

Unapproved Minutes

District Elementary Enrollment Committee
Wednesday, May 25, 2005
4:00 p.m.
Sandwich Central School Gym

Members present: Phil McCormack, Jeanne Chute, Peter Miller, John Hansen, Steve Kelly, Juli Hird, and Betsy Paine.

Others present: Jack Carty, Rich Benton, Heather Littlefield, Maggie Mills, John Martin, Nancy Frederickson, Jennifer Petitti, Tim Miner, Tammy Smart, Joanne Haight, Bob Butcher, Dan Cunningham, Patti Heard, Leslie Johnson, Lucy Glenday, Trish Temperino, Tom Shevenell, Suzie Shevenell, S.N. Kaltette, Susan Mitchell, Frances Strayer, and possibly some others.

Meeting called to order at 4:17 p.m.

Dr. McCormack asked committee members to introduce themselves. Dr. McCormack then shared a typed list of questions with the audience that Attorney Barbara Loughman would be discussing. Dr. McCormack reminded the audience that this was a working committee meeting, not a public forum.

Public input: There was none. Review of minutes: Motion to approve the minutes was made and seconded. Minutes were accepted by unanimous consent.

Dr. McCormack introduced Barbara Loughman, remarking that she has considerable experience dealing with cooperative school agreements. Attorney Loughman began with the first question regarding distinguishing the mechanisms between NH RSAs 195:16-a and 195:26. She noted that RSA 195: 16a is the law that allows a school district to amend its articles of agreement. It allows a district as a whole to amend the articles of agreement to eliminate some grades. Attorney Loughman went on to explain that the Inter-Lakes School District is one of the old cooperatives that doesn't have articles of agreement. The rules for ILSD are in the RSAs and "arrangement" that exists from District meeting minutes. This doesn't really make a difference except to lawyers. Betsy Paine noted that Sandwich joined in 1963 when it seems that articles of agreement were required. Attorney Loughman believed that Sandwich became part of the coop shortly before the requirement of articles of agreement.

Attorney Loughman continued discussing RSA 195: 16a. She reiterated that this RSA allows the District to eliminate certain grades. If the District did that, the pre-existing Districts (Sandwich, Center Harbor, Meredith) would be resurrected and would exist the way they did before the agreement. However, Attorney Loughman could not see any provision where only one of the parties could withdraw in this manner. She noted that all of the towns would have to withdraw, and then those that wanted to remain a cooperative district would draw up articles of agreement.

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Attorney Loughman noted that RSA 195:26 differs from RSA 195:16a in that RSA 195:26 establishes a procedure to withdraw from a cooperative District. This procedure does not seem to contemplate one entity withdrawing from the District (one town of several), but rather all members of a cooperative withdrawing simultaneously.

Attorney Loughman thought that through amendment of the articles of agreement, there might be a way to withdraw some grades of the District. She gave as an example a hypothetical pre-existing District that wanted to withdraw grades 1-4, but still send 5-12 to the cooperative school. Attorney Loughman suggested that two cooperative agreements could be created; one for grades 1-4 involving two towns and another for grades 5-12 involving three towns, for instance. She could not imagine anyone actually wanting to do that. She noted that there could be problems with the statutes, perhaps requiring intervention by the legislature.

Audience member John Martin said, "I'm assuming that there is no precedence for one district to withdraw from a cooperative district?" Attorney Loughman noted that he was correct.

Attorney Loughman went on to note that when you're part of a coop, the law requires that the Board be apportioned on a one person, one vote principle. Loughman could not see how the coop could follow this law if the coop members weren't all participating to the same extent, with Sandwich only participating as a 7-12 coop member, but the other towns participating as K-12 members.

Attorney Loughman noted that the RSAs give two specific possible formulas for apportioning coop costs and a third option of "other". One entity withdrawing from a cooperative is not a simple thing because the statutes do not contemplate this type of arrangement.

Ms. Chute noted that the committee had looked at the example of Ashland being part of two SAUs, one cooperative district and its own K-8 school district. Attorney Loughman commented that such an arrangement was not unusual in New Hampshire; that there were many cooperatives that did not cover all the grades K-12. What is the same is that all the members of any given cooperative participate with the same grades. For example, Ashland participates in the Plymouth Coop for grades 9 through 12, just as all the other cooperative members of the Plymouth Regional High School.

Attorney Loughman noted that if the ILSD followed that model, then each town (Meredith, Center Harbor, Sandwich) would have its own elementary school.

Ms. Paine commented that Center Harbor did have its own school, but it was closed and the students sent to Inter-Lakes Elementary School. Attorney Loughman commented that she thought the Timberlane School District had articles of agreement that provided for an elementary school to be maintained in each cooperative member town. She further noted that she didn't know of any coops that had dissolved and thought that this was because none of the member towns had grown big enough to support their own school.

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Ms. Chute inquired why Center Harbor could not remain with Meredith if Sandwich wanted to go it alone. Attorney Loughman answered that it was not that that it could not be done, the point was that the statute contemplates only two types of changes. One is the coop eliminate certain grades, but that's for every town. For example, if the District voted to eliminate grades k-6, then each town would become their own school district. They would continue to send their 7-12 students to the coop school. There is no provision under the current statutes for only Sandwich to withdraw. Attorney Loughman noted that she was not saying it could not be done, but under the current statutory scheme it could not be done without going to the NH Legislature.

Attorney Loughman reiterated that one possibility would be for the current cooperative to be dissolved. Then a new cooperative could be created for grades 7 through 12 for all three current member towns. A second cooperative could be formed for grades K-6 for Meredith and Center Harbor. This could be done under the current statutes, but each step of the process would require a majority vote of the coop members to dissolve, reform, etc.

Dr. McCormack asked Attorney Loughman to clarify his understanding that Sandwich could decide to withdraw from the entire cooperative K through 12. Attorney Loughman replied that that was correct. The withdrawal procedure requires a study committee and many other things that the committee must address. Eventually a withdrawal plan goes to the State Department of Education (DOE) and they must approve it. The plan must sort out all the financial liabilities (buildings, capital assets, etc.). The withdrawing district must compensate remaining cooperative district for a number of things noted in the RSAs.

Audience member Nancy Frederickson asked if Sandwich residents would have any voice on the school board if their students were sent to a District under a tuition agreement? Attorney Loughman said that the residents would not have any say in the operation of the school to which they had a tuition agreement.

Attorney Loughman went on to the question that asked, "What mechanisms exist within the statutes that we may not even know about that address these issues?" She noted that there were not a whole lot of other mechanisms. She noted that there is a provision that allows for joint maintenance agreements, but that doesn't seem to have relevance to what Sandwich and the District are trying to do. Attorney Loughman noted that the statute governing maintenance agreements is over 100 years old, but only two districts in the State do this.

The final possibility for educating Sandwich students if the town chose to withdraw from the cooperative is to operate a K-8 school and not to have any agreements with any districts for high school. Parents could pick an area public high schools and the district would pay the tuition cost to the school the parent chooses (not a private school).

Attorney Loughman spoke about one last possibility that she called "The Bridgewater Solution". The town of Bridgewater wanted a new elementary school but could not get

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the rest of the cooperative to go along with it. They received legislative approval to form a special village school district to build a school. This allowed for taxation of one part of the cooperative to pay for the school that was then leased back to the cooperative Board. Attorney Loughman believed that there could be ways to do something similar to enable a town to keep something they want if they're willing to pay a little extra to do it. This would require special legislation, but this certainly can be done.

Ms. Paine noted that if Sandwich did this, it would sort of be doing the reverse of Bridgewater. Instead of building a school, the town would be taking back an existing school? Attorney Loughman commented that the town would form a special district for a limited purpose. RSA 53 governs village districts. There are a lot of old village fire districts, for instance. Only some residents who lived close to the fire station derived a benefit from these fire districts, so they were taxed for that benefit which they received.

Dr. McCormack inquired if under that scenario, would Sandwich have to withdraw from the coop? Attorney Loughman said it would not. She commented that if the crux of the situation is that it doesn't make economic sense to keep the school open, Sandwich voters could utilize a special district structure in order to pay extra to keep the school open.

Mr. Miller asked if the Bridgewater Special District had a limited time frame, and at some point would it cease to exist. Attorney Loughman commented that it is still in existence and that it continues to own the school, but leases it to the Newfound School District.

Mr. Miller wanted to know if these special districts existed at the whim of the legislature? Attorney Loughman said that you would need legislative approval to form a special village district, but once it's formed, the legislature can't dissolve it, only the voters can do that.

Mrs. Chute asked a question that I did not hear. Attorney Loughman answered that if Sandwich did this, it would not change anything for Center Harbor or Meredith. When this was done in Bridgewater, there was no withdrawal. Nothing changed other than adding the cost of building the building to the tax bills of only the Bridgewater residents.

Attorney Loughman noted that what she was suggesting is that through the creation of a special village district Sandwich would remain in the Inter-Lakes School District Cooperative District but might own the SCS building, for instance.

Someone noted that there were no articles of agreement to amend. Attorney Loughman said that when you don't have articles of agreements, one would follow the RSA on amending articles by putting together a committee, holding public hearings, and then having a vote at a District meeting.

Audience member Mr. Butcher asked if the town of Bridgewater or the Newfound District owned the old school in Bridgewater? Attorney Loughman did not know.

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Audience member Leslie Johnson asked if there were any bars to keeping the cooperative formula and agreement the way it is, but developing an addendum that says for instance, when a grade falls below a certain number, the town will pay a certain cost that is prearranged.

Attorney Loughman said she was going to suggest making some changes to the District's apportionment formula. It would be somewhat unusual, but it could be done. In the event that certain things happen, the town of Sandwich could pay different amounts. It would have to be some other formula that would be approved by the State board, but as long as the cooperative district as whole voted to approve the variable formulas, it should be ok.

Attorney Loughman addressed the question of the necessity to review the funding formula for the Inter-Lakes School District every five years. She noted that this statute is what's known as a "permissive statute". It allows the District to do this, but does not require it.

Attorney Loughman addressed the question of failed attempts to amend cooperative agreements or to withdraw from a cooperative. She did not know of many, but noted that it was not uncommon for towns to become unhappy with certain aspects of funding formulas and to try to either change the formula or withdraw. It is always a source of friction around the state.

Attorney Loughman commented that if there is a withdrawal vote that is defeated, the town trying to withdraw could appeal to the State Board of Ed. This has never been done.

In addressing the questions about known issues of funding formula revision, Attorney Loughman commented that there is a new statute that allows a change in funding formulas. When the coop district receives adequacy money from the state, that money is credited against your share of the apportionment. It goes against the apportionment of the town that receives the adequacy grant. Now, a coop may vote to have a specified percentage of this state aid credited "above the line", or against the entire District's revenues. Then the District would apportion costs after the credit. This came about because the so-called rich towns of a cooperative district were being double-dipped – subsidizing the poorer towns and also paying State adequacy money to these poorer towns.

Audience member Nancy Frederickson commented that she thought the process should be to get approval from the voters before going to the State Board of Education for any change to a cooperative agreement or formula. She then asked if there was any precedent for the State Board of Education to deny this. Attorney Loughman noted that you do have to go to the State Board of Education and get the Board's approval before it goes to the voters.

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Discussion of 195:27 regarding liability to Sandwich for withdrawing from the coop. Attorney Loughman stated that there is a statute that establishes liability for the withdrawing district. The withdrawing district is only liable for indebtedness incurred prior to the establishment of a withdrawal committee. The withdrawing district is also liable for the loss of State building aid percentage (for instance of cooperative with three member towns gets 5% more aid than a cooperative with only two member towns. Sandwich would be liable not only for its share of open indebtedness, but also for an additional 5% of the total annual amount of State aid until such time as the current indebtedness is paid off). The withdrawing district would also be responsible to repay the cost of renovations, additions and capital improvement to the any District building it acquires during the withdrawal process.

Mr. Hansen asked if the town of Sandwich would get any credit for dollars spent on buildings in Meredith? Attorney Loughman said that it would not; Sandwich would forfeit its interests in the other buildings of the District if it completely withdrew from the District.

Audience member John Martin asked Attorney Loughman to clarify that if this scenario were to occur, Sandwich would have to reimburse the District for open indebtedness not closed indebtedness of other buildings. She noted that the town's responsibility would be to pay down only current indebtedness of the other structures. But, the town would have to reimburse the cooperative for what they've put into Sandwich Central School, even though it is paid off. There is always a little room for negotiation, but it's like a divorce. Even in an amicable divorce, someone pays!

Audience member Jeanne Ryer asked if the town would pay historical cost? And I believe that Attorney Loughman noted that was correct. The town would be obligated to pay historical cost, not current value.

Ms. Paine inquired if there were examples of Districts that had gone through this process? Attorney Loughman did not know of any.

Mr. Miller asked if the "Bridgewater solution" were used in Sandwich, would the SCS building have to no longer be part of the District? Attorney Loughman thought that the Sandwich village district could own and pay for the building in some fashion. Or they could have the cooperative own and operate the building but the village district would cover extra costs. One option is to come up with a creative change in the apportionment formula so that Sandwich covers some of the additional costs.

Mr. Miller clarified that if it was the will of the people of Sandwich to keep the school open regardless of how small enrollment became, there might be several ways that that could happen. One way is a change in funding formula; one is formation of a special village district.

In regard to the question about the impact on representation on the school board should the cooperative agreement be amended, Attorney Loughman noted that the law says that representation is one person - one vote (i.e. no weighted voting). Audience member Jack Carty commented that the current Inter-Lakes School District Board has two members

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from each of the cooperative towns and one member at large. He further noted that one town is six times larger than the other towns and the current apportionment does not seem to be along the lines of one person - one vote.

Attorney Loughman noted that some cooperatives have reapportioned their boards because they did not really comply with one-person one vote. She reflected that this could happen, someone could come out and challenge the way the ILSD board is out of balance. However, one way to apportion boards when the numbers aren't equal is by having members at large, etc.

Audience member Tim Miner commented that in the aforementioned scenario, if the voters of Meredith wanted to change the apportionment formula, there's nothing Sandwich could do about it because they have more voters. Attorney Loughman replied that the State Board still has to approve it, but that they want to meet the standard of one person, one vote. Attorney Loughman seemed to be of the opinion that if the District started changing other parts of the cooperative agreement, that the state board would want the District to revisit the board apportionment piece.

Attorney Loughman next tackled the question about the difference between an open enrollment school and a public charter school. Attorney Loughman said that the District could vote to allow kids to attend any District school, i.e. open enrollment, but then the district would have to provide transportation within the District.

A Public Charter conversion school is a charter school operated by your school board. What that charter school does and how it operates is probably going to be somewhat different from how you operate your other schools, but it will be run by your school board.

A charter conversion school is a public school that has been authorized to be a charter school, but the school board runs it. While all charter schools are considered "public schools" a board of trustees would run a "private" charter school that is operated independently of a public school board.

An open enrollment school is simply a school that will accept students from within the district, but who normally live in a different attendance zone.

Mr. Miller asked how a charter conversion school created? Attorney Loughman believed that the School Board creates it and they designate the school as a charter conversion school. What Attorney Loughman was not clear on were the advantages of so declaring oneself a public charter conversion school. She noted that one of the advantages of being a charter school is not being subject to all of the rules and requirements. But she believed that a conversion school IS subject to all of the rules and requirements. Gov. Wentworth District has a program for at-risk kids that is a charter conversion school. It is subject to all of same rules and requirements, but you can't just go and enroll in that school.

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In response to the question about charging different tuition rates at District elementary schools, Attorney Loughman stated that the Board could arbitrarily set a tuition rate by school. The state does not restrict the Board's ability to charge tuition rates other than the official rate certified by the state.

Mr. Hansen asked if tuition could be based on where you wanted kids? For example, if you only have six 1st graders and want more, could you charge \$4,000 for new 1st graders, but if your 6th grade had 15 students and you didn't really want any new 6th grade students, could you charge \$10,000 tuition at that grade? Attorney Loughman said this could be done for students coming from outside the District.

Attorney Loughman commented that there are probably a million possibilities out there. If you make the formula too complicated, no one will be able to figure it out. You don't want to make it too complicated. But I think, you could come up with a way that recognizes keeping this school open doesn't necessarily benefit the other towns, but you will create a mechanism to pay the additional costs and keep it open. Obviously, you will have to treat all kids the same. You can't charge the parents; it must be the taxpayers who pay the difference.

Ms. Chute asked what the school gains by becoming a charter conversion school? Attorney Loughman mused that it might be better to ask a charter school advocate, as she was not sure herself. She surmised that you could create entry requirements and hold all students to those requirements, as long as they were uniform requirements for all District students. To Attorney Loughman, the charter conversion school seemed to be a hybrid arrangement that doesn't really do what proponents of charter schools are trying to do. She noted that she was not sure what the point would be for having a public charter conversion school.

Ms. Hird opined that the charter conversion school sounded somewhat like a magnet school that has a specific program that differs from what is being offered in the District's other schools. Attorney Loughman said it could be, but doesn't have to be.

Ms. Paine asked if a charter conversion school requires the same budgeting process that a public school goes through. Attorney Loughman said it would be part of the regular District budgeting process.

Prior to opening the meeting to public input, Ms. Paine asked Dr. McCormack if he could reread the committee's charge to those present. While he retrieved that information, Attorney Loughman read from the statute about transportation to open enrollment and charter schools

Audience member Leslie Johnson inquired if the District didn't already allow students to attend a school of their choice. Dr. McCormack said the District did allow this, but transportation is the responsibility of the parents.

McCormack read the charge of the committee.

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Public input:

Jack Carty: One of the things that I found troubling, is that the interest of Sandwich in education seems to stop at the 6th grade level. [Due to a microphone problem, a few sentences were missed at this point.] Two folks got into very difficult institutions. When I watch and look at where the kids are going when they graduate, the Inter-Lakes School District has done a very good job of placing its students where they want to go. So, it's a good school system K through 12. The problem seems to be we get this pushing and shoving over these small issues. I know it's not a small issue to you, but it seems to be a small issue to me. There seemed to be a problem when we combined kindergarten and grade 1. There seems to be a problem of the school board's management of this school – it's not fair, it's not equitable. Folks in other towns of the District say it is fair and it is equitable. Be careful what you wish for, if you raise issues about apportionment. There are folks in other towns that find these types of discussions annoying. You may not like hearing that, but that's what some people think. Over the years, kids have gotten a very good education in this District. We do tend to get ourselves excited over some things. It's easy to push and shove like Humpty Dumpty, but it's hard to put it back together. I would urge you to step back and take the long view, over time we have a lot of commonality. Like an oyster, if we put up with a minor irritant we can make a pearl.

Patti Heard: Mr. Carty's comments did not sound to me like encouragement and support for the incredible amount of work that has been done to solve this problem, but a veiled threat for Sandwich to watch out. There is the implication that we should just calm down, or somehow we will be punished, perhaps by Meredith trying to get more school board members.

Dr. McCormack noted that this committee meeting was not a forum, not a time for debate. Public input is time for the audience to give feedback to this committee.

John Martin: If I may, one of the reasons we are here is because of a policy put in place by the school board about x number of students in a class. Sandwich's concern is that there is no consistency in the education of our students – we have gone back and forth from multi-age to single grade back to multi-age. We are looking to a long-term commitment to how our students are going to be educated. Will it be on a par with the education of students in Meredith – one grade per teacher? Same or similar support? We want a long-term plan that doesn't change from year to year.

Jeanne Ryer: The charge to the group was to consider enrollment to all of the District's schools. I don't think there is a single Sandwich solution to this issue, but the committee needs to look at the District as a whole. Also, I am just as concerned about education beyond sixth grade, but I don't feel I can do as much after sixth grade.

Dr. McCormack: Well, we are looking at enrollment trends beyond Sandwich. For instance, what happens when there is open space in ILES? Wentworth and Holderness have looked at similar situations. There is a trend in the region.

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Nancy Frederickson: What is the duration of the committee's existence? What special meetings might be coming up?

McCormack: This committee is charged to report back to the ILSD school board by December of this year. Our next meeting is June 8 at the Humiston Building in Meredith where we hope to have a representative from the State DOE to talk about charter schools. I am not aware of any special meetings around the issue, other than the Sandwich selectmen have called a town meeting for June 9 to discuss this issue.

Plus-Delta: Steve Kelley: Very educational. Betsy Paine: Thank you, we needed to have this level of input and it was helpful. Jeanne Chute: You've given us some new things to investigate. Juli Hird: Provided clarity. Peter Miller: Thank you, Barbara, for being so authoritative.

Meeting adjourned at approximately 6:05 p.m.

Respectfully submitted,

John Hansen