

FACILITIES SPACE NEEDS STUDY COMMITTEE PHASE 2: EDUCATION

REPORT TO HOLLIS BOARD OF SELECTMEN

OCTOBER 30, 2008



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**RESOLUTION 2008-02
TOWN OF HOLLIS, NEW HAMPSHIRE
ESTABLISHMENT OF A SPECIAL STUDY COMMITTEE**

“Facilities Space Needs Study Committee – Phase 2: Education”

***Introduction: 02/11/08
Hearing: Not Required
Version: Final
Adopted: 02-25-08***

WHEREAS The Hollis Strategic Planning Committee is studying the costs for providing public education at buildout in the Town of Hollis; and

WHEREAS The Hollis Strategic Planning Committee has requested the Selectmen to create a special study committee to collect future financial requirements, enrollment estimates, capital / personnel needs of the Hollis Brookline Cooperative School District and analyze said data to develop a cost benefit analysis of the Town’s continued participation in the Hollis Brookline Cooperative School District; and

WHEREAS The Selectmen support the establishment of said special study committee as recommended by the Hollis Strategic Planning Committee.

NOW, THEREFORE, BE IT RESOLVED by the Hollis Board of Selectmen to establish the Facilities Space Needs Study Committee – Phase 2: Education in accordance with the committee charge as hereto attached.

Melinda Willis, Chairman
Hollis Board of Selectmen

COMMITTEE CHARGE

FACILITIES SPACE NEEDS STUDY COMMITTEE – PHASE 2: EDUCATION

Established by Board of Selectmen – Resolution 2008-02

Purpose:

The general purpose of Facilities Space Needs Study Committee – Phase 2: Education shall be to determine if it is in the best interest of the Town of Hollis to dissolve, reconfigure or continue the Hollis Brookline Cooperative School District.

Membership and Terms of Office:

The committee shall be comprised of seven (7) regular voting members who shall be appointed by the Hollis Board of Selectmen, one (1) non-voting member, appointed by the Brookline Board of Selectmen, from a similar study committee established in the Town of Brookline and one (1) non-voting member appointed by the Hollis Brookline Cooperative School Board. The Board of Selectmen shall appoint a member to serve as Chairman and appoint non-voting residents to provide resource and technical assistance as needed.

Duties and Responsibilities:

1. Conduct as many meetings and hearings as necessary in accordance with RSA Chapter 91-A.
2. Maintain a permanent committee file that includes, but is not limited to:
 - a. Meeting minutes
 - b. Correspondence
 - c. Reports
3. Elect from its members a Vice-Chairperson and Secretary. The Committee may adopt rules, procedures or bylaws as needed.
4. Work with local and state governmental agencies and elected officials, schools, town departments, businesses and residents to collect information and financial data pertinent to the purpose of the Committee.
5. Research NH State laws regarding the creation, alteration and dissolution of Cooperative School Districts.
6. Determine the cost and timeline to continue, alter, or dissolve the Hollis Brookline Cooperative School District.

7. Estimate current and future (through buildout analysis) financial needs, enrollment estimates and capital needs to prepare a cost benefit analysis of continuing the Cooperative vs. the cost associated with dissolving the Cooperative.
8. Prepare and present a report of findings with a recommendation to the Board of Selectmen on or before October 15, 2008.

COMMITTEE MEMBERS

Facilities Space Needs Study Committee - Phase 2: Education

VOTING MEMBERS (terms expire 4/30/09):

Doug Cleveland, Chairman
Dennis Gallant, Vice Chairman
Rosemary Dougherty, Secretary
John Anderson
Bob Maloney
Bill Toth
Lorin Rydstrom (March – July)
Bill Matthews (July – October)

NON-VOTING MEMBERS:

Dan Peterson – Hollis Brookline Cooperative School Board (HBCSB)
Jim Murphy – Town of Brookline (Former Chairman, HBCSB)

OTHERS CONSULTED

Hollis Department of Public Works (Jeff Babel, Director)
Hollis Fire Department (Rick Towne, Chief)
Skillings & Sons (Scott Boggis, Project Manager)
Strategic Planning Committee (Dan Harmon, Peter Baker)
Nashua Regional Planning Commission (Mark Fougere, Town Planner)
Hollis Planning Department (Virginia Mills, Assistant Town Planner)
SAU 41 Superintendent (Susan Hodgdon)
SAU 41 Business Administrator (Dawna Duhamel)
Hollis School District Buildings & Grounds Director (Bob Blais)
Hollis Brookline Co-Op Buildings & Grounds Director (John Gray)
Hollis Brookline High School (Tim Kelley, Principal)
Hollis Brookline Middle School (Pat Goyette, Principal)
Hollis Upper Elementary School (Candice Fowler, Principal)
Hollis Primary School (Elizabeth Allen, Principal)
Hollis School Board (Bill Beauregard, Chairman)
Hollis Brookline Co-Op School Board (All)
Hollis Brookline Co-Op Budget Committee (Greg McHale, Vice Chairman)
Hollis Budget Committee (Chris Hyde, Chairman)
Harvey Construction Corporation (Rob Prunier, Vice President of Business Development)
New Hampshire Office of Energy Planning (Tom Duffy, Director)
New Hampshire Office of Energy Planning (Joanne Cassulo, Sr Planner)
New Hampshire Department of Education (Sarah Browning, Special Assistant to the Commissioner)

OVERVIEW

The Facilities Space Needs Study Committee – Phase 2: Education started work in March 2008. We analyzed the Hollis Strategic Planning Committee's report which indicated a buildout population of 12,000 for Hollis, a 57% increase over the 2005 population. We then evaluated and updated the student enrollment projections and determined the future school building facilities needs for all four schools in Hollis. Following that the committee completed a financial analysis for each of the possible future alternatives, and identified the process for withdrawing from a Cooperative School District. Three sub-committees were established to accomplish these tasks.

Four alternative plans were analyzed: leave the Hollis Brookline Cooperative School District (Co-Op) as it is currently configured; withdraw from the Co-Op with Hollis taking over the existing middle and high school buildings and Brookline presumably building a new middle/high school and/or forming a new Cooperative school district; reconfiguring the current Co-Op by building a new Co-Op middle/high school in Brookline to accommodate the future Co-Op student enrollment at buildout for grades six through twelve; and reconfiguring the current Co-Op by reducing the Co-Op to high school only with Hollis taking over the existing middle school and expanding the existing Co-Op high school with the 2nd pre-planned classroom wing addition to accommodate future student enrollment at the Co-Op. After analyzing the original four alternatives the committee decided to add a fifth alternative that combined the third alternative for a new 6-12 middle/high school with the second alternative for withdrawal.

The first alternative to leave the Co-Op as is would eventually require a second middle school, a second high school, and a third elementary school, possibly starting as early as 2020. The second alternative to withdraw from the Co-Op would alleviate the need for any additions to the middle and high schools, as well as the Upper Elementary School if the 6th grade were moved to the Hollis only middle school, although a small addition to the Hollis Primary School and to the middle school would still eventually be needed. The third alternative to reconfigure the Co-Op by building a new middle/high school in Brookline would also preclude the need to add on to the current middle and high schools, and would also ultimately help the future over crowding problem at the two elementary schools if the Hollis 6th grade were moved to the current middle school as a Hollis only middle school. As with the second alternative, an addition would still eventually be needed at the Hollis Primary School. The fourth alternative to reconfigure the Co-Op by reducing grades would alleviate the need for any additions to the elementary schools and middle school for many years, with only the completion of the last pre-planned addition to the high school required for high school space. However, Brookline would have to find space for their 7th and 8th graders. Eventually, probably not until 2035, a 3rd Hollis elementary school would be needed in this alternative. The fifth alternative would be the same as the third alternative up until about the 2035 time frame, but then instead of expanding the new middle/high school in Brookline as a Co-Op school, the plan would be to dissolve the Co-Op as in the second alternative. In effect, alternative five would be a combination of the second and third alternatives.

This report considers financial needs, enrollment projections, and capital needs for all the schools in Hollis, and a cost/benefit analysis of the Hollis Brookline Cooperative School District as the Town of Hollis population increases to full or "build-out" capacity. Educational impacts are also critical to any consideration of schools facilities needs and the value of the Co-Op. However, educational impacts are beyond the scope and charge of this committee and are best considered by the Superintendent and School Boards in their strategic planning process.

Estimates of town and student population growth beyond five years are only projection estimates based on models developed by the Hollis Strategic Planning Committee. Growth is driven by a number of economic, regulatory and demographic factors. Hollis build-out could conceivably extend beyond the time line in this report. The current eight-year trend of declining enrollment at the elementary level could substantially defer the need for additional elementary facilities beyond the time line in this report.

It is beyond the scope of this report to consider possible future infrastructure capital needs for existing buildings over time, such as paving, boilers, roofs, water supply and septic systems. The Upper Elementary and Hollis Primary Schools are over 30 and 40 years old, respectively, and the SAU office, owned by the Hollis School District, is even older. These capital needs represent an additional taxpayer burden, over and above any option considered in this report.

BRIEF HISTORY OF THE HOLLIS BROOKLINE COOPERATIVE SCHOOL DISTRICT (CO-OP)

In 1989 the towns of Amherst and Mont Vernon decided to withdraw from sending their high school students to Milford. At that time, Brookline tuitioned their high school and junior high school students to Hollis. The three towns of Amherst, Mont Vernon and Brookline all wanted their own schools, and consequently a proposal was made to form a four town Cooperative school district, including Hollis. This proposal passed in the other three towns, but failed in Hollis. As a result, Amherst and Mont Vernon agreed to form the Souhegan School District, and Brookline decided to continue tuitioning their students to Hollis, even though they had no say in running the schools.

Since Brookline still wanted to continue their educational relationship with Hollis, but also wanted some control over the schools, a proposal was made in 1990 for Hollis and Brookline to form a Cooperative School District. The primary argument in favor of forming a Co-Op was that it would be more cost effective. This time both towns agreed, and the Hollis Brookline Cooperative School District was formed. The Hollis Area High School, currently the middle school, was renamed the Hollis Brookline High School, and the current Hollis Upper Elementary School was at that time the Junior High School.

In 1991 at the Hollis Brookline Cooperative School District Meeting, a bond was proposed to build a new Hollis Brookline High School. This proposed bond failed for four straight years, but finally passed in 1996 and construction began. In 1997 the new Hollis Brookline High School was completed and the Junior High School moved into the old Hollis Area High School, which later became the Hollis Brookline Middle School. The Hollis School District took over the old junior high building and completed a major renovation and addition for the new Upper Elementary School in 1996.

The new high school was originally planned for a capacity of 600 students. The first addition to the new high school for the auditorium and some classrooms was completed in 1998, and the first pre-planned classroom wing addition and mini-gym was completed in 2001. This brought the capacity up to 900 students, which is about what it is today. The second and last pre-planned addition, which will be needed probably in the 2020 time frame, would bring the capacity to 1200 students. The recent addition/renovation to the Hollis Brookline Middle School was completed in 2005, bringing its capacity up to 550 students. The current student enrollments at both the high school and middle school are approximately double what they were when the Co-Op was formed nearly twenty years ago.

POPULATION AND STUDENT ENROLLMENT PROJECTIONS

Introduction

The committee has used the population projections that were accumulated by the Hollis Strategic Planning Committee (HSPC). The HSPC used the projections that were provided by the Nashua Regional Planning Commission (NRPC) and from the New England School Development Council (NESDEC).

Basis of Projections

Actual data was collected for the period of 1995 through 2008 as provided by the Hollis Brookline Cooperative School District. Actual headcounts and projection headcounts were made in five year increments. For the period of 2009 and 2010, estimated student populations were taken from NESDEC.

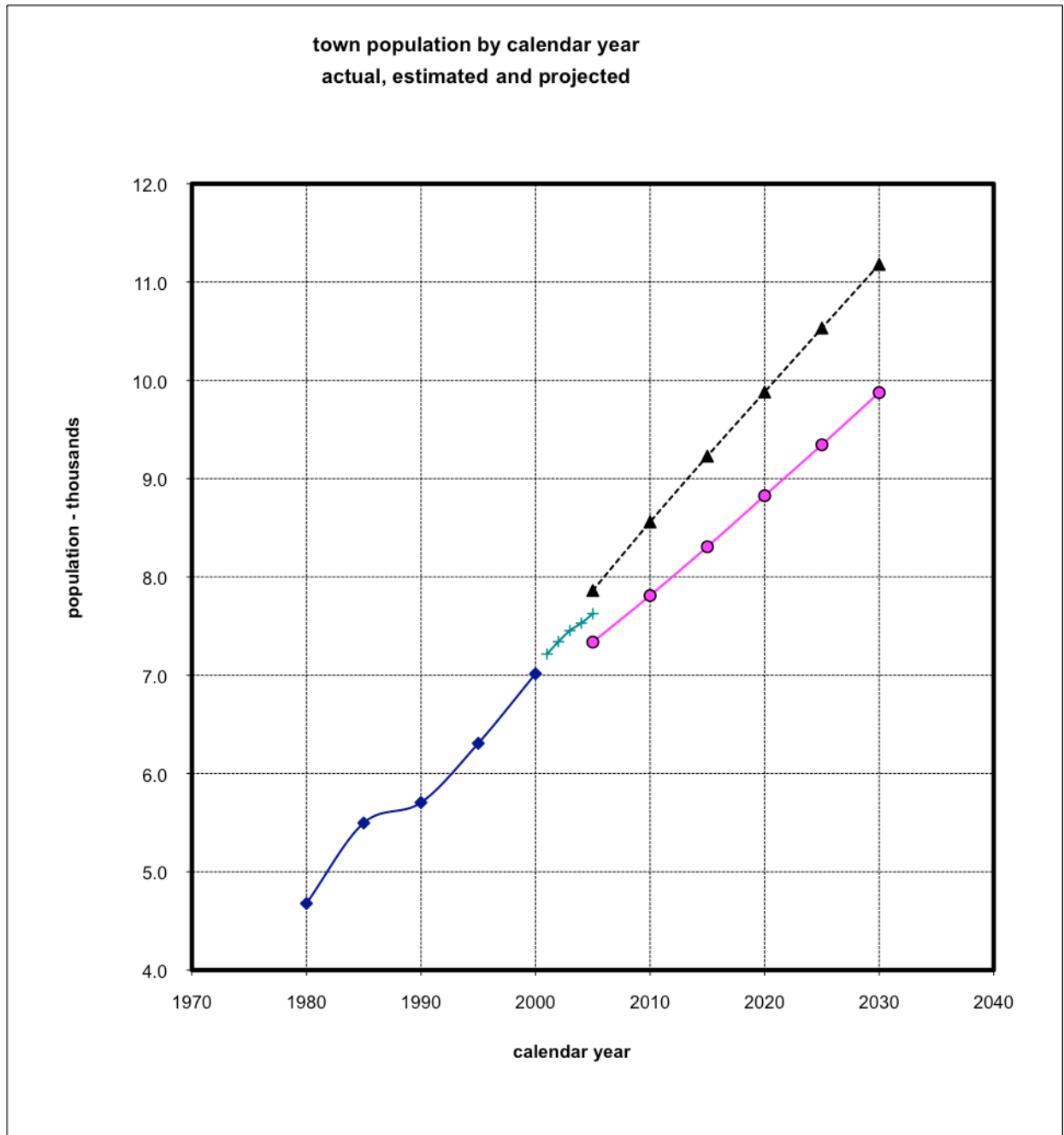
For the periods beyond 2010, the NRPC used data supplied by the New Hampshire Office of Energy and Planning (NH OEP) for its population projections, and applied a student per household factor also developed by the NH OEP. The NH OEP has historically updated its projections following the Federal Governments population census (last census was conducted in 2000); thus the NH OEP will not update its population projections prior to the next Federal census in 2010.

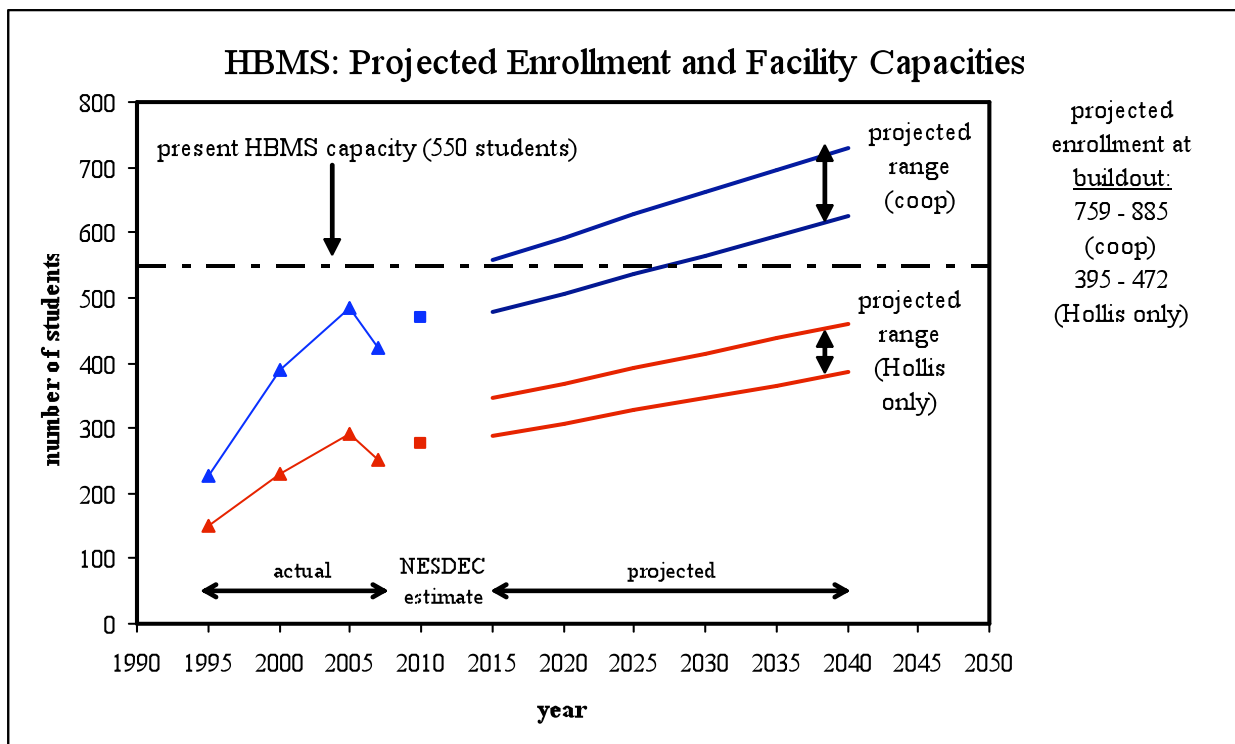
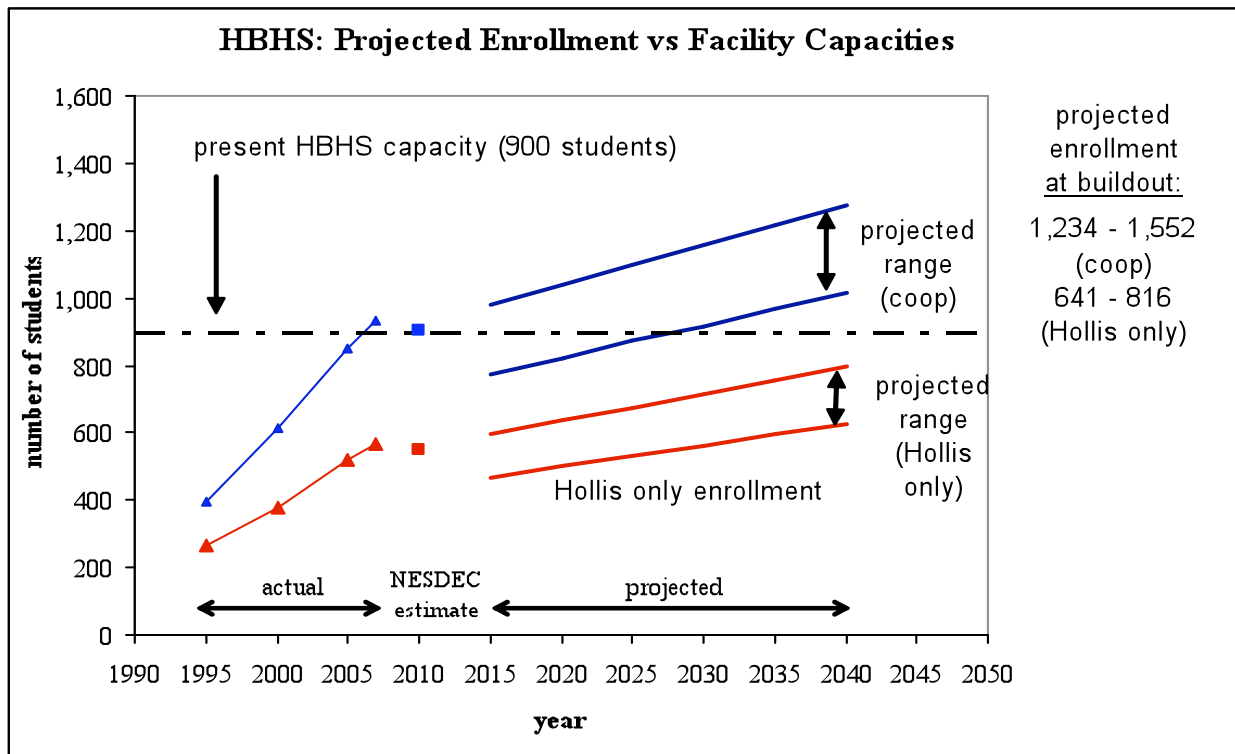
Calculation Details

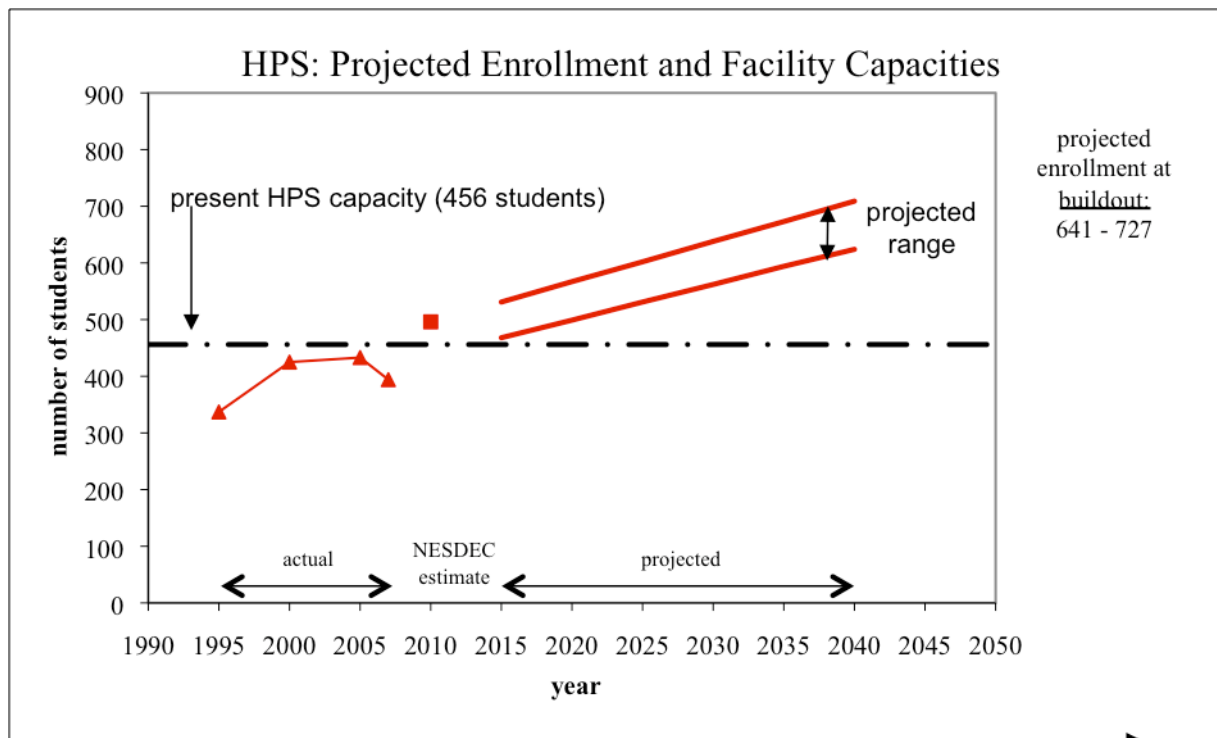
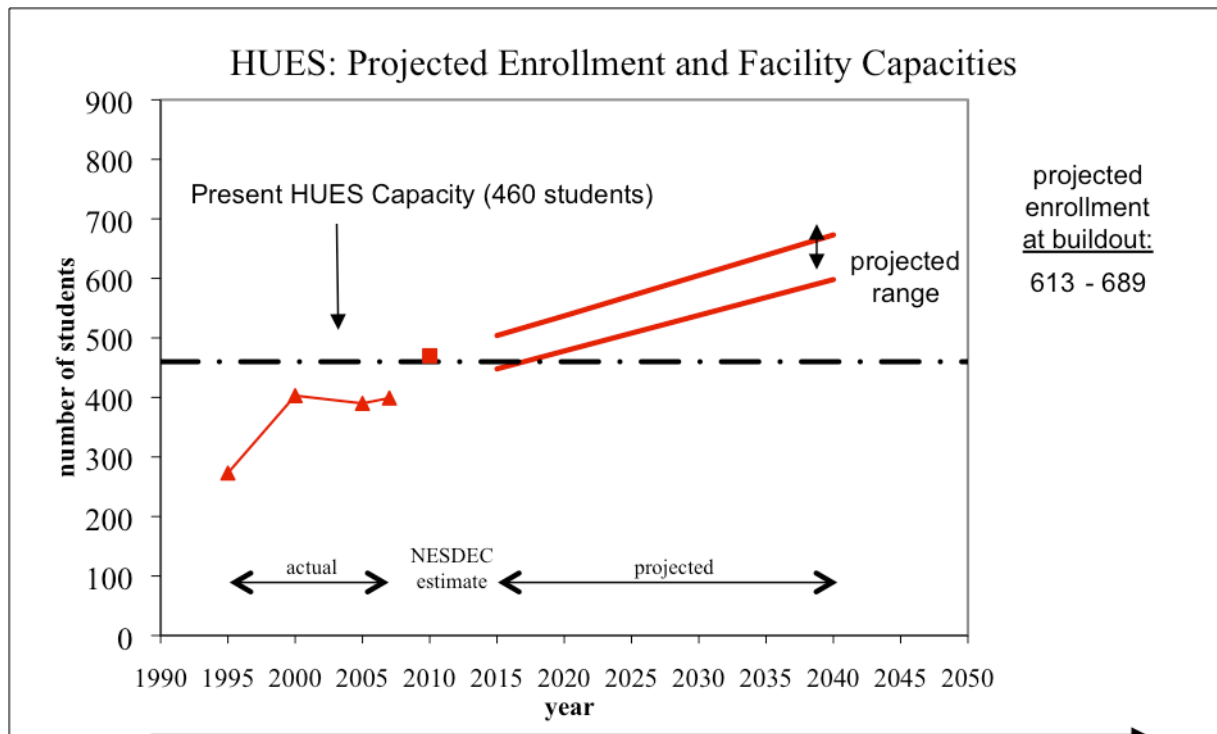
The data used in this report is based upon a student population model developed by Dan Harmon and the Strategic Planning Committee. The model resides in an excel spreadsheet and used the following methodology:

- 1995 through 2008 school year is based on actual student population
- 2009 and 2010 are based on the NESDEC student population estimates
- Years beyond 2010 start with the future town population projections for both Hollis and Brookline in five year increments. The Hollis population data came from a population model developed by HSPC for its build-out analysis; the Brookline population data is as published by the NH OEP in January 2007. The “student to town population ratio” is based on the six years from 2000 through 2005, using the actual student and town populations for each of those years. Then the model estimates the minimum and maximum student populations for the out years (2009 and out) by multiplying the NH OEP town population projections by the lowest and highest student-to-town population ratios encountered in the 2000 to 2005 period. The result is a range of likely student populations for future years.
- Assumptions used in the projection (consistent with the assumptions used by the HSPC) are: that the current educational quality remains the same; that the current standard for staff, facilities, and the school year remain the same; special education mandates and cost are included; and that State and Federal laws and mandates, including funding formulae, remain unchanged.

The following Hollis town population graph and student enrollment curves were taken from the Hollis Strategic Planning Committee report and expanded for this report. The curve below from 1980 to 2000 is the actual population, the curve from 2000 to 2005 is the estimated population, and the other two curves from 2005 to 2030 represent a high and low range of projected populations.







Build Out Enrollments & School Building Needs

NOTE: The following section of this report regarding enrollments and building needs was taken from the HSPC report, then updated and edited as necessary to be current, with the major changes being the square footage and costs, and the addition of the flow charts.

Projected School Enrollments at Build Out

These forecasts were done by applying the NRPC's students per household factor of 0.62 for Hollis to the HSPC's refined numbers for housing units, using the zoning minimums and constraints data originally provided from the Planning Board. Data for Brookline came directly from the NRPC report. To break total enrollment down by grade level, current enrollment data (dated 10/1/07) from the SAU for both Hollis and Brookline was used. Building capacity numbers came from members of the school boards.

	Buildout Enrollments	Building Capacities	Enrollment Over Capacity
HPS	704	456	248
HUES	613	460	153
HBMS - Hollis Only	459	550	-91
HBHS - Hollis Only	815	900	-85
Total – Withdrawal	2591	2366	225
HPS	704	456	248
HUES	613	460	153
HBMS - Hollis & Brookline	885	550	335
HBHS - Hollis & Brookline	1561	900	661
Total - Retain Co-Op	3763	2366	1397

A Note about School Building Forecasts

There are many possible ways to deal with over capacity in a school building, for example: increasing class sizes, putting an addition on the building, constructing a new building, reconfiguring grades among schools, or a combination. For this exercise, the HSPC has ruled out increasing class sizes because we are attempting to forecast future needs if the town and schools provide the same level of services as today (which includes providing the same class sizes as today).

As to selecting among the other options, it is hard to predict today exactly what may be the best option in the future. A series of additions to all the schools or construction of new school buildings may be required. Moving the 6th grade to the middle school to face a single larger over enrollment there and freeing up space in the elementary schools, or dealing with smaller over enrollments at both the middle school and the elementary schools are possibilities. For this

exercise, we had to pick some solution for each case where a school building was over capacity at buildout.

School Building Needs: Retaining the Co-Op As Is

If we retain the Co-Op as is, at buildout all four school buildings in Hollis will be over capacity. The combined excess enrollment will be roughly 1400 students, which is approximately the total enrollment of all Hollis students K-12 around the year 2000.

Build a 2nd HS for Over Capacity of 661 Students

This building would be roughly the size of HBHS as it was first built in 1997, including the addition of the auditorium, based on State maximum sizes for school buildings at 160 SF per pupil for high schools.

New HS Building	105,600 square feet
\$230	Cost per square foot
\$24,288,000	Total building cost
22 acres	Minimum land required

The Co-Op currently does not own sufficient land for a new school building, but there is space at Captain Samuel Douglas Academy in Brookline.

Build a 2nd Smaller MS for Over Capacity of 335 Students

This building would be slightly smaller than the current middle school before the recent addition, with the size based on State maximum sizes for school buildings at 140 SF per pupil for middle schools.

New MS Building	46,900 square feet
\$230	Cost per square foot
\$10,787,000	Total building cost
14 acres	Minimum land required

The Co-Op currently does not own sufficient land for a new school building, but there is space at Captain Samuel Douglas Academy in Brookline.

Build Another Elementary School Building for Combined HPS/HUES Over Capacity of 401 Students

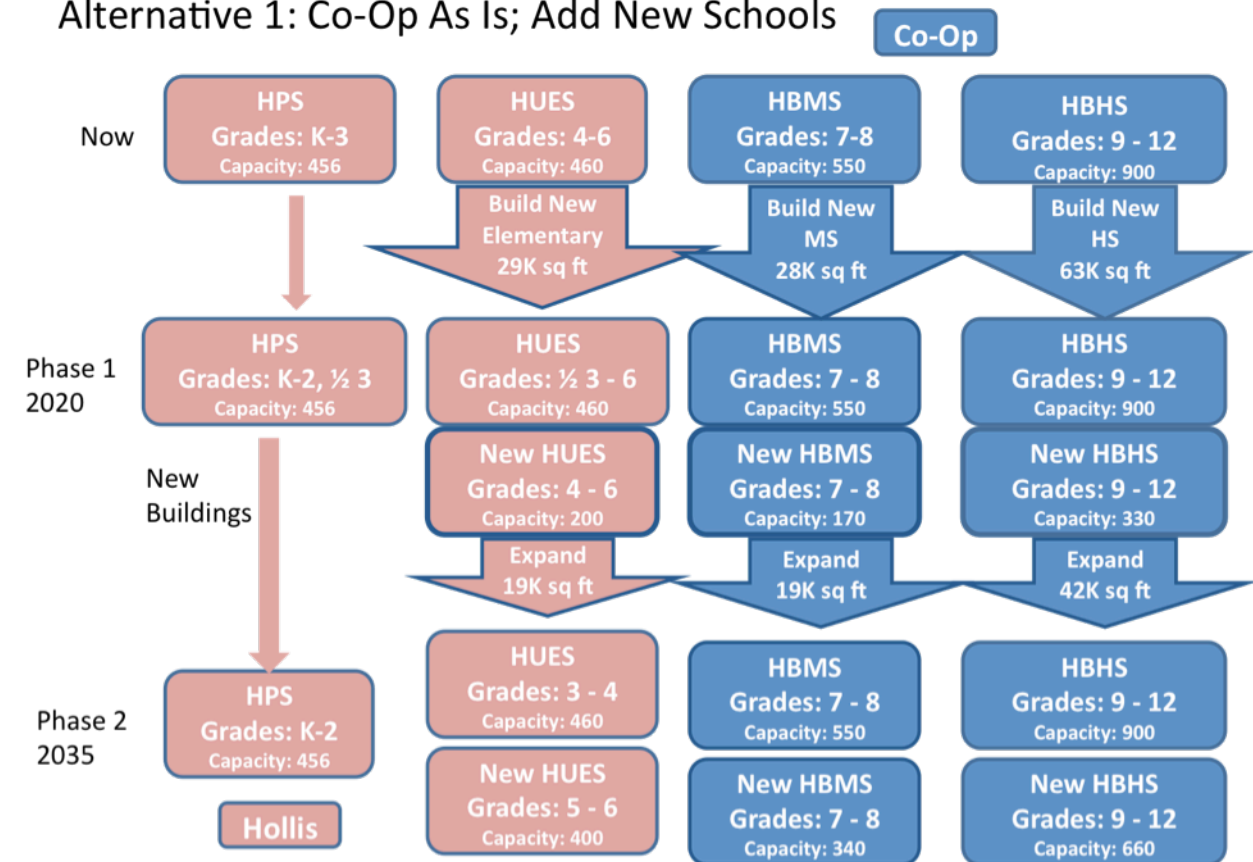
This building would need to contain about 20 classrooms, which is somewhat smaller than HUES, with the size based on State maximum sizes for school buildings at 120 SF per pupil for elementary schools. The building would be needed when combined enrollments at the two buildings exceed 916.

New Elementary Building
\$220
\$10,560,000
10 acres

48,000 Square Feet
Cost per square foot
Total building cost
Minimum land required

The only available acreage owned by Hollis which may be a suitable and logical location for a new elementary school is the SAU 41 property next to the Hollis Primary School.

Alternative 1: Co-Op As Is; Add New Schools



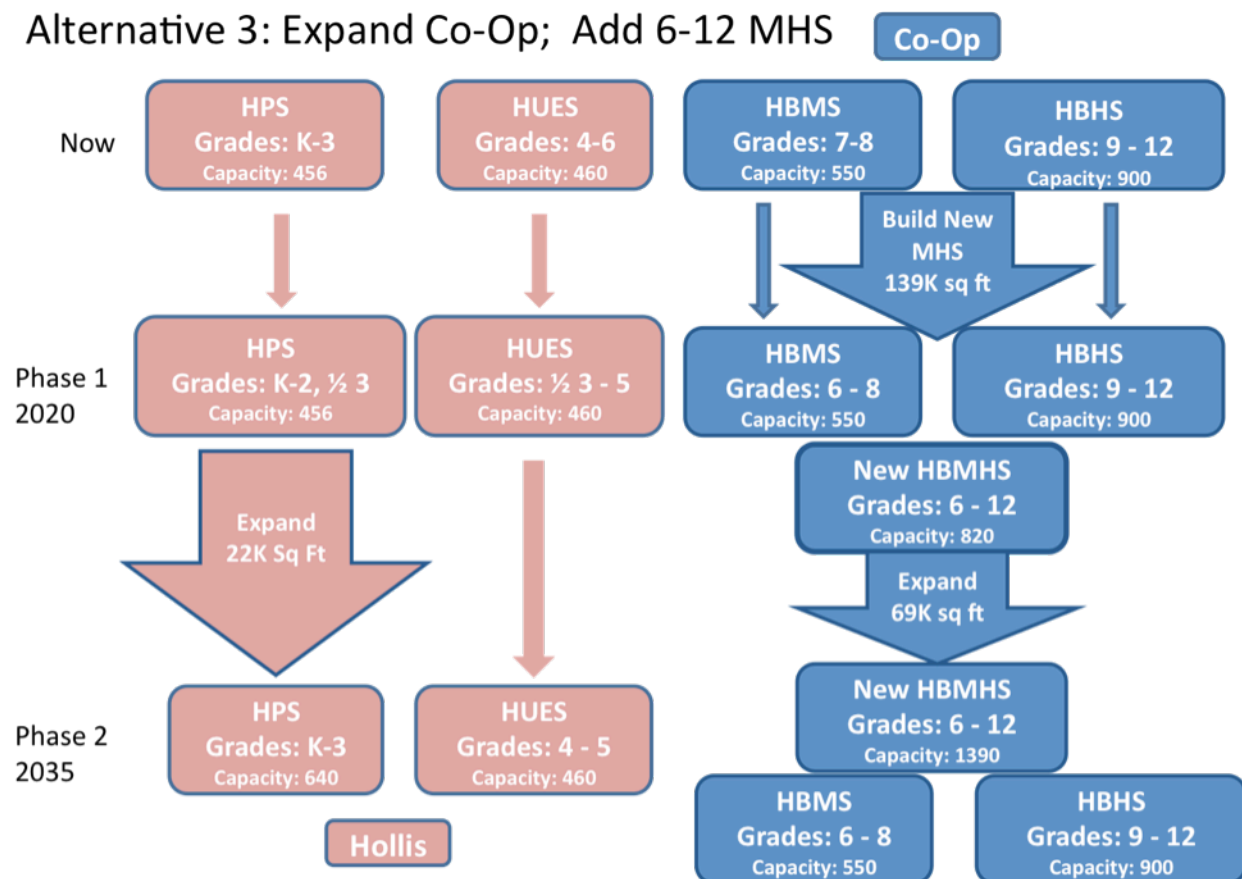
Build A New Middle/High School Building for Combined HBHS/HBMS Over Capacity of 996 Students Plus the Addition of Approximately 392 6th Grade Students for a Total of 1388 Students.

A third option, in addition to leaving the Co-Op as is or withdrawing from the Co-Op, which was not previously considered by the HSPC would be to build a new Co-Op middle/high school in Brookline, presumably on land owned by the Brookline School District near the Captain Samuel Douglas Academy (CSDA). This building would accommodate the over capacity of 661 students at the high school and 335 students at the middle school, for a total of 996 students for grades 7-12, plus it could also accommodate the Brookline 6th grade with the

assumption that the Hollis 6th grade moved to the current middle school. The size of this school is based on State maximum sizes for school buildings at 160 SF per pupil for high schools and 140 SF per pupil for middle schools.

New MS/HS Building	207,500 square feet
\$230	Cost per square foot
\$47,730,000	Total building cost
30 acres	Minimum land required

Alternative 3: Expand Co-Op; Add 6-12 MHS



The above cost per square foot figures are in 2008 dollars and were updated from the HSPC report. They are based on information obtained from local construction companies who have completed many school projects in recent years and currently have under construction several middle and high schools. They include building costs, site preparation costs and 22% for soft costs (A/E design, furnishings, fixtures, equipment, legal expenses, etc), but not land acquisition. It is assumed that any new schools would be built on land already owned by the school districts.

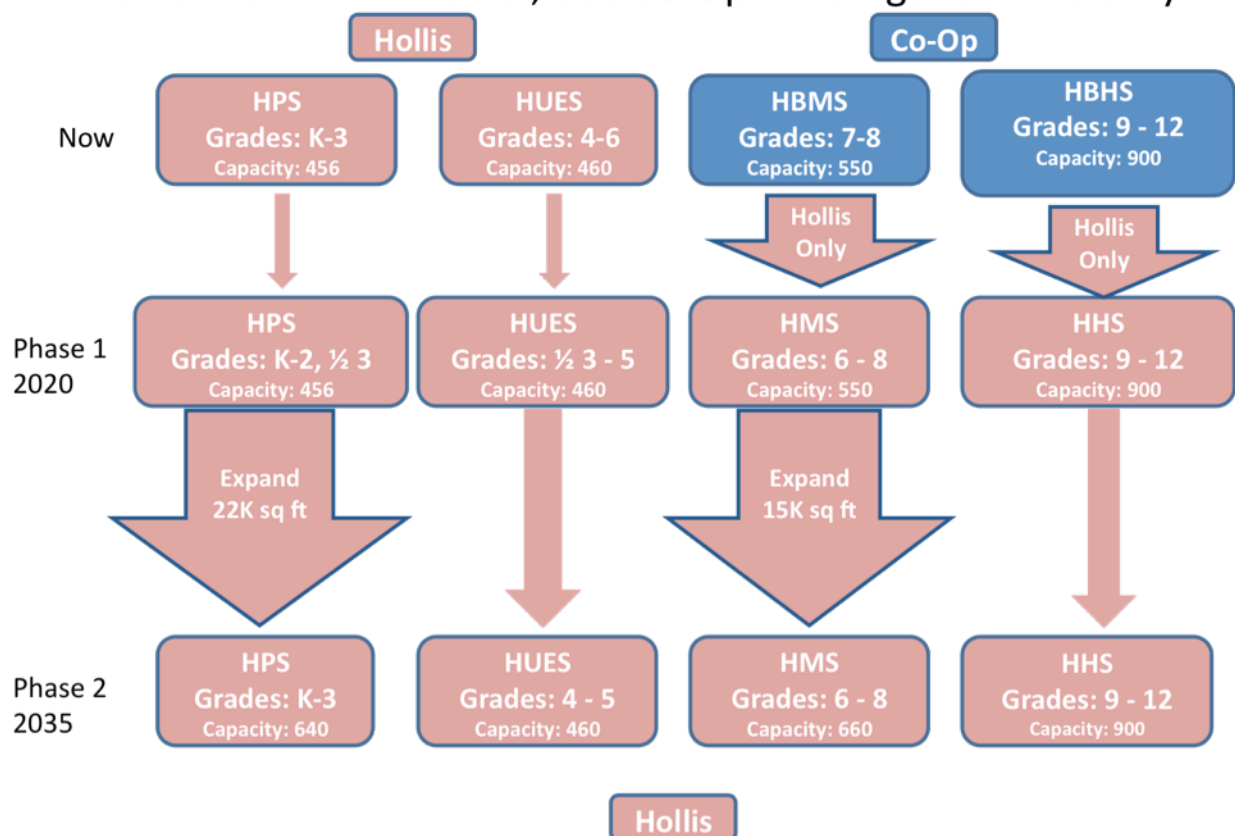
School Building Needs: Withdrawing from the Co-Op

If Hollis withdraws from the Co-Op, and Hollis has full use of both the high school and the middle school, with Brookline building a new middle/high school, then we will see over capacity only at the elementary level through buildout. The current high school and middle school neatly hold Hollis only enrollments through buildout, with forecast enrollments less than 100 from building capacity for both buildings at buildout. The high school would be at 90% of capacity at buildout, and the middle school at 83% of capacity.

The elementary school situation is exactly the same as in the Co-Op plan, with a combined over capacity of about 400 in HPS and HUES. This results in a shortfall of approximately 20 classrooms, or one new HUES-sized school building, which would be needed whenever the combined enrollments of HPS and HUES exceeded 916.

However, if Hollis withdrew from the Co-Op the 6th grade could be moved to the middle school which would have plenty of excess capacity for many years without the Brookline students. Sometime after 2035 the middle school might need up to six additional classrooms to accommodate the full buildout enrollment. Moving the 6th grade to the middle school would also free up about six current classrooms at HUES, which would then alleviate overcrowding at the elementary schools for many years. Freeing up six classrooms at HUES reduces the shortfall at the elementary schools from 20 down to 14 classrooms. An eventual addition of about eight classrooms at HPS on the north end of the building is possible.

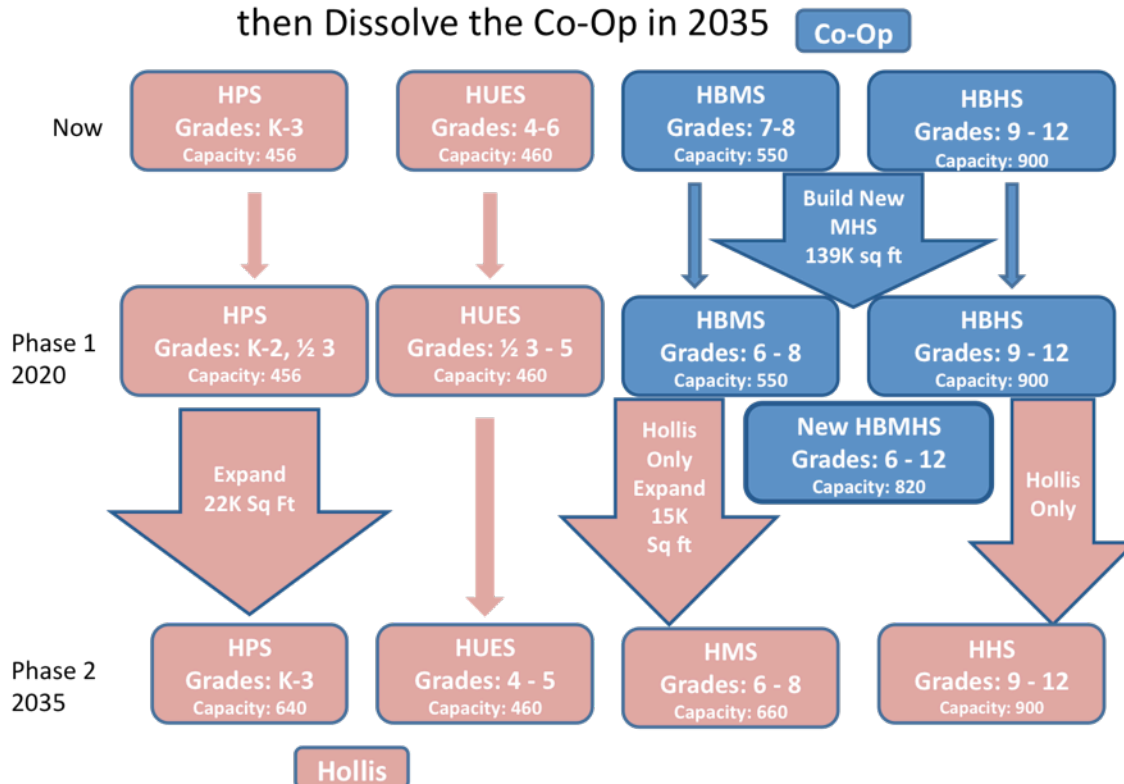
Alternative 2: Withdrawal; Use Co-Op Buildings as Hollis Only



School Building Needs: Combining Alternatives 3 and 2

After considerable deliberation, the committee decided to analyze a combination of Alternatives 3 and 2, with Alternative 3 being the first phase to be implemented in the 2020 time frame and Alternative 2 being the second phase to be implemented in the 2035 time frame. This is illustrated in the chart below as Alternative 3A and combines all the advantages of the other two alternatives.

Alternative 3A: Expand in 2020 to 6-12 Co-Op then Dissolve the Co-Op in 2035



School Building Needs: Reducing Grades from the Co-Op

In this option there is a two phase implementation. In the first phase in about 2020, the Co-Op continues at the high school only. The high school would be expanded with the 2nd pre-planned classroom wing addition which would provide enough space for the high school for 15 to 20 years. Hollis assumes the middle school and moves the 6th grade into the middle school which would have plenty of capacity for Hollis only grades 6-8 for many years. Moving the 6th grade into the middle school frees up space in the elementary schools which would also alleviate overcrowding at the elementary schools for many years. Brookline would need to build a new middle school for their displaced grades 7 and 8.

Eventually, probably around 2035, there would be a need for additional space to accommodate the space needs at all levels through buildout. At that time, a 2nd phase would reduce the grades at the Co-Op high school to 10-12. The projected enrollment in grades 10-12 at

buildout is 1170 and the capacity of the high school with the 2nd pre-planned classroom wing addition is 1200. So, the high school would neatly hold the Co-Op 10-12 student population through buildout. Hollis only 9th grade would move into the middle school and become a Hollis only 7-9 middle school. The Brookline 9th graders would then have to move to the Brookline middle school and a new upper elementary school would be needed in Hollis for growth and to accommodate 6th grade. HPS and HUES would have space for K-4 and would never have to be expanded.

Expand the HS with the 2nd pre-planned classroom Addition

This expansion would be about the size of the previous classroom wing addition plus a cafeteria expansion.

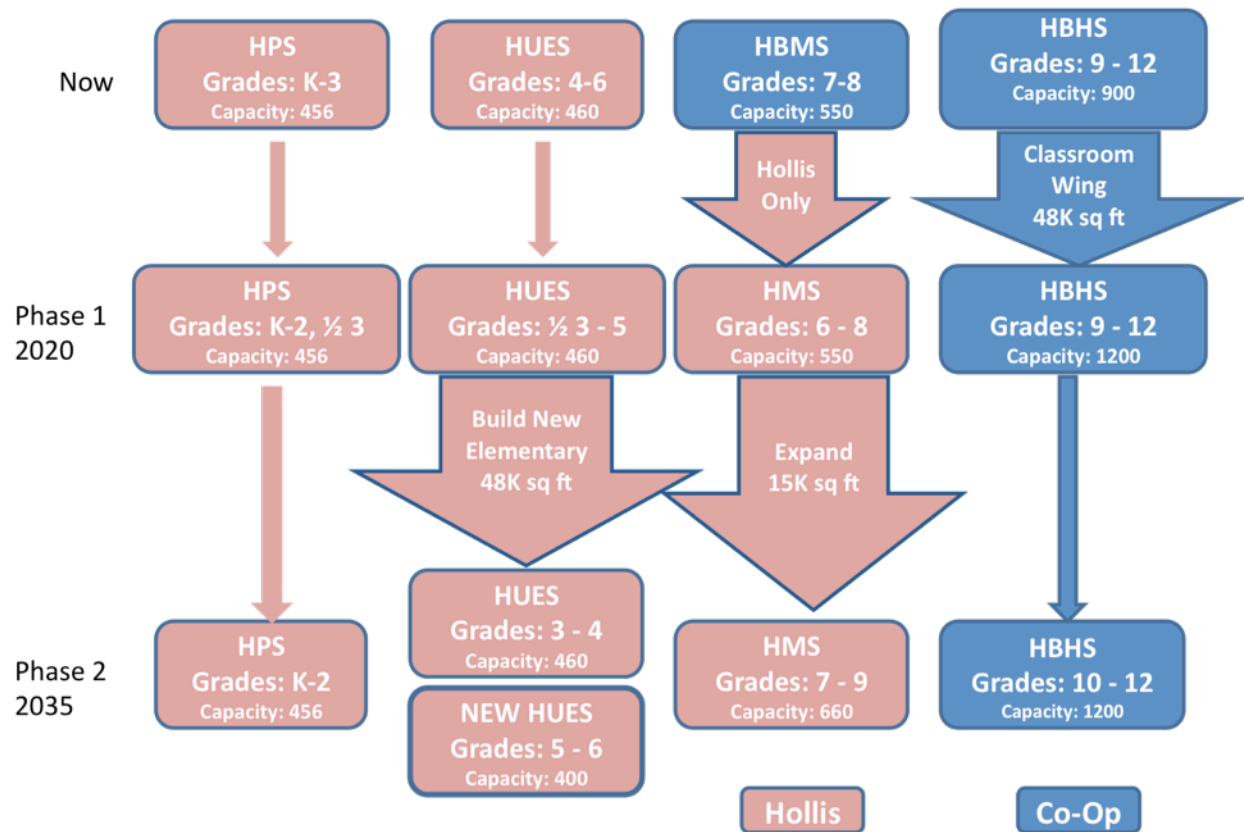
HS Classroom Wing Addition	48,000 square feet
\$230	Cost per square foot
\$11,040,000	Total Building Cost
No additional land is required.	

Build Another Elementary School Building for Combined HPS/HUES Over Capacity of 401 Students

This building would need to contain about 20 classrooms, which is somewhat smaller than HUES, with the size based on State maximum sizes for school buildings at 120 SF per pupil for elementary schools. The building would be needed when combined enrollments at the two buildings exceed 916 and no further additions are possible.

New Elementary Building	48,000 Square Feet
\$220	Cost per square foot
\$10,560,000	Total building cost
10 acres	Minimum land required
The only available acreage owned by Hollis which may be a suitable and logical location for a new elementary school is the SAU 41 property next to the Hollis Primary School.	

Alternative 4: Reconfigure Co-Op; Maximize use of Buildings



FUTURE FACILITIES NEEDS

WATER SUPPLY

A 3" pipeline from the Town of Hollis well at the Rocky Pond Road pump station supplies water to the Hollis Brookline Middle School. This well is approximately 17 feet deep and has a pump capacity of 100 GPM. From the Middle School a 1.5" branch line connects to the Farley Building and Always Ready Engine House, and then to a manhole at Monument Square from where a 1.25" line serves the Hollis Town Hall, the Block apartment building, Lawrence Barn and Nichols Field. A 1" branch line serves the Ruth Wheeler House and one private home on Main Street. The lower soccer field at the middle school is also irrigated from the town well. It is planned to add a second backup pump at the pumping station in the future. Currently the water supply is adequate, however if the middle school student enrollment increases beyond the current building capacity of 550 students, a storage tank will probably be needed due to the increased water demand. There is also a 40,000 gallon holding tank for the fire suppression sprinkler system.

The Hollis Brookline High School currently has three very low yield wells that are barely adequate at present with a student enrollment in 2007/2008 of 931 students plus staff. Well #1 is approximately 800 feet deep and produced approximately 1 GPM at the time it was drilled. It is planned to deepen this well to 1600 feet in an effort to increase the yield. Well #2 is approximately 1200 feet deep and produced approximately 1 GPM. Well #3 is approximately 1200 feet deep and produced approximately 2 GPM. Water use is about 5,000-6,000 GPD with a 10,000 gallon storage tank, which is recharged overnight and on days when school is not in session. There is also a 40,000 gallon holding tank for the fire suppression sprinkler system. As the student enrollment increases in the future the water supply will be unable to keep up with the demand unless a new source of water is found by either increasing the yield of the current wells, drilling new wells, or finding another source of water.

The Hollis Upper Elementary School (HUES) is served by a 4" pipeline from the Rocky Pond Road pumping station. A 2" pipe continues from HUES to the Hollis Primary School (HPS). There is a 3000-5000 gallon pressure tank at HUES and a 5,000 gallon storage tank plus a 5,000 gallon pressure tank at HPS. The HUES has a sprinkler system and a 40,000 gallon holding tank, but HPS does not. However, if HPS requires an addition in the future as a result of increased student enrollment, then a sprinkler system and holding tank will be required. Both elementary schools have an adequate supply of water for the foreseeable future.

Except for the high school the current water supply is presumed to be adequate for the near future. However, as the student enrollment continues to increase over time the water demand will also increase, putting further strains on the existing system. As a result of discussions with Skillings and Sons and Hollis DPW officials there is some concern that the Rocky Pond Road well may be stressed to capacity and could be in danger of being overused in the future. However, as pointed out in the Hollis Strategic Planning Committee's report, it is extremely difficult with current technologies to determine safe withdrawal rates. If Hollis withdraws from the Co-Op resulting in a significant reduction in the number of students, or if further expansions of the high school and middle school are not undertaken in Hollis, then the existing water supply systems are expected to be adequate for an indefinite period of time. A new middle/high school in Brookline would alleviate the water supply concern in Hollis.

SEPTIC SYSTEMS

The Hollis Brookline High School currently has an adequate septic system. If the future pre-planned addition on the south end of the existing school building is constructed to accommodate an increased enrollment to 1200 students, a new septic system and leaching field will be required. The initial design of the building was planned to allow for this future expansion. If the student population exceeds 1200 as projected toward buildout, then the sewage disposal facilities will not be adequate. This would then require an expansion of existing facilities or developing new facilities, if possible.

An addition and renovation to the Hollis Brookline Middle School was completed in 2005. This project included a new septic system and leaching field, which is adequate to handle an enrollment of 550 students, the design capacity of the building. If this design capacity is ultimately exceeded as projected toward buildout, then the existing sewage disposal system will not be adequate. This would then also require an expansion of existing facilities or developing new facilities, if possible.

The Hollis Primary School (HPS) and Hollis Upper Elementary School (HUES) currently have adequate sewage disposal systems. As student enrollments increase, however, building additions and expanded septic systems will be required, or a new elementary school will be needed. Based on past discussions with architects and building contractors it is not considered feasible to add on to HUES due to the building configuration, although an addition of perhaps eight classrooms at HPS on the north end of the building is considered possible, including an additional or expanded septic system. Consequently, within the next ten years the two elementary schools may be over capacity with the only capability for significant expansion at HPS, meaning a third elementary school may have to be considered if the Co-Op remains as is.

If Hollis withdraws from the Co-Op or the Co-Op is reconfigured with a new middle/high school in Brookline, resulting in a significant reduction in the number of students in the current high school, the existing septic systems at the high school and middle school are expected to be adequate for an indefinite period of time, even if as anticipated, the sixth grade moved to the middle school, thereby negating the need for expansion at HUES.

PHYSICAL PLANT

The physical plants at all four schools in Hollis are considered to be adequate for the current buildings. However, if future additions are needed it is questionable as to whether the existing boilers can provide adequate heat and hot water. The high school has three boilers, only two of which are normally used at one time. It is anticipated that all three boilers will be needed if the next pre-planned addition of another wing is constructed in the future to bring the capacity to 1200 students. An addition at HPS will almost certainly require another new boiler.

The High School cafeteria would have to be expanded if the student enrollment increases substantially. It is uncertain as to whether the library may also require expansion as the high school grows in size. In addition, a second gymnasium may be needed as well. Core facilities at the middle school and two elementary schools would also probably need to be expanded if the buildings were enlarged to accommodate a significant increase in students as projected toward buildout, and Hollis and Brookline remain in the Co-Op.

PARKING

Parking at the high school at the present time is barely adequate with all parking areas and overflow areas full every day. There is also inadequate parking for special events such as voting, town and school district meetings, etc. Except for possibly expanding the small gravel parking areas near the baseball field, there is no land available for additional parking areas. As the number of students and staff increases in the future, parking will become even more difficult. If Hollis withdraws from the Co-Op or the Co-Op is reconfigured with future expansions in the form of a new middle/high school in Brookline then parking would no longer be a concern at the current high school.

The middle school has adequate parking for the future provided the town owned land behind the Farley Building continues to be used. Since the boundary between the Co-Op property and the town property passes through the north end of the middle school, this further complicates the situation in a similar way as the water supply which comes from the Hollis School District well, passes through the middle school, and continues to the Farley Building, Town Hall and other private buildings.

Except for special events such as parent/teacher nights and portfolio day, parking is currently adequate at the elementary schools, but is used to capacity with a little overflow at HPS. If a future addition is constructed at HPS some parking will probably be lost, although there are two small overflow parking areas on Drury Lane. If it is ultimately necessary to build a new elementary school, presumably on Hollis owned SAU 41 land adjacent to HPS, then parking would be included with the access road to the new school.

ATHLETIC FIELDS

Hollis Brookline High School currently has one baseball field, one soccer field, two softball fields, one track, one football field, one lacrosse field which is also used for football practice, plus Nichols Field which is used for field hockey. The middle school has one baseball field, one multi-use soccer/lacrosse field, and one combination softball/soccer/lacrosse field. There is a need for another two multi-use fields for practice and to be able to rotate fields to avoid overuse. The high school could also use some additional fields for practice and to avoid overuse, but unlike the middle school has possibilities for future expansion. As the Co-Op student population increases, new athletic fields could be developed in the open fields between the softball fields and the apple orchard off Ridge Road, south of Cavalier Court between the overflow parking areas and Main Street, and possibly in the fields west of the track and across Love Lane.

The Hollis Primary School has one multi-use playing field used for physical education located behind the SAU 41 office. This field and the SAU 41 office and barn are owned by the Hollis School District, and is a possible site for a future third elementary school. The Hollis Upper Elementary School has one baseball/multi-use field and track. The elementary school fields are adequate for the near term future. There is no possibility for any future expansion due to lack of land. HPS also has a large playground for grades K-3, and HUES has a small playground and two outdoor basketball nets, in addition to the gym, for grades 4-6. If a third elementary school is built in the field behind the SAU 41 office then this field may no longer be available for physical education or athletic use.

SUMMARY

Should the Hollis Brookline Cooperative School District continue as is in the future toward buildout, all four school buildings in Hollis will have insufficient space, with the high school probably being the first. The high school was originally designed for construction of two pre-planned additions, the first of which has already been completed, bringing the original capacity of 600 students to 900. The 2007-2008 enrollment was 931, although the projections show a decrease over the next few years. The second pre-planned addition would increase the capacity to 1200 students, which would still be significantly below the projected high curve buildout enrollment for grades 9-12 of 1552, but would be sufficient for grades 10-12 buildout enrollment of 1170. Eventually, a new high school may be needed for grades 9-12.

The middle school would reach its capacity of 550 students in about 2015 based on the projected high curve. It is therefore possible that both Co-Op schools could exceed current capacity by 2015, thus requiring additions, or portable classrooms, or additional new schools. Lack of parking and adequate athletic fields will also continue to be a problem, in addition to the current water supply problem at the high school. The impact of additional traffic at the high school due to more students is also of concern to many residents.

Due to the limited capability for expansion at the elementary schools, a third elementary school will eventually be necessary if the Co-Op remains as is. Based on the low curves for elementary school enrollment, both of the elementary schools may exceed capacity also around 2015, the same time frame as the Co-Op schools. This means that the Hollis School District may need to consider portable classrooms or building additions as well. Coincidentally, the current bonds for the high school are due to be paid off between 2013 and 2016.

If Hollis withdraws from the Co-Op and the 6th grade moves to the middle school, all of the four schools and facilities in Hollis will be adequate for many years to come for Hollis students only, with probably only the Hollis Primary School and the middle school requiring additions in the future. Brookline would need to build a new middle/high school for its grade 7-12 students.

Besides leaving the Co-Op as is or withdrawing from the Co-Op, a third option that the Facilities Space Needs Study Committee looked at is to keep the Co-Op, but instead of adding on to existing buildings or using portable classrooms, build a new middle/high school in Brookline, presumably on property already owned by the Brookline School District near the Captain Samuel Douglas Academy (CSDA). If this option were for a 6-12 middle/high school and the Hollis 6th grade moved to the current middle school, then the result would be the same as withdrawing from the Co-Op as far as the facilities are concerned for Hollis. This is not to say that only Brookline students would attend the new middle/high school in Brookline and only Hollis students would attend the middle school and high school in Hollis, but that there would be two Co-Op middle and high schools, perhaps of different types with different curriculums for all of the Hollis and Brookline students. One idea is that the new school could be a Voc Tech/High Tech High School. If this option was ultimately adopted and then at some future time it was decided to withdraw from the Co-Op as considered in Alternative 3A, each town could have its own middle school and high school.

The fourth option considered was neither to leave the Co-Op as is nor to withdraw from the Co-Op, but rather to gradually reduce the grades in the Co-Op. Under this alternative the high school would remain in the Co-Op through buildout without the need to build an additional high school, but the next addition to bring the capacity to 1200 would be needed. By cost effectively

expanding the current high school with the 2nd pre-planned classroom wing there would be enough space at the high school for many years to come. Eventually, the grades at the high school would need to be reduced to 10-12 so that the high school would be adequate through buildout. Under this option, as with the withdraw from the Co-Op option, Hollis would assume the middle school and move the 6th grade into the middle school. Brookline, however, would need to build a new 7-9 middle school for its displaced students. Moving the 6th grade into the middle school would mean that the existing elementary schools and middle school would be adequate as is for many years to come. Under this option when the high school eventually needs to be reduced to grades 10-12, the Hollis 9th grade would move into the middle school as a 7-9 middle school, and a new Hollis elementary school would be required for grades 5 and 6. The existing elementary schools and this new elementary school would provide all the needed space through buildout.

FINANCIAL ANALYSIS

Overview

The Hollis Facilities Space Needs Committee studied the financial impact of continuing Hollis' participation in the Hollis Brookline Cooperative School District versus withdrawal from the Co-Op. Withdrawal would in effect result in dissolution of the Co-Op. The major financial considerations of the two alternatives are as follows:

- If Hollis remains a member of the Cooperative School District, the high school, middle school, and both elementary school buildings in Hollis will eventually require extensive facilities expenditures to meet the needs of the growing student population. In the case of the Co-Op staying together, the committee investigated three different configurations.
- If Hollis withdraws from the Cooperative School District, savings realized from the smaller student body will initially be more than offset by operating costs which do not vary with student population, plus the cost of paying off Brookline's share of existing bonds as well as buying out Brookline's equity in the Co-Op properties. In future years, Hollis would be able to avoid the additional costs of major facilities expansions, however some building expansion would still be required.

The major financial factors of bonds, equity, operating costs, and facilities costs in each of the scenarios are discussed below. Note that the committee decided to use today's dollars rather than trying to adjust for inflation.

Bonds

The Co-Op currently pays approximately \$1.9 million per year in principal and interest on bonds for various past building projects. A summary of past building projects and the associated bonds is included in Appendix 3. These bonds will be paid off at various times between 2013 and 2025. The State of New Hampshire provides aid in the amount of 40% of the principal payment to help offset building costs. In 2008-2009, the amount of state aid is approximately \$406,600.

Hollis' share of the annual bond payments is based on Average Daily Membership (ADM), which is calculated on the number of Hollis students as a percent of the Co-Op student population. Hollis students make up approximately 60% of the student body. For illustration purposes, the committee is using 60% in its calculations.

If Hollis were to withdraw from the Co-Op, the town would be required to make 100% of the scheduled payments on all of the existing bonds until they are completely paid off. Also, state aid would be reduced from 40% to 30% of the principal based on the new configuration. Even though the rate of state aid would be reduced from 40% to 30%, total aid to Hollis would actually increase since Hollis' principal payments would be greatly increased by paying 100% of the bond payments.

For example, total Co-Op payments for bond principal and interest are projected to be \$606,125 in the 2018-2019 school year, which is probably the first practical year in which Hollis could be out of the Co-Op. As a member of the Co-Op, Hollis would pay 60% of the total, or \$363,675, and receive a state aid in the amount of \$105,600, for a net cost of \$258,075. If Hollis withdraws, the town would be responsible for all \$606,125 in payments, and receive aid of \$132,000, for a net cost of \$474,125. The total increase in cost to Hollis in 2018-2019 would be \$216,050. This change in costs would decrease as the bonds are paid down in later years.

The complete change in cost to Hollis for existing bonds as of 2008 would be as follows:

School Year	Total Bond Payments as of 2008	<u>Hollis In Co-Op</u>			<u>Hollis Out Of Co-Op</u>			Total Increase
		Hollis Share @ 60%	State Aid	Net Hollis Bond Costs In Co-Op	Hollis Share @ 100%	State Aid	Net Hollis Bond Costs Out of Co-Op	
2013-2014	1,821,392	1,092,835	226,354	866,481	1,821,392	282,943	1,538,449	671,968
2014-2015	1,820,422	1,092,253	227,616	864,637	1,820,422	284,520	1,535,902	671,265
2015-2016	1,820,049	1,092,029	230,478	861,552	1,820,049	288,097	1,531,952	670,400
2016-2017	1,513,425	908,055	200,746	707,309	1,513,425	250,933	1,262,492	555,183
2017-2018	607,625	364,575	100,800	263,775	607,625	126,000	481,625	217,850
2018-2019	606,125	363,675	105,600	258,075	606,125	132,000	474,125	216,050
2019-2020	609,081	365,449	111,600	253,849	609,081	139,500	469,581	215,732
2020-2021	606,519	363,911	116,400	247,511	606,519	145,500	461,019	213,508
2021-2022	607,250	364,350	122,400	241,950	607,250	153,000	454,250	212,300
2022-2023	606,125	363,675	128,400	235,275	606,125	160,500	445,625	210,350
2023-2024	608,625	365,175	135,600	229,575	608,625	169,500	439,125	209,550
2024-2025	604,750	362,850	141,600	221,250	604,750	177,000	427,750	206,500
2025-2026	0	0	0	0	0	0	0	0
2026-2027	0	0	0	0	0	0	0	0
Total	11,831,388	7,098,833	1,847,594	5,251,238	11,831,388	2,309,493	9,521,895	4,270,657

Note that debt service costs decrease dramatically after 2016-2017 when the current high school bonds will be paid off. A detailed list of net debt service is included below.

Net Debt Service - Hollis's Share

Year	Original HS Building	HS Classroom Expansion	Track	MS Renovation & Addition	Elementary School Additions	Total
2008-09	\$426,576	\$113,805	\$32,453	\$299,100	\$338,571	\$1,210,505
2009-10	\$429,032	\$121,437	\$33,795	\$296,325	\$335,345	\$1,215,934
2010-11	\$431,653	\$130,380	\$32,010	\$293,100	\$331,728	\$1,218,871
2011-12	\$434,900	\$140,088	\$33,225	\$289,425	\$327,734	\$1,225,371
2012-13	\$436,740	\$148,051	\$31,313	\$285,300	\$323,574	\$1,224,977
2013-14	\$437,156	\$156,931		\$282,445	\$319,290	\$1,195,823
2014-15	\$438,630	\$164,728		\$277,275	\$314,892	\$1,195,525
2015-16	\$440,262	\$172,850		\$273,375		\$886,487
2016-17	\$438,434	\$79,200		\$268,875		\$786,509
2017-18				\$263,775		\$263,775
2018-19				\$258,075		\$258,075
2019-20				\$253,849		\$253,849
2020-21				\$247,511		\$247,511
2021-22				\$241,950		\$241,950
2022-23				\$235,275		\$235,275
2023-24				\$229,575		\$229,575
2024-25				\$221,250		\$221,250
Total	\$3,913,382	\$1,227,470	\$162,795	\$4,516,480	\$2,291,134	\$12,111,261

Net Debt Service = Principal plus Interest Less State Building Aid

**Hollis's Share of the Co-Op Net Debt Service calculated using 60% of the total cost
State Building Aid of 40% of Principal for Co-Op and 30% of Principal for Elementary**

Equity

If Hollis withdrew from the Cooperative School District, Hollis would be responsible to “buy out” Brookline’s equity in the school district properties. The NH RSA does not specify an exact formula for calculating equity. The committee has gathered the following facts:

Original Bond Principal: \$ 22,353,400

	Hollis	Brookline
Principal payments through 2018:	\$ 11,705,835	\$ 7,057,565
Interest payments through 2018:	\$ 8,210,686	\$ 5,117,472
Total payments:	\$ 19,916,521	\$ 12,175,037

Regarding the value of the property, the following table represents the assessed value of the Co-Op properties, as well as their estimated market value. Given a market value of approximately \$25.6M, and a remaining principal of \$3.6M in 2018, the Co-Op’s equity in the property would be approximately \$22M. Brookline’s share is calculated on the net assets after deducting \$2.8M for the value of Hollis’ contribution of the original Middle School.

The following table summarizes assessed value of the properties. (A summary of the insured values is included in Appendix 3.)

Coop Assets	Assessed Valuation	Valuation at 100%	Brookline share
High School	\$13,830,600	\$17,915,285	\$6,807,808
Love Lane Ball Fields	\$159,000	\$205,959	\$78,264
Main Street Land	\$218,800	\$283,420	\$107,699
Middle School	\$5,581,900	\$7,230,440	\$1,672,813
Value of the original Middle School		\$2,828,300	
Total Coop Assets	\$19,790,300	\$25,635,104	\$8,666,585
Remaining Bond Principal in 2018		\$3,590,000	\$1,364,200
Net Coop Assets	\$19,790,300	\$22,045,104	\$7,302,385

Assuming Brookline’s equity of \$7,302,385 as of 2018, Hollis would need to pay Brookline that amount. Assuming a 15 year bond at 5%, the cost to Hollis would be \$692,960 per year for 15 years, beginning in the 2018-2019 school year, for a total cost of \$10,394,398 including interest. A 15 year bond is used in this illustration with the idea of being able to pay off the bond before the next wave of building requirements.

Operating Costs

The committee reviewed the 2008-2009 Co-Op proposed budget to determine how operating costs might change after a Hollis withdrawal. While the student population of a Hollis-only middle school and high school would be approximately 60% of today's population, it cannot be assumed that the schools would operate at 60% of today's costs.

SAU Costs:

Today, Hollis pays roughly \$2.4M of the \$3.9M annual budget of the SAU staff. Assuming SAU 41 continues to oversee both Hollis and Brookline as separate districts, we are assuming no change in Hollis' share of the SAU budget, even if Hollis withdraws from the Co-Op. There is a risk that Brookline may join another SAU, such as Mason, which would add substantially to Hollis' SAU costs, but we are assuming that SAU 41 will continue without any change.

Middle School and High School Operating Costs:

The committee categorized budgeted costs as follows:

Variable Costs: These vary roughly in proportion to the population. Many classroom-related costs are in this category.

Fixed Costs: These costs do not vary with the population. Examples are facilities related costs such as utilities and maintenance.

Semi-variable costs: These costs will decrease with fewer students, however not proportionally. The committee assumed a 20% decrease in cost with a 40% decrease in the number of students. Examples are administrative costs.

Using the 2008-2009 proposed budget, the committee determined that the cost of operating the high school and middle school with only Hollis students will result in an increase of approximately \$817,000 over Hollis' current share of the budget. The summary is as follows:

	Current Position		Hollis	Hollis
	Total Co-Op	Hollis Share	Stand-Alone	Net Change
Co-Op Wide Cost				
Operating Cost	3,912.6	2,364.9	2,364.9	-
Interest & Principal	<u>1,897.9</u>	<u>1,147.2</u>	<u>1,904.6</u>	<u>757.4</u>
Sub Total	5,810.5	3,512.1	4,269.5	757.4
Middle School				
Fixed	675.5	399.9	675.5	275.6
Variable	3,085.8	1,826.7	1,826.7	-
Semi-Variable	<u>336.5</u>	<u>199.2</u>	<u>269.2</u>	<u>70.0</u>
Sub-Total	4,097.8	2,425.8	2,771.4	345.6
High School				
Fixed	1,064.1	649.2	1,064.1	414.9
Variable	6,004.6	3,663.4	3,554.5	(108.9)
Semi-Variable	<u>872.7</u>	<u>532.4</u>	<u>698.2</u>	<u>165.8</u>
Sub-Total	7,941.4	4,845.0	5,316.8	471.8
Total	17,849.7	10,782.9	12,357.7	1,574.8

Annual Increase In Operating Costs Net of Bond Costs \$ 817.4
(Principal and interest are shown before state aid.)

After analyzing operating costs in the existing school buildings, the committee was also able to extrapolate operating costs for new facilities.

Facilities

Hollis Elementary Schools:

While the Hollis Primary School (HPS) and Hollis Upper Elementary School (HUES) are under the jurisdiction of the Hollis School District and not the Cooperative School District, their space requirements need to be addressed in this document because decisions at the Co-Op level will have an impact on the lower grades. At buildout, HPS will be over capacity by 248 students, and HUES will be over capacity by 153 students.

If Hollis withdraws from the Cooperative School District, excess capacity at the high school and middle school can be used to relieve some of the space pressure in the elementary schools. Given the populations projections, the first addition to Hollis elementary school space will not be required until approximately the 2035 timeframe. If Hollis remains a member of the Cooperative School District, then the full needs of the elementary schools will need to be addressed sooner rather than later. The first addition to elementary school space may be needed

as early as 2020 with more space probably being needed by 2035 to meet the space needs as Hollis approaches buildout.

Middle School and High School:

As indicated in the Facilities section of this report, both the middle school and the high school have more than adequate space through buildout if Hollis withdraws from the Co-Op. The excess capacity at the middle school could be used to accommodate the Hollis sixth grade, thereby alleviating space pressure at HUES.

If Hollis remains in the Co-Op, then significant expenditures will be needed beginning around 2020, or possibly earlier, to meet the needs of the student body. All but one of Hollis' existing building bonds will be completely paid off by 2017, so delaying new building projects until then would avoid large increases in annual outlays.

The facilities requirements of the four alternatives studied by the committee, plus the combination of Alternatives 2 and 3, are described in detail on Pages 13 to 20 of this report. A summary of the building expenditures follows. Note that this table lists construction costs to Hollis, not total costs, and does not include operating costs nor equity bond costs.

Construction Projects in \$M - Hollis' Share					
	#1 Co-Op As Is	#2 Withdraw from Co-Op	#3 6-12 Co-Op	#3A 6-12 Co-Op then Dissolve	#4 Reconfigure Co-Op
<u>2020</u>					
Build New High School	\$8.7M				
Build New Middle School	\$3.9M				
Build New Elementary School	\$6.3M				
Build New Co-Op MHS			\$19.1M	\$19.1M	
Expand Existing HBHS					\$6.6M
<u>2035</u>					
Expand New High School	\$5.3M				
Expand New Middle School	\$2.4M				
Expand New Elementary Sch.	\$4.2M				
Expand HPS and HMS					
Expand HPS		\$4.9M	\$4.9M	\$4.9M	
Expand New Co-Op MHS			\$8.7M		
Build New Elementary School					\$9.9M
Expand Hollis Middle School		\$3.5M		\$3.5M	\$3.5M

Financial Summary

In its investigation of the four alternatives described in this report, the committee's analysis has taken into account the following major cost elements from the Hollis perspective:

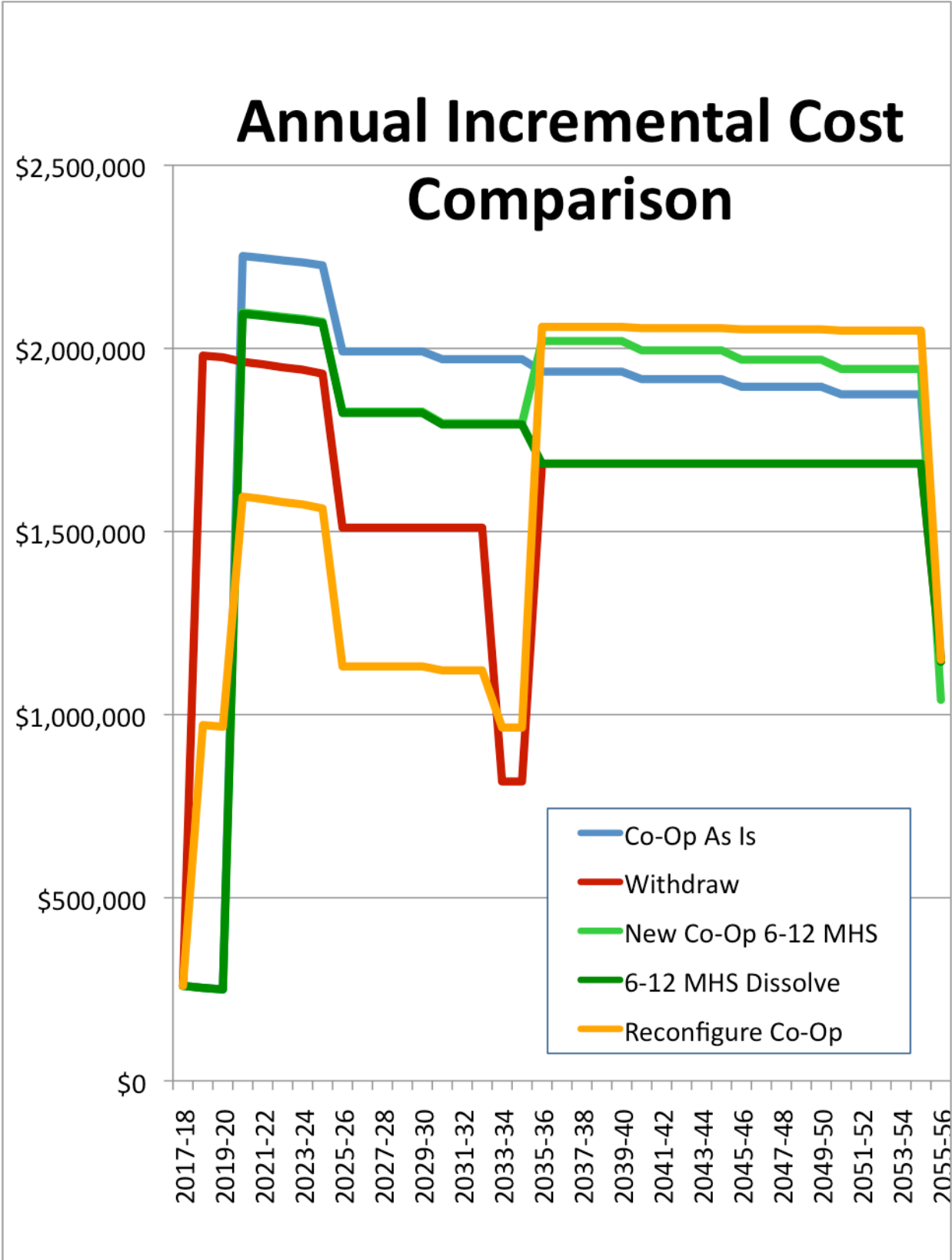
- Principal and interest of existing and new building bonds
- Principal and interest of equity bonds
- State building aid
- Construction cost of new schools
- Construction costs of expansion of existing schools
- Operating costs of existing, new, and expanded schools

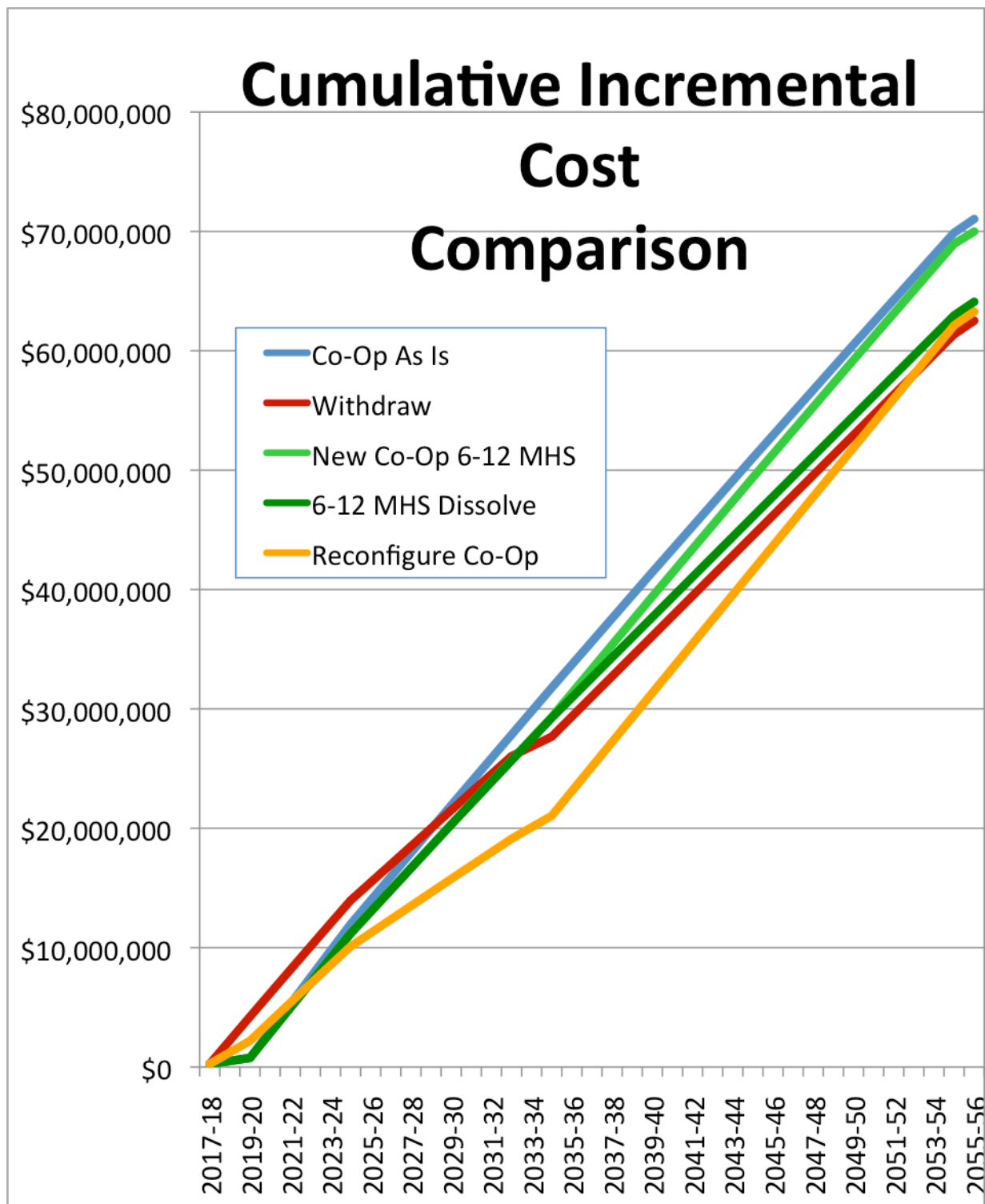
The following are the assumptions used in creating the financial model for the alternatives:

- Buildings were sized using the State maximum sizing of schools that are eligible for state building aid. The needed student capacity was multiplied by 120 sq ft/pupil for elementary schools, 140 sq ft/pupil for middle schools, and 160 sq ft/pupil for high schools in order to determine the total square footage of school building space needed.
- Fixed operating costs were estimated based on capacity that matched the current fixed operating costs of the middle school and high school. Those costs are \$65K per building plus \$111K per 100 students of capacity.
- The apportionment of costs for Co-Op debt service and operating costs which is based on student average daily membership was gradually adjusted from today's 60% Hollis and 40% Brookline to 52% Hollis and 48% Brookline in 2051 reflecting the enrollment projections of the number of students from each town over time.
- The bond costs for a 15 yr bond @ 5% was assumed yielding an annual cost of \$94,895/year for each \$1M bonded and 20 year bonds @5% were assumed yielding an annual cost of \$79,195/year for each \$1M bonded.
- All building projects assume buildings are built on land already owned within SAU 41.
- The fully burdened cost per sq ft of \$220/SF for elementary and \$230/SF for middle and high schools includes building costs, site costs, architect fees, furnishings and equipment, athletic fields, parking areas, etc.
- The assumed equity payout to Brookline if the Hollis withdrew from the Co-Op in 2018 is \$7.3M bonded over 15 years, and the assumed equity payout to Brookline if the Co-Op was reduced to just the high school is \$1.6M bonded over 15 years.
- The withdraw from the Co-Op option includes the costs of Hollis assuming 100% of the remaining debt service on the middle school bonds, and assuming 100% of the fixed operating costs of the middle school and high school.
- The State building aid used in the calculations was 30% of principal for Non-co-op Schools and 40% of principal for Co-Op schools.
- All alternatives assume that Brookline stays in SAU 41 and the SAU costs continue to be shared by both towns.
- As a baseline, all alternatives start with the cost of the existing net debt service for the Elementary and Hollis's share of Co-Op of \$1,221,203 for the school year 2012-2013.

The summary of incremental annual costs of each alternative is as follows, followed by charts, which compare the alternatives.

School	Co-Op As Is	Withdraw	New Co-Op 6-12	6-12 MHS	Reconfigure
2017-	\$259,379	\$259,379	\$259,379	\$259,379	\$259,379
2018-	\$253,774	\$1,980,184	\$253,774	\$253,774	\$971,380
2019-	\$249,618	\$1,975,710	\$249,618	\$249,618	\$966,907
2020-	\$2,252,106	\$1,963,128	\$2,098,091	\$2,094,165	\$1,595,207
2021-	\$2,246,730	\$1,956,545	\$2,092,715	\$2,088,789	\$1,588,624
2022-	\$2,240,278	\$1,948,142	\$2,086,263	\$2,082,337	\$1,580,221
2023-	\$2,234,768	\$1,941,832	\$2,080,753	\$2,076,827	\$1,573,911
2024-	\$2,226,720	\$1,930,735	\$2,072,705	\$2,068,779	\$1,562,814
2025-	\$1,991,637	\$1,510,360	\$1,827,324	\$1,823,465	\$1,131,576
2026-	\$1,991,637	\$1,510,360	\$1,827,324	\$1,823,465	\$1,131,576
2027-	\$1,991,637	\$1,510,360	\$1,827,324	\$1,823,465	\$1,131,576
2028-	\$1,991,637	\$1,510,360	\$1,827,324	\$1,823,465	\$1,131,576
2029-	\$1,991,637	\$1,510,360	\$1,827,324	\$1,823,465	\$1,131,576
2030-	\$1,970,428	\$1,510,360	\$1,795,819	\$1,792,026	\$1,120,714
2031-	\$1,970,428	\$1,510,360	\$1,795,819	\$1,792,026	\$1,120,714
2032-	\$1,970,428	\$1,510,360	\$1,795,819	\$1,792,026	\$1,120,714
2033-	\$1,970,428	\$817,400	\$1,795,819	\$1,792,026	\$964,757
2034-	\$1,970,428	\$817,400	\$1,795,819	\$1,792,026	\$964,757
2035-	\$1,936,535	\$1,684,871	\$2,020,023	\$1,685,357	\$2,058,572
2036-	\$1,936,535	\$1,684,871	\$2,020,023	\$1,685,357	\$2,058,572
2037-	\$1,936,535	\$1,684,871	\$2,020,023	\$1,685,357	\$2,058,572
2038-	\$1,936,535	\$1,684,871	\$2,020,023	\$1,685,357	\$2,058,572
2039-	\$1,936,535	\$1,684,871	\$2,020,023	\$1,685,357	\$2,058,572
2040-	\$1,915,885	\$1,684,871	\$1,994,586	\$1,685,357	\$2,055,242
2041-	\$1,915,885	\$1,684,871	\$1,994,586	\$1,685,357	\$2,055,242
2042-	\$1,915,885	\$1,684,871	\$1,994,586	\$1,685,357	\$2,055,242
2043-	\$1,915,885	\$1,684,871	\$1,994,586	\$1,685,357	\$2,055,242
2044-	\$1,915,885	\$1,684,871	\$1,994,586	\$1,685,357	\$2,055,243
2045-	\$1,895,236	\$1,684,871	\$1,969,149	\$1,685,357	\$2,051,914
2046-	\$1,895,236	\$1,684,871	\$1,969,149	\$1,685,357	\$2,051,915
2047-	\$1,895,236	\$1,684,871	\$1,969,149	\$1,685,357	\$2,051,916
2048-	\$1,895,236	\$1,684,871	\$1,969,149	\$1,685,357	\$2,051,917
2049-	\$1,895,236	\$1,684,871	\$1,969,149	\$1,685,357	\$2,051,918
2050-	\$1,874,586	\$1,684,871	\$1,943,712	\$1,685,357	\$2,048,589
2051-	\$1,874,586	\$1,684,871	\$1,943,712	\$1,685,357	\$2,048,590
2052-	\$1,874,586	\$1,684,871	\$1,943,712	\$1,685,357	\$2,048,591
2053-	\$1,874,586	\$1,684,871	\$1,943,712	\$1,685,357	\$2,048,592
2054-	\$1,874,586	\$1,684,871	\$1,943,712	\$1,685,357	\$2,048,593
2055-	\$1,150,914	\$1,144,850	\$1,040,304	\$1,144,450	\$1,149,872
Totals	\$71,035,821	\$62,515,612	\$69,986,667	\$64,102,718	\$63,269,457





PROCESS FOR WITHDRAWING FROM A COOPERATIVE SCHOOL DISTRICT

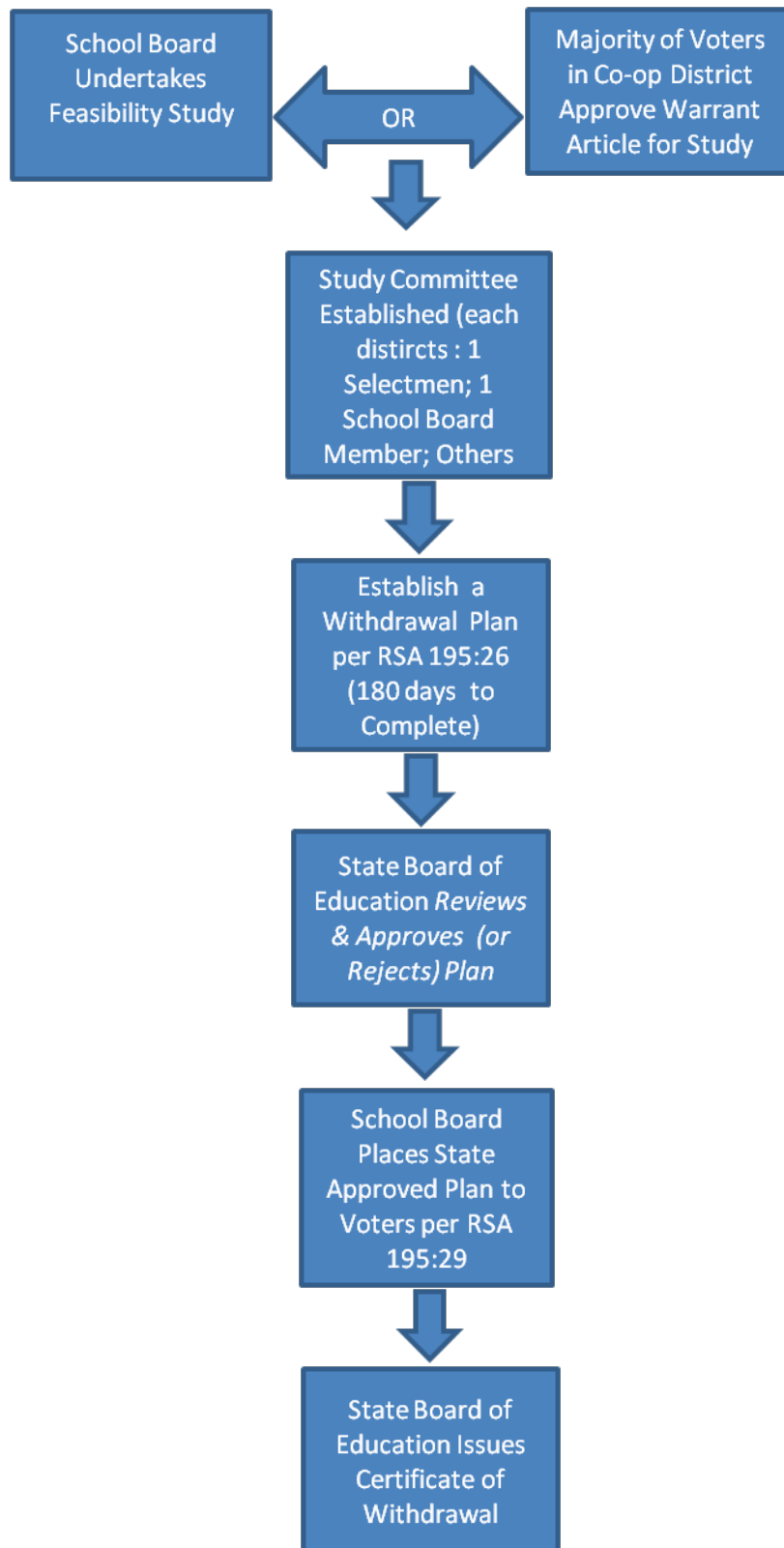
Withdrawal Process (RSA 195:25 – 195:30)

The following information was obtained from the Revised Statutes Annotated (RSA) and from Sarah L. Browning, Special Assistant to the Commissioner, NH Department of Education.

Overview of RSA for Cooperative School District (Co-Op) Dissolution

The New Hampshire state law provides the framework for the withdrawal process to be used to dissolve a Co-Op district. The relevant statute is RSA 195, sections 25 through 30. The RSA requires that the Co-Op have been in place for at least ten years before addressing a withdrawal process (the Hollis-Brookline school district was formed in 1990 and thus meets the minimum time requirement to address withdrawal). The RSA framework provides two methods for commencing the withdrawal process; the Co-Op school board may undertake a study of the feasibility of and planning for withdrawal of one or more member districts (thus, Hollis and Brookline are each member districts); or if the majority of the voters in one of the districts approve a warrant article at a regular or special town meeting that directs the Co-Op school Board to conduct such a study.

The RSA requires that the study be conducted by a committee including at least one member of the school board from each district, one selectman from each town/district, and other members as required which may be appointed. The committee must report its findings to the State Board of Education within 180 days of the formation of the committee. The statutory language suggests that the threshold question for the committee is whether withdrawal by a member is feasible. If so, then the committee has the responsibility to prepare a plan for withdrawal that meets all the requirements included in the RSA and submit the plan to the State Board of Education (the RSA does not stipulate how long the Board may take for its review). If the State Board of Education determines that the plan meets the requirements of the RSA, it will authorize the Co-Op School Board to place the plan before the voters of the Co-Op School District at a regular or special meeting of the Co-Op district. If the voters approve the withdrawal plan (approval is based on the majority of the voters, present and voting at the meeting), the State Board of Education shall issue a certificate of withdrawal. The following is a Flow Chart of the process:



RSA Detail Requirements

RSA 195:25 Procedure for Withdrawal from the Cooperative School District

- After 10 year anniversary of Co-Op
- Initiated by School Board or by vote of participating district
- Review Committee is formed (each district appoints a selectmen, a member of its school board, and other members as required)
- Committee has 180 days to complete its task
- Committee report and recommendations are submitted to the State Board of Education for review and approval
- If the committee recommendation is for withdrawal, a Plan (see RSA 195:26) must be included
- If the State Board of Education approves the Plan, the Plan is then sent back to the School Board to present for voter approval
- If the majority of the voters approve the Plan, then the School Board notifies the State Board of Education
- State Board of Education then issues a certificate dissolving the Cooperative School District

RSA 195:26 Withdrawal Plan requirements

- Name of withdrawing district and grades
- Number, composition, method of selection and terms of the school board of the withdrawing district and of the school board
- Method of apportioning the operating and capital expenses between the districts if a change is proposed as part of the withdrawal procedure
- Proposed effective date of the withdrawal (See RSA 195:30)
- Liability of the withdrawing district for its share of any outstanding indebtedness (see RSA 195:27)
- Education plan for all students in the withdrawing district and for the district continuing in the Co-Op, including details addressing assignment of students
- Identify any other matters, incompatible with the RSA

RSA 195:27 Liability of Withdrawing district

- Withdrawing district remains liable for its share of indebtedness of capital cost which is outstanding when the split takes effect
- Withdrawing district is liable for unpaid principal and interest
- Withdrawing district is liable for any state aid which is lost due to the dissolution of the Co-Op
- Agreement should be reached on the withdrawing districts liability with the remaining districts

RSA 195:28 Disposition of Property

- School Board will transfer to the withdrawing district any title to land and buildings that reside in the withdrawing district
- Value to be transferred needs to be agreed to between the impacted districts, including capital improvements and additions

RSA 195:29 Vote for Withdrawal (post approval of State Board of Education)

- Withdrawal plan must be posted in newspapers generally circulated within the Co-Op school district
- School Board schedules a Co-Op district meeting to review the plan, which can be at an annual or special meeting; the RSA notes that the meeting should be conducted as soon as possible
- Ballot vote, following a debate of the issue
- Vote is based on the majority of the voters present and voting
- If the voters reject the plan, the withdrawing district has the right of appeal to the State Board of Education

RSA 195:30 Time of Withdrawal

- Effective date of the withdrawal shall be July 1 of the calendar year subsequent to date of the voter approval
- State Board of Education issues a certificate of withdrawal
- State Board of Education schedules and conducts a special district meeting for the withdrawing district; the warrant for the meeting will be to elect officers for the withdrawing school district

CONCLUSION

Based on an extensive analysis of student enrollment projections originally prepared by the Hollis Strategic Planning Committee using the best information available, it is the conclusion of the Facilities Space Needs Study Committee that the Hollis Brookline High School will again exceed its current capacity of 900 students possibly as early as 2015. The high school is expected to remain slightly over capacity for the next few years even though student enrollment is declining and may dip well below 900 for a few years prior to 2015. State and regional planning projections show that the populations of Hollis and Brookline will continue to increase, although perhaps at a slower rate than in the past. Consequently, it is expected that the number of students enrolled in our schools will also increase, and that the high school could again be well over capacity once the current decline reverses.

The high school was originally designed to accommodate two pre-planned additions. One of these additions has been constructed bringing the student capacity from 600 to 900. The next addition would bring the capacity from 900 to 1200. The low enrollment curve indicates a buildout enrollment of 1234 students, while the high enrollment curve, which the committee feels may be more likely, projects an enrollment of 1552 students. As explained previously in the discussion of facility needs, more parking areas, athletic fields and an additional water supply would also be required if the high school is expanded.

Past experience has shown that when more capacity is needed school districts often use portable classrooms in the interim before major building additions or new schools are constructed, plus the next pre-planned addition to the high school still may not be enough to accommodate buildout needs. If it is the desire of the residents of Hollis and Brookline to continue the Co-Op, it may be more feasible to build a new, smaller Co-Op middle/high school in Brookline as previously discussed, which could be designed to accommodate 300 students to start, with future additions to bring the capacity up to 600 or more if and when needed. Consequently, considering the future facility needs, as well as the future growth of the Co-Op middle school and Hollis elementary schools, expanding the current high school may not be in the long term best interest of Hollis.

In regard to the Hollis Brookline Middle School, it too could possibly reach capacity as early as 2015 based on the high curve for student enrollment projections. The current building would be very difficult to add on to again without losing critical parking area, athletic fields or septic system leaching fields. However, if a new Co-Op school were to be constructed in Brookline it could be designed to accommodate grades 6-8 as well as high school grades 9-12. If this was the case, there then would be a Co-Op high school in each town as well as a 6-8 Co-Op middle school in each town, assuming that the 6th grades moved to the middle school as part of the Co-Op. This would also free up space in the Hollis Upper Elementary School which, coincidentally, along with the Hollis Primary School is also projected to reach capacity in about 2015, based on the low student enrollment curve which the committee feels is more likely than the high curve. If the 6th grade moved to the middle school a third elementary school would no longer be necessary.

The above discussion is based on the assumption that the Hollis Brookline Cooperative School District stays as is, except for adding the 6th grade to the Co-Op so that the new Co-Op configuration would be two 9-12 high schools and two 6-8 middle schools. Except for a future small addition to the Hollis Primary School, this arrangement would negate the need to add on to any of the four schools in Hollis, and possibly the Captain Samuel Douglas Academy in

Brookline as well if their 6th grade also moved to the new middle/high school. That said, another alternative is for Hollis to withdraw from the Hollis Brookline Cooperative School District.

The advantages to withdrawal from the Co-Op from a Hollis perspective are that the high school and middle school would be Hollis only and adequate for the projected student enrollments through buildout without any additions. The 6th grade could also be moved to the middle school and the only new construction that would eventually be needed would be a small addition to the Hollis Primary School. All other infrastructure facilities such as water supply, septic systems, parking areas, athletic fields, physical plant, etc would also be adequate. If the Co-Op remained as is, then a third elementary school would eventually be needed, probably in the 2020 time frame. However, if Hollis withdraws from the Co-Op, then there would no longer be a need for a third elementary school. It should also be noted that in a two town Co-Op, if one town withdraws it effectively dissolves the Co-Op. State law only addresses the withdrawal process, not dissolution. Any solution would have to take into consideration the impact to Brookline.

The fourth alternative that the committee studied involved a reconfiguration of both the Co-Op and the Hollis School Districts with grade changes over the years. It would also include the next pre-planned addition to the current high school, which in itself poses several facility concerns as previously discussed, in addition to becoming a very large school with a capacity of 1200 students. A new elementary school for grades 5 and 6 would also eventually be needed. Brookline would also have to provide for it's displaced students since the Co-Op would ultimately consist of only a high school with grades 10-12.

To summarize, Alternative 1 to leave the Co-Op as is was rejected because it is by far the most expensive and doesn't solve any of the facilities issues. Alternative 2 for Hollis to withdraw from the Co-Op, which in effect is dissolution of the two town Co-Op, has the highest initial cost and was not considered to be politically feasible at this time, although it becomes the least expensive at buildout and may be the preferred alternative when the schools become much larger in the future. Alternative 4, while the least expensive in the short term, would require a reconfiguration of both the Co-Op and elementary schools with increases and decreases in grades, ultimately resulting in a Co-Op high school only with grades 10-12. It would also not solve other facilities issues so that the committee felt it was not politically feasible.

Therefore, in conclusion, if the Co-Op remains as is Hollis will be faced with eventually building a new elementary school and both the high school and middle school will require additions, probably by 2020 when all four schools may significantly exceed their current capacities. A new high school may also eventually be needed if the current high school cannot be expanded beyond a 1200 student capacity. If the Co-Op is reconfigured as a 6-12 Co-Op with a new middle/high school in Brookline, or if Hollis withdraws from the Co-Op, or a combination of the two as previously explained as Alternative 3A, then the only new construction that would eventually be needed in the future in Hollis would be small additions to the Hollis Primary School and the Hollis only middle school. However, once a school building reaches its capacity it is not likely that an addition or new school will be built right away. It is more likely that portable classrooms would be provided, as has been the case in the past. It is the committee's feeling that additions to the current schools may not be the wisest choice if new buildings will ultimately be needed anyway.

COMMITTEE RECOMMENDATIONS

RECOMMENDATION #1

The Facilities Space Needs Study Committee - Phase 2: Education recommends Alternative 3A, the combination of Alternative 3 to expand the Co-Op to grades 6-12 and build a new middle/high school in Brookline in the 2020 time frame, and Alternative 2 to then withdraw from and dissolve the Co-Op in the 2035 time frame. Alternative 3 is one of the least expensive initially, and Alternative 2 is the least expensive in the long run. Alternative 3A is considered to be the most politically acceptable and overall best plan for the long term future since it resolves all the facilities issues and offers the most flexibility for future options.

RECOMMENDATION #2

It is recommended that the Hollis Board of Selectmen request the SAU 41 School Board to task a sub-committee representing all stakeholders in Hollis and Brookline to incorporate the findings in this report into a long range strategic plan for presentation at the March 2010 annual district meetings. It is important that all parties work together in the future to follow through on these recommendations by continuing to monitor future population and student enrollment projections, and by updating the information in this report on a regular periodic basis as part of a long range strategic plan.

RECOMMENDATION #3

The northern end of the Hollis Brookline Middle School is currently located on property owned by the Town of Hollis. The parking area behind the Farley Building, which is used by the middle school staff, is also located on town land which is part of the Farley Building parcel. It is recommended that the boundary line situation between the Hollis Brookline Cooperative School District and the Town of Hollis be resolved immediately between the Hollis Board of Selectmen and the Hollis Brookline Cooperative School Board so that the middle school building and an adequate amount of parking is located on Co-Op school district property.

RECOMMENDATION #4

The committee has been asked to make a recommendation regarding the previously proposed Hollis Brookline High School cafeteria expansion. We do not support this proposal in the current economic environment since there appears to be alternatives and enrollment over the next several years is projected to continue to decrease significantly.

APPENDICES

APPENDIX 1

The following edited information was obtained from Sarah L. Browning, Special Assistant to the Commissioner, New Hampshire Department of Education.

Revised Statutes Annotated (RSA) related to Co-Op Withdrawal and Dissolution

As a general statement on withdrawal, I would start by saying that state law provides the framework for the process of withdrawal. The relevant statute is RSA 195, sections 25 through 30. This framework provides two methods for commencing the withdrawal process; the Cooperative school board may undertake a study of the feasibility of and planning for the withdrawal of one or more member districts, but it shall undertake such a study if a majority of voters in a pre-existing district approve an article on the warrant at a regular or special town meeting that directs the Cooperative school board to conduct such a study. In either case, a study cannot be undertaken prior to the tenth anniversary of the date of operating responsibility of the Cooperative school district. Regardless of the report of your committee, one of these two options would have to follow in order for your community to withdraw from the Cooperative school district. The statute also sets forth the minimum membership of the study committee; at least one member of the school board from each pre-existing district, one selectman from each town and such other members as may be appointed by the committee. The committee must report its findings to the state board of education within 180 days of the formation of the committee, which is generally the date the committee was appointed. The statutory language suggests that the threshold question for the committee is whether withdrawal by a member district is feasible; if so, then the committee has the responsibility to prepare a plan for withdrawal that meets all the statutory elements. A relatively new provision permits the pre-existing district that wishes to withdraw to prepare such a plan as part of a minority report if the majority of the committee determines that withdrawal is not feasible. If the board determines that the plan meets the requirements of the statute, it will authorize the Cooperative school board to place the plan before the voters of the Cooperative school district for a vote, at a regular or special meeting of the district. After the district has present documentation, required by the statute, that a majority of the voters, present and voting, has approved the plan, the board shall issue a certificate of withdrawal. Now that I have provided a simplistic description of the process, I shall attempt to answer your specific questions.

How is "withholding district" defined?

A Cooperative school district is composed of two or more pre-existing school districts. RSA 194:1 defines each town as a single district for school purposes... So, in your case, the pre-existing districts would be Hollis and Brookline. The pre-existing district that initiates the action to withdraw is the withdrawing district.

In RSA 195:26 is the state aid compensation paid over time or a negotiation?

RSA 195:26 sets out the elements required in the withdrawal plan. I see no reference to state aid here, with the exception of paragraph V, which requires the plan to include the liability for outstanding indebtedness of the Cooperative that is owed by the withdrawing district. I suspect your reference is to the phrase in RSA 195:27 which states "... (b) all amounts of state aid for the purchase or construction of school buildings and any other state aids which are lost by the Cooperative school district..." This will be addressed in question # 4.

Is the "valuation" depreciated and on what time schedule, or is that a negotiation?

This is a matter to be addressed by a withdrawal planning study committee. The answer will depend on many facts, such as how districts got into the Cooperative, whether there are articles of agreement that govern the Cooperative district and whether those articles determine how liability is treated. These discussions should include the attorney that represents the district, and perhaps the attorney that represents the town that is seeking to withdraw, but there is no legal requirement that the attorneys be included.

RSA 195:27 talks about the withdrawing district paying to the co-op annually amounts to pay for its share of principal and interest. Does this mean that any existing debt must be paid according to its original pay back schedule?

This question is one the department can not answer because it is not the entity that provided the capital to the school district, so again, this is a question the committee is going to have to research, it may bear on the threshold question concerning whether withdrawal is feasible. They would start, I presume, by reading the terms and conditions of the bond agreement.

With respect to state aid, all state aid is paid pursuant to statute; for example, building aid is paid twice during the fiscal year, in October and April according to RSA 198:15-a. The payment of other state aids is governed by other statutes. This is yet another example of an issue the planning committee will have to research and address.

RSA 195:25 Procedure for Withdrawal: the second sentence notes "A similar study shall be undertaken if, after the tenth anniversary of the operating responsibility, a pre-existing district shall, by a majority vote on a warrant article at a regular or special town meeting, direct the school board to conduct such a study." Need to confirm that this vote is only required to be taken by one of the existing towns in the co-op.

In my opening paragraph, the third sentence states there are two methods for beginning the withdrawal process. I believe this sentence, in its entirety is responsive to the clarification you seek. Either of the two methods will start the process; it is not necessary to do both.

RSA 195:27 Liability of Withdrawing District: the last sentence notes, "A school district which withdraws from the Cooperative school district shall forfeit its equity in any of the

existing co-op district schools. Does this mean that Hollis would forfeit its equity in any of the existing co-op facilities if it pulls out of the co-op?

In the first instance, because the Hollis-Brookline Cooperative School District is comprised of only two pre-existing districts, the Cooperative district would be dissolved if either pre-existing district withdrew. In Cooperative districts where there are more than two pre-existing districts, the withdrawing district gets back title to school buildings in its town and forfeits equity in all other school buildings in the Cooperative.

RSA 195:28 Disposition of Property: the last sentence has the same issue as noted above in RSA 195:27. Need to clarify.

My answer to this question is the same as my answer to question # 6.

RSA 195:29 Vote on Withdrawal: second paragraph, first sentence notes "if a majority of the voters present and voting shall vote in the affirmative..." Need to confirm that this vote is at the co-op level vs. district/town level.

The vote to adopt the withdrawal plan and withdraw from a Cooperative school district goes before all the voters of the Cooperative school district; a majority of those present and voting is required for the withdrawal plan to pass and withdrawal to be successful.

APPENDIX 2

Proposal:

Retain the Existing Cooperative School District with Expansion to a Third Campus

Don't change the configuration of the current Co-Op school district. Accommodate student population growth through an additional campus.

Benefits:

- Additional school could be built to provide not only more space, but complimentary programs to those offered at existing schools, such as Vocational Education programs and richer Special Education programs.
- A Vocational Program would reduce the need to tuition students to area schools for Voc-Ed, with a commensurate reduction in transportation costs. Depending on the program, area schools may tuition in students in a revenue positive situation.
- Broader Special Education offerings could reduce expensive out-of-district placements with a commensurate reduction in transportation costs. Depending on the program, area schools may tuition in students in a revenue positive situation.
- Additional critical mass to the student body would result in additional offerings in AP, arts, sports, and other co-curricular activities.
- Campus could be built incrementally to provide adequate facilities for the student population without excessive overbuilding/operating costs as compared to the student body served.
- Does not stress current HBHS and HBMS campuses beyond current capacity or site limitations.
- Minimal barriers to implementation. No equity buy-outs, state board approvals, changes to governing structure, etc. Implementation could be in 1-2 years if public support was present.

Challenges:

- Suitable location for the campus would need to be identified.
- The initial bond for the campus would be larger than incremental growth at other facilities as the facility would need to have adequate core facilities, athletic fields, parking, etc.
- Will meet with political resistance to those that seek separate schools.

APPENDIX 3

Information on the History of Co-Op Building Projects

Building Project	Year Approved	Cost	Sq Footage	Outstanding Bond Principal After 2007-2008	Bond(s) Ending
Renovation of High School as a Middle School	1993	\$1,135,000	0	\$0	1998
New High School	1996	\$10,800,000	92,000	\$4,060,026	2017
Auditorium & 6 classroom addition (see Note 1)	1998	\$1,130,000	15,000	\$0	2003
Classroom Wing and Mini-Gym	2000	\$3,200,000	36,000	\$1,366,410	2016
High School Track	2002	\$650,000	0	\$325,000	2013
Middle School Renovation and Addition	2005	\$7,900,000	36,000	\$6,970,000	2025
Total		\$24,815,000	179,000	\$12,721,436	

Note 1: Total does not include \$900,000 in donations.

Auditorium cost was \$1,500,000 (\$900,000 donation and \$600,000 state aid)

Classroom cost was \$830,000

\$300,000 was used from remaining HS original bond money and \$530,000 of the \$1,130,000 bond

Co-Op Asset Calculation using Insurance Replacement Value for Schools

Coop Assets	Insured Value	Hollis share	Brookline share
Middle School	\$10,743,210	\$6,660,790	\$4,082,420
Value of the original Middle School	\$2,828,300	\$2,828,300	\$0
Remaining value of Middle School	\$7,914,910	\$4,907,244	\$3,007,666
High School	\$14,142,600	\$8,768,412	\$5,374,188
Love Lane Ball Fields	\$205,959	\$127,694	\$78,264
Main Street Land	\$283,420	\$175,720	\$107,699
Total Coop Assets	\$25,375,188	\$16,807,371	\$8,567,818
Remaining Bond Principal in 2018	-\$3,590,000	-\$2,225,800	-\$1,364,200
Net Coop Assets	\$21,785,188	\$14,581,571	\$7,203,618

APPENDIX 4

To: Doug Cleveland
CC: Susan Hodgdon
From: Tim Kelley
Subject: Program Impacts When Considering Splitting the Cooperative School District
Date: August 11, 2008

The following is in response to your request for programmatic impacts at the high school that could result from splitting the Cooperative School District. This analysis considers both the impact on academic quality as well as the ability to deliver programs in a cost effective manner.

Having witnessed the development of the cooperative district from its inception as a resident and having served as principal these past three years, my impression of the school is that it is a cooperative high school integrating both communities with respect to all aspects of the school. Social groups are comprised of students from both Hollis and Brookline. There is no one community that dominates any aspect of the school community, from co-curricular to extra curricular, from athletics to academics to clubs and organizations.

There is general agreement that Hollis Brookline High School has achieved a reputation as a strong academic institution. Standardized test scores place the school near or at the top in the state in math, reading and writing. Newsweek magazine has named Hollis Brookline as one of the top 1300 high schools in the United States for the past two years and US News and World Report magazine, this past year recognized it as one of the top 500 American high schools. Only a handful of New Hampshire high schools received this recognition. We see the impact of all of this with the spring and summer visits of families “shopping” for schools due to relocation or as an alternative to private schools.

A number of factors are behind these achievements, beginning with our talented and hardworking students and staff, but we cannot ignore the fact that as our enrollment has increased to its current level, curriculum offerings in a number of areas including Advanced Placement, pre engineering technology, music and drama have grown as well.

Hollis Brookline High School has been able to accomplish this while keeping average per pupil cost (<http://www.ed.state.nh.us/education/data/financial.htm>) below the state average, below all of our academic competitors (Hanover, Oyster River, Hopkinton) and below most of our neighboring districts (Souhegan, Milford, Wilton-Lyndeboro). Contributing to lower costs is the fact that our student teacher ratio is below the state average as well. In 1997, with an enrollment of 443, both of these indicators were well above the state average. Since 1997 as enrollments have increased, these indicators have moved toward and eventually below the state average. Enrollments have allowed for a more efficient use of available resources as well as an increase in curriculum offerings.

Many of the other top performing schools in the state have enrollments similar to Hollis Brookline High School. At this time, prior to the October 1st official number, enrollment is approximately 926 students. SAU projections show that we will maintain 900 - 920 students over the next 7 years. While a number of studies indicate that the ideal size for a high school is between 400 and 900 students, further examination indicates that schools in need of improvement, low test scores, high number of free and reduced lunch and a diverse student body are recommended at the lower end of this range while the higher end applies to schools not faced with these issues. Establishing separate high schools serving the Hollis and Brookline communities at this time would result in either a 40% or 60% decrease in enrollment.

The current enrollment level has allowed us to offer a top rate advanced placement, business and pre engineering curriculum, a variety of offerings in the visual and performing arts, a fifth year of foreign language and electives in Computer Science, English and Social Studies. These course offerings have come about in a cost efficient manner. Many of these courses are single sections with enrollments of 20 to 25 students. The concern is that if the enrollment was reduced either the courses would no longer be offered or, if offered, they would be at a higher cost to taxpayers.

Another concern with a reduction in enrollment would be in the area of special education services. As enrollments decrease we would experience less efficient use of the available resources. We typically offer single section remedial courses in math, science and English with enrollments of 10 – 12 students. While we would be obligated to continue running these courses in order to meet graduation requirements, lower enrollments would result in higher costs. Likewise programs that have allowed us to retain students who have been placed out of district would now be in jeopardy due to fewer numbers and less efficiency.

Currently we offer single sections of the following courses:

AP Biology
AP Chemistry
AP Calculus
AP Statistics
AP Art
AP Comp Sci
Digital Electronics
Robotics 2
Visual BASIC
C++ Programming
Java Programming
Accounting
Marketing Spanish 5
French 5
Latin 2
Poetry
Film Studies
Western Humanities
American Studies Political
Science
British Literature
Environmental Biology
Anatomy & Physiology

Additionally, most Chorus, Instrumental Music, Theatre and Art classes are single section as well as combined English/Social Studies courses in Western Humanities and American Studies. Additional data and historical trends can be provided.

The performing and visual arts are important to the culture of the school community. We are very proud of the level of participation in co-curricular opportunities in chorus, music and theatre. Currently three staff members teach a full schedule of music, chorus and theatre respectively, all with strong enrollments.

With respect to extra curricular and athletic opportunities, a smaller school could not offer the variety of options that we currently have available at Hollis Brookline High School. Our emphasis in this area is in the level of participation, not competition. Last year over 300 of students participated in fall sports. Our current size designates us classified as a Class I school (enrollments 850 – 1150) and as a result we have developed freshmen teams over the past few years in a number of sports, allowing for more participation at a critical time in a student's development.

Finally, I believe that another contributing factor to our low per student cost is the fact that our building is operating at capacity. Reducing enrollments would not necessarily translate to the same level of reduction in operating costs such as heat, lighting, building upkeep and personnel costs in administration, custodial, kitchen and support staff.

I hope that this is the type of information that you were looking for. My main concern is that Hollis Brookline High School continues to offer a first rate education while utilizing the available resources efficiently. Please contact me if you have any questions or if further clarification is necessary. I would be more than happy to assist your committee in any way that I can.

APPENDIX 5

Open Issues

The following is a list of issues that the committee has identified for future consideration, but has not assessed since they are beyond the scope of this study and the charge to the committee.

1. Unions. SAU 41 is currently supported by six labor unions which represent the professional staff and support staff in each of the three school districts of Hollis, Brookline and the Hollis Brookline Co-Op. The committee has not had any discussions as part of our research and study with any of the union representatives. If the town of Hollis decides to withdraw from the Hollis Brookline Co-Op, or if a reconfiguration of grades is undertaken, discussions will be required with the unions that represent the affected staff in regard to restructuring and renegotiating their contracts.
2. Experience. If the town of Hollis decides to withdraw from the Co-Op, discussions should be established with other towns that have experience in the dissolution process. The most recent experience should be reviewed with representatives from the town of Mason N.H.
3. NESDEC. The NESDEC near term projections for changes in student enrollments do not appear to be accurate. Future discussions should be conducted with NESDEC representatives to better understand their basis of projecting student enrollment. Discussions with NESDEC representatives should be conducted in support of all options.
4. Traffic Patterns. As the student population grows, this study should be expanded to include the potential impact on traffic patterns in the town of Hollis. For example, if the HBHS population grows at the Hollis campus from 900 to 1200 (or as high as 1500), assessments and related plans will have to be put in place to accommodate the change in traffic flow to and from the high school campus. A traffic pattern analysis may be required for all options.
5. School Bus Service. As the student population grows, the study should be expanded to insure that school bus transportation services are put in place to support the student requirement. This should be addressed for all options.
6. Town Services. The committee has not had any discussions with representatives of Hollis town services related to the potential impacts on services as the student population grows, i.e. on police services, fire services, medical emergency services, etc. A review with representatives of Hollis town services should be completed for all options.

APPENDIX 6

Below is an additional proposed alternative to expand the Co-Op to encompass grades K-12. The committee unanimously voted to not fully investigate this proposal at this time and to not include it in the main portion of report. The proposal is included here for completeness and for use by future committees which may want to pursue the development of additional alternatives based on this proposal.

The reasons cited in the discussion leading to the vote were two fold. One, this proposal did not seem to be in the best interest of Hollis, and secondly this would be a very complicated proposal to investigate and develop and the committee felt it would not be able to complete the investigation, analysis, and development of the resulting alternatives in the timeframe the committee was given to accomplish its task.

The major reasons discussed before voting against pursuing this proposal were:

- There doesn't seem to be a potentially desirable shared school facility for the elementary grades.
 - At buildout there will be about 200 pupils per grade per town, so a shared school for two grades, for example, would be 800 students, which is almost the size of the current high school and almost double the size of Hollis's two current elementary schools. Such a shared school appears to be too large. Two 400 student shared schools could hold one grade each but it makes little sense to build schools to hold only one grade. Therefore, it appears that separate schools for each town, not shared schools, are the most likely future direction.
- The likely merging of the existing teacher contracts would increase the operating costs.
 - A K-12 Co-Op would cover three teacher contracts – Brookline Elementary, Hollis Elementary, and today's Co-Op. It would be unlikely that the Co-Op would be able to continue to maintain three separate contracts and that any merger of contracts would be at the highest level of any of the existing contracts resulting in higher operating costs.
- The governance issues with separate elementary schools for each town.
 - With the district meeting form of government for the Co-Op the entire Hollis and Brookline communities would vote on new schools, additions, and renovations to existing elementary schools that would serve only one town. With the difficulty of getting a 2/3rds majority on shared school facilities, getting 2/3rds on non-shared facilities seems impractical and therefore not in the best interest of either town. Some other form of governance would probably be required to effectively manage a K-12 Co-Op.

- Under the current cooperative arrangement costs are apportioned based on 100% ADM, the student enrollment of each town, and both towns use all the facilities in the Co-Op.
 - The four existing elementary schools in Hollis and Brookline serve only Hollis or only Brookline students, and have significantly different operating costs. If costs were apportioned as today based on 100% ADM then there would be a shift of costs with no change in service.
- The input from the community to the members of the committee indicated there is little or no support within the town of Hollis for a K-12 Co-Op.
 - The majority of the input was to get more oversight and control of the budgets in order to gain efficiencies to reduce costs.

Original Proposal for Consideration from Jim Murphy:

Extend the Hollis Brookline Cooperative School District to encompass grades K-12. Under this proposal, there would be a single school district with a single school board responsible for the education of all students in both towns. Existing facilities in each town would continue to school K-6 for each town locally. Under 100% ADM, costs for each elementary school would be apportioned and paid for by the town being served, but small numbers of exceptions would be accommodated and the costs apportioned accordingly.

Benefits:

- Provides unified direction to the Superintendent and Administration, answerable and responsive to a single board instead of 4 distinct boards (3 district boards and 1 SAU board).
- Building expansion at all levels receive 40% state aid, versus 30% for stand-alone districts.
- More uniform curriculum with less time integrating students during grade 7.
- Increased flexibility to accommodate minor variations in school populations. Minimizes the chance of expansion at one school while additional space is available at another school.

Challenges:

- This would be a politically difficult case to make.
- Since bonds associated with only one school would be paid for only by one town, there would need to be accommodations to the governing structure to allow only those impacted by the bond to vote. This may cause the district to move to a Charter form of government instead of Town Meeting form of government. While such a change is not necessarily bad, it would make a K-12 Co-Op transition more complex.