

## Report of the Formula Study Committee, October 25, 2010

Formation of the Formula Study Committee was authorized by vote of the Winnisquam Regional School District Meeting in March 2010. Consistent with the terms of the Articles of Agreement of the District, moderators of each town were responsible for seeking a selectman representative and a citizen representative for the panel. A school board member from each community was also solicited to serve on the Committee. The first meeting of the Committee was called to order by School District Moderator Kent R. Finemore on June 14, 2010. At that first meeting Nina Gardner (Sanbornton) was elected Chair and Leif Martinson (Northfield) was elected as Vice Chair. It was determined that the work of the Committee should begin immediately as a final report was due to the school board not more than 120 days prior to the annual district meeting in March 2011.

The following meeting schedule was set: June 28; July 12; July 26; August 9; August 23, September 13; September 27; October 14; October 25; and November 8. As the group began its work, we determined that this schedule could be modified based upon the work time needed to accomplish our task.

By way of background, the current formula for the district is based upon a 70/30 split where 70 percent of the funding is based on the Average Daily Membership (ADM) of each town, and the remaining 30 percent of the funding is based on Equalized Property Valuation (EV) of each town. This formula is consistent with factors that are included in all other cooperative school district funding formulas. The Winnisquam District adopted this formula five years ago as part of a phased approach that replaced a set percentage-based formula (previously 37.75 for Tilton and Northfield and 24.5 for Sanbornton). For each of the first three years of the current formula, the percentage share of costs rose .75% for Sanbornton and Northfield and this resulted in a decline in share by 1.5% each of the three years for Tilton. At year four of the formula it switched over to the 70% ADM and 30% EV model that is currently in place, and was the object of study by the committee. This current formula gradually shifted the costs borne by each of the communities and brought this district into a formula base found in most other cooperative districts.

We began our work meeting with Dean Mitchner, from the New Hampshire School Board Association, who has had a very long involvement in school funding work, both with the New Hampshire Legislature and individual school districts. Mr. Mitchner explained the intricate details of the current state funding formula and how it impacts the Winnisquam School District as well as the aid the communities currently receive from the state of New Hampshire. He also discussed the history behind the current state funding and what the future may hold relative to the continued level of funding that the district might be able to expect.

The Committee also met with School District Attorneys to review cooperative school law and possible changes the Committee might consider. They provided us with some examples of other cooperative district formulas and reminded us that we should make our recommendation based upon what works here, rather than what other communities adopted.

Because of the importance of state aid to our communities, the Committee invited some of our local legislative delegation to meet with us to discuss their understanding of state funding, their sense of what the next legislative session might bring and their level of commitment to supporting legislation that would benefit these communities. We were fortunate to have Senator Deborah Reynolds, Rep. Liz Merry and Rep. Dennis Fields join us for this conversation.

The Committee next met with Cheryl Somma, school district business administrator, who provided detailed information on how the current formula works and a series of hypothetical changes and their impact on the three towns, for the Committee to consider. The members of the committee took this information, reviewed it carefully, and debated the merits of each scenario before arriving at our recommendation.

Having reviewed the current tax levels, valuations of each community and student population, the Committee felt that continuing to utilize these factors in the funding formula was important. After reviewing the possible scenarios for altering the current formula, a majority of the Committee felt the existing formula was fair and that it had accomplished the goals set forth five years earlier when adopted by the district voters, and that it had only been working off the existing ADM/EV model for last two years. The current uncertain economic conditions impacting housing valuations and student population trends reinforced the Committee's thinking that this was not a wise time to bring forth a recommendation for a change that might adversely impact any of the district's communities. Staying with the existing formula for the next five years would promote stability and predictability of our local education costs.

The Formula Study Committee held a public hearing at 7:00 P.M. on September 27, 2010 at the Middle School and three members of the public were in attendance along with two media representatives. Public comment reinforced the recommendation of the study committee that the existing formula was perceived to be fair and that changing it in the midst of uncertain economic conditions was not warranted. Once another five year period has passed, we will have more data to determine the long term fairness of the 70%ADM 30% EV formula.

It is the recommendation of the Formula Study Committee that the School Board place an article on the district warrant in March, 2011 to extend the existing cost allocation formula ( 70% ADM 30% EV) by which the operating and

capital costs of the district are allocated for the period FY 2012-2016, and that this formula shall remain in effect until otherwise changed by vote of the district.

Furthermore, we recommend the selectmen of the three towns consider working more closely together on property revaluation so that the towns remain current in their assessment practices. This recommendation was echoed at our public hearing.

Finally, we urge all the citizens of our school district, the selectmen and the school board to call upon our legislative representatives and senators to protect and where possible, maximize the state educational funding which is so vital to the economic stability and funding of our school district.

#### The Formula Study Committee

	Northfield	Sanbornton	Tilton
Selectman	James Knowlton	David Nickerson	Katherine Dawson
School Board	Tricia Sawicki	Tim Lang	Jasen Stock
Citizen	Leif Martisen	Nina Gardner	Tim Pearson