



**Report of the  
Nottingham Planning Committee  
November 23, 2020**

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## **Report of the Nottingham Planning Committee**

November 23, 2020

### **I. Introduction**

On March 10, 2020, the Nottingham community passed Warrant Article 10 to create a Nottingham Planning Committee to consider and make recommendations on the District's options for School Administrative Unit (SAU) services including the organization, reorganization, or withdrawal of the Nottingham School District from SAU #44, in accordance with the provisions of RSA 194-C:2. The committee has reviewed organizational charts, contracts, budgets, and the structure of several other single school district SAUs. The committee also researched options for the location of an SAU office in Nottingham and visited several sites. In addition, the committee studied other similar districts that have successfully created single district school administrative units, including using the framework of the Strafford withdrawal report. The committee also conferred with the Town of Nottingham administration and found that they are interested in working with the School District to ease the cost of administration for Nottingham taxpayers.

### **The Nottingham Community**

The Town of Nottingham is located within Rockingham County, and was granted charter on May 10, 1722, after a group of residents from Boston to Portsmouth petitioned to establish a town to the Province of NH and the British king. Nottingham is approximately 46.5 square miles with a population of 4,785 as of the 2010 census by the NH Office of Strategic Initiatives (OSI), which is expected to be over 5,000 in the 2020 census.

### **II. The Nottingham School District**

The Nottingham School District is currently a member of SAU #44, which serves the school districts of Northwood, Nottingham, and Strafford. The governing body of SAU #44 is a 15-member joint board comprised of the school boards from each school district. The Joint Board establishes the SAU budget and hires the Superintendent.

The cost of operation of the SAU is apportioned to each district based one-half on the average membership in attendance for the previous school year and one-half on the most recently available equalized valuation of each district as of June 30 of the preceding school year. The current apportionment is 39.21% for Nottingham, 29.42% for Northwood, and 31.38% for Strafford. Nottingham's portion of the SAU operating costs of \$494,069.08 is carried in the local operating budget. Strafford has formed their own SAU, #105, and effective July 1, 2021, will no longer be a member of SAU #44.

Nottingham has one elementary school built in 1995. The building features a large gym, a library media center, music and art rooms, and a new playground. The District also offers a full day kindergarten program. The K-8 school has 481 students (as of October 1, 2020); enrollment numbers have been impacted by the COVID-19 pandemic. Historically, Nottingham enrollment ranges from 510-525 students at the K-8 level. Currently, 9 students are attending charter schools for K-8 instruction.

The school district currently serves 270 high school students. The Nottingham School District has long-standing tuition contracts with Coe-Brown Northwood Academy and the Dover School District for the education of our high school students. The tuition contracts detail the costs of the special education services at each high school and all costs are carried in the Nottingham local operating budget. These contracts will not be impacted if Nottingham withdraws from SAU #44. The formation of a single district SAU will have no impact on our students in terms of the schools they attend or programming.

Nottingham preschool students have the option of attending Step by Step Preschool, which is located at Northwood Elementary School and governed by the School Boards of Nottingham and Northwood. The Nottingham School District currently pays fifty percent of the operating costs of the preschool, which is funded through the Nottingham School District local operating budget. The proposed budgeted amount for 2021-2022 is \$384,278 and Nottingham's portion is \$192,139 (50%). Any preschooler residing in Northwood or Nottingham, who is three or four years old by September 30th, is eligible for enrollment in the program. Children with educational disabilities may be enrolled upon their third birthday throughout the school year, as determined by state and federal law. Currently, the Nottingham School District plans to continue with this arrangement for our preschool students for the near term. The Nottingham School Board has formed a Preschool Committee that includes building staff and administration, and will be facilitated by the Race-to-K program, to study the feasibility of establishing a preschool at Nottingham School or other suitable location within town to serve the students of Nottingham.

### III. Financial Planning in the Nottingham School District

The Nottingham School District has an official budget committee that works with the school district and municipality on budget development and planning. The Nottingham School Board participates in planning for future capital expenditures with the Town of Nottingham through the Capital Improvement Program and updates the plan annually. Capital Reserve Funds have been approved by the legislative body and are managed by the Nottingham School Board. Currently, the district maintains the funds shown in Table 1. Funding the accounts is approved by the community through warrant articles. Should there be an unexpected cost associated with the facility or special education needs, the School Board may approve expenditure of these funds. The school reviews curricular programs on a 6-year cycle and funds the Textbook reserve fund accordingly. In September, the School Board authorized the purchase of iWave units through the Building Repair reserve fund.

Table 1 – Capital Reserve Fund Accounts

Capital Reserve Fund	Balance as of 7/1/2020
Special Education	\$136,320.86
Building Repair*	\$192,405.55
Textbook	\$20,730.84
Grounds Improvement	\$72,831.92

\*An iWave System (\$25,368) was purchased using the Building Repair Capital Reserve Fund in September 2020; this purchase is not reflected in the balance listed in Table 1.

The Town of Nottingham has an Impact Fee Ordinance, pursuant to NHRSA 674:5-8, as shown in Table 2. The ordinance is consistent with the goals of the Master Plan and the Capital Improvement Program. The School District assessment is \$4,220 per unit dwelling. The current Impact Fee balance for the Nottingham School is \$312,806, as of September 30, 2020. These funds are available should development in town create the need for building expansion/renovation or other costs incurred by increased enrollment.

Table 2 – Nottingham Impact Fee Assessment Schedule Adopted October 25, 2017

Fee Assessment Basis	School Impact Fee K-8 Facilities	Fire Department Impact Fee	**Recreation Department Impact Fee	Total Impact Fees
<b>RESIDENTIAL DEVELOPMENT</b>				
Type of Structure:	Per Dwelling Unit	Per Dwelling Unit	Per Dwelling Unit	Per Dwelling Unit
Single Family detached	\$4,220	\$800	\$344	\$5,364
Attached, 2-family or Multifamily	\$2,245/unit	\$736/unit	\$298/unit	\$3,279/unit
Manufactured Housing	\$4,206	\$812	\$325	\$5,343
Accessory Dwelling Unit/Apartment (ADU)	N/A	\$736	\$298	\$1,034
<b>COMMERCIAL-INDUSTRIAL DEVELOPMENT</b>				
All Commercial-Industrial Uses – Per Sq. Ft	N/A	\$0.35/Sq. Ft	N/A	\$0.35/Sq. Ft

\*Impact fee ordinance provisions enable the Planning Board to grant school impact fee waivers for qualified age-restricted housing units in a 55+ development. See impact fee ordinance for waiver criteria.

\*\*Fees will be dedicated to the Marston Recreation Project.

#### IV. General Demographic Characteristics of the Nottingham School District

Table 3 presents the projected growth of each community within SAU #44, as outlined by the New Hampshire Office of Strategic Initiatives (OSI) County Population Projections, By Municipality (September 2016) for the period of 2015-2040. However, Nottingham's estimated population in 2020 outpaced these projections from four years ago. It is expected that these projections will be reset once the 2020 census is completed.

Table 3 – Estimated Population for SAU #44 Districts, 2015-2040

	2015	2020	2025	2030	2035	2040	% change 2020-2040
<b>Northwood</b>	4,214	4,346	4,495	4,595	4,653	4,664	7.3%
<b>Nottingham</b>	4,904	5,246	5,614	5,740	5,812	5,825	11.0%

Source: population data from OSI (*County Population Projections, By Municipality – September 2016*)

OSI projects a growth rate from 2020-2040 for the Town of Nottingham of 11.0%, well outpacing Rockingham County's estimated overall growth rate of 6.3% for the same period. As SAU #44 reaches across two towns, the committee has included the OSI data for the Town of Northwood, which is projected to experience only a 7.3% growth rate. The difference in projected growth rates between Nottingham and Northwood suggests that the expected disparity in anticipated apportionments will continue or grow if Nottingham remains in SAU #44.

Another data point for estimating population change is projected fertility rate. OSI (State and County Population Projections – September 2016) projects that the fertility rate for Rockingham County will remain at 1.69 from 2015 through 2040. These projections indicate an expected overall decline in births from 14,530 in the 2015-2020 period to 13,195 in the 2035-2040 period (-9%). The population of children under the age of 15 is expected to decline from 49,392 in 2015 to 47,554 by 2040 (-4%). On the other hand, the 65+ population is expected to increase from 48,276 in 2015 to 93,319 in 2040 (+93%), and the 85+ population is estimated to increase from 6,035 in 2015 to 19,442 in 2040 (+222%).

Another measure of growth within Nottingham School District is the number of building permits issued. Table 4 shows that new home construction in Nottingham continues at a steady pace.

Table 4 – New Home Building Permits Issued in Nottingham

<b>Year</b>	<b>Permits Issued</b>
2015	30
2016	24
2017	22
2018	20
2019	32
2020	21*

Sources: HUD and Town (Town recorded different numbers in 2016-18). Total to date for 2020 as of November 4, 2020.

Of note, the Nottingham Town Planning Board is considering approving approximately 20 new building lots to become available in 2021. This increase in housing inventory would increase the town's valuation, as well as potentially increase future enrollment numbers for the K-12 schools.

Finally, in addition to population changes, it is important to look at enrollment patterns in the K-12 schools. The enrollment in Nottingham Elementary (K-8) school continues to fluctuate between 500-525 students. In 2018, the citizens of Nottingham voted in full day kindergarten, which may account for an increase in the student population the following fall (2019). Current (fall 2020) enrollment appears to be impacted by the COVID-19 pandemic, with some families opting for private or home schooling. It is expected that the enrollment will fluctuate again the following academic year (2021).

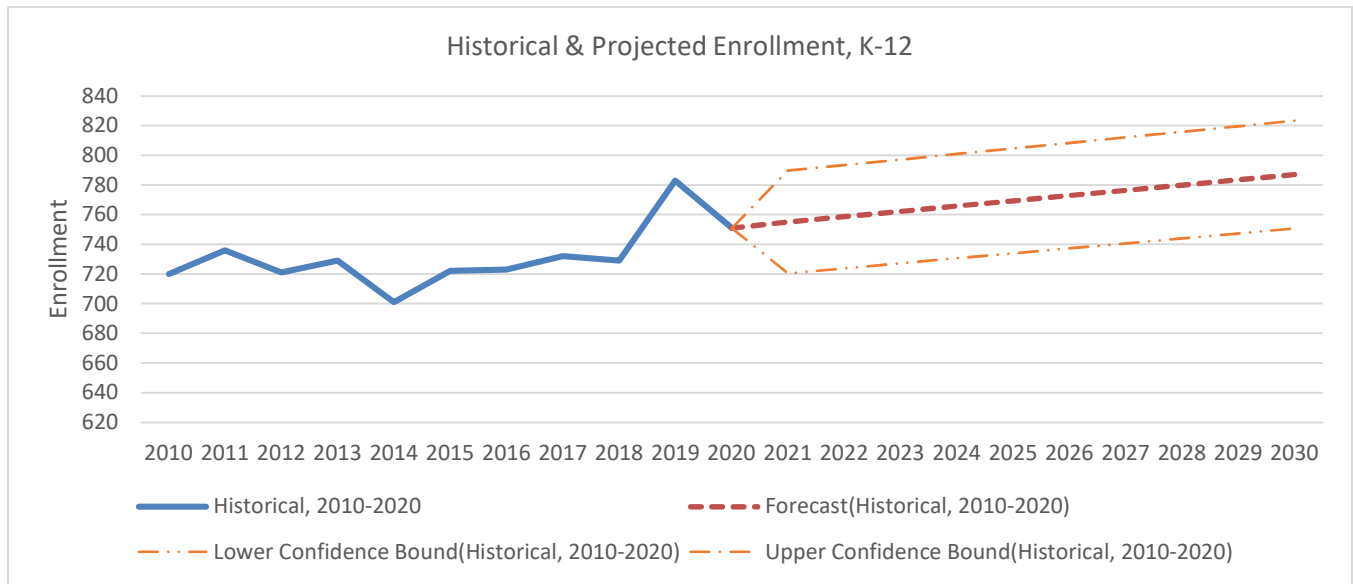
Table 5 – Enrollment as a Percent of Population in Nottingham

Year	Population	Enrollment K-8	Enrollment K-12	% of Population for K-12
2010-11	4,785	495	720	15%
2015-16	4,904	515	722	15%
2016-17	4,962	525	723	15%
2017-18	5,035	511	732	14%
2018-19	5,099	503	729	14%
2019-20	5,144	526	783	15%
2020-21	5,246*	481*	751*	14%

Population data from OSI for 2000-2019 and \*OSI (*County Population Projections, By Municipality – September 2016*) for 2020. Enrollment data has been taken directly from NH DOE and Nottingham School District to reflect actual numbers, not including Home Education students, as of October 1 for each year.

Figure 1 shows the historical and projected enrollment for Nottingham School District K-12, from 2010 to 2030. Historical enrollment has varied over time, with a slightly upward trend, and projected enrollment shows a slight increase in future years, thus demonstrating a single district SAU would be sustainable over the long term.

Figure 1 – Historical and Projected Enrollment for Nottingham, K-12



Historical enrollment data was taken directly from Table 5. Projected enrollment data was modeled using Excel’s forecast formula.

In conclusion, based upon the historical data over nearly two decades, population and K-12 enrollment fluctuations are expected as economic cycles and policies change over time. Based on the data available and historical trends, the committee expects that the Nottingham student population will continue to

outpace the Northwood student population for the foreseeable future, resulting in Nottingham carrying a larger percentage of financial responsibility for the Joint SAU. The data also supports a conclusion that the Nottingham School District is large enough to support the committee's proposed organizational structure for a single district SAU, as set forth below.

## V. Nottingham and SAU #44 – Current Organizational Structure for 2020-21

Figure 2 – Current SAU #44 Organizational Structure for 2020-21

<b>Position</b>	<b>Full / Part Time</b>
Superintendent, Interim	Full time
Business Administrator, Interim*	Part time
Administrative Assistant	Full time
Human Resources	Full time
Receptionist (FTE .75)	Part time
Director of Student Services	Full time
Admin. Assistant to Student Services	Full time
Asst. Director of Student Services**	Full time
Finance Manager	Full time
Accounts Payable/Bookkeeper	Full time
Payroll/Bookkeeper	Full time
Payroll/Bookkeeper	Full time
Grant Coordinator	Part time
IT Technician	Part time
<b>Grant Funded Position</b>	<b>Full/Part Time</b>
Alt. Education Facilitator	Full time
School Psychologist/LEA	Full time
School Psychologist	Full time
<b>Stipend Position</b>	
School Board Secretary	Stipend
Mentor Coordinator	Stipend
Treasurer of SAU	Stipend

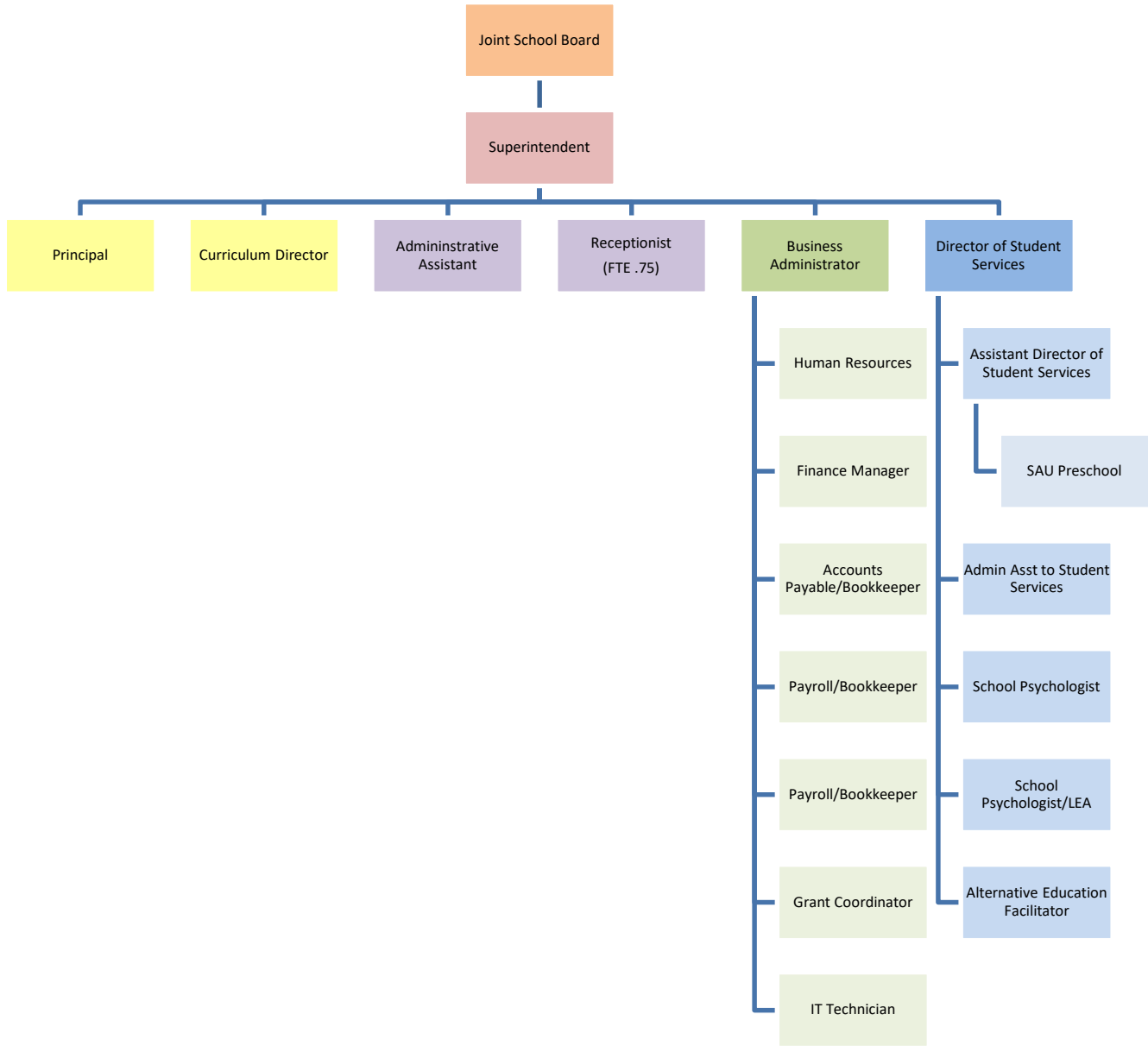
The SAU Joint School Board is currently reviewing the organizational structure through the 2021-2022 budget process.

\*The Interim Business Administrator is currently a part-time consulting position (3 days/week); the SAU #44 Joint Board has approved posting for a full-time employee.

\*\*This position includes the Preschool/Child Find Coordinator role, though that portion is funded with the SAU Preschool operating budget and funded through an IDEA grant. FY 2020 IDEA grant funding for Nottingham School District is \$104,277, which is used to support special education student services.



Figure 3 – Current SAU #44 Organizational Chart for 2020-21



### **Current Costs of Operating SAU #44**

The adopted SAU #44 budget for the 2020-2021 school year is \$1,276,380.31 (includes revenue, such as grant coordinator reimbursement and indirect costs), of which Nottingham's portion is \$494,069.08 (39.2%), Northwood's portion is \$370,803.89 (29.4%), and Strafford's portion is \$395,507.34 (31.4%).

The proposed SAU #44 budget for the upcoming 2021-2022 school year is \$1,193,476. However, since Strafford will no longer be part of SAU #44 as of July 2021, Nottingham's portion is expected to be \$674,645 (56.5%) and Northwood's portion is expected to be \$518,831 (43.5%). This computation is determined by RSA 194-C:9 (Budget).

The apportionment calculation for the 2021-2022 budget is impacted by Strafford's departure. The anticipated apportionment for the 2021-2022 budget is 56.5% for Nottingham and 43.5% for Northwood. These estimated apportionments were calculated using the 2019 town valuations of \$610,034,750 for Nottingham and \$474,889,953 for Northwood, and using end-of-year enrollment numbers of 522 students for Nottingham (K-8) and 396 students for Northwood (K-8), as of June 30, 2020.

The SAU budget development process will not be complete until December 2020, therefore it was not possible for the committee to have the final proposed budget for 2021-2022 at the time of the evaluation and report. The committee used an estimated proposed 2021-2022 budget to evaluate a proposed single district SAU model versus remaining with SAU #44 for cost analysis purposes and to calculate the anticipated school district apportionment.

Both Northwood and Nottingham have undergone a 5-year revaluation this year (2020) and both towns have significant increases in valuation. If Nottingham remains in SAU #44, the projected apportionments were calculated using these town revaluations (net valuation without utilities) of \$779,027,543 for Nottingham and \$678,617,831 for Northwood, and projected 2020-2021 year end enrollment numbers of 481 students for Nottingham (K-8) and 348 students for Northwood (K-8), based on current (October 1, 2020) enrollment. The projected apportionments for 2022-23 would be 55.7% for Nottingham and 44.3% for Northwood.

**VI. Proposed Organizational Design of Nottingham as a Single District SAU (2022-23)**

Figure 4 – Nottingham Proposed Single District SAU Organizational Chart for 2022-23

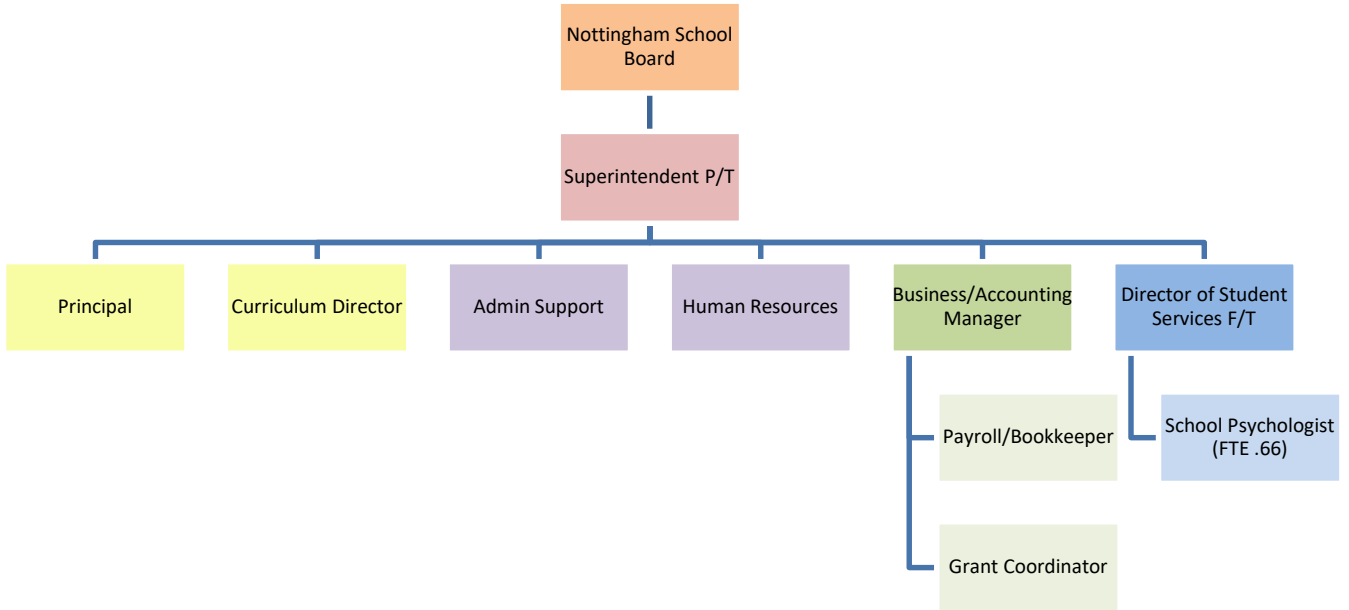


Figure 5 – Nottingham Proposed Single District SAU Organizational Structure

<b>Position</b>	<b>Full/Part Time</b>	<b>Salary*</b>
Superintendent of Schools	Part time	\$75,000
Director of Student Services	Full time	\$70,000
Payroll/Bookkeeper	Full time	\$45,000
Admin Support	Full time	\$35,000
Human Resources	Part time	\$36,000
Grant Coordinator	Part time	\$7,280
Business/Accounting Manager	Full time	\$60,000
<b>Total Annual Salaries</b>		<b>\$328,280</b>
<b>Grant Funded Position</b>	<b>Full/Part Time</b>	<b>Salary</b>
School Psychologist (FTE .66)	Part time	\$54,816

\*Benefits included separately in the operating budget. Positions may be combined based upon candidate qualifications.

Figure 6 – Nottingham Proposed Single District SAU

**Projected Estimated Annual Operational Costs for 2022-23**

<b>TOTAL ANNUAL COSTS</b>	
Annual Salaries	\$328,280
Annual Benefit Costs	\$130,342
Annual Operating Costs	\$58,132
<b>Total Annual Costs</b>	<b><u>\$516,754</u></b>

<b>Annual Benefit Costs</b>	
FICA (7.65%)	\$22,359
NH Retirement	\$46,527
Other Benefits/Workers' Comp.*	\$61,456
<b>Total Annual Benefits</b>	<b><u>\$130,342</u></b>

<b>One-Time Start-Up Costs</b>	
Renovations (SAU office)	\$40,000
Furniture	\$8,000
Computers	\$9,000
Fixtures/Equipment	\$3,000
Software Upgrade	\$15,000
<u>Subtotal</u>	<u>\$75,000</u>
Unassigned Fund balance	(\$101,544)
<b>Total One-Time Costs</b>	<b><u>(\$26,544)</u></b>

<b>Annual Operating Costs (Itemized)</b>	
Conferences/Courses	\$5,500
Legal Services	\$1,000
Postage Meter (school)	\$1,333
Advertising (jobs)	\$200
Travel (Admin/Staff)	\$3,750
Office Supplies/Refreshment	\$3,000
Periodicals/Dues/Fees/Prof. Assoc.	\$6,000
Computer Software & Maintenance	\$26,504
Custodial Services	\$1,250
Rental Facilities/Fees	\$0
Telephone	\$2,000
Internet Service	\$1,000
Electric Service	\$3,500
Background Checks	\$95
Miscellaneous	\$1,000
Insurance Contract/Liability	\$2,000
<b>Total Operating Costs</b>	<b><u>\$58,132</u></b>

\*Health, Dental, Unemployment, Workers' Compensation, Life, LTD  
NH Retirement: Teachers 21.02%, Employee 14.06%

### **Estimated Costs of Operating a Single District SAU**

The projected estimate of annual costs for the operation of a single district SAU was based on the single district SAU model proposed. The committee has utilized the existing SAU #44 operating budget, as well as current budgets from other single district SAUs as a guide. The districts whose demographics are similar to Nottingham are Barnstead, Barrington, Chester, and Gilmanston. All of these districts employ an organizational structure similar to the proposed single district SAU Model. These districts have been operating as single district SAUs for a number of years, and have done so successfully with streamlined organizational structures. In following these models, this committee believes Nottingham would also operate successfully using a similar structure.

The projected cost savings associated with operating as single district, instead of remaining with SAU #44, are as follows. Nottingham's portion of the adopted 2020-2021 SAU #44 operating budget is \$494,069 (39.2%). For the upcoming year, 2021-2022, Nottingham's portion of the proposed SAU #44 operating budget is anticipated to be \$674,645 (56.5%), which is an increase of \$180,576. For Nottingham to operate as a single district SAU, the projected annual operating costs, excluding the one-time startup costs, are anticipated to be \$516,754. Withdrawing from SAU #44 would result in an anticipated cost savings (annually) of at least \$157,891 for the Nottingham School District. Additionally, the committee expects the estimated \$75,000 one-time costs will be funded using a portion of the SAU Unassigned Fund balance. If Nottingham remains with SAU #44, it is anticipated that Nottingham's portion of the operating budget will continue to increase relative to the disparity of the projected growth rate for both towns, as discussed in Section III of this report.

The planning committee has attempted to account for all projected annual costs in calculating these estimates, including using conservative estimates of salary and benefit costs for all positions. It is possible that further savings will be realized as additional administrative efficiencies are identified.

### **Proposed Organizational Model Considerations**

The committee considered two proposed models for a single district SAU organizational structure with either a full-time Superintendent and a part-time Director of Student Services, or a part-time Superintendent and full-time Director of Student Services. These models were constructed based on the current SAU #44 organization structure, recommendations of the current Interim Superintendent, and examination of other single district SAUs in our local region.

The committee recommends the proposed model with a part-time Superintendent (approximately 30 hours per week) and full-time Director of Student Services based on several factors, including expected workload and experience level for a part-time Superintendent and the possibility of combining the current Nottingham Special Education Coordinator and a full-time Director of Student Services into a single role. The part-time Superintendent will be responsible for adhering to the State reporting calendar, ensuring timely certified reports, supervision of annual audit and grants, school board reports and advisement, making personnel recommendations, and overseeing human resources. It is expected that the applicant pool for a part-time Superintendent would include professionals with significant experience who have retired from full-time positions and would be interested in serving a single school district on a part-time basis. The committee believes the proposed model would best fit the needs of the Nottingham School District and allow the SAU staff to work directly with the Nottingham School

administration.

The committee also discussed the possibility of outsourcing human resources and payroll functions for all school district and SAU employees in conjunction with the Town of Nottingham, which is also looking into potentially outsourcing payroll. Technological resources may be available to both the School District and Town to facilitate and streamline these roles, resulting in additional cost savings. The proposed single district SAU model assumes that administrative efficiencies are gained through improved technology services or partially outsourcing certain human resources and payroll functions. First level services will be maintained in house to provide staff with support and personal touch.

The committee determined that the proposed single district model would serve the needs of Nottingham students most efficiently by utilizing an experienced Superintendent and streamlining SAU positions to focus on our specific student needs while minimizing operating expenses. Having the business office functions focused on a single school district will result in improved and timely reporting and a more efficient budget process that allows school building administration to spend more time on student academic achievement.

### **Current Staffing Levels within Nottingham School District Considerations**

The Nottingham School District is fully staffed at the local level. The current local district's operating budget includes, and fully funds, all of the following required positions and staffing levels:

- A full-time administrative team including a Principal, Assistant Principal, and Curriculum Director. All curriculum, assessment, and instruction are developed and paid for at the district level. The Curriculum Director is also the high school liaison and ensures that our high school students transition well to their respective secondary schools.
- A full-time Food Service Director overseeing a fully staffed food service program.
- A full-time Facilities Director overseeing a fully staffed maintenance team.
- Two full-time Guidance Counselors: one serving the elementary grades and the other serving the middle school grades. The counselors work to develop curriculum related to resilience and social emotional learning.
- A part-time Special Education Administrative Assistant.
- A full-time Technical Director and a full-time Technology Integrator.

### **Potential Locations for the Proposed SAU Positions**

It is anticipated that the full-time Director of Students Services would be located at the Nottingham School to facilitate working directly with the school administrative team, special education teachers, and the administrative support staff already situated there. One benefit is that special education meetings would be held at the school.

The part-time Superintendent and remaining SAU staff would be located at the proposed SAU office location discussed below. The Nottingham Transition Committee will determine the layout for a proposed SAU office space, using the information obtained by the planning committee as discussed below. It is also possible that one or more administrative roles could be situated in the Nottingham School main office pending space availability.

### **Potential Locations for a Proposed SAU Office**

The planning committee explored several potential locations for a local SAU office within the town of Nottingham.

The location determined to be the most suitable is an underutilized room (approximately 900 square feet) located at the Town Hall. This space, currently referred to as the Community Room, is located across the hall from Conference Room 2, the Town Administration office, and the Planning Department office. Renovations would be required for this space to function as an office, including repairing the exterior wall/windows, upgrading the existing HVAC system in the room/building, and upgrading the electrical service to the room/building. The committee recommends testing to determine the extent, if any, that asbestos, PCBs, or mold may be present. Current use of this space is primarily storage for the Recreation Department. A condition to any agreement with the Town to use the room includes maintaining an area for this storage. The one-time renovation costs are estimated to be approximately \$40,000, excluding any unforeseen costs. A benefit to using town-owned property is the elimination of rental costs; projected incidental costs for increased utilities have been included in the estimated annual related operating costs. The opportunity to improve existing town space, as well as the potential to combine/coordinate services with the Town, makes this the preferred option.

Another possible location is the existing stand-alone office building (approximately 1,500 square feet) located at the former Fernald Lumber site, situated across the street from Nottingham School on Route 152. This space is currently available for rent (listed for \$15,600/year gross), with the potential for a long-term lease. This space includes a reception area, workspace/office, kitchenette/cafeteria, storage space, bathroom, and furnace room on the first floor. There is also a private office and conference room/common office area on the second floor. This rental location would have the advantage of being move-in ready and conveniently located near Nottingham School.

The committee also considered a modular unit to be placed on school property to be used for an office. The modular unit rental cost was approximately \$42,000 for a 720-square-foot unit (60ft x 12ft) and \$85,000 for a 1,440-square-foot unit (60ft x 24ft), with a 24-month lease. This does not include the additional site work, including a concrete pad, that would be necessary for the modular. These costs may range from \$75,000 to \$250,000 depending on how the modular unit will be used and necessary utilities.

## **VII. Impact on Current SAU #44**

The draft proposed 2021-22 budget for SAU #44 is \$1,193,476.33, with only Nottingham and Northwood remaining in the SAU. Should the separation of Nottingham from SAU #44 occur, Northwood would be the only remaining district in the SAU beginning in the 2022-23 school year and

would bear the full cost of the SAU's operation for their single district. However, since Northwood and Nottingham are similar districts, it is anticipated that Northwood would have similar needs for staffing and operating as a single district SAU, and the operating costs would be significantly less than that for a two-district SAU.

The SAU #44 Interim Superintendent reviewed the committee's proposed SAU reorganization model and the itemization of operating costs for Northwood as a single district, should the separation take place. In addition, the SAU #44 business office reviewed an itemization of assets and liabilities.

### **Disposition of Assets (Fixtures/Equipment)**

The SAU #44 business office estimates the value of current assets held by the SAU at approximately \$76,500 (value before Strafford exits SAU #44), which includes office furniture and electronic equipment. The Joint Board and Strafford School District are currently determining the distribution of assets net of liabilities to Strafford pending their departure effective July 1, 2021. The remaining value of assets would be distributed according to the new district apportionments (without Strafford) for 2021-22. If Nottingham withdraws from SAU #44, the committee expects that the Nottingham and Northwood School Districts will distribute assets based on the proportionate share of the value of those assets, which is anticipated to be 56.5% and 43.5%, respectively.

### **SAU #44 Unassigned Fund Balance**

The total SAU #44 Unassigned Fund Balance (as of October 1, 2020, unaudited) is \$261,914. Strafford's portion of the fund balance, approximately \$82,189 (31.38%), would be disbursed to them upon their exit from SAU #44 in July 2021. The remaining balance of \$179,725 would then be distributed according to the respective apportionments at the time of Nottingham's separation, which is anticipated to be \$101,544 for Nottingham (56.5%) and \$78,180 for Northwood (43.5%). The Nottingham School District's portion of the fund balance could be used toward the one-time startup costs for the single district SAU.

### **Liabilities**

The only financial liability reported to the committee by the SAU business office for the Nottingham School District, if it forms a single district SAU, is the cost of accrued vacation pay for SAU employees of \$51,551 as of October 15, 2020. Nottingham's portion (according to the new district apportionments without Strafford for 2021-22) of this cost is estimated to be \$29,126 (56.5%). Given that estimated assets are higher than estimated liabilities, the committee anticipates a netting of the amounts.

The Nottingham School District's auditing firm provided guidance on the District's assets and liabilities. The SAU does not have capital assets that are depreciated because the SAU rents its current office space. In addition to the accrued paid leave noted above, there are Net Pension Liabilities and Other Post-Employment Benefits. An actuary will calculate Nottingham's portion of these items and journal entries will be made to reflect the appropriate amounts in the Nottingham School District financial statements. There is no cash impact as a result of these entries. The NHRS will be appropriately notified of the changes.



**Proposed Reorganization of SAU #44 as a Single District SAU (Northwood Only)**

Since Northwood and Nottingham are similar districts, it is anticipated that Northwood would be able to utilize a similar plan for staffing and operating costs as a single district SAU upon Nottingham's withdrawal.

Figure 7 – Northwood Proposed Single District SAU #44 Re-Organizational Structure

<b>Position</b>	<b>Full/Part Time</b>	<b>Salary*</b>
Superintendent of Schools	Part time	\$75,000
Director of Student Services	Full time	\$70,000
Payroll/Bookkeeper	Full time	\$45,000
Admin Support	Full time	\$35,000
Human Resources	Part time	\$36,000
Grant Coordinator	Part time	\$7,280
Business/Accounting Manager	Full time	\$60,000
<b>Total Annual Salaries</b>		<b>\$328,280</b>
<b>Grant Funded Position</b>	<b>Full/Part Time</b>	<b>Salary</b>
School Psychologist (FTE .66)	Part time	\$54,816

\*Benefits included separately in the operating budget. Positions may be combined based upon candidate qualifications.

Figure 8 – Northwood Proposed Single District SAU #44

**Projected Estimated SAU #44 Annual Operational Costs for 2022-23**

<b>TOTAL ANNUAL COSTS</b>	
Annual Salaries	\$328,280
Annual Benefit Costs	\$130,342
Annual Operating Costs	\$58,132
<b>Total Annual Costs</b>	<b><u>\$516,754</u></b>

<b>Annual Benefit Costs</b>	
FICA (7.65%)	\$22,359
NH Retirement	\$46,527
Other Benefits/Workers' Comp.*	\$61,456
<b>Total Annual Benefits</b>	<b>\$130,342</b>

<b>One-Time Start-Up Costs</b>	
SAU office (Renovate/Rent)	\$50,000
Furniture	\$8,000
Computers	\$9,000
Fixtures/Equipment	\$3,000
Software Upgrade	\$15,000
<u>Subtotal</u>	<u>\$85,000</u>
Unassigned Fund balance	(\$78,180)
<b>Total One-Time Costs</b>	<b>\$6,820</b>

<b>Annual Operating Costs (Itemized)</b>	
Conferences/Courses	\$5,500
Legal Services	\$1,000
Postage Meter (school)	\$1,333
Advertising (jobs)	\$200
Travel (Admin/Staff)	\$3,750
Office Supplies/Refreshment	\$3,000
Periodicals/Dues/Fees/Prof. Assoc.	\$6,000
Computer Software & Maintenance	\$26,504
Custodial Services	\$1,250
Rental Facilities/Fees	\$0
Telephone	\$2,000
Internet Service	\$1,000
Electric Service	\$3,500
Background Checks	\$95
Miscellaneous	\$1,000
Insurance Contract/Liability	\$2,000
<b>Total Operating Costs</b>	<b>\$58,132</b>

\*Health, Dental, Unemployment, Workers' Compensation, Life, LTD  
NH Retirement: Teachers 21.02%, Employee 14.06%

### **Financial Impact to Remaining District at SAU #44**

If Northwood were to implement a similar structure as Nottingham, the projected cost of a single district reorganization of SAU #44 for 2022-2023 is \$516,754. Northwood's portion (43.5%) of the current proposed budget for SAU #44 for the upcoming year (2021-2022) is anticipated to be \$518,831. This would result in a small savings of \$2,076.

If Nottingham stays with SAU #44, the town revaluations done in 2020 and the anticipated enrollments for end of year in 2021 predict Northwood's apportionment will increase from 43.5% to 44.3%. This is an approximate \$9,500 increase in their portion of the SAU #44 budget, before taking into consideration any increases to the overall 2021-22 budget for 2022-23.

Should the Nottingham voters choose to separate from SAU #44 at the March 2021 School District Annual Meeting voting session, the effective date of the separation would be July 1, 2022. Subsequent to Town approval, the Northwood school district would be notified immediately.

### **Educational Impact to SAU #44**

The committee concluded, in consultation with the Interim Superintendent, that student performance is most closely linked to factors that are fully within the domain of a particular school's administration and teaching staff, and are unrelated to the Joint SAU. The committee found that individual schools in SAU #44 have significant independence and autonomy with respect to decisions about curriculum and corrective measures aimed at improving learning. Due to this independence and autonomy, the committee expects Nottingham's departure from SAU #44 will have no adverse impact on the educational performance of the remaining school district (Northwood), while it should have a positive effect on the performance of Nottingham School given the more direct relationship between administration and the student population under the proposed Nottingham single district model.

### **Preschool Impact to SAU #44**

For the 2021-22 school year, Nottingham will continue to participate in the SAU #44 Step by Step Preschool for the near term, as discussed in Section II of this report. Therefore, if Nottingham withdraws from SAU #44, there will be no financial impact for 2021-22 to the SAU #44 Preschool as well as no interruption to the educational services of those preschool students.

**VIII. Additional Considerations, Conclusion, and Recommendation with Signatures**

**Advantages/Disadvantages for a Proposed Nottingham Single District SAU**

Based upon careful consideration of the preceding information, the following findings/observations are offered.

ADVANTAGES (+)
Local focus and personalized attention of students throughout their entire educational career (K-12).
Allows full governance over SAU services and budget by Nottingham voters and their representatives (Nottingham School Board).
Student services are focused locally, enabling efficiencies through role sharing and reducing administrative redundancies.
Potential SAU office location(s) provides closer proximity to Nottingham School, reduces travel, and increases coordination. Provides long-term potential savings in rental fees and related expenses.
Reduction in overall expenses and administrative overhead between SAU, School, and Town through shared resources.
Potential for 10-25% savings to the SAU services for a single district.
All of the single district SAU budget would be targeted solely for the benefit of Nottingham students. There would be one budget for the SAU and School District.
Simplified and streamlined single district grant management and document submission related to IDEA, and all grant funding.

DISADVANTAGES (-)
Resources/time devoted to implementation of new software and other independent systems required to become single SAU.
Responsible for any unforeseen additional one-time startup costs.
Need to determine and establish the most feasible location for single district SAU staff in close proximity to Nottingham School.
Annual SAU operating costs may increase at some point in the future.

## **Conclusion and Recommendation with Signatures**

The Nottingham Planning Committee met frequently from April to November, 2020, to prepare this report. During that time, the committee carefully reviewed successful single district SAUs, the approved Strafford withdrawal proposal, SAU budgets from our focused districts, single district SAU organizational structures, enrollment projections, and other pertinent information. The committee elicited insightful information from successful single district SAUs. The committee also considered whether it would be feasible to join another existing joint SAU or to create a joint SAU with other single districts in the local area.

After careful consideration and many hours spent on research and assessment of various models, the committee has determined becoming a single district SAU based on the proposed model would be in the best interest of Nottingham students and the Nottingham community. Financially, the estimated cost is approximately 23% below the Nottingham School District portion of the anticipated SAU #44 budget, once Strafford withdraws from the joint SAU. However, projected financial savings alone would not necessarily support becoming a single district SAU. Additional supporting factors include autonomy/local control over the appropriations of the Nottingham community's resources, and having all of our school district administrators focused solely on creating the best educational experiences for the students of Nottingham. Business Office services could focus entirely on Nottingham reporting, the annual audit would be more efficient and concluded earlier, and the coordination of accounting with grant requirements would be improved and appropriate journal entries made at year-end. These additional benefits would be lost if the Nottingham school district joined another existing joint SAU. It is for these reasons the Nottingham Planning Committee recommends forming a single district School Administrative Unit.

We, the undersigned, as members of the Nottingham Planning Committee, are recommending the withdrawal of the Nottingham School District from SAU #44.

Submission date is November 23, 2020.

### Proposal for the Establishment of a Single District Nottingham School Administrative Unit

DocuSigned by: <i>Susan Levenson</i> EE8FFDB908104B7...	11/24/2020
Susan Levenson, Nottingham School Board	Date
DocuSigned by: <i>Christine Dabrio</i> CABD149F4972409...	11/24/2020
Christine Dabrio, Nottingham School Board	Date
DocuSigned by: <i>John Decker</i> A6C827909BA749F...	11/24/2020
John Decker, Budget Committee Representative	Date
DocuSigned by: <i>Karyl Martin</i> 4F979AA764A14F2...	11/24/2020
Karyl Martin, Committee Member	Date
DocuSigned by: <i>Gail Mills</i> 2FBABB02A4974B7...	11/24/2020
Gail Mills, Committee Member	Date
DocuSigned by: <i>Debbie Ricker</i> B789EB5A4EC64BC...	11/24/2020
Debbie Ricker, Committee Member	Date
DocuSigned by: <i>Jason Spearin</i> 545B55DACD44496...	11/24/2020
Jason Spearin, Committee Member	Date

## **Appendices**

## Appendix A – Nottingham Planning Committee Members

Scott Reuning	SAU #44 Superintendent, non-voting member (April-August, 2020)
Dr. Monica Henson	Interim SAU #44 Interim Superintendent, non-voting member (August 2020-present)
Susan Levenson	School Board Member
Kelley Gordon	School Board Member (April-October, 2020)
Christine Dabrio	School Board Member (October-present, 2020)
John Decker	Budget Committee Representative
Karyl Martin	Community Member
Gail Mills	Community Member
Debbie Ricker	Community Member
Jason Spearin	Community Member



## **Appendix B – Nottingham Transition Timeline**

**March 10, 2020** – Community approves Warrant Article 10 to create the Nottingham Planning Committee to study the advisability of the withdrawal of the Nottingham School District from SAU #44 at the Nottingham School District Annual Meeting voting session.

**April/May, 2020** – Nottingham School District Moderator, Bonnie Winona MacKinnon, finalizes Nottingham Planning Committee appointments.

**April – November, 2020** – Nottingham Planning Committee meets 21 times to review and discuss research, data, budgets, interviews, and other pertinent information.

**November 09, 2020** – Nottingham Planning Committee submits the report to the board chairs of Northwood and Strafford, and posts notice for a public hearing in all SAU #44 communities.

**November 23, 2020** – Nottingham Planning Committee holds a public hearing for the completed report, and holds a vote of the committee members as to the advisability of moving forward.

**November 30, 2020** – If deemed advisable, the Nottingham Planning Committee submits the report to the State Board of Education for presentation at their December 10 meeting.

**December 30, 2020** – If necessary, the Nottingham Planning Committee re-submits the report to the State Board of Education for review.

**February, 2021** – Nottingham School District Annual Meeting deliberative session – all District warrant articles are presented and discussed.

**March, 2021** – If recommended by the State Board of Education, the plan will be voted on at the Nottingham School District Annual Meeting voting session. If the Warrant Article is approved by the community, the SAU #44 school districts would be immediately notified.

**July 1, 2021** – A Nottingham Transition Committee would be created to implement a plan for the creation of the new SAU and prepare for a smooth and seamless transition.

- Review location options for the SAU office and begin any needed renovations.
- The School Boards will work together to discuss the netting of assets and liabilities, and the timing of payment of Nottingham’s portion of the Unassigned Fund Balance.
- Advertise for new positions.
- Actuary will determine School District’s apportionment of pension and OPEB amounts.
- Plan for migration of data, both digital and paper, to the Nottingham School District.
- Select an accounting software tool and plan for data migration.

**July 1, 2022** – The Nottingham School District would become a single district SAU.

## Appendix C – Public Hearing Statement

At the March 10, 2020, Nottingham School District Annual Meeting voting session, the voters of Nottingham passed Warrant Article 10 to create an SAU #44 study committee relative to withdrawal, which reads in full: “Shall the Nottingham School District vote, pursuant to RSA 194-C-2,I, to create a Nottingham Planning Committee to consider and make recommendations on the District’s options for SAU services including the organization, reorganization, or withdrawal of the Nottingham School District from SAU 44 in accordance with the provisions of RSA 194-C-2,I?”

According to the mandate of the voters of Nottingham, the committee was formed. The recruitment of members was posted publicly. Members of the community submitted letters of interest to Moderator Bonnie Winona MacKinnon, who reviewed the letters and appointed the following community members: Karyl Martin, Gail Mills, Debbie Ricker, and Jason Spearin. The budget committee representative is John Decker. The school board representatives are Susan Levenson, Kelley Gordon (resigned October 21, 2020), and Christine Dabrieo. The first meeting was held April 17, 2020, and regular meetings have been held since that time.

Based upon Warrant Article 10, the committee has pursued inquiry and investigation relative to the advisability of becoming a single district SAU, apart from SAU #44. In recent years, many districts have successfully achieved single district SAU status. The districts this committee focused its attention on are districts similar in size and demographics: Barnstead, Barrington, Chester, and Gilmanston. All of these school districts have managed their separations from multi-district SAU’s successfully, and have provided valuable information to the Nottingham Planning Committee. The committee also reviewed data provided on the NH Department of Education website.

After a review of several models, including joining another SAU, staying in the current SAU and withdrawal; the Nottingham Planning Committee’s research focused on the benefits of becoming a single district SAU and whether this would be in the best interest of Nottingham students and the Nottingham community. Projected financial savings was only one factor to support becoming a single district SAU. Other considerations included autonomy/local control over the appropriations of the Nottingham community’s resources, as well as having all of our school district administrators focused solely on creating the best educational experiences for the students of Nottingham. These additional benefits would be lost if the Nottingham School District remained with SAU #44 or joined another existing joint SAU. It is for these reasons the Nottingham Planning Committee recommends forming a single district School Administrative Unit.

Should Nottingham voters choose to establish a single district SAU, the administrative team would be solely focused on our school and our students. This would improve timeliness and accuracy in reporting and grant submission. This team would provide targeted focus of our dollars to maximize educational benefits for our students.

In the current model with a multi-district SAU, there are monthly meetings with Strafford and Northwood to govern the SAU and monthly meetings with Northwood to govern the preschool and to develop a budget for the two-district SAU next year. A single district model leads to fewer meetings, one budget, dedicated staff, and significant time savings.

In conclusion, it appears that Nottingham would benefit from the efficiencies of a single district SAU.

### **Summary from the Public Hearing**

The Nottingham Planning Committee held a public hearing on November 23, 2020, to present the draft report and recommendations, followed by a public vote of the committee members as to the advisability of moving forward with the withdrawal.

There were four members of the community in attendance at the hearing. Two asked questions in relation to the availability of staffing, budget, savings, and preschool membership.

The committee amended the document on page 10 of 27 to reflect updated ADM numbers. This change did not have a material impact on any estimates.

The Nottingham Planning Committee voted 7 to 0 in favor of moving forward with presenting this Nottingham Planning Committee Report to the State of New Hampshire Board of Education. It is the recommendation of this committee to withdraw from the school administrative unit with the school district of Northwood.