

Discussion of a proposed Mascoma Valley Regional School District Funding Formula

A search for a balance of quality
education, affordable taxes, town
services and students who are prepared
for life

Presented by the Town of Canaan

Thank you for the opportunity of discussing this important issue!

- The Town of Canaan is under serious stress because our school tax rate is 7th highest in state.
- All parents, including Canaan parents want the best possible education for our kids.
- Cutting budgets or defeating budgets would give Canaan tax relief but would hurt teachers and students.
- The laws of New Hampshire provide limited avenues for tax relief and stabilization.

Canaan's goal:

Reduce taxpayer dissatisfaction by finding a way to reduce Canaan's school tax share so that it is similar to other towns in the District without cutting or defeating the school budget(s) and accomplished this within existing state law.

Basis of Canaan's Presentation Tonight

- We do not want to cut or defeat budgets.
- We need an affordable school tax rate.
- We can only do what the law allows – students and property tax base.
- We have already increased tax relief for elderly and handicapped.
- We would welcome more state aid.
- We would welcome protection for working low income property owners.
- We have looked at both student loads AND tax base of each town.
- We are proposing a funding formula warrant article would impact Enfield by \$1.08 per thousand.
- We have asked John Bergeron, Steve Ward and Chuck Townsend to be independent fact checkers on data presented. They have reviewed the source of all data and are here tonight.
- We are open to any real solution.

Two messages from others for tonight

- “All 5 towns and all kids and all taxpayers are in this together. Fighting will prolong the war forever and will not add value or allow good ideas to come forward. We will not be creators. We need to be “passers”. We need to get others to come together. We need to work together.”
- “If a change in formula were proposed for Canaan that would increase our rate 7%, we would be just as upset as Enfield.”

How does the school tax system work – simple version?

- Voters pass budgets.
- The non-property tax revenue is taken off of the top of the budget.
- The balance needed is divided according to the number of students in each town (ADM).
- From the allocation to each town, the town amount is reduced by state aid. State aid is set by formula.
- The balance is then raised by a tax against that town’s tax base. Tax base varies between \$529 million and \$31 million. Tax rates vary between \$9.57 per thousand and \$20.65 per thousand.

Why is Canaan impacted?

- Canaan school tax rate \$20.65 per thousand. A \$100,000 house and land pays \$2,065 in school tax.
- Canaan's school tax rate is 7th highest in the state out of 235 towns.

FAIRNESS AND IMPACT

This is School Tax FAIRNESS?

Number of Canaan Students – 480
 Number of Enfield Students – 483
ABOUT THE SAME

Canaan School Tax Rate \$20.65
Enfield School Tax Rate \$15.20
CANAAN IS 36% HIGHER IN TAX ON ANY HOUSE OF COMPARABLE VALUE IN ENFIELD.

\$200,000 House in Canaan - \$4,130
 \$200,000 House in Enfield - \$3,040

This is the impact of inequity!

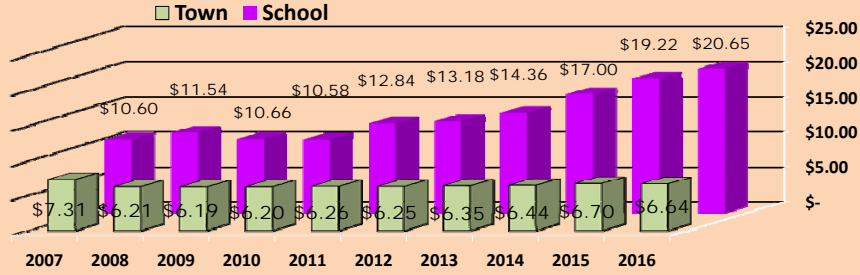
DIFFERENCE IS \$1,090 for the same house

Town of Canaan Concerns

School Tax in Canaan went up 43 over the last three years – from \$14.36 to \$20.65

9 Year Change in School tax rate is 95% increase

School tax rate change since last year is a 7.4% increase



9 Year change in Town tax rate is minus 9%

Town tax rate change since last year is a 1% decrease

School Rates Over Time

Year	Canaan	Enfield	
2007	10.60	11.76	+\$1.16
2008	11.54	11.82	+\$0.28
2009	10.66	9.98	+\$0.68
2010	10.58	10.72	+\$0.014
2011	12.84	10.64	-\$2.20
2012	13.18	10.23	-\$2.95
2013	14.36	11.20	-\$4.16
2014	17	12.75	-\$4.25
2015	19.22	14.29	-\$4.93
2016	20.65	15.20	-\$5.45

2015-2016 Cost Per Pupil State \$14,901 Mascoma \$17,888

Note that the spread grows more each year as it compounds.

Fairness

- Canaan has 480 kids – Enfield has 483 kids.
- Canaan's school tax rate is \$20.65 per thousand and Enfield's is \$15.20 per thousand – That's about 36% higher in Canaan.
- Both towns have about 41% of the students. That's fair by usage but does not consider ability to pay.
- The law only allows us to factor in tax base as an indicator of ability to pay – not income.
- Most cooperative school districts do look at tax base. We do not. We used to. In 1985, it was 80% students and 20% property tax base.
- Canaan has 31% of the total tax base. Enfield has 53% of the total tax base.

There is fairness on kids BUT no fairness on ability to pay and as a result, no fairness on equal houses in two different towns.

Why is this a Town government issue?

In every town, the tax rate is set by NH, with approval of the Selectmen, to raise taxes for the School.

Bills are sent out by the Town.

The Town gets all of the complaints.

Taxes for the School must be paid by the Town even if the Town isn't paid by the taxpayers.

Delinquencies and tax sales are the responsibility of the Town.

Canaan taxpayer complaints were extraordinary due to the third major increase in a row.

Canaan Selectmen felt compelled to at least try for tax relief.

How we know it is a problem?

IN 2016 -

- Total of 30 properties on the tax deeding list
- We took over 2 homes for taxes.
- We executed 8 mortgages and forbearance agreements.
- 4 households used welfare system to help cover taxes.
- There were 4 bank foreclosures for tax arrearages.
- 4 property owners unable to pay their taxes had to sell their properties.
- Year end tax delinquencies went up 10% in a single year.
- 2 households that face foreclosure now based on taxes without any solution.

Homes directly bailed out or seized or sold - 22

- Unprecedented complaints from taxpayers.
- Exemptions for elderly and handicapped increased from 40 families in 2013 with \$1.040 million in exemptions to 62 families with \$4.176 million in exemptions in 2016. The average exemption is \$67,355. An exemption is a non-taxable part of the property value.

Homes using exemptions - 62

Proofs

- More foreclosures
- More distress sales
- More requests for welfare
- More workouts with owners
- Much higher total town delinquencies
- More than double the amount of exemptions
- A lot of complaints

Process – When, Where & Who

- Delinquency and payment crisis came to a head with November tax bills that had an effective 12% increase.
- Meeting with School Board on November 22, 2016 – asked what happened to plan to change funding formula. Bob Cusick said it wasn't possible.
- First inter-town meeting for December 6 at Canaan Hall. All selectmen that we had contact information on were invited from Grafton, Orange, Dorchester, and Enfield. Enfield's Town Manager was invited. The School Board and the Superintendent was invited.
- December 6 meeting defined the nature of the problem, the likely results of the problem and legally potential ways to manage the problem. Initially there were two problems that included accountability to taxpayers in the town the School Board represents and the method for allocating costs. Invitees were told the meeting was open to the public and comments and questions would be taken, but the primary purpose was to have a discussion between Towns.
- The ideas of cutting the budget and defeating the budget were viewed as actions that could be harmful and were not proposed except by two members of the public.
- There was a consensus of the Selectmen to move forward exploring a new tax allocation formula.
- 65 people attended including Selectmen from Dorchester, Orange, Grafton and Canaan, several School Board members and the Superintendent. No Enfield School Board members.

Process – When, Where & Who

- Research and work was done by Canaan to explore various formula changes.
- Exploration of direct election of School Board members by the voters of the Town they live in and represent had too many problems to resolve quickly. Direct election with weighted voting would have reduced the voting power of small towns too dramatically.
- Towns met again on December 27. All of the same attendees were invited. Two towns attended. There was agreement to drop the idea of direct School Board election for the time being. Grafton wanted a 60%- students – 40% tax base formula. Canaan wanted a 70% students – 30% tax base formula. Dorchester thought that a 80% students- 20% tax base formula would fly since that's what it was in 1985 and wasn't too bad. This opinion came from the same person who submitted the review in 1985.
- It was suggested that Canaan draft the language up and circulate to all parties. The plan was to have a final meeting before January 10. The January 10 date was the deadline for filing warrant articles by petition.
- There were 16 attendees at this meeting.

Process – When, Where & Who

- There was a January 5th public meeting in Dorchester where the goals and formula proposal was reviewed. About 20 people attended the meeting. There has been much discussion about the meeting and we will get back to it.
- A District wide meeting on Sunday, January 8th in Canaan. Invitations and notices went out to all prior participants. In addition a notice went out by local email chain in Orange, Dorchester, Grafton, and Canaan. We specifically asked Steve Schneider to send it out on the Enfield list serve. It was also posted on the Mascoma Listserv. About 65 people attended. The Superintendent and at least one School Board member from Enfield was present.
- The whole plan was reviewed and the proposed warrant language and purpose was discussed. About one and a half hours of comments and questions were taken.
- Attendees were asked if they felt they could support the proposed article that they would sign the petitioned warrant article to change the tax allocation formula to 80% students – 20% tax base. The majority of attendees signed the petitions.
- The petitions were submitted to the Mascoma Valley Regional School District clerk on Tuesday, January 10.

What is the
proposal?

195:7 Costs of Capital Outlay and Operation. – ALLOCATING COSTS

I. If a cooperative school district was organized prior to July 1, 1963, during the first 5 years after the formation of a cooperative school district each preexisting district shall pay its share of all capital outlay costs and operational costs in accordance with either one of the following formulas as determined by a majority vote of the cooperative district meeting:

(a) All such costs shall be apportioned on the basis of the ratio that the equalized valuation of each preexisting district bears to that of the cooperative district; or

(b) One-half of all such costs shall be apportioned on the basis of the ratio that the equalized valuation of each preexisting district bears to that of the cooperative district and 1/2 shall be apportioned on the average daily membership for the preceding year.

(c) Some other formula offered by the cooperative school board with the board's recommendation, adopted by the cooperative school district and approved by the state board of education.

This is the law for cooperative school districts.

ALLOCATING COSTS

195:8 Reconsideration Procedure. – If the apportionment formula for a cooperative school district has been duly changed, the basis for the apportionment of all such costs may be subject to review, pursuant to an article for that purpose duly inserted in the warrant for a district meeting to be held at any time after the expiration of the 5-year period measured from the date of the meeting at which the last change was made to the cost apportionment formula. In either case, the cooperative school district may then by majority vote elect to apportion all such costs by the adoption of one of the formulas set forth in RSA 195:7, I(a), (b), or (c). Such apportionment may be reviewed in the same manner at any time in order to permit the enlargement of the territory of a school district or an increase in the number of grades for which the district shall be responsible.

This is the law for cooperative school districts.

What do other districts do?

There are 33 Cooperative Districts

- 7 use Students only
 - 2 use tax base only
 - 12 use 50-50 value and students
 - 10 use some blend of tax base and students
- Total of 24 of 33 use tax base – 73%**
- 2 other formulas

	Canaan	Dorchester	Enfield	Grafton	Orange
\$24,346,399 Total Budget \$17,891,929 To Be Raised by Taxes					
State Aid By Town	\$2,958,275	\$376,708	\$1,940,070	\$889,255	\$290,162
ADM % (Used this year)	40.82%	3.07%	41.02%	11.67%	3.42%
Equalized Valuation by Town	\$ 343,705,433	\$ 35,276,757	\$ 588,040,175	\$ 116,584,912	\$ 30,875,148
Percent for each town Based on Equal. Tot.	30.84%	3.17%	52.76%	10.46%	2.77%
Blended Rate	\$17.06	\$9.86	\$17.90	\$15.61	\$14.65
Current Rate	\$20.65	\$9.57	\$15.20	\$16.88	\$17.16
Difference between rates	(\$3.60)	\$0.30	\$2.70	(\$1.28)	(\$2.50)
Tax Difference between Current & Blend	(\$1,214,567)	\$11,455	\$1,429,854	(\$147,539)	(\$79,204)
Percentage Change	-17.40%	3.09%	17.77%	-7.56%	-14.59%

	Valuation 40%				
	ADM 60%				
\$24,346,399 Total Budget					
\$17,891,929 To Be Raised by Taxes					
	Canaan	Dorchester	Enfield	Grafton	Orange
State Aid By Town	\$2,958,275	\$376,708	\$1,940,070	\$889,255	\$290,162
ADM % (Used this year)	40.82%	3.07%	41.02%	11.67%	3.42%
Equalized Valuation by Town	\$ 343,705,433	\$ 35,276,757	\$ 588,040,175	\$ 116,584,912	\$ 30,875,148
Percent for each town Based on Equal. Tot.	30.84%	3.17%	52.76%	10.46%	2.77%
Blended Rate	\$17.78	\$9.80	\$17.36	\$15.86	\$15.15
Current Rate	\$20.65	\$9.57	\$15.20	\$16.88	\$17.16
Difference between rates	(\$2.88)	\$0.24	\$2.16	(\$1.02)	(\$2.00)
Tax Difference between Current & Blend	(\$971,654)	\$9,164	\$1,143,884	(\$118,031)	(\$63,363)
Percentage Change	-13.92%	2.47%	14.22%	-6.04%	-11.67%

	Valuation 30%				
	ADM 70%				
\$24,346,399 Total Budget					
\$17,891,929 To Be Raised by Taxes					
	Canaan	Dorchester	Enfield	Grafton	Orange
State Aid By Town	\$2,958,275	\$376,708	\$1,940,070	\$889,255	\$290,162
ADM % (Used this year)	40.82%	3.07%	41.02%	11.67%	3.42%
Equalized Valuation by Town	\$ 343,705,433	\$ 35,276,757	\$ 588,040,175	\$ 116,584,912	\$ 30,875,148
Percent for each town Based on Equal. Tot.	30.84%	3.17%	52.76%	10.46%	2.77%
Blended Rate	\$18.50	\$9.74	\$16.82	\$16.12	\$15.65
Current Rate	\$20.65	\$9.57	\$15.20	\$16.88	\$17.16
Difference between rates	(\$2.16)	\$0.18	\$1.62	(\$0.77)	(\$1.50)
Tax Difference between Current & Blend	(\$728,740)	\$6,873	\$857,913	(\$88,523)	(\$47,522)
Percentage Change	-10.44%	1.85%	10.66%	-4.53%	-8.76%

	Valuation 20%				
	ADM 80%				
\$24,346,399 Total Budget					
\$17,891,929 To Be Raised by Taxes					
	Canaan	Dorchester	Enfield	Grafton	Orange
State Aid By Town	\$2,958,275	\$376,708	\$1,940,070	\$889,255	\$290,162
ADM % (Used this year)	40.82%	3.07%	41.02%	11.67%	3.42%
Equalized Valuation by Town	\$ 343,705,433	\$ 35,276,757	\$ 588,040,175	\$ 116,584,912	\$ 30,875,148
Percent for each town Based on Equal. Tot.	30.84%	3.17%	52.76%	10.46%	2.77%
Blended Rate	\$19.22	\$9.68	\$16.28	\$16.37	\$16.15
Current Rate	\$20.65	\$9.57	\$15.20	\$16.88	\$17.16
Difference between rates	(\$1.44)	\$0.12	\$1.08	(\$0.51)	(\$1.00)
Tax Difference between Current & Blend	(\$485,827)	\$4,582	\$571,942	(\$59,016)	(\$31,682)
Percentage Change	-6.96%	1.24%	7.11%	-3.02%	-5.84%

Petitioned Warrant Article for the 2017 Mascoma Valley Regional School District Annual Meeting

To see if the voters of the Mascoma Valley Regional School District will vote to change the formula for apportionment of District expenses, including capital outlay costs and operational costs, from 100% based on average daily membership of the pupils in public schools residing in each pre-existing district of the District during the second preceding fiscal year as determined by the State Department of Revenue Administration to:

“The expenses of the Mascoma Valley Regional School District less non local property tax income that are payable in each fiscal year shall be apportioned as follows:

a) **Eighty percent (80%) apportioned on the average daily membership (ADM) of the pupils in public schools residing in each pre-existing district of the Regional School District during the second preceding fiscal year as determined by the State Department of Revenue Administration from records provided by the State Department of Education, and**

b) **Twenty percent (20%) apportioned on the ratio that the Equalized Valuation of each preexisting district bears to the Total Equalized Value of the entire Regional School District as determined by the most recent figures available from the State Department of Revenue Administration, all to take effect as of July 1, 2017, subject to NH Board of Education approval.”** State aid attributed to individual towns would still be deducted after the apportionment. Pursuant to RSAs 197:6, 195:1, 195:7, and 195:8. By petition.

Facts versus Fictions

What's the funding difference between a single town school district and a five town school district

Imagine that the 5 "villages" of Mascoma were part of a single Town called Mascoma. This past fall, Mascoma School District needed to raise \$17 million dollars in taxes. So if it were a single Town, the tax rate for the whole Town would be based on the whole town's tax base.

The tax base for the mythical Town of Mascoma is \$1,114,685,073. That's one billion, one hundred fourteen million, six hundred eighty five thousand, seventy three dollars in words.

What's the funding difference in a single town school district

Next you would take that billion plus dollars and divide it by 1,000 so that the ultimate tax rate is a rate per thousand. That makes the tax base number of \$1,114,685 thousands.

Finally, you would divide the needed taxes, \$17,891,929, by the number above and you get a tax rate of \$16.05. That rate would be applied equally for every building and parcel throughout the Town of Mascoma.

But we don't have a Town called Mascoma. We have 5 towns with different tax bases and different student populations.

Tax Allocation Between Towns

Today, the taxes to be raised are allocated purely by students from a given Town, but then the allocation results in a different tax rate between towns, even for the same number of students based purely on the tax base of that community.

There is a wide range of tax base.

Tax burdens vary depending on individual town valuations

2016

	Total Tax Base	Students	Tax Base Per Pupil
Canaan	\$ 337,820,177	480.84	\$702,563
Dorchester	\$ 38,787,028	36.18	\$1,072,057
Enfield	\$ 529,481,096	483.2	\$1,095,780
Grafton	\$ 115,669,535	137.51	\$841,172
Orange	\$ 31,634,106	40.3	\$784,965

Same District Budget. Same cost per pupil. Not the same tax rate. Not the same tax raised on a \$100,000 house. From the 7th highest to the 172nd highest in the state – Enfield and Dorchester have between 25% and 33% more spending power than the other three towns.

School Tax Rate Comparison 5 Mascoma Towns

The state reports 235 different school tax rates. The highest school tax rate in New Hampshire in 2016 was \$23.59.

Canaan is 7th highest at \$20.65
 Orange is 31st highest at \$17.16 - \$3.49 less
 Grafton is 38th highest at \$16.88 - \$3.77 less
 Enfield is 73rd highest at \$15.20 - \$5.45 less and
 Dorchester is 172nd highest at \$9.57 - \$11.08 less

Fairness Summary

Every child costs the same – sounds fair - \$16.05 a thousand if the District is treated as a single town

5 separate tax bases that don't correlate to students equals Canaan's rate of \$20.65 with 41% of the kids versus Enfield's rate of \$15.20 for 41 % of the students – that doesn't sound fair. That's what we have now.

80%/20% formula would yield a Canaan rate of \$19.22 with 40% of students and an Enfield rate of \$16.28 for 40% of students – still not fair but closer to fair.

CURRENT RATE

\$100,000 House

	School Tax	Total Tax
Canaan	\$2,065	\$3,147
Dorchester	\$957	\$2,196
Enfield	\$1,520	\$2,654
Grafton	\$1,618	\$2,614
Orange	\$1,716	\$2,475

CURRENT RATE**\$400,000 House**

	School Tax	Total Tax
Canaan	\$8,260	\$12,588
Dorchester	\$3,828	\$8,784
Enfield	\$6,080	\$10,616
Grafton	\$6,472	\$10,456
Orange	\$6,864	\$9,900

PROPOSED FORMULA**\$100,000 House**

	School Tax	Total Tax
Canaan	\$1,922	\$3,030
Dorchester	\$968	\$2,208
Enfield	\$1,628	\$2,762
Grafton	\$1,637	\$2,563
Orange	\$1,613	\$2,375

PROPOSED FORMULA

\$400,000 House

	School Tax	Total Tax
Canaan	\$7,688	\$12,120
Dorchester	\$3,872	\$8,832
Enfield	\$6,512	\$11,048
Grafton	\$6,548	\$10,252
Orange	\$6,452	\$9,500

Enfield Flyer 1-27-17

Hey Enfield, did you know...

- Enfield is *already* a donor town when it comes to School Aid from taxes?
- A small group from the Town of Canaan is proposing a new school tax formula that will greatly impact your property tax bill!

ENFIELD'S TAX BURDEN IS \$16,658 PER STUDENT	CANAAN'S TAX BURDEN IS \$14,540 PER STUDENT	CANAAN WANTS TO INCREASE ENFIELD'S TAX BURDEN TO 24% OR \$17,835 PER STUDENT*
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*Enfield already pays more than Canaan.

IF PASSED, ENFIELD'S TAX BURDEN WILL INCREASE TO \$17,835. THIS NEW FORMULA WILL ADD AN ADDITIONAL \$216 OF PROPERTY TAX ON THE AVERAGE \$200,000 HOME.

DONT LET THIS...			BECOME THIS!		
2015-2016	TAXES	PMT PER STUDENT	PROPOSED	TAXES	PMT PER STUDENT
ENFIELD	\$8,046,239	\$16,658	ENFIELD	\$8,617,713	\$17,835
CANAAN	\$6,979,268	\$14,540	CANAAN	\$6,493,509	\$13,505
DORCHESTER	\$371,019	\$10,255	DORCHESTER	\$375,622	\$10,382
GRAFTON	\$1,952,676	\$14,200	GRAFTON	\$1,893,568	\$13,770
ORANGE	\$542,728	\$13,467	ORANGE	\$511,518	\$12,693

DELIBERATIVE SESSION SATURDAY, FEBRUARY 4TH, 9 A.M. AT INDIAN RIVER SCHOOL.

Coffee & Refreshments Provided & Child Care Provided Courtesy of The National Honor Society.

Attend to prevent a select group, including the Canaan Town Administrator and the Canaan Selectmen, from modifying the way taxes are apportioned with the intention of increasing Enfield's taxes.

Support putting the budget, as carefully crafted by the School Budget Committee and School Board, on the ballot as is to allow voters to choose based on facts rather than a random number.

The proposed 2017-2018 school budget was approved by ALL 7 Budget Committee Members including 3 members from Canaan.

VOTING: TUESDAY, MARCH 14TH, 8 A.M. TO 7 P.M., WHITNEY HALL, MAIN STREET, ENFIELD

Paid for by Concerned Enfield Residents



PRESORTED STANDARD
U.S. POSTAGE PAID
LANCASTER, PA
PERMIT 888
*****ECRWSSDDM****
Local
Postal Customer

Fact Check

- The donor town comment is based on state aid. Please see next slide for state aid.
- The claim is that tax burden would go up 24% per student. Yes it would BUT the tax burden on the entire Enfield tax base would go up 7.1% or \$1.08 per thousand. The flyer agrees with this \$1.08 increase in our sheets. It would be \$216 on a \$200,000 house.
- Canaan currently has a tax burden (tax rate) that is \$5.45 higher than Enfield for roughly the same students (480 vs. 483). Currently the Canaan increase cost over Enfield is \$1,190 on a Canaan \$200,000 house.
- The proposed \$1.08 increase for Enfield still leaves us with a tax rate that is \$2.94 higher than Enfield.
- Even with the 80%-20% proposed change, the Canaan \$200,000 house will have a school tax that is \$588 higher than the Enfield house.
- Tax burden is calculated on the tax base, not the cost per student. Using the statistic of “cost per student” just creates bigger and scarier numbers that have no relationship to the tax base.

\$1 Million More State Aid for Canaan over Enfield is unfair!

The State Aid formula is supposed to offset need and does so to some extent, but still leaves a \$5.45 difference in tax rate. If it is taken from Canaan and reapplied, it would create a \$7.99 difference. A difference that is 39% higher for Canaan and 5% less for Enfield. It would put Canaan's rate 3rd highest in the state.

State Aid reduced by \$1 million on Canaan and reallocated to all 5 equally

	Canaan	Dorchester	Enfield	Grafton	Orange
State Aid By Town	\$2,366,448	\$407,420	\$2,350,246	\$1,005,984	\$324,370
ADM % (Used this year)	40.82%	3.07%	41.02%	11.67%	3.42%
New Rate	\$22.41	\$8.77	\$14.42	\$15.87	\$16.08
Current Rate	\$20.65	\$9.57	\$15.20	\$16.88	\$17.16
Difference between rates	\$1.76	(\$0.80)	(\$0.78)	(\$1.01)	(\$1.08)

Claim of Bribery?

This is the summary of a meeting between Canaan's Town Administrator and voters in Dorchester on January 5.

What was discussed in Dorchester was the impact of a proposed article to change the school tax allocation formula.

If the article passes, there will be an impact of \$4,600. Dorchester's Town tax rate is currently \$8.62, the highest of any Town in Mascoma. We offered to cushion the impact by reducing our fire charge. That benefit would apply to all Dorchester taxpayers equally, whether they voted for or against the proposed funding formula. It takes into consideration that Dorchester with few town services has the highest town tax in Mascoma Valley.

It was not a person to person offer to buy a vote. It was a policy decision based on mutual need of two towns. It was also our understanding that our acts had impacts and we needed Dorchester's support.

We are asking four towns for help us because our rate is so much higher. Dorchester is asking for help because of an unfair tax rate. We agreed to help Dorchester. We hope that Enfield will be as understanding.

The following is the Valley News story where Enfield accused Samson of bribery. Following that is a statement of the law and how lawyers viewed the conversation.

Valley News 1-26-17

Enfield Officials Say Canaan's Offer to Dorchester Is 'Bribery'

"This behavior deeply concerns us; we must question the legality of such tactics by a public official who is operating in an official capacity on behalf of a town," the (Enfield Board of Selectmen) statement said, referring to Samson. "Essentially offering bribes to another community in exchange for an affirmative vote is morally and ethically questionable."

Samson dismissed accusations of bribery, saying the deal passed a preliminary review by Canaan's town attorney. "The difference is whether a promise is made to a particular person," Samson said, adding intermunicipal agreements don't qualify as bribery.

In Dorchester, attorneys also signed off on the deal, Selectboard Chairman Steve Bjerklie said on Wednesday. However, the New Hampshire Municipal Association recommended attorneys take a close look at the wording in a finalized agreement, he said.

"Dorchester's town attorney said that it was not a bribe and it was only incumbent on the Dorchester Selectboard to make clear the details of the offer prior to the election," Bjerklie said. "At this point, right now, today, the Dorchester Selectboard has not made a recommendation on Article 9 one way or another."

Regardless of the legality of the offer, the possible deal and warrant article are dividing towns normally known for collaboration, said Kluge, the Enfield Selectboard chairman.

"(Residents) are upset about it and it concerns me because we don't want a situation where it becomes this divisive between the towns," (Kluge) said.

Mike Samson
 Sent: Wednesday 1/25/2017 1:35 PM
 To: 'Steve Bjerklie'

This is what has been signed. If there are reasonable suggested changes I am sure the Board would be accommodating. Our attorney indicated that they can find nothing in statute law or case law that prohibits this unilateral assistance from Canaan. We have directed them to keep checking if further allegations are made.
 Mike

From: Steve Bjerklie [mailto:stevebjerklie@yahoo.com]
 Sent: Wednesday, January 25, 2017 10:35 AM
 To: Mike Samson
 Subject: Re: Needs for tomorrow night's meeting?

Hi, Mike,
 Dorchester's Town Attorney told me she didn't consider the offer a bribe for votes, but that the Select Board has a legal obligation to present the offer in full to Dorchester's voters for review prior to the election. (We'll make sure it is.) I also checked with the New Hampshire Municipal Association's legal department, and their opinion, essentially, was: Canaan should run this by their own Town Attorney.
 At the moment I have your draft offer, but not a final version. As you know, the devil can be in the details. Do you have a final offer prepared? I think this may come up for discussion at tomorrow night's Dorchester Select Board meeting.
 Thanks!
 Best regards,
 /Steve

"Gifts of money or other items of value which are otherwise available to everyone on an equivalent basis, and not for dishonest purposes, is not bribery."
 Wikipedia

Prosecutor, when asked to prosecute on 1/30/2017, declined to do so. There is no crime.

Dorchester

Town Govt. Tax Rate is \$8.62 with limited services

Dorchester Town Budget is about \$512,000/yr

\$4,600 is about 1% of the Dorchester Budget

\$4,600 is 1/10 of 1% of Canaan's

We are trying to help Dorchester.

The Town of Canaan provides fire service to half of Dorchester.

The Town bills Dorchester \$7,672 for fire service. Of this amount, \$2,660 is administrative overhead.

The proposed funding formula for the school tax based on 80% ADM and 20% relative tax base, would impact the Town of Dorchester by \$4,603.

The proposed funding formula would positively impact Canaan by \$485,759. It would also positively impact Orange by \$31,211 and Grafton by \$59,108.

The passage of the proposed warrant article to change the formula will most likely be determined by fewer than 200 votes.

In 2016, Dorchester voted against the proposed school budget with a vote of 95 against and 45 in favor of the budget.

To pass the funding formula, it will require that Dorchester make a sacrifice against their interest in the amount of \$4,603 and cast at least 100 votes in favor of the article.

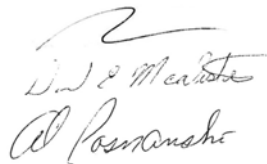
Canaan appreciates the willingness of a neighboring town to support Canaan when it is in need.

In the event that the funding article passes and Dorchester's support of the article played a role by being in favor of the article, Canaan wants to return support to the taxpayers in Dorchester.

Canaan will reduce the fire service fee by \$4,603 a year for the five years that the new formula will unquestionably be in effect, recognizing that the formula may change back in the sixth year.

Canaan appreciates Dorchester's support and acknowledges that Canaan needs that support and the support is not in Dorchester's financial interest.

Canaan pledges to work with Dorchester when Dorchester is in need in the future as we do now with ambulance and fire coverage.



Claim - Canaan has just as much income as Enfield or more

This is a battle of Average vs. Median and family versus individual and retired versus working every day.

Taxes are on property, most of which is occupied by families and paid for by families directly or in rent.

CANAAN			ENFIELD			GRAFTON			ORANGE			DORCHESTER		
Canaan – 106 households over \$150,000			Enfield – 457 households over \$150,000											
Total households	1,583	1,583	Total households	2,011	2,011	Total households	535	535	Total households	121	121	Total households	133	133
Less than \$10,000	50	3.20%	Less than \$10,000	59	2.90%	Less than \$10,000	42	7.90%	Less than \$10,000	4	3.30%	Less than \$10,000	4	3.00%
\$10,000 to \$14,999	74	4.70%	\$10,000 to \$14,999	12	0.6%	\$10,000 to \$14,999	36	6.70%	\$10,000 to \$14,999	4	3.30%	\$10,000 to \$14,999	4	3.00%
\$15,000 to \$24,999	177	11.20%	\$15,000 to \$24,999	70	3.50%	\$15,000 to \$24,999	50	9.30%	\$15,000 to \$24,999	7	5.80%	\$15,000 to \$24,999	11	8.30%
\$25,000 to \$34,999	143	9.00%	\$25,000 to \$34,999	239	11.90%	\$25,000 to \$34,999	59	11.00%	\$25,000 to \$34,999	11	9.10%	\$25,000 to \$34,999	25	18.80%
\$35,000 to \$49,999	213	13.50%	\$35,000 to \$49,999	256	12.70%	\$35,000 to \$49,999	84	15.70%	\$35,000 to \$49,999	19	15.70%	\$35,000 to \$49,999	21	15.80%
\$50,000 to \$74,999	339	21.40%	\$50,000 to \$74,999	269	13.40%	\$50,000 to \$74,999	114	21.30%	\$50,000 to \$74,999	26	21.50%	\$50,000 to \$74,999	30	22.60%
\$75,000 to \$99,999	268	16.90%	\$75,000 to \$99,999	381	18.90%	\$75,000 to \$99,999	76	14.20%	\$75,000 to \$99,999	25	20.70%	\$75,000 to \$99,999	17	12.80%
\$100,000 to \$149,999	213	13.50%	\$100,000 to \$149,999	268	13.30%	\$100,000 to \$149,999	55	10.30%	\$100,000 to \$149,999	13	10.70%	\$100,000 to \$149,999	11	8.30%
\$150,000 to \$199,999	61	3.90%	\$150,000 to \$199,999	226	11.20%	\$150,000 to \$199,999	11	2.10%	\$150,000 to \$199,999	6	5.00%	\$150,000 to \$199,999	7	5.30%
\$200,000 or more	45	2.80%	\$200,000 or more	231	11.50%	\$200,000 or more	8	1.50%	\$200,000 or more	6	5.00%	\$200,000 or more	3	2.30%
Median household income (dollars)	59,719	(X)	Median household income (dollars)	78,713	(X)	Median household income (dollars)	48,750	(X)	Median household income (dollars)	65,313	(X)	Median household income (dollars)	51,875	(X)
Mean household income (dollars)	69,819	(X)	Mean household income (dollars)	104,323	(X)	Mean household income (dollars)	63,693	(X)	Mean household income (dollars)	74,357	(X)	Mean household income (dollars)	87,793	(X)
Canaan – 301 households under \$25,000			Enfield – 141 households under \$25,000											

Income Summary Enfield - Canaan

<u>Canaan</u>	<u>Enfield</u>
Total Households	
1,583	2,011
Households with income less than \$25,000	
301	141
Households with income greater than \$150,000	
106	457
Average Household Income	
\$69,819	\$104,323

How did Monadnock do it?

Moderator Hutwelker read ARTICLE SEVEN: To see if the Monadnock Regional School District will vote to change the formula for apportionment of operational costs from 50% based on equalized valuation and 50% based on average daily membership to 25% based on equalized valuation and 75% based on average daily membership as of July 1st 2013 with no change being made in the present formula for apportioning capital expenses. RSAs 197:6, 195:13, 195:8. By petition. The School Board has taken no position on this article. The Budget Committee has taken no position on this article. **MOTION:** R. Thackston **MOVED** Article Seven to be placed on the ballot as presented. **SECOND:** P. Peterson. **DISCUSSION:** **MOTION:** J. Fortson **MOVED** to amend Article Seven to include the following at the end of the Article: "subject to NH Board of Education approval" **SECOND:** R. Thackston. **DISCUSSION on the amendment:** Carol from Fitzwilliam asked what is the purpose of the amendment. J. Fortson explained the NH Board of Education has to approve this article and they have asked for this addition. J. Carnie would urge the body to oppose the amendment. This article was not purposed by the School Board. It is a petitioned article. Moderator Hutwelker informed the body that a petitioned article can be changed. R. Thackston would oppose the amendment because without it, it is more likely to be legal. J. Carnie commented it is a statutory request. The article does not meet the requirement under the RSA. J. Fortson explained she made the motion to amend as a request from the State Board of Education. K. Cota asked if there would be an attorney present to answer any questions. There is not an attorney present. R. Thackston and J. Carnie agree there will be fewer problems without the amendment. Barbara of Roxbury read information she had given out on the pink sheet. She is in favor of Article Seven. **MOTION:** E. Jacod **MOVED** to close debate on the amendment. **SECOND:** Mr. Bittle. **VOTE:** Voice vote yes. **Motion passes.** **VOTE on amendment:** Voice vote no. **Motion fails.** **MOTION:** M. Blair **MOVED** to close debate on Article Seven. **SECOND:** R. Thackston **VOTE:** Voice vote yes. **Motion passes.**

Moderator Hutwelker conducted the paper ballot vote. He will continue to discuss the other warrant articles while he waits for the results.

MOVED to close debate on Article Ten. **SECOND:** M. Blair. **VOTE:** Voice vote yes. **Motion passes. VOTE on Article Ten:** Voice vote yes. **Motion passes. MOTION:** Skip **MOVED** to restrict reconsideration of Article Ten. **SECOND:** E. Jacod. **VOTE:** Voice vote yes. **Motion passes.**

VOTE on Article Seven: Ballot Vote: Yes-99 and No-9. Motion passes. MOTION: Man in audience **MOVED** to restrict reconsideration of Article Seven. **SECOND:** E. Jacod. **VOTE:** Voice vote yes. **Motion passes.**

By the Monadnock Regional School Board: Given under our hands and seal this 9th day of February, 2013, Monadnock Regional School Board:

MOTION: M. Blair **MOVED** to recess the meeting until the vote on March 12, 2013. **SECOND:** R. Thackston. **VOTE:** Voice vote yes. **Motion passes.**

Respectfully submitted,

Laura L. Aivaliotis
MRSD Recording Secretary

**There are 2 laws – one is used the first time a formula is adopted and one used every time it is changed.
The allowable formulas are the same in each.
The process is not the same.**

195:7 Costs of Capital Outlay and Operation. – **ALLOCATING COSTS**

I. If a cooperative school district was organized prior to July 1, 1963, during the first 5 years after the formation of a cooperative school district each preexisting district shall pay its share of all capital outlay costs and operational costs in accordance with either one of the following formulas as determined by a majority vote of the cooperative district meeting:

- (a) All such costs shall be apportioned on the basis of the ratio that the equalized valuation of each preexisting district bears to that of the cooperative district; or
- (b) One-half of all such costs shall be apportioned on the basis of the ratio that the equalized valuation of each preexisting district bears to that of the cooperative district and 1/2 shall be apportioned on the average daily membership for the preceding year.
- (c) Some other formula offered by the cooperative school board with the board's recommendation, adopted by the cooperative school district and approved by the state board of education.

This is the law for cooperative school districts.

ALLOCATING COSTS

195:8 Reconsideration Procedure. – If the apportionment formula for a cooperative school district has been duly changed, the basis for the apportionment of all such costs may be subject to review, pursuant to an **article for that purpose duly inserted in the warrant for a district meeting to be held at any time after the expiration of the 5-year period measured from the date of the meeting at which the last change was made to the cost apportionment formula. In either case, the cooperative school district may then by majority vote elect to apportion all such costs by the adoption of one of the formulas set forth in RSA 195:7, l(a), (b), or (c).** Such apportionment may be reviewed in the same manner at any time in order to permit the enlargement of the territory of a school district or an increase in the number of grades for which the district shall be responsible.

This is the law for cooperative school districts.

One way to avoid disagreement, we could change the formula to 50% - 50% by petition. This would impact Enfield by 17% not 7%.

Judge dismisses Troy lawsuit against Monadnock Regional School District

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Posted: Saturday, April 5, 2014 8:00 am

By Meghan Foley Sentinel Staff

A Cheshire County Superior Court judge has dismissed a lawsuit from the town of Troy seeking to overturn the funding formula used by communities to determine how much they owe the Monadnock Regional School District.

Judge John C. Kiseinger Jr. issued an order Wednesday granting a motion to dismiss the case. The motion was filed by the Monadnock district and the town of Roxbury, which was an intervenor in the case on the side of the school district.

NAME OF COOPERATIVE	PRE-EXISTING DISTRICTS		
LAFAYETTE REGIONAL (K-6) 1970 SAU 35	Easton	Franconia	Sugar Hill
MONADNOCK REGIONAL (K-12) 1962 SAU 38	Fitzwilliam Roxbury	Gilsum Swanzey	Richmond Troy

Formula: Operating expenses 75% on ADM - 25% on equalized valuation - Capital expenses 100% on equalized valuation. Adequacy Aid and special receipts (dam & trust funds) credit to pre-existing districts. . (Change to formula eff. 7/1/2013)

Increase economic development and tax base in Canaan

- To equal Enfield, Canaan would have to increase its tax base by \$190,000,000.
- That would be 171 Competition Complexes or 85 Barker Steels
- It would be 259 years of housing growth based on 2015 growth numbers
- This is not possible in less than 20 years
- If we increased by 4 Barkers, 4 Competition Complexes and double the annual housing growth it would increase the tax base by \$8 million or \$160,000,000 in 20 years.

FAIRNESS AND IMPACT SUMMARY

This is School Tax FAIRNESS?

Number of Canaan Students – 480
 Number of Enfield Students – 483
 ABOUT THE SAME - 41% EACH

Canaan School Tax Rate \$20.65
Enfield School Tax Rate \$15.20

CANAAN IS 36% HIGHER ON HOUSE OF COMPARABLE VALUE IN ENFIELD.

This is the impact of inequity!

200,000 House in Canaan - \$4,130
 \$200,000 House in Enfield - \$3,040
 Difference Canaan is \$1,090 higher

Change in rates based on proposed change in formula

Canaan \$19.22 per thousand \$200,000 House in Canaan - \$3,844
Enfield \$16.28 per thousand \$200,000 House in Enfield - \$3,256
 Difference is Canaan is still \$588 higher than Enfield

What is the changed impact?

DIFFERENCE IS STILL \$588 higher for the same house

Canaan is still higher than Enfield. but at least there is some relief.

It's a compromise. Still paying more than Enfield of a house of the same value.

The Future

- We all want quality education
- We all know that cutting budgets does not help education
- We all have to follow the law
- Can we have some change to improve fairness?
- Will the only alternative be negative voting and more fighting and insults?
- Does anyone have a better idea?
- Will Canaan be forced to accept higher and higher rates based on unequal tax base?
- Ignoring the problem or firing the Town Administrator will not make the problem go away.

Truth

No demand to make \$2 million dollar cuts.

No suggestion to fire 24 teachers.

No demand or desire to cut sports or special ed. or activities or enrichment or alternative programs.

No desire for half day school sessions.

This is a compromise effort to change the funding formula.

No bribe. No town move to fire the Superintendent.

Please stop the personal attacks.