Gorham's share of any future capital costs as indicated by Article 8. Expenses from this fund will be authorized by a vote of the resident voters of Gorham at any Cooperative School District annual or special district meeting.

Article 19: Grandfather Clause

Two Randolph students attending sixth and eighth grade in SAU #36 during the school year of 2004-2005 may continue attending the schools they are presently attending and may also attend White Mountains Regional High School if they choose to do so. The Gorham Randolph Shelburne Cooperative School District will pay the tuition for students enrolled under this article, but this shall not include transportation to these schools.

Article 20: Building Committee

A building committee will be established to study the conditions of both schools in the Cooperative School District and bring forth a proposal at an annual School District Meeting if a solution is not already in place.

Article 21: Physical Property

All items purchased with Gorham Randolph Shelburne Cooperative School District funds are the property of the Gorham Randolph Shelburne Cooperative School District. In the event of the withdrawal of a pre-existing district or the dissolution of the Gorham Randolph Shelburne Cooperative School District, physical property or value thereof will be dispersed to the pre-existing districts in the same average proportion as costs were shared during the period of the withdrawing member(s) participation in the Gorham Randolph Shelburne Cooperative School District.

Article 22: Amendment of Articles of Agreement

These Articles of Agreement may be amended by the Gorham Randolph Shelburne Cooperative School District, consistent with the provisions of NH RSA 195:18 III,i, except that no amendment shall be effective unless the following conditions prevail:

1. No amendment to these Articles of Agreement shall be considered except at an Annual Meeting of the Gorham Randolph Shelburne Cooperative School District.
2. The text of any amendment shall be included in an appropriate article in the Warrant for said Annual Meeting.
3. A reasonable opportunity for debate in open meeting takes place.
4. Voting on any amendment is by ballot with the use of each pre-existing district's checklist.
5. A majority of the voters of each of the pre-existing districts who are present and voting shall vote in favor of adopting any amendment.

It shall be the duty of the Gorham Randolph Shelburne Cooperative School District:

1. to hold a public hearing concerning the adoption of any amendment to these Articles of Agreement at least ten (10) days before said Annual Meeting.

2. to cause notice of such hearing and the text of the proposed amendment to be published in a newspaper or newspapers having general circulation in the District at least fourteen (14) days before said hearing.

Article 23: A Community's Right to Appeal the Articles of Agreement

In the event that an informal appeal to the Cooperative School District Board is ineffective, any pre-existing town community may vote on a warrant at town meeting which would compel the Cooperative School District Board to form a committee to re-evaluate any of the Articles of Agreement.

Gorham: Donna Goodrich, Chairperson
Leona Guay
Michael Waddell

Randolph: Charles Brown
Carol Gagnon
Robert Leclerc

Shelburne: David Carlisle
Wendy Niskanen
Tuesday Willow

**Gorham Randolph Shelburne
Cooperative Planning Board
Dated:** December, 2004

APPENDIX G



Municipal
Resources, Inc.

APPENDIX G – Keene AREA Agreement

THE KEENE AUTHORIZED REGIONAL ENROLLMENT AREA PLAN AMONG THE SCHOOL DISTRICTS OF CHESTERFIELD, HARRISVILLE, KEENE, MARLOW, NELSON, STODDARD, AND WESTMORELAND

This amendment to the 1966 A.R.E.A. Agreement is entered into pursuant to Chapter 195-A of the New Hampshire Statutes Annotated, as amended, among the School Districts of Chesterfield, Harrisville, Keene, Nelson, and Westmoreland, and as enlarged to include Marlow and Stoddard on February 6, 1973. This agreement shall be deemed to replace its predecessor 1966 A.R.E.A. agreement.

A. NAME

The name of the Authorized Regional Enrollment AREA School shall be the Keene High School, located in Keene.

The Chesterfield School District, Harrisville School District, Marlow School District, Nelson School District, Stoddard School District, and the Westmoreland School District shall be the sending districts, and the Keene School District shall be the receiving district, and together they shall form the region which shall be served by the AREA School. The receiving district shall be responsible for grades nine through twelve.

B. PURPOSE

To assure every member of the Keene High School student body equal access to all educational programs and opportunities, membership rights, and responsibilities independent of their home community. To provide long-term security for member districts by establishing a guarantee that the sending districts will send, and the Keene School District will receive students.

To provide a broader range of program offerings for students than would otherwise be financially feasible for individual school districts.

To share equitably the costs of education at Keene High School among the districts involved in this plan.

To provide a mechanism for sending districts to actively participate in the evaluation and planning of programs at Keene High School.

C. QUALITY OF EDUCATION

The Keene School District guarantees to own and operate a fully approved high school consistent with the standards as defined by the laws of the State of New Hampshire for the education of its own and sending district students, grades nine through twelve.

D. STUDENT ORIENTATION/GUIDANCE SERVICES

Guidance services will be made available to grade eight pupils of the sending districts for ninth grade placement and subject placement.

E. PUPIL REGULATIONS

It is understood that the same pupil regulations will apply to the students from the sending districts as to those of the receiving district.

F. REPORTS PROVIDED

All member district boards will have access to educational records for legitimate educational purposes for pupils residing within their districts, all in accordance with the Federal Family Educational Rights and Privacy Act, also known as the Buckley Amendment, Public Law 93-380 (20 USC S. 1232g.). All member districts will have access to educational records, with no identification of individual students, for the purpose of conducting evaluations of school programs.

G. EXCEPTIONS FOR ENROLLMENT

Keene High School shall be deemed the assigned school for all resident pupils of a member district attending high school. Exemptions from attendance at Keene High School shall be determined in accordance with state law in existence at the time of the request for exemption.

H. SENDING DISTRICT PARTICIPATION IN KEENE BOARD ACTIVITIES

The A.R.E.A. sending district boards will elect, collectively, one representative to serve on each of the standing committees of the Keene Board of Education outlined in their Manual of Operation as voting members in all advisory matters. Sending district representatives may be excluded from standing committee meetings held in executive session. The decision to exclude shall rest with the standing committee membership, and shall be recorded in the minutes of the meeting. All sending district board members are encouraged to attend all standing committee meetings and meetings of the Keene Board of Education.

I. PURPOSE AND FREQUENCY OF A.R.E.A. MEETINGS

There shall be annually at least two joint meetings of the Chesterfield, Harrisville, Keene, Marlow, Nelson, Stoddard, and Westmoreland school boards for the purpose of consulting and advising regarding any matters of joint interest. These meetings will be educationally oriented and will provide opportunities for the sending district boards to become better involved with the program of studies at Keene High School and its administrative procedures.

J. COMPUTATION OF TUITION RATES; NOTIFICATION AND PAYMENT DUE DATES

The tuition rate shall be established by the Keene Board of Education by November 15, for the subsequent school year. The rate shall be the estimated net operating expenses of the high school for the current school year divided by the estimated average daily membership for the current school year. The operating expenses shall not include the cost of pupil

transportation (except for athletics and field trips), expenses reimbursed by federal or state governments, the cost of capital equipment purchased using capital reserve funds derived from surpluses in the high school's budget as determined by the comparison of the actual expenditures to the estimated expenditures used in the tuition calculation, the cost of debt service and any costs which are specifically designated for Keene resident students (e.g. special education tuition, tutoring, etc.). Certain revenue, such as rental income offsetting high school expenses, vocational school tuition, tuition from patrons, and athletic fees, shall be deducted from the operating expenses to arrive at the net operating expenses. In addition to the tuition rate, each sending district will be responsible for any costs which are specifically designated for such sending district's resident students, e.g. special education services not included in the tuition calculation.

The per pupil rental charge of 2% of the estimated replacement costs of the high school facility shall be added to the tuition rate to arrive at the full charge.

The receiving district shall bill the sending districts on a semi-annual basis and the sending districts shall pay said tuition on a semi-annual basis not later than February 1, and June 21. The tuition for a pupil who attends a portion of the full school year shall be the product of the daily rate and his average daily membership.

Estimated ADM =

$$\text{Entry ADM (present year)} \times \frac{\text{Actual ADM (Prior year)}}{\text{Entry ADM (Prior year)}}$$

Rental Fee =

$$.02 \times \frac{\text{Estimated Replacement Cost of HS Facilities}}{\text{Optimum Pupil Capacity}}$$

K. SETTLEMENT OF DISPUTES

In case of disagreement as to the interpretation or application of this agreement, such controversy shall be submitted in writing to the State Board of Education which, after notice and hearing, shall make a decision.

L. METHOD OF AMENDMENT

Amendments to the within Agreement, to include, without limitation, withdrawal/addition/substitution of member districts, changes in grades covered by the plan, or other changes in the rights and responsibilities of the member districts, shall be governed by the provisions of law then in force.

M. DATE OF OPERATING RESPONSIBILITY

This agreement was developed using the amendment process defined in Article J of the Keene A.R.E.A. Plan of 1966.

It shall become effective on July 1, 1986. This agreement shall continue in force until modified or amended by the member districts involved through the application of appropriate provisions of law. Review of this agreement shall be conducted periodically at intervals not exceeding twenty years.

Given under our hands and seals this 21st day of March, 1986.

CHESTERFIELD

Elizabeth A. Higgins
Shanda K. McNamee
Walter A. Palmer

HARRISVILLE

Shirley P. (DeVos)
Alton Chamberlain
George Saunders

KEENE

John J. [unclear]
James [unclear]
Kathleen M. [unclear]
Andrew T. Harris
Debra H. [unclear]
Kenneth [unclear]
Walter [unclear]

MARLOW

Edmund Blaudard
[unclear]

NELSON

William P. [unclear]
[unclear]
[unclear]

STODDARD

Philip [unclear]
[unclear]

WESTMORELAND

Ebbe Ostler-Hanna
Liam M. [unclear]
Penelope [unclear]

FOR THE STATE BOARD OF EDUCATION

Robert L. Brunelle
Robert L. Brunelle, Commissioner of Education

Date

6/14/86

APPENDIX H



Municipal
Resources, Inc.

APPENDIX H—Winchester Tuition Agreement

Winchester School District | Keene School District

Tuition Contract

This agreement is made pursuant to the authority granted to the parties in RSA 194, and is entered into this 17th day of July, 2007, by and between the Winchester School District, of Winchester, New Hampshire (Winchester), with its business address at School Administrative Unit 38, 600 Old Homestead Highway, Swanzey, New Hampshire, 03446; and the Union School District of Keene, of Keene, New Hampshire (Keene), with its business address at School Administrative Unit 29, 34 West Street, Keene, New Hampshire, 03431.

Winchester desires to have its pupils, grades 9 through 12, attend schools in Keene, and has authorized its School Board to enter into a long-term tuition contract providing for such attendance, and;

Keene maintains a school system, which includes a high school, and its School Board has authority to enter into a tuition contract to receive pupils from Winchester, and is willing to receive Winchester pupils in Grades 9 through 12 and afford them a course of instruction to be given in accordance with the curriculum at Keene High School, and;

Winchester and Keene are mutually aware of the educational and financial advantages to be enjoyed by both school districts through their association together under a long-term contract, particularly in terms of the long-range improvement of the educational environments and most efficient use of the tax resources in both communities;

Therefore, in consideration of the mutual provisions and undertakings set forth below, the parties agree as follows:

1. **Sending and Receiving School Districts:** Winchester shall send all of its pupils, grades 9 through 12, with the exceptions hereinafter noted, to Keene for schooling, and shall be responsible for the transportation methods and expenses in connection with such attendance. Transportation shall be coordinated with and is subject to reasonable traffic and safety requirements of the Keene High School. Keene shall accept said pupils and be responsible for their education on the same terms and conditions, providing them with the same opportunities for

educational and cultural advancement and improvement as is the case with pupils residing in the City of Keene.

2. **Special education:** Winchester shall be deemed the local education agency (LEA) for all of its resident students identified in accordance with RSA 186-C. The decision concerning assignment of special education students from Winchester to a special program or facility outside of the Keene School District shall be made by Winchester, and Winchester shall bear the cost of any such special program or facility. Keene shall have the right to make recommendations for assignment of any such students. Subject to the rules and regulations of RSA 186-C, upon determination by Keene that Keene High School cannot provide the adequate education to meet the unique needs of a Winchester student, Keene may exclude the Winchester student, and Winchester shall find an alternative educational placement.

3. **Attendance Commencement and Minimum Term:** Attendance of Winchester pupils in the Keene School System pursuant to this Agreement shall commence at the beginning of school year 2008-2009, and shall continue for a minimum term of four (4) school years. This Agreement shall terminate at the end of such minimum term if either party gives to the other, written notice of such termination not less than three (3) years prior to the effective date of said termination.

4. **Automatic Continuation – Termination Notice – Final Termination:** Unless terminated as provided in paragraph 3 above, this contract shall automatically continue in force until terminated as set forth below. In such case, either party may terminate this contract by giving to the other the written notice of termination required by this paragraph. Such notice shall specify the last school year for which the contract shall be effective which shall be at least the third (3rd) full school year following the school year during which the notice is given. Such notice may be given in a school year embraced by the minimum term or in any subsequent school year. This contract shall in all events terminate at the end of the twentieth (20th) school year following its inception. For purposes of this paragraph 4 and paragraph 3 above, a school year shall be considered as beginning July 1 and ending June 30 of the following year.

5a. **General tuition:** A general tuition rate for the next coming school year shall be established by the Keene Board of Education by November 15 of the current school year. The rate shall be the estimated net operating expenses of the high school for the current school year

divided by the estimated average daily membership for the current school year¹. The operating expenses shall not include: (a) student transportation (except for athletics and field trips which shall be included); (b) high school expenses reimbursed by the federal or state governments; (c) the cost of debt service; (d) the cost of capital equipment purchased using capital reserve and/or expendable trust funds derived from surpluses in the high school's budget as determined by the comparison of the actual expenditures to the estimated expenditures used in tuition calculation; and (e) the costs calculated under the special education rate below. Revenue from high school tuitions received from school districts not parties to this agreement or from private-pay tuitions shall be deducted from the operating expenses to arrive at the net operating expenses.² A per student³ charge of two-and-one-half percent (2½%) of the estimated replacement costs of the high school facility⁴ as determined by the valuation used by the District for insurance purposes shall be added to the tuition rate to arrive at the general tuition charge prior to the adjustment in Section C below.

5b. **Special education tuition:** In addition to the general tuition rate, the Keene Board of Education shall also establish by November 15 of each year its special education tuition rate for the next coming school year for students identified as educationally disabled (see RSA 186-C). The rate shall be the estimated net expenses of the high school for the current school year for those costs established by Keene as "special education" divided by the estimated average daily membership of identified students at the high school in the current school year. The special education operating expenses shall not include expenses reimbursed by federal or state governments. In addition to the general tuition rate, Winchester shall pay the special education tuition rate for each identified student from Winchester.

5c. **Historical adjustment:** Both the general tuition and special education tuition charges shall be adjusted to reflect that tuition is based on the prior year's budget. The average

¹ The estimated average daily membership shall be the entry number of students for the present year applied to the actual average daily membership of the prior year divided by the entry number of students in the prior year, i.e. $\frac{\text{entry \# (current year)} \times \text{actual adm (prior year)}}{\text{entry \# (prior year)}}$

² However, such students shall not count within the average daily membership if the revenue has been deducted from expenses.

³ Likewise applying the estimated average daily membership

⁴ Presently 12 structures.

percentage change in each of the general tuition and special education tuition rates⁵ for each of the five (5) years prior to the budget which is used for tuition calculation shall be applied to the tuition calculations to determine the final general tuition and special education tuition rates.⁶

5d. **Particular special education costs:** In addition to the general tuition and special education tuition, Winchester shall pay to Keene all expenses which are incurred by Keene for a specific student from Winchester and which have not been calculated into the general or special education tuition rates. Such costs will include and are not necessarily limited to individual student transportation expenses, contracted evaluations, and other contracted services for individual students. The tuition charged by Keene for students enrolled in the TNT Regional Collaborative shall be deemed a particular special education cost, and Winchester shall not be charged the general tuition or special education tuition for its TNT students.

5e. **Billing:** Keene shall bill Winchester for general and special education tuition on a semi-annual basis on or about October 30 and February 28 of each school year. Each billing shall be for one-half (1/2) of Winchester's expected tuition assessment for the current school year. The tuition for a Winchester student who enters or exits Keene High School in the course of the school year shall be prorated based on a 180 day school year, and a reconciliation payment shall be accomplished by Keene to Winchester or Winchester to Keene on or about June 25. Keene shall bill Winchester for particular special education costs on a timely basis. Winchester shall pay the semi-annual and particular special education billings not later than 30 days from the date of billing.

6. **Assigned School – Exceptions:** Keene High School shall be deemed the assigned school for Winchester pupils in grades 9 through 12, for purposes of school attendance laws, except as provided in RSA 193:3 concerning decisions by the State Board of Education with respect to claims by individual students of manifest education hardship or placements made by agreement of the Superintendent of Schools for Keene and the Superintendent of Schools for Winchester.

⁵ as calculated prior to this adjustment

⁶ For purposes of this agreement, the general tuition charges, using the formula within this agreement, would have been: 2007-08: \$9248; 2006-07: \$8592; 2005-06: \$8099; 2004-05: \$7696; 2003-04: \$7344. The general special education charges would have been 2007-08: \$7102; 2006-07: \$5562; 2005-06: \$6364; 2004-05: \$5948; 2003-04: \$5879.

7. **Special Programs:** Winchester reserves the right to send a pupil or pupils to high schools other than Keene High School if such public high schools or schools provides a specific educational program (and not merely a course or courses) not available at Keene High School.

8. **School Board Meetings:** All Winchester School Board members are encouraged to attend all meetings of the Keene Board of Education and all meetings of its standing committees. Upon timely written request from Winchester, the appropriate committee chair shall include in the committee agenda an item requested by the Winchester School Board for discussion and the committee will allow Winchester School Board members to address its concerns at an appropriately scheduled meeting.

9. **Reports Provided/8th Grade Guidance Services:** The Winchester School Board and its appropriate school administrators shall have reasonable access to educational records of Winchester resident students for legitimate educational purposes. The parties shall cooperate to provide guidance services to Winchester eighth grade students for purposes of ninth grade placement.

10. **Student Conduct and Discipline:** The rules and regulations of the Keene School Board and Keene High School as are in effect for students from Keene shall apply to students from Winchester. For purposes of student discipline, all decisions to be made by school officials shall be made by the administrators of Keene High School, SAU 29, and/or the Keene School Board, as the case may be. The Winchester School Board, by way of its Superintendent, shall timely receive a copy of any proposed suspension or expulsion of any Winchester student in excess of twenty (20) days; and shall have the opportunity to participate in any hearing by submitting evidence or argument related to the matter before the Keene School Board.

11. **Disputes:** Should either district have a complaint as to the operation of this agreement, that complaint shall be stated in writing to the Superintendent of Schools for Keene and the Superintendent of Schools for Winchester. If the two Superintendents cannot resolve the complaint, it shall be presented to the Keene School Board which shall in good faith attempt to resolve any dispute. If one party or another remains unsatisfied, the dispute shall be referred to the State Board of Education for a decision in accordance with administrative rules ED 200, which decision may be appealed to a court of competent jurisdiction.

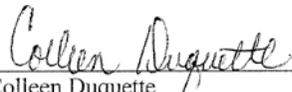
12. **Waiver:** No waiver of any obligation under this Contract, or waiver of any breach of this contract shall be construed to be a waiver of any other subsequent obligation or breach.

13. **Modification:** This instrument constitutes and contains the whole and exclusive agreement between the parties relative to the subject matter of this contract, and no modification or addition to this contract shall be valid or enforceable unless in writing and signed by both parties by their authorized representatives.

In witness whereof, the parties have, by their duly authorized representatives, set their hands and seals on the day and year first written above.

Winchester School District, by

Keene School District, by



Colleen Duquette
Chair, School Board



Neil W. Donegan
Chair, School Board

Approved by the New Hampshire State Board of Education:



Lyonel B. Tracy, Commissioner
New Hampshire Department of Education



Date