



CITY OF DOVER

JOINT ADEQUACY FUNDING COMMITTEE - MINUTES

Meeting Type: Joint Adequacy Funding Committee Meeting
Meeting Location: Superintendent's Conference Room, McConnell Center
Meeting Date: **Wednesday, March 13, 2013**
Meeting Time: **6:00 PM**

1. CALL TO ORDER

Mr. D'Andrea called the meeting to order at 6:02 p.m.

2. ROLL CALL

Present: City Manager Joyal, Mayor Trefethen, Councilor Weston, Councilor Crago, Superintendent Briggs Badger, School Board Chairperson D'Andrea (left meeting at 7:00 pm), In addition, State Representative Verschueren, Senator David Watters, Robin LaFleur, Fosters.

3. NEW BUSINESS

Organization and Expectations

Adequacy (Local and State Discussions) Update

Expectations for Reps to communicate at the March 18th Hearing 2014 Legislation Formulation

It was determined that School Board Chairperson Rocky D'Andrea will be chairperson of the committee and Mayor Dean Trefethen will be vice chairperson. Councilors Crago and Weston, along with School Board Member Amanda Russell will be alternate members of this committee.

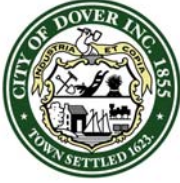
Ms. Briggs Badger began the meeting with an overview of the meeting she attended in Concord earlier in the day with Rep. Verschueren, Senator Watters, Senator Rausch (Father of the adequacy formula), Senator Stiles (Education Chair), Senator Morse (Finance Chair), Bedford Superintendent Mayes, and Salem Superintendent Delahanty.

City Manager Joyal commented that this is a school issue and the majority of the information will be generated by school staff and processed through Superintendent Briggs Badger.

Senator Watters commented that the meeting held earlier in the day was beneficial and a good place to start. He continued to say that he believes there is an opportunity for some movement.

Ms. Briggs Badger provided an overview of the meeting stating that she discussed the 28 communities who are receiving less aid than the formula showed. Mr. Rausch added that the formula's original purpose was stabilization and it was meant to be predictable and equitable. The state will not support taking away the cap because of the wealthy towns. It was clear at the meeting that the senators do not want to change the formula.

Ms. Briggs Badger continued to say that as the meeting progressed, it seemed to the senators that Dover is seen as somewhat of an anomaly. This was determined because Dover is a dependent school district and does not have warrant articles and has a tap cap. She noted to the senators that Dover receives about \$348,000 in adequacy and while the District is grateful, it is still not a lot of money in a large budget. She felt that they became increasingly sympathetic toward the cause.



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Senator Rausch stated that he did not favor a constitutional amendment even though Senators Stiles and Morse did. He believed that a constitutional amendment would cause all involved to lose money and "start the ballgame all over again".

Rep. Verschueren stated that he appreciated what the formula accomplished 4 years ago when it was formed. It provided consistency in educational funding and stabilization. They knew it wouldn't be perfect, but everyone agreed on it. The priorities from 4 years ago were to:

1. Not cause harm to anyone by giving less adequacy than received in prior years
2. Set a formula that would show what districts would receive each year.

The formula will remain until there is a new amendment, as it seemed to be the best solution at the time.

Rep. Verschueren continued to say that the cities who are receiving too much will not be getting an increase. Dover should receive increases over the years of 5.5% each year. Not all towns or cities receive 5.5% because they are already over what they are supposed to be getting due to stabilization grants.

The theory was that eventually everything would equalize. Rep. Verschueren commented that he was confident that legislators put much consideration into it when it was established.

Ms. Briggs Badger stated that if a town doesn't receive enough adequacy, property taxes will be raised and Dover has a unique situation because of the tax cap.

Councilor Weston asked if communities that are harmed are addressed. Rep. Verschueren stated that it was addressed and the conclusion was that there was only a limited amount of money. This would be the price paid for stability that schools and towns were requesting. The real issue at the time was giving assurance that funding would be stabilized.

Ms. Briggs Badger stated Senator Rausch believed that in an ideal world, State Wide Property Tax (SWEPT) would come into Concord and be divided, but new legislation allowed towns to keep SWEPT. There is \$363M raised by SWEPT and \$564M contributed by the State toward education for a total of \$927M for education.

She summarized the meeting saying they were given a little bit of hope. There will probably not be a change in formula, but may get the 5.5% amount increased. This would give a little more money each year and reach the trajectory sooner.

Rep. Verschueren added that originally they had thought that the other 28 towns would be allies. In actuality, the richer towns within the 28 towns, would be in opposition.

City Manager Joyal asked if communities like Rochester who have an increase in population and are being overpaid, could see an increase. Mr. Verschueren responded that he was not



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able to explain. It also didn't make sense to him that Dover is short \$1.2M in adequacy for FY13 and short \$1.9M for FY14. It could be due to the higher property taxes.

During the meeting earlier in the day, Senator Stiles asked if the communities were warned that the money would be going away. She was told that stabilization would "erode" away with inflation and loss of students.

Councilor Weston asked if, in terms of the trajectory, there a projection on when, if the formula is followed, the numbers would come.

Rep. Verschueren stated that he didn't ask the question and doesn't think they know since it is unknown if legislation will continue to give an increase across the board that doesn't apply to cities who are over in aid.

Mr. D'Andrea stated that the baseline should probably be reset and warn that funding could be reduced.

Mayor Trefethen added that the amount that communities are being overpaid could be decreased by 5.5%. The state may end up breaking even. He added that there are not many similar to Rochester who are being overpaid by 22.5%. They could be weaned off overpayment by reducing the amount by 5.5% each year. They would not be happy with this action and they would need to either raise taxes or reduce items from their school budget.

After the formula was created, it was known that there would be winner and losers. A quick solution was needed when creating the formula.

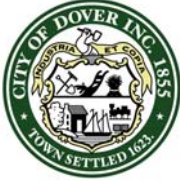
City Manager Joyal asked if he was correct in stating that in order to fund adequacy, the state would need \$433M for FY14. (not taking into account stabilization). It seemed that there is an additional \$140M since there is \$572M raised to hold people harmless and people should take notice. If he were a representative, he might consider eliminating the cap and formula.

Ms. Briggs Badger stated that they did talk about that and noted that money could be taken away from education and put toward bridges and roads, etc.

Mr. Joyal added that if that does happen, the District needs to make sure that it is not removed of our funding. It should be taken from communities that are being overpaid.

Rep. Verschueren stated that Senator Rausch commented that to date, Dover is the only community who has complained about the formula.

Mayor Trefethen noted that there would be many more "losers" if the formula is changed. The only way that Dover would win would be if there is some specific earmark. No one else should be touched. It's frustrating, but purely a numbers game.



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Mayor Trefethen stated that he is encouraged by the outcome of the meeting and feels there is some empathy and maybe something can be done for the anomalies. He added that perhaps the Free and Reduced column should be looked at so that communities who are really in need receive aid.

The mayor confirmed that the town keeps adequacy aid even if students are sent to school elsewhere. If Barrington leaves Dover, the District will still receive adequacy, but not tuition.

Mr. D'Andrea stated it sounds like an earmark is the way to go at this point and what is the best way to accomplish this.

Mayor Trefethen isn't sure that asking for an earmark at the hearing on March 18 is the right way to go since there will be many other communities who could do the same. He feels that there are other channels that they should use to rectify the situation.

Ms. Briggs Badger stated that the senators insinuated there may be other ways to find relief for Dover. She will send a thank you note to the senators and ask for guidance on ways that Dover may be able to receive funding in the meantime.

Councilor Weston commented that there could be issues with the state budget if the casino provision doesn't pass. The budget is strongly associated with the casinos and could "fall apart" if it doesn't pass. There would be a ripple effect and other areas of the budget could be affected.

City Manager Joyal recommended drafting an open-ended letter to the senators to allow them to consider options for helping Dover.

Councilor Weston stated it should be sent soon since the meeting is next week. Mayor Trefethen added that budget can be amended at any time until its adoption in May.

Mayor Trefethen commented that in addition to the letter, a bill should be considered for a long term solution.

Rep. Verschueren stated the bill would need to be completed sometime near the first of December.

This might be something that is co-sponsored with Salem and/or others who will want to accomplish the same goals.

Rep. Verschueren asked that ideas be given to him and he can assist in drafting the bill. He inquired if the committee wanted to do anything with stabilization grants. It was determined that the committee wasn't interested in that at this time.

Rep. Verschueren noted that the situation can't be fixed, but can hopefully make it better.



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City Manager Joyal asked if anyone has looked at the formula minus stabilization to determine if it makes sense.

Mr. D'Andrea responded that Dr. Mebert did a thorough job of reviewing the formula and the problem started when the freeze happened. It is believed that the formula makes does sense.

Councilor Weston asked Business Administrator Limanni if it would be possible to plug in numbers into the formula and calculate others' numbers. He responded to her that it would be a major undertaking since a new census of every school would be needed.

City Manager Joyal asked how many districts are dependent schools. It was determined that there are 13 cities and Durham and Derry which both have councilor/manager governments. This information would help to determine how to make Dover seem unique and more worthy of consideration. The goal would be to limit the number of communities involved. The City Manager also asked if there are any communities that are currently looking at adequacy. It would be important to know if others have already started the effort.

Ms. Briggs Badger stated that she would contact Mark Joyce, NHSBA, for his input.

Mr. Joyal added that the consensus is that Dover doesn't really have issues with the formula, just the capping. It is suggested that the discussion of stabilization be limited.

Mayor Trefethen recommended asking for 5.5% for all underfunded something for the extra students (82) since we are growing. He added that free and reduced lunch information should be incorporated as a benchmark. Communities such as Windham are getting too little in aid based on the formula, but they are a rich town and in a different situation than others. Using free and reduced meals as a benchmark would exclude Windham.

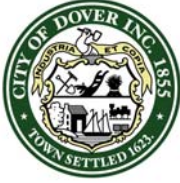
Mayor Trefethen recommended crafting a bill to benefit Dover, but keep it limited, so that the 4 or 5 communities who need aid the most would be affected. This may be more attractive and sellable to leadership. The recipients should be underfunded and in need.

Ms. Briggs Badger suggested that she and Mr. Verschueren meet with Mark Joyce as a first step since he would be a good resource.

Councilor Weston asked Ms. Briggs Badger if the Dept. of Education Commissioner was going to try to check her budget for disbursements for underfunded communities.

Ms. Briggs Badger responded that commissioner had said she would talk with the Attorney General, but Ms. Briggs Badger hasn't heard from her.

Councilor Weston asked about enrollment figures. Ms. Briggs Badger commented that Barrington and Nottingham numbers are not included in enrollment figures, although the count still appeared to be off by about 172.



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Mayor Trefethen requested that Ms. Briggs Badger ask Mr. Limanni to develop a projection chart assuming current growth and 5.5% and see what happens in each year to see what happens to the gap.

Councilor Weston asked what her direction is for the March 18th hearing. Mayor Trefethen stated that she should sign the card to speak and possibly select a representative and spokesperson for the group. He recommended keeping the message simple, just stating that Dover is receiving \$1.9M less than what we should be receiving. It's ok if others get more, but Dover is hurting and needs relief, along with a few other communities who also have high free and reduced lunch enrollment.

City Manager Joyal suggested an elected official be the spokesperson for the group. Mayor Trefethen agreed to be the representative. At this point, Mike Limanni, Jim Verschueren, Bill Garrison, Mike Crago, Michael Weeden, Karen Weston and Dean Trefethen have stated they would be attending the hearing.

Mayor Trefethen will be emailing the City Council and School Board with the plan. He is requesting that they sent talking points in bullet format to him and he will combine them for his statement.

The next meeting is scheduled for April 11th at 6:00 p.m. at the SAU Conference Room.

Councilor Crago asked if it would be televised. There was concern with televising the minutes because of the nature of the committee.

It was determined that it would not be televised since Chairperson D'Andrea was not in attendance to provide input.

CITIZENS FORUM: None

4. ADJOURN

The meeting was adjourned at 7:35 p.m. An oral **VOTE PASSED**.