



**Planning Committee Report
Lisbon Regional School Planning Committee 2024**

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I. Introduction

On March 20, 2024, the Lisbon Regional School District (LRSD) passed Warrant Article 4 to create a planning committee to study the advisability of the withdrawal of LRS District from School Administrative Unit (SAU) #35 in accordance with the provisions of RSA 194-C:2. The committee has reviewed organizational charts, contracts, budgets, and the structure of other single school district SAUs. In addition, the committee studied other similar districts that have successfully created single school district SAUs, including using the frameworks of the Nottingham and Littleton withdrawal reports. We have consulted with the current SAU #35 Superintendent, SAU #35 business manager, Lisbon Regional School (LRS) board members, the LRS Principal, and legal counsel to gather the necessary information for a well-informed decision.

Planning committees in 2004-2005 and 2007-2008 considered a few different options including joining another SAU. They found that LRS would still lack majority representation and control in any established SAU. At the time of those reports, remaining in SAU #35 was likely in the best interest of our students and taxpayers. However, since those previous planning committees made their recommendations, there have been numerous changes in SAU #35's board control, in the services provided to LRS by the SAU, the services we pay for but are forced to supplement due to our unique student population and lack of time and resources at the SAU level, and the potential for a significant increase in the amount of our district share to SAU #35.

This committee feels that creating a single district SAU gives our school board and taxpayers more control over SAU financial decisions, something they currently have little to no control over. It will also provide an opportunity to excel with regards to providing complete and high-quality superintendent services by allowing administrators to focus 100% of their time on the students of LRS, with 100% of the single district SAU budget going directly towards servicing LRS.

The goal of this report is to present the taxpayers of Lisbon and Lyman and the LRS Board with information on why it is in our community's and school's best interest to leave SAU #35 and create a single school district SAU.

II. The Lisbon Regional School District

Lisbon Regional School district is funded by an agreement established between the towns of Lisbon and Lyman and serves students in a single Pre-K – 12 school building. It is part of New Hampshire SAU #35 along with Bethlehem Elementary School, Lafayette Elementary School, Landaff Blue School, and Profile Middle/High School. The governing body of SAU #35 is a 29-member Board composed of the school board members from each school district. The SAU 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 for LRS for the 2024-2025 school year is 26.416% which amounts to \$273,516.00.

The Lisbon and Lyman Communities

Lisbon is a town in Grafton County, New Hampshire. The population was 1,621 at the time of the 2020 census. Lisbon, New Hampshire is one of the many quaint little New England towns tucked in the northwest forests of the Granite State. Governor Benning Wentworth granted a charter in 1763 under the name of Concord, opening the township which became Lisbon. No settlement was made under that charter, and in 1768 another was made under the name of Gunthwaite. At a town meeting in 1824 it was voted to name the town Lisbon after Lisbon, Portugal. Descendants of some of the first settlers in the 1700's still live in Lisbon and share its proud heritage with newcomers, and all seem to work together to preserve the rich history and utilize its natural resources.

Lyman is also a town in Grafton County, New Hampshire, with a population of 585 at the 2020 census. Lyman, along with Grantham, Lisbon, and eleven Vermont towns, was granted as compensation to General Phineas Lyman, a commander in the French and Indian War. According to the county gazetteer, "It was granted to Daniel Lyman and sixty-three others, November 10, 1761, its name being derived from the fact that eleven of the grantees bore the name of Lyman. The grantees failed to comply with the requirements of their charter, and thus forfeited their grant, but an extension of time had granted them July 20, 1769." Lyman was incorporated in 1761. In 1880 it had a population of 665.

Anecdotally, Lisbon and Lyman are hardworking towns that have always had a strong community spirit with a supportive and active Lion's Club and community and church groups that support the surrounding communities. Lisbon itself has seen a revival of sorts, with the renovation of old buildings on the main street, addition of new businesses in town, and groups working at increasing community involvement and adding touches of beauty along the main street and the bridge.

III. Financial Planning in the Lisbon Regional School District

The purpose of this section of the report is to provide foundational information describing how the LRS District school budget is created; how the SAU #35 budget is created; how the LRS budget is affected by the SAU #35 budget; how changes in student population and property valuation affect the allocation of these costs and how the school costs are shared between Lisbon and Lyman.

Every year, towns in New Hampshire hold a town meeting to elect town officers and to deliberate and vote on all other town business like the town budget, warrant articles, and capital projects. The result of the town meeting establishes, among other things, the amount of taxes to be raised by the town for the year. The approved appropriation is used to establish the town portion of the local school property tax rate.

Similarly, but separately, every year, school districts hold a school district meeting to elect officers and to deliberate and vote on the budget, warrant articles and capital projects to fund the school district. The result of the school district meeting establishes, among other things, the amount of taxes to be raised by the school district for the year. The approved appropriation is used to establish the school district portion of the town's total property tax rate.

It is important to note that property tax rates in New Hampshire generally consist of 4 elements: 1) the town tax rate (the approved budget and articles approved by the voters at the town meeting described above), 2) the school tax rate (the approved budget and articles approved by the voters at school district meeting described above), 3) the state school tax rate (established by the State of New Hampshire and not described in this report), and the county tax rate (established by the County Commissioners and not described in this report).

Looking more closely at the school district budget process. The budget for the LRSD is made up of two major parts:

1. The cost to operate the school itself. These costs are determined by the LRS Board, and
2. The cost for superintendent services. Superintendent services are required by law in New Hampshire (RSA 194-C:4) and are provided to the LRSD by SAU #35. These costs, and other school costs shared between school district members of SAU #35, are determined by the SAU #35 Board.

LRSD consists of two member towns as shown in the following table.

Lisbon Regional School District	Population (1)	Representation on the LRS School Board
Lisbon	1,621	6
Lyman	565	3

Table III-1: Towns that Make Up the LRSD

Note: 1. Population from the 2020 decennial census.

SAU #35 currently consists of five school districts representing a total of seven towns in northern Grafton County, New Hampshire. The makeup of the SAU is shown in the following table.

School District	Grades	Towns (1)	Size of School Board (2)	Representation on SAU #35 Executive Board (3) / (4)
Bethlehem Elementary School	Pre-K – 6	Bethlehem	5	1
Lafayette Regional School	K – 6	Easton Franconia Sugar Hill	5	1
Landaff Blue School	K – 3	Landaff	3	1
Lisbon Regional School	K – 12	Lisbon Lyman	9	1
Profile Jr/Sr High School	7 – 12	Bethlehem Easton Franconia Sugar Hill	7	1

Table III-2: School District Members that Makeup SAU #35

- Notes: 1. The towns that are members of the school district.
 2. The number of school board members for the school district.
 3. The SAU #35 board is comprised of all 29 members of the local school district boards.

The 29-member board deliberates and votes on all financial matters that affect the SAU. 4. The Executive Board (E-Board) is comprised of members from each of the member school boards, typically the chair of the member board, and includes a voting member from the Chairman’s board. The executive board chair serves solely as the board chair and does not cast votes on matters that come before the executive board. The E-Board oversees the operations of the SAU and acts on behalf of the Board members to make decisions throughout the year between the semi-annual full board meetings.

Having established the relationships between the two towns that are members of the LRS District and the school districts and various member towns that comprise SAU #35, the next step it to explain how the school costs are shared between the entities.

Starting with SAU #35

School Administrative Unit costs are apportioned by New Hampshire statute. This apportionment is based on 1/2 on the average daily membership attendance (ADM-A) for the previous school year and 1/2 on the most recently available equalized valuation of each member school district as of June 30 of the preceding school year. The following table shows this apportionment for SAU #35 for the 2024-2025 school year.

Approved Budget (1): \$1,035,437						
District	EQ Valuation (2)	Valuation %	ADM-A (3)	ADM-A %	Combined %	District Share
Bethlehem	\$264,771,497	14.058%	136.58	17.991%	16.025%	\$165,924
Lafayette	\$478,799,598	25.421%	89.61	11.804%	18.613%	\$192,721
Landaff	\$83,471,838	4.432%	17.96	2.366%	3.399%	\$35,195
Lisbon	\$275,277,087	14.614%	290.18	38.223%	26.416%	\$273,516
Profile	<u>\$781,141,855</u>	<u>41.475%</u>	<u>224.83</u>	<u>29.616%</u>	<u>35.549%</u>	<u>\$368,082</u>
Total	\$1,883,461,875	100.000%	759.16	100.000%	100.0000%	\$1,035,437

Table III-3: Apportionment of SAU #35 Costs

Notes: 1. SAU #35 approved budget in the amount of \$1,035,437 for the 2024-2025 school year.
 2. Equalized Valuation for 2022. This data comes from the New Hampshire State Department of Education, Division of Education Analytics and Resources, Bureau of School Finance, Valuations, Property Tax Assessments, and Tax Rates of School Districts report. Report date 8/25/2023.

3. Average Daily Membership Attendance for the 2021-2022 school year. This data comes from the New Hampshire Department of Education, Division of Education Analytics and Resources Bureau of Educational Statistics, Average Daily Membership (ADM) Based Upon Attendance and Residence report. Report date 3/7/2023.

The calculated district share is added to each school district’s annual school budget.

The Lisbon Regional School District

These same factors affect the cost-sharing agreement between Lisbon and Lyman and are more fully examined below.

The school budget allocation between Lisbon and Lyman is based on an agreement established between the towns. This apportionment is based on 80% of the combined average membership in residence (ADM-R) for the previous 3 school years and 20% of the combined equalized valuation of each town for the preceding 3 school years. The following tables show this apportionment for the 2024-2025 school year]

Calculation to Determine Apportionment Rate					
ADM-R (1)	2020-2021	2021-2022	2022-2023	3-Year Total	%
Lisbon	225.17	217.26	203.14	645.57	82.9472%
Lyman	<u>43.75</u>	<u>46.32</u>	<u>42.65</u>	<u>132.72</u>	<u>17.0528%</u>
Sub Total	268.92	263.58	245.79	778.29	100.000%
EQ Valuation (2)	2020-2021	2021-2022	2022-2023	3-Year Total	%
Lisbon	\$136,306,615	\$187,932,903	\$167,790,359	\$492,029,877	63.5048%
Lyman	<u>\$77,171,041</u>	<u>\$98,104,171</u>	<u>\$107,486,729</u>	<u>\$282,761,947</u>	<u>36.4952%</u>
Sub Total	\$213,477,656	\$286,037,074	\$275,277,088	\$774,791,818	100.000%
Combined Rate	ADM	ADM %	EQ Val	EQ Val %	Total
Lisbon	82.9472%	80%	63.5048%	20%	79.0587%
Lyman	<u>17.0528%</u>	80%	<u>36.4952%</u>	20%	<u>20.9413%</u>
Total	100.0000%		100.0000%		100.000%

Table III-4: School Cost Allocation Between Lisbon and Lyman

- Notes: 1. Average Daily Membership Residence data comes from New Hampshire Department of Education, Division of Education Analytics and Resources Bureau of Educational Statistics, Average Daily Membership (ADM) Based Upon Attendance and Residence reports.
2. Equalized Valuations from New Hampshire State Department of Education, Division of Education Analytics and Resources, Bureau of School Finance, Valuations, Property Tax Assessments, and Tax Rates of School Districts reports.

Calculation to Determine Budget Allocation – Budget Amount of \$5,714,656 (1) / (2) / (3)					
Cost Allocation	Rate	Amount of Apportionment	Less Town Specific (MS-22)	Less State Aid	Local Tax Assessment
Lisbon	79.0587%	\$4,517,935	\$0	\$1,959,559	\$2,558,376
Lyman	<u>20.9413%</u>	<u>\$1,196,721</u>	<u>\$0</u>	<u>\$271,382</u>	<u>\$925,339</u>
Total	100.0000%	\$5,714,656	\$0	\$2,230,940	\$3,483,715

Table III-5: School Cost Allocation Between Lisbon and Lyman

- Notes: 1. Budget approved by voters at LRSD meeting on March 20, 2024.
2. The approved budget was \$7,057,071. Less local revenue (MS-24) which as of October 26, 2024, is estimated to be \$1,342,415. Costs to allocate between member towns is \$5,714,656. This figure may change when the 2024 MS-24 is finalized.
3. LRS district budget includes the costs approved by the SAU #35 board to operate the SAU for the 2024-2025 school year.

Based on the foregoing, LRS District’s share of SAU #35 cost increases when any of the following occur:

1. Lisbon experiences an increase in average daily membership residence (ADM-R). In other words, by an increase in student population.
2. Lisbon experiences an increase in equalized property valuation.
3. Any of the other SAU #35 members experience a decrease in their ADM-R, or if the equalized property valuation of other SAU #35 members does not increase at the same rate as Lisbon and Lyman.

IV. General Demographic Characteristics of the LRS District

The purpose of this section of the report is to provide demographic data that can be used to project changes in the student population served by SAU #35. This information can be used to estimate the change (increase or decrease) of the LRS district share of SAU #35 operating costs. The data will be used elsewhere in this report to project the effect on the LRS budget by staying in, or withdrawing from, SAU #35.

Population

The following table and chart show the total population projections for the municipalities that are members of SAU #35.

	2020	2025	2030	2035	2040	2045	2050
Bethlehem	2,484	2,589	2,672	2,711	2,718	2,699	2,666
Easton	292	304	314	319	320	317	313
Franconia	1,083	1,129	1,165	1,182	1,185	1,177	1,162
Landaff	446	465	480	487	488	485	479
Lisbon	1,621	1,690	1,744	1,769	1,774	1,761	1,739
Lyman	585	610	629	639	640	636	628
Sugar Hill	647	674	696	706	708	703	694

Table IV-1: Total Population of Municipalities in SAU #35

- Notes: 1. Column labeled “2020” is from the 2020 US Decennial Census.
 2. 2025-2050 projections from New Hampshire Department of Business and Economic Affairs. State, County, and Municipal Population Projections 2020-2050. Report date September 2022.

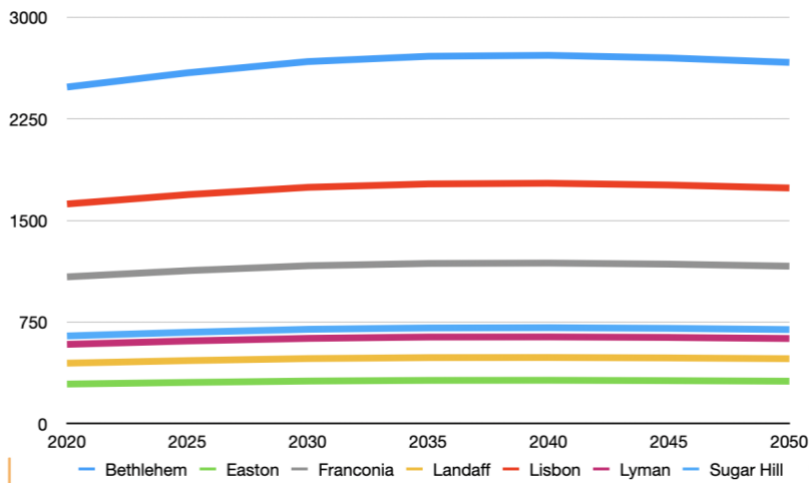


Chart IV-1: Total Population of Municipalities in SAU #35

This data indicates that the total population of the municipalities that are current members of SAU #35 is expected to experience modest growth peaking in 2040 and gradually decline thereafter.

The following table and chart show the projected school age population in Grafton County.

Age	2020	2025	2030	2035	2040	2045	2050
5-9	3,975	3,589	3,972	3,867	3,805	3,745	3,610
10-14	4,190	4,138	3,731	4,105	4,009	3,958	3,904
<u>15-19</u>	<u>6,730</u>	<u>6,365</u>	<u>6,324</u>	<u>5,998</u>	<u>6,286</u>	<u>6,230</u>	<u>6,202</u>
Total	14,895	14,092	14,027	13,970	14,100	13,933	13,716

Table IV-2: Population Projections for Grafton County by Age Groups

Notes: 1. Population for typical age groups K-12.

2. Population projections from New Hampshire Department of Business and Economic Affairs. State, County, and Municipal Population Projections 2020-2050. Report date September 2022.

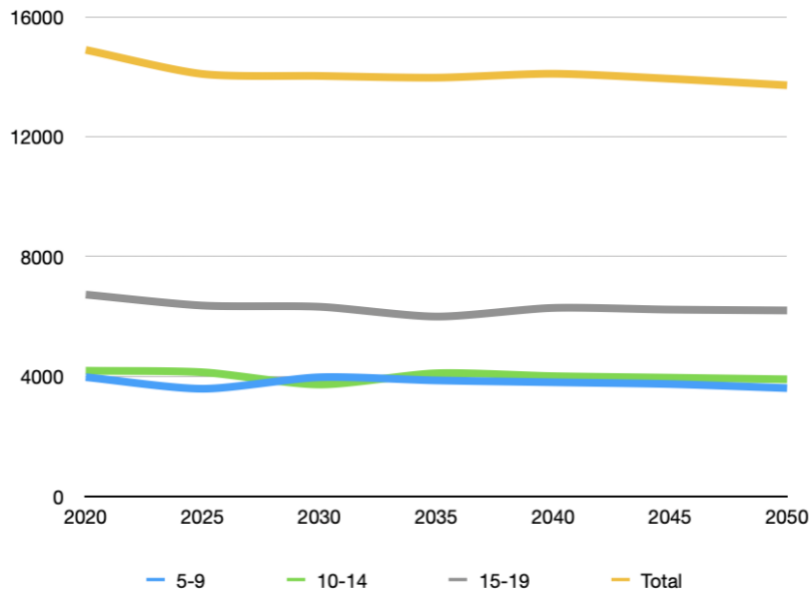


Chart IV-2: Population Projections for Grafton County by Age Groups

This data indicates that the school age population in Grafton County peaked in 2020 and will decline slightly between now and 2050.

The following table shows the average daily membership attendance of each of the 5 school districts that are members of SAU #35. The 1st 6-columns are actual recorded membership data. Data beginning with the 23-24 school year are projections.

School District	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26
Bethlehem	150.2	141.4	151.2	135.0	136.6	142.4	135.8	133.8	131.9
Lafayette	125.1	113.2	106.0	93.8	89.6	87.3	75.3	67.5	59.7
Landaff	18.4	22.1	32.1	14.6	18.0	24.3	21.5	21.5	21.5
Lisbon	339.6	345.0	333.6	303.7	290.2	268.6	258.5	242.8	227.1
Profile	<u>225.5</u>	<u>222.9</u>	<u>208.5</u>	<u>219.2</u>	<u>224.8</u>	<u>201.6</u>	<u>206.8</u>	<u>203.9</u>	<u>201.0</u>
Total	858.8	844.5	831.4	766.3	759.2	724.2	698.0	669.5	641.1

Table IV-3: Average Daily Membership Attendance by SAU #35 Membership

Notes: 1. Average Daily Membership Attendance data comes from New Hampshire Department of Education, Division of Education Analytics and Resources Bureau of Educational Statistics, Average Daily Membership (ADM) Based Upon Attendance and Residence report.

2. Projected data calculated using the FORECAST function in iOS Numbers.

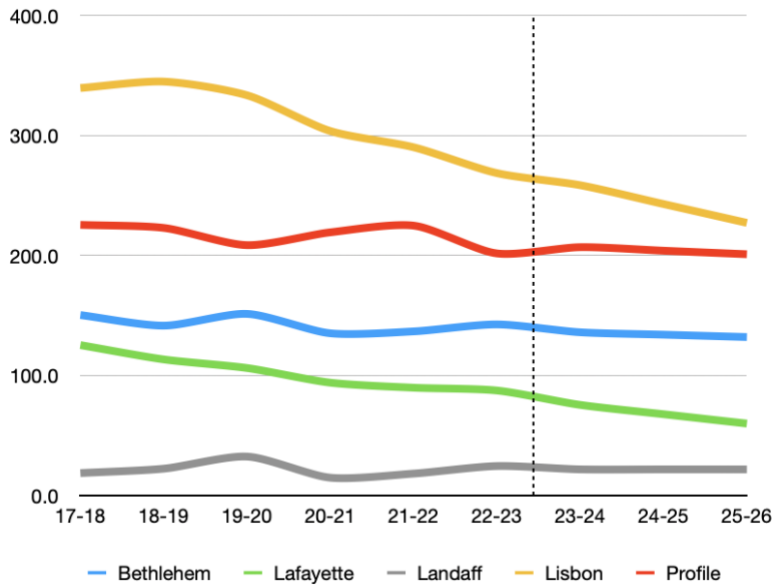


Chart IV-3: Average Daily Membership Attendance by SAU #35 Membership

This data indicates that average daily membership in the SAU #35 member schools is expected to decline. Note however that the ADM-A in the LRSD may decline at a higher rate than the other member school districts.

Combined, these data are consistent with other reported demographic data. The Census Bureau reported that the current fertility rate (children per woman in her lifetime) has dropped to 1.76. A rate of about 2.1 is necessary to maintain a stable population. As a result, the 63.7 million nationwide school-age children today is only slightly more than in 2010. The U.S. Census Bureau currently projects that the number of school-age children will decline by 6 percent to 59.9 million by 2050.

The New Hampshire Department of Business and Economic Affairs, State, County, and Municipal Population Projections 2020-2050 report includes a fertility analysis. For New Hampshire, the report concluded that, “Although the 2021 data indicate an increase in the number of births, there is no indication that fertility levels are beginning a long-term increase. While the future is uncertain, a continued decline in the overall fertility level seems unlikely.”

Equalized Valuation

The other factor that affects the apportionment of SAU #35 costs between member municipalities is property value.

Local assessed valuation is valuation of all property in each municipality. This valuation is intended to equalize property valuation and establish a fair apportionment of property tax between property owners in the municipality. This data is reported annually by each municipality on the MS-1, Summary of Inventory Valuation report. The report includes locally assessed values, gross and net taxes, actual tax rates, local and optional exemptions, and educational and special exemptions. This un-equalized data is what each town says the property is worth.

However, municipalities have different assessing schedules and different relative values. To fairly apportion education costs between municipalities, the State of New Hampshire Department of Revenue Administration (NH DRA) equalizes local assessed property valuation to create an equalized tax base. The Equalized Assessed Valuation is used to share the cost between multiple towns for Statewide Education Property Tax (SWEPT) calculations.

The equalized assessed valuation for the SAU #35-member school districts is summarized below:

Municipality	Year	Local Assessed Valuation	Equalized Assessed Valuation (EAV)	Percent of EAV (per year)
Bethlehem	2023	\$518,239,991	\$586,742,802	26.9%
Easton	2023	\$77,783,741	\$126,869,963	5.8%
Franconia	2023	\$425,542,281	\$625,768,508	28.7%
Landaff	2023	\$60,502,649	\$138,180,340	6.3%
Lisbon	2023	\$121,681,485	\$225,214,797	10.3%
Lyman	2023	\$77,302,270	\$127,325,795	5.8%
Sugar Hill	2023	\$170,318,917	\$353,993,196	16.2%
Bethlehem	2022	\$292,812,597	\$534,227,142	28.4%
Easton	2022	\$77,220,099	\$126,781,630	6.7%
Franconia	2022	\$420,108,701	\$567,912,069	30.2%
Landaff	2022	\$60,455,778	\$83,471,838	4.4%

Lisbon	2022	\$120,333,422	\$167,790,359	8.9%
Lyman	2022	\$76,824,404	\$107,486,729	5.7%
Sugar Hill	2022	\$167,739,818	\$295,792,109	15.7%
Bethlehem	2021	\$287,026,905	\$409,335,797	26.0%
Easton	2021	\$76,963,510	\$106,308,229	6.8%
Franconia	2021	\$414,995,423	\$434,700,229	27.6%
Landaff	2021	\$60,387,413	\$61,428,980	3.9%
Lisbon	2021	\$120,837,118	\$187,932,903	12.0%
Lyman	2021	\$76,094,234	\$98,104,171	6.2%
Sugar Hill	2021	\$166,497,979	\$274,427,854	17.5%
Bethlehem	2020	\$278,685,124	\$358,734,422	28.7%
Easton	2020	\$75,921,478	\$82,282,258	6.6%
Franconia	2020	\$291,613,149	\$361,485,645	28.9%
Landaff	2020	\$51,335,582	\$55,470,241	4.4%
Lisbon	2020	\$120,244,496	\$136,306,615	10.9%
Lyman	2020	\$75,044,915	\$77,141,041	6.2%
Sugar Hill	2020	\$164,818,357	\$178,737,979	14.3%
Bethlehem	2019	\$261,286,660	\$297,616,229	26.4%
Easton	2019	\$64,135,162	\$76,485,099	6.8%
Franconia	2019	\$288,323,046	\$332,217,273	29.4%
Landaff	2019	\$50,720,789	\$56,289,603	5.0%
Lisbon	2019	\$118,207,984	\$120,471,035	10.7%
Lyman	2019	\$59,655,524	\$75,898,375	6.7%
Sugar Hill	2019	\$163,260,383	\$170,215,201	15.1%

Table IV-4: Property Valuation of SAU #35 Municipal Members

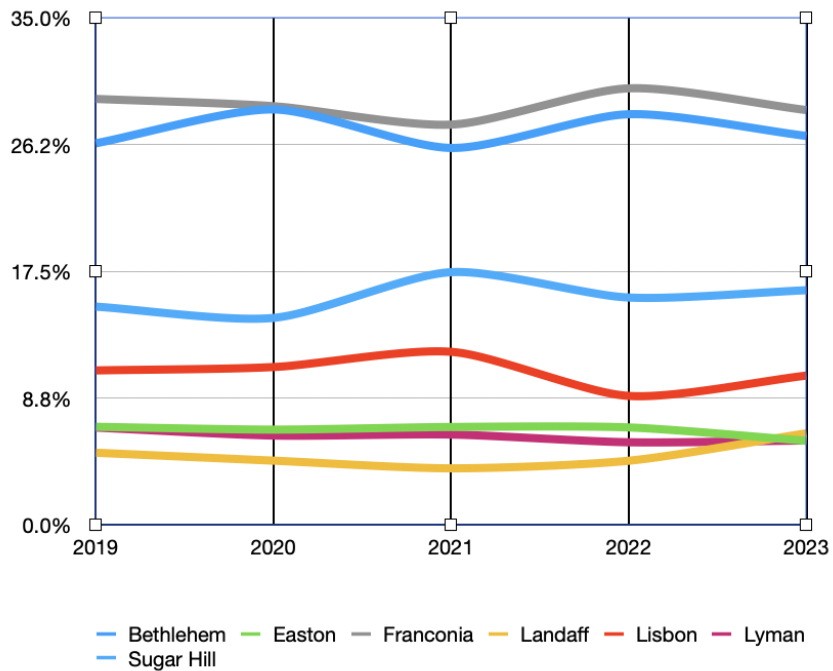


Chart IV-4: Equalized Valuation for SAU #35 Municipal Members
(As a percentage of total annual equalized valuation per year)

This data indicates that the ratio of equalized valuation between the municipalities that are members of SAU #35 are reasonably (but not exactly) constant. Looking at this data it is reasonable to conclude that the NH-DRA equalization ratio fairly equalizes property valuation between the municipalities and that the municipalities can anticipate that their share of the apportionment of SAU #35 costs will remain comparatively constant.

In other words, it is unlikely that an individual municipality's share of SAU #35 costs will change significantly based solely on property value.

To summarize: Based on the analysis in sections III and IV of this report, the allocation of SAU #35 costs to the LRSD is expected to remain constant as a percentage of the allocation between member communities. Thus, changes in SAU #35 costs appropriated to LRS will result primarily because of increases or decreases in the SAU #35 operating budget.

V. Current Organizational Structure of SAU #35

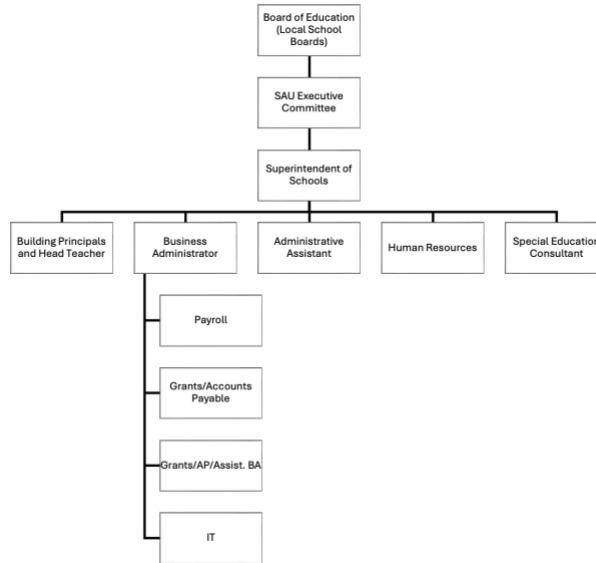


Figure V-1: Current SAU #35 Current Organizational Structure



1. Superintendent of Schools 2. Business Administrator (No Facility Director)

Central Office General Roles and Responsibilities drafts: 6/11/24; 7/9/24, 7/23/24 7/31/24 10/1/24*

SAU 35 Central Office Administrative Assistant * put on hold at Oct E-Board meeting 3	Human Resources Manager 4	GRANTS Manager for BES, LAF, LAN, LIS, PRO, SAU 5	AP Manager for BES, LAF, LAN, LIS, PRO, SAU 6	Assistant Business Manager 7	Payroll Clerk Part time 12 months 260 day contract 6 hr/day 8	Part Time Grant Writer 9	Part Time Technology 10	Part Time Special Education Consultant 11
All District Functions & Documentation including Annual Meetings Homeschool School Spring, Ed Jobs, Postings, & Advertisements Admin Asst. to Supt BUSINESS OFFICE Admin to Finance to complete all necessary work for the audit recommendations and requirements	Contracts Management Substitutes Onboarding-Benefits, & Insurance Salary Spreadsheets ACA Reporting CBAs FMLA IVEE Front-Line Time and PD software GCN training Terminations Bus Rosters Employment Verifications	Grants Deposits Audit Reports State reports	Accounts Payable Accounts Receivable Spec. Ed. Billing	Bank Reconciliations for BES, LAF, LAN, LIS, PRO SAU Grants Reconciliations Audit Reports State reports Trust Funds Assist Completion of all required Policies and Procedures determined by Plodzick & Sanderson Assist and then transfer- National School Lunch, Annual application, monthly claims, annual audits, RFP's	Payroll W2s 1099s, 941's Quarterly Reporting -NH Retirement Student Activity Accounts Audit Reports State reports	Work with District Administrators to write Federal Grants in the Grant Management System Work with Grant Bookkeeper to coordinate activities and proper accounting	Upgrade, maintain and provide technical support for information technology system at the Central Office Maintain software system for payroll, & associated reports, accounts payable, business administration, etc Perform system administration (setting up user accounts, passwords, security, etc) Provide network administration & inventory (file, web, email, proxy, servers, routers, switches, data lines, etc)	Ensure full compliance with NH state and federal education regulations Advise principals, special education personnel and the superintendent of matters pertaining to special education Serve as the special education contact person for White Mountains School Administrative Unit 35. Coordinate SAU wide CPT training, certification Lead development and implementation of SPEC. (Special Education Parent Advisory Council

Figure V-2: Current SAU #35 Roles and Responsibilities

Current Costs of Operating SAU #35

The adopted SAU #35 budget for the 2024-2025 school year is \$1,035,437 of which Lisbon Regional's portion is \$273,516.

School District	Allocation of Cost	Allocation Share
Lisbon	\$273,516	26.416%
Bethlehem	\$165,924	16.025%
Lafayette	\$192,721	18.613%
Landaff	\$35,195	3.399%
Profile	\$368,081	35.548%

Table V-3: SAU #35 Operating Costs and Cost Allocation 2024-2025

Projected Costs of Operating SAU #35 for 2025-2026

The SAU budget development process will not be complete until December 2025, so the committee did not have the final proposed budget for 2025-2026 at the time of the evaluation and report. The Committee used an estimated proposed 2025-2026 budget to evaluate a proposed single district SAU model versus remaining with SAU #35 for cost analysis purposes and to calculate the anticipated school district apportionment. The estimated SAU #35 budget for the upcoming 2025-2026 school year is \$1,087,209. LRSD's portion is expected to be \$289,382 and the remaining 4 district's portion is expected to be \$797,827. This computation is determined by RSA 194-C:9 (Budget).

SAU #35 Services and Lisbon Regional School District Needs

SAU #35 has five school districts, each requiring that they be provided full superintendent services. As described in section III, District share is determined by a formula using student population and equalized property values. The current district shares for 2024-2025 range from 3.399% to 35.548% of the SAU general budget. Over the last five years, the LRS district share has ranged from 26.4% to 28.9% of the SAU operating budget. Thus, an argument can be made that some participating school districts are underpaying for the superintendent services they receive while others are being underserved by the cost of their district share. The LRSD considers itself to be in the latter category.

Instead of providing a special education director, SAU #35 currently has a part time (0.2 FTE) special education consultant to provide this important service. Three years ago, SAU #35 had a full-time special education director, but prior to that, it was not an SAU position. SAU #35 currently has a part-time IT Specialist available after school hours, as well as a grant writer to oversee federal grants.

In the last 5 years, LRSD has hired additional district faculty and staff to provide services beyond what the SAU provides, out of necessity, to support the unique educational needs associated with a higher ratio of economically disadvantaged students and students with special education needs. A few examples of this are the LRS special education coordinator who also works as a counselor, a project manager and a grant writer for privately funded grants, as well as a full-time IT Specialist, who also acts as the IT general technician, oversees transportation and manages the school security system.

Based on the recommendation of an auditor hired by SAU #35 the SAU #35 E-Board has approved job descriptions for a full-time facilities director, full-time director of technology, and a full-time central office administrative assistant. Ostensibly, these positions are needed to meet the needs of the three elementary schools that are members of SAU #35. SAU #35 central office administrative assistant position is funded in the 2024-2025 SAU #35 operating budget, but the position has not been filled. Note that the LRSD employs staff that fulfill these roles for LRS. Upon the SAU #35 Board decision to proceed with filling these 3 positions, LRSD taxpayers will pay their district share of duplicate services.

Current Staffing Levels within Lisbon Regional School District Considerations

The LRSD is fully staffed, and its current operating budget covers all essential positions and staffing needs. This includes:

- A full-time administrative team comprising a principal and an assistant principal. Curriculum development, assessment, and instruction are managed and funded by the district.
- A full-time food service company responsible for overseeing the food service program.
- A fully staffed maintenance team ensures the upkeep and safety of facilities.
- Two full-time guidance counselors: one dedicated to the elementary grades and the other serving the middle and high school levels. These counselors focus on developing curriculum related to resilience and social-emotional learning.
- A full-time school psychologist. Upon creation of a Lisbon Regional School District, single district SAU, the psychologist, would transition from a special education role and become the district's full-time psychologist.
- Full-time director of technology.

VI. Proposed Organizational Structure of Lisbon Regional as a Single District SAU

Proposed Organization of Lisbon Regional School District, Single District SAU

The committee reviewed three proposed models for a single district SAU organizational structure. These included options for 1) a full-time superintendent, a full-time business administrator, 2) a part-time superintendent with a full-time business administrator and an administrative assistant, or 3) a combined full-time superintendent/principal with a full-time business administrator. These models were developed based on the current SAU #35 structure, along with recommendations from the current superintendent and an analysis of other comparable size single district SAUs.

The committee recommends the proposed model #2, that is, a part-time superintendent (approximately 16 hours per week), a full-time business administrator and a full-time administrative assistant. The committee recommends this structure based on several factors, including expected workload and experience level for a part-time superintendent. 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 advice, making personnel recommendations, overseeing human resources, and other duties listed in RSA 194-C:4 and Ed 302 not assigned to the business administrator. The applicant pool for a part-time superintendent includes professionals with considerable experience who have retired from full-time positions and would be interested in serving a single school district part-time. A full-time business administrator will oversee the financial and operational aspects of a school district, including budgeting, accounting, payroll, and procurement. This will ensure efficient allocation of resources, manage facilities, handle transportation and food services, and ensure compliance with state and federal regulations. Additionally, the business manager will be responsible for human resource functions and risk management, helping the district maintain financial stability while supporting its educational goals. The committee determined that this model will best fit the needs of the LRSD.

The committee also researched the possibility of outsourcing certain human resource and payroll functions to a professional employer organization (PEO). Conceptually, such an arrangement would improve efficiency and reduce costs. Upon analysis, the committee determined that outsourcing these functions to a PEO was more expensive than doing this work in-house and eliminated the PEO concept from further consideration.

The committee determined that the proposed single district model would serve the needs of LRS 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. The proposed organization of the LRSD, single district SAU is shown in the figure below:

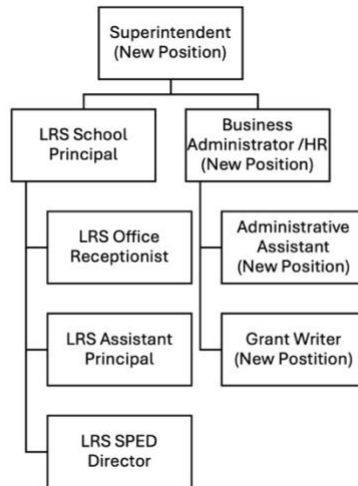


Figure VI-1: Lisbon Regional Proposed Single District SAU Organizational Structure

Estimated Cost of Operating a Single District SAU

The projected annual operating costs are based on the foregoing proposed model for a single-district SAU. The committee has drawn on the current SAU #35 budget, as well as comparable budgets from established single-district SAUs, including Nottingham, Littleton, and Lincoln. These districts have successfully operated as single-district SAUs for several years, benefiting from streamlined organizational structures. Following these proven models, the committee is confident that LRSD can achieve similar success with this approach.

The estimated costs for operating as a single school district SAU, rather than remaining with SAU #35, are outlined below. Should LRSD choose to operate as a standalone district SAU, the projected annual operating cost for 2025-2026, excluding one-time start-up expenses, is estimated to be \$329,266. The committee anticipates if there ends up being an unassigned fund balance owed to LRS by SAU #35, it could be put towards paying down some of the estimated one-time startup cost of \$87,750.

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. Further savings may be made as additional administrative efficiencies are identified.

The proposed plan will not require construction and operation costs of a new school and thus there will be no financing required for a new school.

The projected annual operating costs are more fully shown in the tables below:

Projected Estimated Annual Operational Costs

Position	Full Time/Part Time	Salary (1)
Superintendent (2)	Part time (0.40 Full Time Equivalent “FTE”)	\$46,000
Business Administrator/HR/Payroll	Full Time	\$84,000
Administrative Assistant	Full Time	\$50,000
Grant Writer	Contracted Service	<u>(Grant Funded) \$0</u>
Total Annual Salaries		\$180,000

Table VI-1: Lisbon Regional Proposed Single District SAU – Personnel Costs

- Note: 1. Annual benefits costs are shown in Table VI-2 below.
 2. Position may be combined based upon candidate qualifications.
 3. These costs are based on comparable regional salary numbers from 2024

Annual Benefit Costs	
Payroll Taxes	\$15,744
NH Retirement (1)	\$24,354
Other Benefits/Workers’ Comp. (2)	<u>\$64,500</u>
Total Annual Benefits	\$104,598

Table VI-2: Annual Benefit Cost

- Note: 1. New Hampshire Retirement: Teachers 21.02%, Employee 14.06%.
 2. Health, Dental, Unemployment, Workers’ Compensation, Life, LTD based on 2024 premiums.

Annual Operating Costs	
Advertising	\$200
Background Checks	\$200
Firewall Renewal	\$4,100
Tyler Technologies	\$21,168
Conferences/Courses	\$6,000
Legal Services	\$1,500
Miscellaneous	\$1,500
Office Supplies	\$3,000
Periodicals/Dues/Fees/Prof. Associations	\$6,000
Travel	<u>\$1,000</u>
Total Annual Operating Costs	\$44,668

Table VI-3: Annual Operating Costs (Estimated)

Total Annual Costs	
Annual Salaries	\$180,000
Annual Benefit Costs	\$104,598
Annual Operating Costs	<u>\$44,668</u>
Total Annual Costs	\$329,266

Table VI-4: Annual Costs (Estimated)

Start-up Costs

The committee examined the one-time start-up costs to create an independent SAU. These costs include an investment in information technology (hardware and software) and creating a workspace for the SAU staff.

Potential Locations for a Proposed SAU Office

The planning committee considered several locations for a local SAU office in the town of Lisbon, including the town hall, railroad station, annex building, and LRS.

After evaluating the options, the committee concluded that the front office at LRS is the most suitable choice. The space is large enough to accommodate SAU personnel and offers the convenience of being within the school. This location avoids the logistical difficulties and extra expenses that come with establishing a separate off-site office. Additionally, the office already has essential infrastructure, such as electricity, heating, cooling, and internet, which helps minimize setup and operational costs.

Positioning the SAU personnel within the school brings many advantages. It strengthens communication between the administration and school staff, enabling quicker issue resolution and offering better support to both teachers and students. Proximity also streamlines decision-making, allowing administrators to address immediate needs and challenges more efficiently. Furthermore, having the SAU office on-site increases visibility and engagement, promoting stronger connections with school personnel and fostering more frequent, meaningful interactions.

The accessibility of the SAU office for both staff and parents is enhanced, making it easier to schedule meetings and resolve concerns. In addition, the SAU administration can more actively support and participate in school activities and events when located within the same building. By utilizing an existing room within the school, resources are used more efficiently, with shared costs for utilities and maintenance between the school and the SAU administration. Overall, relocating the SAU office to LRS offers a cost-effective and practical solution that benefits both the administration and the wider school community.

Disposition of Assets (Fixtures/Equipment)

The planning committee respectfully requests that no monetary value be paid to the newly formed SAU assuming that SAU #35 is not required to provide any disposition of assets. This proposal is made with the understanding that, in exchange for not receiving any assets from SAU #35, the LRSD will be exempt from any financial contributions, including those related to retirement and benefits, to SAU #35. The intention is to ensure a fair and balanced agreement, where neither party incurs costs or obligations tied to the other party for the transfer of resources or assets.

SAU #35 Unassigned Fund Balance

The total SAU #35 Unassigned Fund Balance would be distributed according to the respective apportionments at the time of LRSD's separation. The LRSD's portion of the fund balance could be used to defray the one-time start-up costs for the single district SAU.

Based on the foregoing analysis, the start-up costs to create a LRSD, single district SAU, are shown in the table below:

One-Time Start-Up Costs	
Furniture	\$2,500
Information Technology	\$72,250
Legal Services	\$10,000
Renovations	\$3,000
LRS Obligation to SAU 35	\$0
Unassigned Fund Balance	<u>\$0</u>
Total One-time start-up costs	\$87,750

Table VI-5: One-Time Startup Costs

Allocation of Year 1 Costs between Lisbon and Lyman

The allocation of First Year costs between Lisbon and Lyman is shown in the following table:

Cost to be allocated: \$143,500 (1) - (2)		
Community	Allocation Rate (3)	Amount of Apportionment
Lisbon	79.0587%	\$113,449
Lyman	<u>20.9413%</u>	<u>\$30,051</u>
Total	100.0000%	\$143,500

Table VI-6: Allocation of First Year Costs Between Lisbon and Lyman

Notes: 1. Year 1 Annual Costs :Table VI-4 (\$329,266) plus One-Time Costs: Table VI-5 (\$87,750). Total \$417,016.

2. Reduced by the Lisbon Regional School District share of SAU #35 budget for 2024-2025 (\$273,516) from Table III-3. Sub total: \$143,500.

3. Allocation Rates from Table III-5.

VII: Impact to Remaining Districts at SAU #35

Financial Impact to SAU #35

The projected 2025-2026 budget of SAU #35 is \$1,087,209. If a separation were to occur, consistent with the recommendations in this study, SAU #35 would lose about \$289,382 in revenue from the LRS district share. As a result of conversations with administrators and reflection on the experiences of other SAU separations, the current staffing of SAU #35 could be adjusted to balance the loss in revenue with adjustments in responsibilities of existing staff. The increase in personnel and staffing in the 2025-2026 SAU budget could be scaled back to previous levels, saving \$250,000 - \$300,000 in the SAU budget for the remaining four schools.

The following table illustrates the financial effect of LRS withdrawing from SAU #35 to the remaining school districts:

District	EQ Valuation Property Valuation	Valuation %	ADM-A	ADM-A %	Combined %	Allocation
Budget: \$1,035,437						
Bethlehem	\$264,771,497	16.4640%	136.58	29.1228%	22.7934%	\$236,011
Lafayette	\$478,799,598	29.7727%	89.61	19.1074%	24.4400%	\$253,061
Landaff	\$83,471,838	5.1904%	17.96	3.8296%	4.5100%	\$46,698
Profile	<u>\$781,141,855</u>	<u>48.5729%</u>	<u>224.83</u>	<u>47.9402%</u>	<u>48.2566%</u>	<u>\$499,666</u>
Total	\$1,608,184,788	100.000%	468.98	100.000%	100.000%	\$1,035,437
	Allocation (from above)	Allocation with Lisbon	Increase in Cost			
Bethlehem	\$236,011	\$165,924	\$70,087			
Lafayette	\$253,061	\$192,721	\$60,340			
Landaff	\$46,698	\$35,195	\$11,503			
Profile	<u>\$499,666</u>	<u>\$368,082</u>	\$131,584			
Total	\$1,035,437					

Table VII-1: Financial Impact of Lisbon Withdrawal from SAU #35

Notes: 1. The data in this table is based on the approved SAU #35 budget for 2024-2025, and that the SAU #35 budget is not reduced. It is reasonable to assume that to provide superintendent services to its school district members, the SAU staff and overhead will not be reduced.

Should the Lisbon Regional voters choose to separate from SAU #35 at the March School District Annual Meeting voting session, the effective date of the separation would be July 1, 2026. After town approval earlier than this date, the other SAU #35 school districts would be notified in a timely manner.

Educational Impact to SAU #35

In consultation with Superintendent Segal and Principal Natti, the committee determined that student performance is linked to factors that are fully within the control of the school's administration and teaching staff and is unrelated to services provided by SAU #35. The committee learned that individual schools in SAU #35 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 that the departure of LRSD from SAU #35 will have no adverse impact on the educational performance of the remaining school districts of Bethlehem, Profile, Lafayette, and Landaff.

VIII. Conclusion and Recommendation

Advantages/Disadvantages of Lisbon Regional School District withdrawing from SAU #35

Based on the preceding information, the following findings/observations are offered.

Advantages	Disadvantages
Gives the LRSD taxpayers full control of superintendent services and the LRSD budget.	Initial yearly costs, including salary/benefits and operating costs, are going to be more than what we are currently paying to SAU #35.
Student services are focused locally, enabling efficiency through role sharing and reducing administrative redundancies.	Possible unforeseen additional startup costs.
SAU office within the school reduces travel and costs and improves coordination of services and provides long-term savings in rental fees and related expenses.	Resources/time devoted to implementation of new software and/or other independent systems related to being a single district SAU
Simplified and streamlined single district grant management and document submission related to Individuals with Disability Act (IDEA).	

Conclusion and Recommendation with Signatures

The Lisbon Regional Planning Committee met almost weekly from July to November to review information from multiple sources and prepare this report. During that time, the committee carefully reviewed successful single district SAUs, SAU budgets from our focused districts, single district SAU organizational structures, enrollment projections, and other pertinent information. The committee solicited insightful information from successful single district SAUs, the LRS board, and from Superintendent Segal and Principal Natti.

Historically, the LRS board members have had limited ability to influence change in SAU #35 due to being consistently outvoted by the members from Bethlehem, Lafayette, Landaff, and Profile districts. SAU #35 is composed of other towns and schools that do not have Lisbon and Lyman's community members and students in their best interest. Leaving SAU #35 will allow our school and communities to have full autonomy and decision-making control of LRS, allow LRS to continuously strive for the highest educational value and opportunities for our unique student population; while respecting and controlling the budgetary impact it has on our communities. Furthermore, all our school district administrators will be focused solely on LRS, 100% of the time. This will allow for the best educational experience for the students of LRS, working toward consistently assessing the curriculum and ensuring that economically disadvantaged students and families in the LRSD get the support they need to allow for an optimal learning experience. Business office services will focus entirely on LRSD reporting; the annual audit will be more efficient, and the coordination of accounting with grant requirements will be improved with appropriate journal entries made at year-end.

LRS currently contributes 26.416% of the SAU budget, which amounts to \$273,562 for the 2024-2025 school year. There is an expectation that 100% of superintendent services are provided for by SAU #35. The four other schools in the SAU, three of whom pay less of a district share, are also expecting 100% of their superintendent services to be provided by SAU #35. There is simply not enough time or resources in the current structure of SAU #35 to effectively provide superintendent services to 5 separate districts, all with various needs, short of hiring more administration-level staff to the current SAU #35 office. Doing so would significantly increase the total dollar amount of the district share for LRS. LRS would still lack any power or control on the SAU board, regarding decisions that impact the SAU budget.

The estimated first year cost for the creation of a single district SAU will be greater than what we are currently paying to SAU #35 for superintendent services.

With the proposed organizational model of the single district SAU, the estimated first year cost, based on figures available to the committee at the time of completing the report, is about \$329,204. This is approximately \$55,688 more than the dollar amount of our district share is for

2024-2025 or \$39,822 more than the estimated proposed dollar amount of our district share for the 2025-2026 school year. If LRS remains within SAU #35, the committee projects that the dollar amount of their district share will continue to rise as the SAU #35 budget will continue to increase, with no ability to influence any changes at the SAU.

There are also one-time costs that will be incurred in the first year, mostly for software required to manage the school's finances and human resources. The estimated one-time costs are \$87,750. The committee will ask LRS school board to determine if these one-time costs can be appropriated over two budget years to lessen the impact on property tax rates.

Despite a projected increase in cost, the committee believes what we gain from becoming a single school district SAU outweighs the costs. There will be increased control by the LRS school board, the Lisbon and Lyman taxpayers, autonomy of the single school SAU, and attention to our students by the SAU administration.

After careful consideration, the committee has determined that becoming a single-district SAU, based on the proposed organizational structure, would be in the best interest of Lisbon Regional students and the Lisbon Regional community for reasons of increased local control over SAU decision making with regards to budgetary changes and services to our students as well as having our monies and administrators' full attention and focus on the students at LRS.

Appendix A – Lisbon Regional Planning Committee Members

Kate Harrington Segal	SAU #35 Superintendent (non-voting member)
Owen Clark	Lisbon Regional School Board Member
Brian Hubbard	Lisbon Regional School Board Member (Sept 2024 – present)
Stephen Sherry	Lisbon Regional School Board Member (Jul 2024-Sept 2024)
Chris Andrews	Community Member, Chairman
Matthew Champagne	Community Member
Greg Harville	Community Member, Vice-Chairman
Myles Morneault	Community Member, Secretary
Scott Peterson	Community Member (Sept 2024 – present)
Jesse Kochenderfer	Community Member (Jul 2024 – Sept 2024)

Appendix B – Lisbon Regional Transition Timeline

March 20, 2024 – Community approves Warrant Article IV to create the Lisbon Regional Planning Committee to study the advisability of the withdrawal of the Lisbon Regional School District from SAU #35 at the Lisbon Regional School District Annual Meeting voting session.

May/June 2024 – Lisbon Regional School District Moderator, John Northrop III, finalizes Lisbon Regional Planning Committee initial appointments.

October 18, 2024 – Lisbon Regional Planning Committee posts notice for a public hearing in all SAU #35 communities.

July – November 2024– Lisbon Regional Planning Committee met 11 times to review and discuss research, data, budgets, interviews, and other pertinent information.

November 13, 2024 – Lisbon Regional Planning Committee holds a public hearing to share important information from the report to the public.

November 27, 2024 – Following a vote of the committee members as to the advisability of moving forward with the recommendation, the Lisbon Regional Planning Committee submits the report to the State Board of Education.

February 2025 – If necessary, the Lisbon Regional Planning Committee re-submits the report to the State Board of Education for review.

February 2025 – Lisbon Regional School District Annual Meeting deliberative session – all District warrant articles are presented and discussed.

March 2025 – If approved by the State Board of Education, the plan will be voted on at the Lisbon Regional School District Annual Meeting voting session. If the Warrant Article is approved by the community, the SAU #35 school districts would be notified in a timely manner. The committee recommends that a Lisbon Regional Transition Committee be created to implement a plan for the creation of the new SAU and prepare for a smooth and seamless transition for July 1, 2026.

Appendix C – Public Hearing Statement

Summary from the Public Hearing

The Lisbon Regional Planning Committee held a public hearing at Lisbon Regional School on November 13, 2024, to present their recommendation and important information from their report to the public and allow for public comment and input. The public session was recorded for audio and video.

There were about 50 members from Lisbon, Lyman, and Landaff in attendance at the hearing. About 12 individuals asked questions in relation to the budget of the proposed structure, the availability of staffing, budget, impact on students, impact on other districts, etc. Some also provided feedback on what the committee could highlight in their report. When there were no more public questions or comments, the planning committee Chair thanked the public for coming. Principal Natti advised those who wished to receive an electronic copy of the final report, to fill out the sheet at the door with their name and e-mail address. Once the final report was complete following any revisions based on public feedback, the copies would be sent out. In addition, it will be uploaded on the LRSD's website. The planning committee then convened their normal business meeting to approve minutes from the previous meeting and discuss old and new business. The public were welcomed to stay, however, no one did.