



**Newmarket School Board
Newmarket Town Council**



Independent Consultancy

**NEWMARKET JR/SR HIGH SCHOOL
FACILITIES**

FINAL REPORT

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Table of Contents

INTRODUCTION.....	4
Background.....	4
Fundamental Questions.....	4
The Final Report.....	5
SECTION I: Educational Quality.....	6
Definition.....	6
Input (Resource) Indicators.....	6
Table I: Comparison of Course Offerings.....	6
Table II: Graduation Requirements.....	7
Table III: Student-Teacher Ratio—2012-13.....	8
Table IV: Average Teacher Salary 2013-14.....	8
Table V: Cost per Pupil 2013-14.....	8
Output (Results) Indicators.....	9
Table VI: NECAP Cut Scores* for Performance Levels Fall 2013.....	9
Table VII: NECAP Results for Selected School Districts Fall 2013 Proficient & Proficient with Distinction (Prof +).....	10
Table VIII: NECAP Results, Mean Scaled Scores, for Selected School Districts* Fall 2013.....	10
Table IX: Graduation and Dropout rates for the Class of 2013.....	10
Table X: Post-Secondary Plans for High School Graduates 2012-13.....	11
Conclusions.....	11
SECTION II: Demographic and Economic Challenges.....	12
Background.....	12
Population Changes.....	12
Table XI: New Hampshire Enrollments in 2001-02 and 2013-14.....	13
Table XII: Newmarket Enrollments in 2001-02 and 2013-14.....	13
Table XIII: Newmarket Enrollments 2001 through 2014-15.....	14
Table XIV: Grade 1-12 Newmarket Enrollment Projections 2014-15 to 2024-25.....	14
Economic Challenges.....	15
Spending and Tax Rates in Newmarket.....	16
Table XV: Five-Year Changes in Newmarket General Fund and Warrant Articles.....	16

Chart I: Tax Rate History.....	17
Conclusions.....	17
SECTION III: Tuition Option.....	19
What would tuition cost?.....	20
Table XVI: Tuition costs for Newmarket Students to Dover - An Illustration	20
Table XVII: Newmarket Staff Reductions for Tuition.....	21
Governance and Controls in a Tuition Agreement.....	23
Advantages of the Tuition Option.....	24
Disadvantages of the Tuition Option.....	24
SECTION IV: Addition/Renovation Option.....	25
Bonding Limitations.....	25
Standards for Size of Newmarket Jr/Sr High School.....	25
Student Enrollment.....	26
Cost Considerations.....	27
Feasibility of an Addition/Renovation Project for Newmarket.....	27
Advantages of the Addition/Renovation Option:.....	29
Disadvantages of the Addition/Renovation Option:.....	29
SECTION V: New Facility Option.....	30
Advantages and Disadvantages of a New Facility Option.....	31
SECTION VI: Upgrades and additions to Newmarket Elementary School.....	32
SECTION VII: Cost Analysis.....	33
Table VIII: Cost Impact of Facility Options.....	33
Table XIX: Cost Impact of Including Elementary Option.....	34
Conclusions.....	34
SECTION VIII: Qualitative Data: Stakeholder Perspective.....	36
Overview of Focus Group and Public Forum Data.....	37
Stakeholder Summary.....	38
SUMMARY AND NEXT STEPS.....	39
Recommended Next Steps for the School Board, Town Council and Community to Consider.....	40
GLOSSARY.....	42
NECAP Definitions.....	42
ATTACHMENTS.....	43

INTRODUCTION

Background

In March of 2014, the residents of Newmarket NH had the opportunity to vote on a bond issue for a new Junior/Senior High School. The community was evenly, but deeply, divided over the proposed facility. Following the vote, the chairpersons of the School Board and Town Council requested assistance from independent consultants with the intent “to conduct a review and examination of existing data that has been collected regarding the facility at Newmarket Junior/Senior High School; to review the various options that exist to resolve facilities issues; and to provide guidance and recommended next steps.” The options under consideration include:

- 1) Tuition Newmarket Senior High School students to another school district
- 2) Addition/renovation of the existing facility
- 3) Construction of a new facility

A Joint Advisory Committee (JAC) was formed to work in collaboration with the consultant team in order to guide the project activities, to provide advice on consultancy activities and to augment the work being conducted. The committee is composed of the Chair and Vice-Chairs of the School Board and Town Council, three Newmarket citizens, and Newmarket’s Building Code Officer

The consultants were charged by the School Board, the Town Council and the Advisory Committee to engage in a transparent, public, and objective review of each of the facility options. As a result, Joint Advisory Committee meetings have been held in public session and are televised; a website was established where meeting announcements, agendas and minutes are posted; and all materials presented to the Joint Advisory Committee have been made available to the citizens of Newmarket.

Fundamental Questions

The fundamental questions for each of the primary facility options are:

- 1) **Tuition:** Are there school districts within a reasonable distance from the town of Newmarket with the capacity and potential interest to engage in a long-term tuition contract with Newmarket?
- 2) **Addition/Renovation:** Is the current facility capable of sustaining renovations and additions that could modernize the facility?
- 3) **Construction:** Can a smaller, trimmer new facility than those previously proposed meet Newmarket’s needs?

Throughout the examination of these options, a “NO” answer to any of these questions would automatically eliminate that particular option from consideration for recommendation. Based upon the initial investigation, each option appeared to be a viable solution; consequently further inquiry and analysis was needed.

In addition to the original charge to the Consultants, three additional related areas to study were established in Joint Advisory Committee meetings:

- 1) Factors contributing to quality education
- 2) Demographic and economic conditions facing the community
- 3) Including the facility needs of the Elementary School

The Final Report

The project was divided into two main segments: (1) a gathering and research of information for the completion of a Data Report; and (2) a series of public input sessions, including focus groups and at least one public forum, which would use the Data Report as a basis for feedback. This Final Report integrates the results of both segments of the project.

The Report is organized in the following format:

- Introduction
- Defining Educational Quality
 - a. Definition
 - b. Input (Resource) Indicators
 - c. Output (Results) Indicators
- Demographics and Economic Factors
- Facility Options
 - a. Tuition
 - b. Addition/Renovation
 - c. New Facility
 - d. Elementary School Upgrades/Additions
- Cost Analysis of Facility Options
- Summary of Focus Groups and Public Forum
- Conclusion and Recommendations for Next Steps

Each facility option review includes an analysis of costs as well as a list of the potential advantages and disadvantages. The discussion of advantages and disadvantages is designed to inform public conversations and is not intended as bias favoring one option or the other. The goal is to provide the basis upon which citizens of Newmarket can make informed decisions driven by what the community values most.

SECTION I: Educational Quality

Definition

One of the charges of the Joint Advisory and the consultants was to develop a working definition of a quality educational system and establish some measures to use in assessing quality.

The working definition of educational quality adopted by the Committee is:

“A system that provides students with the essential knowledge and skills necessary to function positively and productively in a democratic society and to meet the challenges of an ever-changing world. This includes helping students obtain skills in critical thinking and reasoning, communication and social interaction, and problem solving in order to achieve their individual potential and to become lifelong learners.”

Input (Resource) Indicators

A high quality educational system has a breadth and depth in the curricular opportunities it offers to students; it has high expectations of its faculty and its students; it focuses on personalization, small class sizes, and faculty/student interaction; and it focuses upon recruiting and keeping talented and dedicated faculty.

As a result of participating in a high quality educational system, students should demonstrate substantial achievement levels and should also have a variety of choices available to them upon graduation.

The following factors are selected as indicators of a quality educational system.

These factors are called “indicators” intentionally. Each of them point to qualities that are important for schools and students. They are, by definition, imperfect, but have two great strengths. First, they should lead to substantive conversations and thorough analysis. Second, taken as a whole, they can provide a useful profile or framework for a school or a district. They are meant to be a beginning point for discussion and analysis and not as an end point.

INPUT (RESOURCE) INDICATORS

1) **Course offerings** (see Table I below) indicate the breadth and depth of curriculum opportunities available to students.

Table I: Comparison of Course Offerings

NEWMARKET	DOVER	EPPING
<u>Program of Studies</u> 93 Courses 5 Advance Placement Courses	<u>Program of Studies</u> 180 Courses 10 Advanced Placement Courses	<u>Program of Studies</u> 91 Courses 6 Advanced Placement Courses
<u>VLACS (online)*</u> 84 Courses	<u>VLACS (online)*</u> 84 Courses	<u>VLACS (online)*</u> 84 Courses
<u>SST**</u> 30 Courses	<u>Dover CTE***</u> 70 Courses	<u>SST**</u> 30 Courses
<u>Virtual HS (online)****</u> 184 Courses		

Source: Information provided by Newmarket, Dover and Epping School Districts

* **VLACS** refers to the Virtual Learning Academy Charter School, located in Exeter. It is a publicly funded Charter School offering online courses to all public school students in NH. There are students in almost all NH High Schools who take courses through VLACS. Students can attend these classes from their home, in their school setting or any location..

****SST** refers to the Seacoast School of Technology, located in Exeter, which is part of the system of Career and Technical Education Centers (CTE) in NH. There are 20 “regions” in NH that provide a range of courses in these Centers. They primarily offer specialized two-year courses for juniors and seniors. Students take a course for a double period at the Center and take the rest of their courses at their home schools.

***Dover operates its own Career and Technical Education Center.

******Virtual High School (VHS)** are online courses that the home school may not offer in a traditional classroom setting. A school must have a certified VHS teacher on staff in order for students in that school to take VHS courses. Students enrolled in the online class “attend” the class from within their public school. Newmarket is currently the only high school in the region to offer this program.

2) **Graduation requirements** (see Table II below) are an indicator of expectations for students.

Table II: Graduation Requirements

NEWMARKET	DOVER	EPPING
28.5 Credits	26 Credits	22.5 Credits
Major Academic Credits English 4.5 Math 4 Science 3 Social Studies 3	Major Academic Credits English 4 Math 4 Science 3 Social Studies 2.5	Major Academic Credits English 4 Math 3 Science 3 Social Studies 3
Others: Art, Technology, PE, Health 3	Others: Art, Technology, PE, Health 3	Others: Art, Technology, PE, Health 3
Electives 11	Electives 9.5	Electives 7

	Distinction Diploma: 28 Credits	Honors Diploma: 25 Credits
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Source: Information provided by Newmarket, Dover and Epping School Districts

The State of New Hampshire requires 20 credits for graduation:

- English 4 credits
- Math 3 credits including Algebra
- Science 2 credits including physical and biological sciences
 - Social Studies 2 ½ credits including US history, civics, world history, & geography
- Health ½ credit
- Art ½ credit
- Technology ½ credit
- Phys. Ed. 1 credit
- Electives 6 credits

3) **Pupil Teacher ratio** (see Table III below) is an indicator of class size, and, in high schools in particular, of the total number of students a teacher may encounter in their classroom.

Table III: Student-Teacher Ratio—2012-13

DISTRICT	STUDENT TO TEACHER RATIO
State (all districts)	12.1:1
Dover	14.9:1
Epping	11.1:1
Exeter	13.9:1
Newmarket	10.8:1
Oyster River	11.9:1
Barrington	12.3:1
Nottingham	12.4:1

Source: Student to teacher Ratio in New Hampshire Public Schools as of October 1, 2013; New Hampshire Department of Education

4) **Faculty salaries** (see Table IV below) may indicate how many teachers have advanced degrees and also indicate longevity of service.

Table IV: Average Teacher Salary 2013-14

DISTRICT	SALARY
State (all districts)	\$54,712
Dover	\$49,374
Epping	\$49,310
Exeter	\$67,990
Newmarket	\$44,399
Oyster River	\$64,866
Barrington	\$43,500
Nottingham	\$52,676

Source: Teacher Average Salary in Public School Districts for School Year 2013-14; New Hampshire Department of Education

The Range of the Average Teacher Salary in NH in 2013-14 was \$30,550 to \$74,326.

Teacher salaries are influenced by the salary schedule for each district, the number of teachers with advanced degrees, and by length of service. This statistic provides a guidepost for examining these other factors when delving deeper into the quality of a teaching staff.

5) **Per pupil costs** (see Table V) serve as an indicator of the resources available to students.

Table V: Cost per Pupil 2013-14

DISTRICT	ELEMENTARY	MIDDLE	HIGH	TOTAL
State	\$14,200	\$13,320	\$14,109	\$14,001
Dover	\$9,817	\$9,241	\$11,476	\$10,204
Epping	\$13,885	\$15,605	\$16,268	\$14,665
Exeter	N/A	\$12,263	\$13,465	\$12,946
Newmarket	\$13,994	N/A	\$17,597	\$14,845
Oyster River	\$16,208	\$15,676	\$16,788	\$16,221
Barrington	\$12,168	\$11,689	N/A	\$11,951
Nottingham	\$12,379	N/A	N/A	\$12,379

Source: New Hampshire Department of Education

NOTE: There are 14 school districts in NH with High Schools of fewer than 300 students. Weighted average cost per pupil for those high schools is \$17,561. The size of the schools ranges from 126 to 275 students. This does not include Pittsburg with a high school population of 38 and a per pupil cost of \$25,245.

Some of these Input Indicators have weaknesses that should be acknowledged. Pupil teacher ratios and pupil teacher costs, in particular, can be a function of size and/or grade organization. Larger districts, and districts without high schools, generally have higher pupil teacher ratios and lower per pupil costs than smaller districts, especially smaller districts that operate high schools. When making comparisons on these indicators it is important to compare like districts to each other.

Output (Results) Indicators

The following data output were utilized as part of the evaluation process:

OUTPUT (RESULTS) INDICATORS:

- 1) **New England Common Assessment Program (NECAP)** (see Tables VI, VII and VIII below) is the only assessment given to all students in New Hampshire. They are an indicator of how students perform against state curricular expectations.

Table VI: NECAP Cut Scores* for Performance Levels Fall 2013

PERFORMANCE LEVEL	READING CUT SCORES	MATH CUT SCORES
Substantially Below Proficient	01-29	01-33
Partially Proficient	30-39	34-39
Proficient	40-53	40-51
Proficient with Distinction	54-80	52-80

Source: Grade 11 Achievement Level Descriptions; New Hampshire Department of Education
* **Cut Scores** establish the range of scores within a performance level; and, in particular, the score at which a student moves to a different level. For example a reading score of 39 would place a student in the “partially proficient” level, while a score of 40 would place a student in the “proficient” level.

The percentage of students in the top two performance levels gives some indication of how many students are performing well within a regular classroom environment and how many students need additional support to reach proficiency in this measure of state standards. Realizing that this is simply one measure of student performance at a point in time, this information is useful in developing conversations around strategies being used to improve student performance. Results displayed are for high school students in grade 11.

Table VII: NECAP Results for Selected School Districts Fall 2013 Proficient & Proficient with Distinction (Prof +)

District	% Prof + Reading	% Prof + Math	% Prof + Writing
State (all districts)	77%	36%	54%
Dover	72%	30%	51%
Epping	85%	38%	64%
Exeter	89%	55%	68%
Newmarket	88%	45%	76%
Oyster River	77%	57%	61%

Source: Assessment and AYP Public reporting Site: New Hampshire Department of Education

Table VIII: NECAP Results, Mean Scaled Scores, for Selected School Districts* Fall 2013

Mean Scaled Scores show the overall performance of a group of students and minimizes the impact of assignment to performance categories. As such, it provides a broader view of the performance of a group of students than simply looking at students in the various performance levels.

DISTRICT	READING MEAN SCALED SCORE	MATH MEAN SCALED SCORE	WRITING MEAN SCALED SCORE
State	48	36	6.8
Dover	47	35	6.8
Epping	51	37	7.2
Exeter	54	40	7.4
Newmarket	53	39	7.7
Oyster River	48	39	6.9

Source: Assessment and AYP Public reporting Site: New Hampshire Department of Education
* 11th grade only

- 2) **Graduation Rates and Dropout Rates** (see Table IX below) indicate how well schools do to keep their students in school and how effective the schools are in having students receive a standard diploma within a normal four-year period.

Table IX: Graduation and Dropout rates for the Class of 2013

DISTRICT	GRADUATION RATE*	DROPOUT RATE
State	87.85%	2.91%
Dover	85.45%	1.06%
Epping	86.36%	1.52%
Exeter	92.27%	2.50%
Newmarket	90.14%	0%
Oyster River	97.75%	0%

Source: Cohort Graduation and Dropout Rate 2012-13; New Hampshire Department of Education

***Graduation rate** is the percentage of students who graduated with a standard high school diploma within 4 years of entering 9th graders. It does not include students who took more than 4 years to graduate, who received a GED, or received a non-standard diploma.

- 3) **Post-Graduation Activities** (see Table X below) are an indicator of how prepared students are for life after graduation from high school.

Table X: Post-Secondary Plans for High School Graduates 2012-13

District	4 Year College	Less than 4 Year	Return to HS	Employed	Armed Forces	Unemployed	Unknown
State	47.9%	24.6%	0.2%	16.2%	4.1%	1.7%	5.4%
Dover	39.4%	25.9%	0	24.8%	1.4%	0	8.5%
Epping	42.4%	28.8%	0	6.8%	8.5%	0	13.6%
Exeter	58.0%	18.2%	0	6.3%	2.6%	0.2%	14.5%
Newmarket	50.8%	35.8%	0	7.5%	1.5%	0	4.5%
Oyster River	71.0%	19.3%	1.1%	6.8%	1.7%	0	0

Conclusions

When comparing most of the indicators above, Newmarket students perform similarly to those in Exeter and Oyster River and above those from Dover and Epping. However, it would not be prudent to reach full conclusions based on these indicators alone. These are important indicators of quality, but cannot tell a complete story. On Newmarket's town website, the following statement appears: "The heart and soul of Newmarket does not reveal itself on a quick drive through the downtown on the way to somewhere else." These indicators should be viewed as that "quick drive." Fuller conversations with Dover and Epping may well reveal more about the educational system than what these indicators reveal.

SECTION II: Demographic and Economic Challenges

Background

As the Newmarket School District evaluates its options regarding shortcomings in the Junior/Senior High School Facility, it is important to understand demographic and economic trends that have emerged in the past several years and the impact those trends will have upon the community while it plans its future. Both Joint Advisory Committee members and citizens attending Committee meetings expressed concerns about changing demographic and economic trends in New Hampshire and in Newmarket.

New Hampshire and its communities have faced both changing demographics and economic hardships since the year 2000 and particularly since what has often been termed “The Great Recession” in 2008. The New Hampshire Center for Public Policy, in its September 2014 publication “What is New Hampshire?” sums up the changing population and economy as indicated by the following statements:

“While New Hampshire is consistently rated one of the best places in the country to raise children, our population as a whole continues to age. Meanwhile, our school enrollment continues on a decade-long decline, and several measures of youth well-being in the state show worrisome trends, including rising levels of childhood poverty.”ⁱ

“New Hampshire suffered the effects of the Great Recession less severely than many other states, but slow job growth continues to gnaw at the state’s economy. As of the summer of 2014, New Hampshire lagged behind the nation and the rest of New England in recovering jobs lost during the recession.”ⁱⁱ

Population Changes

For thirty years before the beginning of the 21st century, New Hampshire enjoyed high rates of population growth fueled by in-migration from other states and a substantial birth rate within the state. As the overall population increased, so did New Hampshire’s student population. However, since the early 2000s, in-migration has slowed to a trickle, birth rates have declined, overall population growth has slowed and the overall population has aged. While overall population continues to increase slowly, the population of those under 18 has actually declined.

To illustrate this, in the Seacoast Region, overall population grew from 267,777 to 290,712, an increase of 8.6% between the years 2000 and 2010. At the same time, the under 18-year-old population declined from 64,271 to 61,550 or 4.2%ⁱⁱⁱ.

The change in population trends has led to such studies as “New Hampshire’s Silver Tsunami: Aging and the Healthcare System”, by the New Hampshire Center on Public Policy. While publications such as “The Longevity Economy,” recently published by Oxford Economics, paints a more optimistic view of the future, most reviews are very cautious about the impact of aging on future economic conditions.

Since 2002-03, public school student enrollment in New Hampshire has declined from a high of 207,671 to 185,320 in 2013-14, a decline of 10.76%^{iv}. Since Pre-school and Kindergarten enrollments have actually increased during this same period, the Grade1-12 decline has been even steeper, from 195,991 to 170,317 a loss of 25,674 students or 13.1%.

Newmarket School District total enrollment trends, grades 1-12, have followed a somewhat similar pattern:

- Total enrollment has decreased from a high of 1,124 in 2001-02 to a low of 978 in 2013-14, a decline of 12.9%
- High School enrollment has dropped from 316 students to 238 in 2013-14 a decline of nearly 25%
- Junior High school student population has dropped from 280 in 2001-02 to 205 in 2013-14 nearly 27%
- Surprisingly, elementary enrollment has remained almost identical during that same time period. Between 2001-02 and 2013-14, elementary enrollment actually increased by 7 students, while Junior and Senior High School enrollment dropped by 153 students. This pattern is very different than the statewide student population enrollment numbers (see Tables XI and XII). While an in-depth examination of this strange phenomenon is beyond the scope of this project, it may be an important topic for further study.

Table XI: New Hampshire Enrollments in 2001-02 and 2013-14

YEAR	HIGH SCHOOL	MIDDLE SCHOOL	ELEMENTARY	TOTAL
2001-02	61,561	35,854	92,143	206,847
2113-14	58,733	34,187	77,397	185,320
Decrease	2,828	1,667	14,746	21,527
% Decrease	4.6%	4.6%	16%	10.4%

Source: NH Department of Education

Table XII: Newmarket Enrollments in 2001-02 and 2013-14

YEAR	HIGH SCHOOL	MIDDLE SCHOOL	ELEMENTARY	TOTAL
2001-02	316	280	523	1,124
2013-14	238	205	535	978
Dec/Inc	-78	-75	+12	-146
% Dec/Inc	-24.6%	-26.7%	+2.3%	-12.9%

Source: NH Department of Education

Interestingly, student enrollment in Newmarket, as of October 1, 2014, increased at all levels, by 13 students in the elementary school, 14 students in the Junior high school, and 6 students in the high school. The total growth in enrollment was 33 students, or 3.3%, reversing 12 years of steady decline. Table XIII below illustrates these changes.

Table XIII: Newmarket Enrollments 2001 through 2014-15

YEAR	SENIOR HIGH	JUNIOR HIGH	ELEMENTARY *	DISTRICT TOTAL*	JR/SR HIGH TOTAL
2001-02	316	280	528	1,124	596
2002-03	324	290	484	1,098	614
2003-04	317	280	492	1,089	597
2004-05	347	262	506	1,115	609
2005-06	344	267	490	1,101	611
2006-07	351	257	471	1,079	608
2007-08	345	218	489	1,052	563
2008-09	311	219	496	1,026	530
2009-10	301	211	513	1,025	512
2010-11	281	211	511	1,003	492
2011-12	258	223	521	1,002	481
2012-13	254	215	521	990	469
2013-14	238	205	535	978	443
2014-15	244	219	548	1,011	463

Source: Newmarket October 1 Enrollment Reports

* Includes preschool and kindergarten

Predicting student enrollment for the next several years is a critical task. After reviewing a number of student enrollment studies conducted for Newmarket and developing some projections of our own, the consultants, with agreement by the JAC, have elected to use the 2014-15 Student Enrollment Projections conducted by the New England School Development Council (NESDEC) as the best basis for future student enrollments (see Attachment I). The NESDEC study is attached to this report and forms the basis both for examining tuition options and for helping determine the size of

buildings needed to house Newmarket Junior and Senior High School students.

The NESDEC study contains projections of student enrollment through the 2024-25 school year. According to the projections, high school population will peak at 274 students in 2021-22 and decline to 265 three years later. Combined senior and junior high school population will peak at 516 students in 2020-21 and decline to 489 by 2024-25. Table XIV summarized the projections of the NESDEC study.

Table XIV: Grade 1-12 Newmarket Enrollment Projections 2014-15 to 2024-25

YEAR	GRADES 1-5	GRADES 6-8	GRADES 9-12	TOTAL ENROLLMENT GRADES 1-12	SUB-TOTAL GRADES 6-12
2014-15	473	219	244	936	463
2015-16	448	242	248	938	490
2016-17	455	242	227	924	469
2017-18	443	241	244	928	485
2018-19	429	235	265	929	500
2019-20	417	257	256	930	513
2020-21	420	243	273	936	516
2021-22	422	230	274	926	504
2022-23	421	218	272	911	490
2023-24	420	221	273	914	494
2024-25	418	224	265	907	489

Source: NESDEC: 2014-15 Enrollment Projections

According to the NESDEC Enrollment report, there are a total of 120 students who could be attending Newmarket Schools who are now attending school in alternative settings.

- Residents in Non-Public Independent and Parochial Schools
 - o 20 in grades K-5
 - o 10 in Grades 6-8
 - o 23 in Grades 9-12
- 41 K-12 students are home schooled
- 18 K-12 students are in charter schools
- 8 K-12 Special Education students are placed out of district

Economic Challenges

Numerous economic challenges impact local communities and are causing towns and school districts to look even more carefully at how money is spent. These challenges include slow recovery from recession, dealing with

loss of state aid, and uncertainties about future costs of health care and the New Hampshire retirement system.

While New Hampshire may have suffered less than many other states during the Great Recession beginning in 2008, no one would argue that the state has not faced very challenging economic conditions since 2008. In addition, New Hampshire has been slower to recover from job losses than the rest of New England and many other areas of the country. While New Hampshire has now returned to pre-recession levels of employment, wage recovery has been slower. Many of the current jobs do not pay the wages of the jobs lost earlier.

As a result of the recession, the State of New Hampshire experienced losses of revenue. The response of the New Hampshire Legislature included reducing state aid to local schools and communities and “downshifting” state costs to the local level. Specifically the Legislature:

- Reduced and then eliminated its contribution to local costs of the State Retirement System, which had been set by law at 35% of total local costs.
- Reduced several sources of aid to school districts, including Catastrophic Aid to local districts for special education costs, and both tuition and transportation aid for attendance at Career and Technical Education Centers.
- Ended its funding of school building aid, which had historically ranged from 30% for single districts up to 45% for some Cooperative School Districts.

Finally, there have been continual (but so far generally unsuccessful) efforts to alter the basic “Adequacy Aid” formula to school districts, which could reduce aid to numerous school districts.

Like the impact of statewide population trends, these reductions have had a significant impact on Newmarket as well. Reductions in the retirement contribution by the state have affected both municipal and school costs. Continued concerns about increasing future costs of the Retirement System, to be borne fully on the local level, are cause for concern. The State resolved some of its financial stresses by passing on millions of dollars in required expenditures to local communities. Finally, the uncertainties related to future health care costs are compounding the burden placed upon school districts and municipalities.

Spending and Tax Rates in Newmarket

A review of school general funds and warrant article appropriations in Newmarket reveal an average increase of 2.38% over the past five years, as illustrated by Table XV.

Table XV: Five-Year Changes in Newmarket General Fund and Warrant Articles

Tax Year	2015	2014	2013	2012	2011	2010
Gen. Fund	15,950,503	15,861,963	14,843,617	14,434,132	14,459,889	13,845,320
Warrants	341,000	600,000	844,568	2,269,270	1,259,980	715,428
Total Funds	16,291,503	16,461,963	15,688,185	16,703,402	15,719,869	14,560,748
\$ Change	(\$170,460)	\$773,778	(\$1,015,217)	\$983,533	\$1,159,121	
% Change	-1.04%	4.93%	-6.08%	6.26%	7.96%	
5 Year Avg						
\$ Change	\$346,151					
% Change	2.38%					

However, changes in appropriations do not directly translate to changes in tax rates or tax payments. Changes in revenue and changes in valuations of property also have an effect on tax rates and tax payments. For example, if appropriations remain the same, but \$1,000,000 in revenue is lost, tax rates and payments will still increase substantially. Chart 1 below illustrates changes in tax rates in Newmarket between 2004 and 2014. During that time, the local school tax rate increased from \$9.94 to \$16.00 an increase of \$6.06 an average of 6% a year which is well above the average increase in appropriations (3.28%) during that same time period.

Chart I: Tax Rate History



Conclusions

- New Hampshire’s population will continue to “age” for the foreseeable future
- Student population will continue to decline, although at a slower rate
- Local communities will continue to bear the burden of the State’s reductions in local aid
- New Hampshire will not return to the years of substantial population and economic growth in the foreseeable future
- Careful attention should be paid to Newmarket’s tax rate and fiscal capacity

These factors drive a reformulation of questions usually asked when considering questions of educational quality, and these questions are applicable when analyzing facility alternatives for tuition or building options. The question--- in better times--- was, “What do we need for size and what quality do we want? “ Only after those questions were answered was cost considered. Now the initial question is “Can we obtain the size and the quality we want for what we can afford?” Cost, affordability and

sustainability become central factors to be considered early in the process rather than at the end.

In this situation, careful attention to key numbers is crucial. How many students are we planning for? What are the comparative costs of each of the solutions under consideration? What are the advantages and disadvantages of each approach? These are the questions we will explore in each of the next three sections of this report as we evaluate the three facilities options: Tuition; Addition/Renovation; and New Construction for the Newmarket Senior/Junior High Schools.

SECTION III: Tuition Option

The primary questions influencing consideration of this option are:

- Are there school districts within a reasonable distance from Newmarket with the capacity and potential interest to engage in a long-term tuition contract with Newmarket?
- What will a tuition contract cost?
- What governance and control issues are involved with a tuition contract?
- What are the advantages and disadvantages of a tuition arrangement with identified districts?

The Newmarket School Board originally established the following criteria for this option:

- All students, Grades 6-12, should be tuitioned to the same district
- Students would continue to be bused to a new district at Newmarket's expense
- The total bus ride for students could not exceed one hour (one way)
- A long term (20 year) contract would be required
- High school students should continue to have the option of attending the Seacoast School of Technology in Exeter

In the initial search by the consultants, no school districts were found that met all the established criteria:

- None could accommodate all 6-12 grades
- Dover has the capacity for grades 9-12 only, is potentially interested in a 20 year contract, but operates its own Career and Technical Education center (CTE)
- Epping has the capacity for grades 9-12 only, is potentially interested in a 20 year contract, and students are eligible to attend the Seacoast School of Technology (SST)

Despite not meeting all the criteria, the consultants, after discussions with the Joint Advisory Committee, continued with the process of analyzing the comparative costs of tuition and discussing the potential advantages and disadvantages of such an arrangement with Dover and Epping.

Dover's CTE program, buoyed by an \$18 million renovation and upgrade, is a reasonable alternative to the Seacoast School of Technology. If Newmarket students attended Dover High School, they would have access to the full CTE program, while program availability at SST from Epping would be limited (as it is currently) due to time and transportation issues.

The original desire of the Newmarket School Board to include all Grades 6-12 was intended to facilitate the closing of the current facility and avoid the complication of continued operation of the facility for Junior High School students. The JAC, and the consultants, continued to explore the originally established high school grade span, understanding that continued operation of the facility would need to be considered in the process.

What would tuition cost?

The short answer to this question is “it depends.” Establishing a tuition contract is a daunting process, and it is impossible to predict an actual cost without a negotiated agreement. To demonstrate how a tuition agreement could work, the consultants gathered three current contracts. The agreements are between Barrington and Dover; Barrington and Oyster River; and Fremont and Sanborn Regional. Dover, Oyster River and Sanborn are the receiving high schools. Busing is not included in any of the contracts. For Newmarket, it is estimated that three additional buses will be required, at \$52,000 per bus, for a total of \$156,000.

The Barrington contract with Dover contains the following main financial provisions:

- A ten year term, renewable through mutual agreement
- A base tuition figure of Dover’s per pupil cost for the previous school year
- An additional 8% of that base figure is added for administrative costs
- Costs of particular special education costs (such as paraprofessionals or other required specialized services) are added to the contract

The Barrington Contract with Oyster River contains the following main financial provisions:

- A term of 10 years
- A flat tuition fee of \$14,000 per student
- Additional costs for special education students that exceed the base tuition rate are to be borne by Barrington
- Base tuition costs increased by the percentage increase in the operating budget of Oyster River High School

The Fremont contract with Sanborn Regional contains the following main financial provisions:

- A term of 20 years
- Regular education tuition rate is Sanborn’s per pupil cost of the previous school year

- Special education tuition rate is 1 ½ times the regular education tuition rate
- A capital cost is calculated each year and added to the tuition rate for bond issue costs

Since Dover High School is one of the potential tuition partner districts for Newmarket, it is instructive to apply the Barrington/Dover contract to Newmarket (see attachment II). If Newmarket High School students were attending Dover under the provisions of the Barrington contract, the total tuition costs would be approximately \$3,393,854, as the Table XV below illustrates.

Table XVI: Tuition costs for Newmarket Students to Dover - An Illustration

	PER PUPIL COST	# OF PUPILS	COST
Dover P/P Cost	\$11,476	244	\$2,800,144
Dover Admin. Cost	\$918	244	\$233,992
Special Education Cost--- Paraprofessionals			\$213,718*
Busing Cost			\$156,000
Total Cost			\$3,393,854

* Source: Newmarket School District Budget

Because the Epping School District does not have a contract with another district to use for an illustration, it is more difficult to estimate a cost of tuition. Currently, Epping’s per pupil costs are \$16,268. Since adding Newmarket’s students would nearly double Epping’s current enrollment---- without doubling Epping’s cost---- the ensuing per pupil costs should be substantially lower. Those lower per pupil costs would need to be reflected in any negotiated agreement.

The other side of the “Tuition Coin” contains reduced operating costs for Newmarket if high school students are tuitioned to another district; determining this amount is not straightforward. Because Newmarket High School students are currently comingled in the facility supporting grades 6-12, and that facility will continue to operate, it is much more difficult to ascertain how much costs can be reduced.

The major cost reductions, as expected, occur in staffing. Table XVII below illustrates what reductions would take place in high school staffing.

- The 91.1 staff currently serving the Junior/Senior High School would be reduced to 51.1 positions, a reduction of 40 positions, for a savings of \$2,479,804
- The reduction in time of the District Wide Director of Curriculum would add \$41,221
- Additional cost reductions in supplies, equipment, athletics, and energy usage total \$590,341
- Resulting in total cost reductions of \$3,111,366

Table XVII: Newmarket Staff Reductions for Tuition

JR/SR High Positions	Current JR/SR FTEs*	Reduction	Remaining
English HS	4.0	(4.0)	0.0
Mathematics HS	4.5	(4.5)	0.0
Social Studies HS	3.5	(3.5)	0.0
Science HS	4.0	(4.0)	0.0
English JHS	3.0		3.0
Mathematics JHS	3.0		3.0
Social Studies JHS	3.0		3.0
Science JHS	3.0		3.0
World Languages	3.0	(2.0)	1.0
Computer Educ.	1.0	(0.5)	0.5
Art	1.0	(0.5)	0.5
Music	0.7		0.7
FACS	1.0	(0.5)	0.5
Technology Educ.	1.0	(0.5)	0.5
PE	2.0	(1.0)	1.0
Health	1.0	90.5)	0.5
Case Managers	6.0	(3.0)	3.0
SPED Coordinator	0.5		0.5
Paraprofessionals	22.0	(9.0)	13.0
ESOL Teacher	0.5		0.5
Reading Specialist	2.0	(1.0)	1.0
Psychologist	1.0	(0.5)	0.5
Autism Specialist	1.0		1.0
Collaborative Program	1.0		1.0
Behaviorist	1.0		1.0
Transition Coordinator	1.0	(1.0)	0.0
O.T.	0.4		0.4
Speech Therapist	1.0		1.0
Guidance Director	1.0		1.0
Guidance Counselor	1.0	(1.0)	0.0
Guidance Sec.	1.0		1.0
School Nurse	1.0		1.0
Library Specialist	0.5		0.5
Library Assistant	1.0		1.0
Principal	1.0		1.0
Assistant Principal	1.0	(1.0)	0.0
Bookkeeper	1.0		1.0
Head Secretary	1.0		1.0
Secretary	1.0	(1.0)	0.0
Head Custodian	1.0		1.0
Custodians	3.5	(1.0)	2.5
TOTAL	91.1	(40.0)	51.1
District Wide Curriculum Director	1.0	(0.4)	0.6

*FTE - Full Time Equivalent

Three other substantive questions have been raised regarding costs for the

reorganization of facilities if Newmarket were to reach a tuition agreement with another school district. Although a detailed analysis and response to these questions is beyond the scope of this report, some general responses follow:

- 1. What is the cost of improving the Jr/Sr High School facility for remaining students?** Substantial investments and improvements in the building have been made for Fire and Life Safety issues, and a number of other maintenance concerns have been addressed in the recent past. Clearly, an addition would not be required. Whether to continue to make improvements with a smaller bond issue or in incremental stages is under the purview of the School Board. For this analysis, \$1,500,000 has been added over four years to the cost of the tuition option for incremental improvements in the facility containing grades 6-8. This is a reasonable estimate of such costs, but ultimate costs would depend on School Board decisions.
- 2. Could our remaining K-8 students be housed in a single facility, reducing the costs of operating two facilities?** In order to operate in a single building, one of the current schools would have to be used as a base.

Use the elementary school as the base and add a grade 6-8 wing

- The elementary school is a newer facility
- It is easier to adapt an elementary school site to a middle school than a Jr/Sr High School site to an elementary school.
- The cost of a bond issue to add a middle school section of about 40,000 square feet and complete some renovations to the elementary school could run as low as \$9-10 million (These figures must be viewed as gross estimates only, and would need vetting by an architect).
- Specific savings from the operation of a single building, which would assist in offsetting some of the bond issue costs, would also need to be determined.
- The elementary site of 11.5 acres does not meet state standards for this number of students. Additional land would have to be obtained, or a waiver for the site size would need to be granted from the Department of Education.

Use the current Jr/Sr High School site to house grades K-8

- The site could accommodate a facility, plus pre-school, but the process would be more complex.
- Without more study, it is not possible to pinpoint a cost, but a reasonable cost estimate would not be less than \$9-10 million.
- To fund this option, a \$10,0000 bond, over twenty years, would cost a total of \$14,716,350.

- Using a level payment issue, such a bond would add \$1.03 to the tax rate and \$735,818 to the School District Budget.
- Unless that much in annual operational savings resulted from this consolidation, it would add to the total costs of the district, and add to the “costs” of the tuition option for that period of time.

3. Could joining with another SAU and sharing services realize savings? The question of becoming part of a multi-district SAU, in order to share services and reduce costs, is a relatively complex question. All SAUs offer superintendent and business services. Some include staff members such as curriculum, special education and technology directors as SAU staff and some consider those positions as district staff. How much in savings could be realized would depend on staffing levels included in shared services and how an apportionment formula would be applied. The question of balancing cost-effectiveness with intensity of services is a viable question, particularly if Newmarket high school students are tuitioned to another district.

Governance and Controls in a Tuition Agreement

These issues are critical when examining tuition agreements. There is no doubt that decisions about budget and curriculum are made by receiving school districts in tuition arrangements. We know of no tuition arrangement where a sending district has any voting power over the operation of the receiving district’s high school. Representation at appropriate committee meetings or school board meetings can be part of a negotiated agreement, but a good working relationship is dependent as much on good will and good faith as upon a balance of power over costs or curriculum. Negotiating governance issues is nearly as important as negotiating actual costs.

Advantages of the Tuition Option

- 1) Both curricular and co-curricular opportunities will be expanded
- 2) A larger and more diverse student population can expand student horizons
- 3) A broader range of specialized services will be available to students
- 4) The need for an extensive and more costly bond issue will be avoided

Disadvantages of the Tuition Option

- 1) Loss of control over curriculum and budgets for high school students until such time as a cooperative school district may emerge
- 2) Loss of personalized education in a small school
- 3) Initial loss of identification with a community based high school
- 4) Length of time on school buses and inconvenience for parents

SECTION IV: Addition/Renovation Option

The primary questions revolving around this option include:

- 1) Can the current building(s) sustain major renovations?
- 2) Can the site sustain a substantial addition?
- 3) What is the appropriate size and cost of this project?
- 4) What are the advantages and disadvantages of this option?

In addressing these questions, the following parameters were identified: bonding limitations, standards for size of Newmarket Jr/Sr High School, student enrollment and cost consideration. These parameters will be used when considering either of the construction options. In looking at these parameters, the “Goldilocks Rule” is applied where we work to find solid ground between extremes and recommend “just right” factors.

Bonding Limitations

State rules limit the amount of bonded indebtedness that towns and school districts can expend. That limit is 7% of assessed valuation of the community. Newmarket’s current assessed valuation is \$711,970,612; 7% of that figure is \$49,837,942.

While theoretically the school district can bond up to the entire 7% limit, caution is recommended, and the district should not exceed 50% of its bonding capacity for the following reasons:

- The lack of state building aid means that the community must bear the entire cost of any construction project
- If the entire bonding capacity of the community is utilized at this point, the impact on the tax rate would be substantial
- It is generally wise to leave room in the bond capacity for other needs of both the School District and the Town of Newmarket that could emerge over the life of a bond

The 50% recommendation is by definition arbitrary, subject to a judgment call. It provides a reasonable funding level to address facility needs without putting an enormous strain on the tax rate. The recommended maximum amount to be bonded would be \$24,918,971.

Larger communities, with a greater bond capacity, often settle around a 30% level, which would be \$14,951,382 in Newmarket. This low a number would be insufficient to address Newmarket’s facility needs in a manner that provides an appropriate level of quality.

Standards for Size of Newmarket Jr/Sr High School

Two state standards apply when considering the size of a facility: square feet per pupil and “utilization factors.” Those two standards are different for High School and Middle School programs. While grades 6-8 are currently called a Junior High in Newmarket, the clear intent of the program is to operate with a middle school philosophy. Regardless of the name, the space standards for middle schools are appropriate.

- State standards are 160 square feet per pupil for high schools and 140 square feet for middle schools
- State standards also recommend 85% utilization factors for high schools and 90% for middle schools. This standard recognizes that in either high schools or middle schools, not every space and classroom can be in use 100% of the time. It also takes into account that some classes are smaller than others.

These two standards work together, along with a projected student enrollment, to establish an appropriately sized facility. These standards were established in part in conjunction with state building aid which has presently been suspended. While schools could exceed these standards if they wish, state building aid would not be applied to the additional space. Building aid is not presently available to school districts. However, it is recommended that Newmarket still generally operate within these standards. They were carefully and thoughtfully developed; and, if state building aid is restored, Newmarket should position itself to receive the maximum possible return.

It is also recommended that Newmarket apply the high school standards when developing facility size, even though the building envisioned will serve grades 6-12. This recommendation is made for several reasons:

- While opportunities to “tuition in” students are currently limited, there is ongoing interest in such a process. Some space should be available for this eventuality
- Some space should also be available if the district were to decide to have the middle school operate in a grade 5-8 configuration
- Some space should be allowed for the possibility that student enrollment exceeds what is projected in this report

Student Enrollment

Enrollments have been discussed in detail in an earlier section of this report. According to the NESDEC report, the highest number of grade 6-12 students anticipated in the next ten years is 516 students in 2020-21. However, this facility would be designed for the next thirty years, and it is recommended the district use 550 students as the base when designing a building.

Using state standards for square footage (160 square ft. per pupil) and utilization factors (85%), with the recommended base student number (550), the resulting facility would be 103,529 square feet¹. ■

This is an appropriate size building for Newmarket. It is larger than the current facility (84,270 square feet) and smaller than various proposals made over the past several years. While a smaller facility MIGHT suffice, we feel that the danger of underbuilding is greater than the modest size we have recommended here.

Cost Considerations

- **New construction:** After reviewing costs of various building projects in Massachusetts, Pennsylvania and New Hampshire, the consultants established a range of costs for new construction of \$195-235 per square foot. Ingrid Nichols, a highly regarded architect in NH, who is currently doing work in Newmarket, supported these estimates. One hundred ninety-five dollars is a reasonable number for construction costs with an additional \$40 per square foot for soft costs including but not limited to architect fees, contingency planning, furnishings, etc. (15-18% is a common percentage for soft costs associated with a construction project).
- **Renovation:** Following the same process, \$140 per square foot was established as a reasonable number for the cost of renovations with an additional \$20 per square foot for soft costs. This is actually a higher number than some other renovation projects (renovation costs for Stevens High School in Claremont are \$90/ square foot), but the age and complexity of the current buildings was carefully considered. (A conceptual design by Ms. Nichols will be discussed shortly in this section of the report)

A major renovation and addition to Salem High School over the next three years lends support to these numbers.

- Renovations total 155,168 square feet at a cost of \$18,064,560 or \$116 per square foot.
- New space of 209,800 square feet is being constructed at a total cost of \$40,503,500 or \$193 per square foot.
- Soft cost and site work total \$16,000,000 or 26.3% of the project. These costs are substantially higher than usual since the project includes major refitting of the CTE Center at Salem, with equipment and furnishings running much higher than average.
- The total square foot cost for renovations (including the higher than average soft costs) in Salem is \$147 per square foot, and the total square foot costs for new construction is \$243 per square foot.

¹ The formula: (550 divided by .85) multiplied by 160 = 103,529 square feet

Feasibility of an Addition/Renovation Project for Newmarket

Can the current building(s) sustain major renovations? Although there have been serious questions raised over the quality of the current buildings and about meeting modern building codes, our research indicates that the current buildings can sustain major renovations.

A report compiled by Architect Dan Bisson of Team Design Inc. in October 2004 was reviewed. As part of the staffing for this report, Peter Steffensen participated as a structural engineer. The following is a quote from Mr. Steffensen in that report.

“The original school was constructed around 1925 and added to in 1965 and 1987, with renovations occurring in 1965, 1987, and 1998. The original school is constructed of masonry load bearing exterior walls with timber framing utilized for floor and roof construction. The 1965 additions typically are slab-on-grade, masonry bearing exterior walls, concrete slab on steel deck on bar joists with steel beams and columns at interior, and tectum deck on steel bar joist at the roof. The 1987 addition has a slab-on-grade, masonry bearing walls, and metal deck supported by steel beams and joists at the roof. The structure is in good shape with some with some minor cracking at slabs and walls, most likely caused by shrinkage. Expansion vertically is impractical for the following reasons: the existing roofs pitch to drains, the existing roof construction is not designed for floor loading, and probable overload to existing foundation, and the existing seismic resistance is less than present requirements. Horizontal expansion in all directions is feasible assuming two story additions are adjacent to existing two story areas and single story additions are adjacent to existing single story areas. New roofs higher than existing may cause increased loading on existing roof framing. Additions should be structurally independent.”^v

Mr. Steffensen was consulted for this report. He was invited to revisit the school, and asked if he could reaffirm his report which he did.

In addition, Architect Ingrid Nichols, of Banwell Architects, who has spent considerable time at Newmarket Jr/Sr High School was consulted. Ms. Nichols also has affirmed that the building can sustain renovations and that seismic codes can be dealt with.

Can the building sustain a substantial addition? We believe the answer to this question is “yes” as well. The ability to construct an addition

on the current site is critical to establishing this option as viable. Mr. Steffensen, in his earlier report, implied that such additions were possible, under the conditions he outlined. A later report by Harriman Associates, while clearly discouraging such an approach, acknowledges that an addition to the current building is possible.

Finally, the review conducted by Ms. Nichols also concluded that an addition was possible, and one that could meet Mr. Steffensen's earlier requirements for structural independence.

What is the appropriate size and cost of this project? Whether the project is an addition/renovation or a new facility, the proper size is approximately 104,000 square feet, as discussed earlier in this section of the report.

If the current 84,000 square foot building were renovated at \$160 per square foot, and 20,000 square feet were added at \$235 per square foot, the resulting cost would be \$18,140,000.

At the request of the school district, Ingrid Nichols has provided conceptual drawings and cost estimates for this project (see Attachment III). Those concepts are instructional, although they, like all the costs in this report will require further refinement. Ms. Nichols estimates a total cost of \$14,949,001 for this addition/renovation project. (The document is attached to this report). Her estimates of renovation costs (construction only) range from \$110 to \$130, depending upon where in the building the renovations take place. Estimates for new construction range from \$175 to \$200 per square foot. Ms. Nichols also indicates that an annual inflation factor of 4-5% should be applied to these figures.

It is reasonable, then, to establish a range for this Addition/Renovation option of \$14,949,001 to \$18,140,000.

Advantages of the Addition/Renovation Option:

- It is substantially below the recommended bonding maximum of \$24,918,971 discussed above
- Because the cost is lower, it allows discussion of elementary school improvements and other needs such as playing fields
- It will provide substantial upgrades for energy efficiency, air quality and other mechanical systems
- It will allow for curriculum growth and organization within the school
- It will provide additional space for specialized programs
- It will allow the land across the street to be developed for other uses

Disadvantages of the Addition/Renovation Option:

- Although much will be ameliorated, some spaces will still not meet full State standards for classroom sizes (although this should not affect state approval)
- The site will probably be “maxed out” if any additional space is needed in the future
- No matter how effective the project is, it is still “forcing” modern program needs and technology into an older facility, with less flexibility of design
- Instruction will be disrupted while construction is underway

SECTION V: New Facility Option

The fundamental question for this option is: Can a smaller, trimmer new facility be built that can meet the educational needs of Newmarket's Jr/Sr High School students? A "smaller and trimmer" building means in comparison to a 174,000 square foot facility that was proposed last year. The option of a smaller facility is viable.²

For the addition/renovation option, state standards for determining the size of the building was used, which is just less than 104,000 square feet. To determine the building size, 550 students was used as a base, the high school standard of an 85% utilization rate was applied, and the resulting number was multiplied by 160 square feet per pupil, to accommodate a larger core space, resulting in a square foot size for the facility of 103,529³.

"Core" facilities in a school apply primarily to spaces such as the gymnasium, cafeteria and library spaces that accommodate larger numbers of students. We recommend that the core spaces be a bit larger to accommodate potentially more students in later years. With a good design, it is easy to provide for later additional classroom space, but it is not easy to expand core spaces once it has been constructed. Lack of adequate gymnasium and cafeteria space in Newmarket Elementary School is a good example of this potential issue.

In order to reach the final cost of a new facility, the 103,529 total square feet is multiplied by a cost of \$235/square foot to reach \$24,329,315 as the number for construction of such a facility. A facility of this size should provide the necessary space for educational programs needed by Newmarket students.

To reduce the cost further, it is possible to apply additional standards to decrease the size of the footprint a bit more. For example, assuming that 273 high school students and 243 junior high students compose the base number (again, from the NESDEC report), state standards for the junior high students would be a 90% utilization rate and 140 square feet per student. This would all result in an 89,188 square foot building and a cost of \$20,859,180. A facility this size would be only slightly larger than the

² Readers need to know that this answer in no way should be interpreted to imply any negative assertions relative to this earlier facility. The outstanding quality of that facility is beyond question, and a great deal of dedicated work went into its design. However, following defeat of that proposal, the question for this section of our report emerged.

³ The formula: $(550 \text{ students} / 85\% \text{ utilization rate}) \times 160 \text{ sq. ft.} = 103,529 \text{ sq. ft. facility}$

current facility. It would, because it would be a single facility designed to modern standards and codes, a decided improvement over the current facility, but it will lack flexibility for future needs. Therefore it is not the best option.

In either case, a building design that allows for easy further expansion if necessary is recommended and is a major advantage of this option.

Advantages and Disadvantages of a New Facility Option

The **advantages** of a new facility include:

- Ability to meet all state standards and the most recent building codes
- More energy efficiency than the current facility, even with an addition/renovation completed
- The best opportunity to offer a curriculum (including technology) that meets modern needs
- Opportunity to design for the needs of the future, if an expansion is needed, or if educational program needs demand additional space
- Less disruption to the educational process during construction
- Provide the best opportunity to attract tuition students from other districts

The **disadvantages** of a new facility include:

- The most expensive option and can “bump up” against the recommended limit for bonded indebtedness.
- Until an alternative use of the current Jr/Sr High School facility is found, it will remain a cost to the district. Depending on the ultimate use of the facility, this “disadvantage” could change. For example, Newmarket’s Economic Development Presentation on November 21, 2013, discussed the opportunity for senior citizen housing among its findings. The conversion of the current Jr/Sr High School into senior citizen housing, located between the two schools in Newmarket, has a certain sweetness about it.
- The cost of the bond may inhibit consideration of other needs in the district including upgrades and additions to the elementary school.

This is a shorter section than others. That should not be interpreted to mean that the consultants view this option in a less favorable light than the others under consideration. It is shorter simply because the background work and foundations for this option were discussed earlier, since much of that work applied to all three options.

It should be noted that the total cost of bond issues, including interest rates, is much larger than the initial bond issue itself. A following section includes

the comparative costs of these three options and interest costs are included when showing tax impacts of options involving bond issues.

SECTION VI: Upgrades and additions to Newmarket Elementary School

During this process, frequent concerns were raised relative to looking for a comprehensive K-12 solution in the final analysis for this report. Architect Ingrid Nichols, who is currently working with the School District for Fire and Life Safety issues, provided the district with conceptual drawings and budget estimates for an addition/renovation of Newmarket Jr/Sr High School as well as the elementary school.

The upgrades to the elementary school included:

- Additional kindergarten space of 2,500 square feet to accommodate full-day kindergarten
- A classroom addition (and OT/PT space) of 3,500 square feet
- A new gymnasium of 7,600 square feet
- An expansion of the cafeteria into the old gym
- Installation of acoustical ceiling panels in the expanded cafeteria
- Renovation of the nurse's area
- Installation of new boilers
- Development of a secure main entry

The estimated budget for this project is \$3,362,070. The budget and conceptual designs are included with this report (see Attachment IV).

This project can be considered alongside any of the three primary options described in this report. If this project is included with a new Jr/Sr High School facility or with an addition/renovation of the Jr/Sr High School, the necessary funds could be added to the recommended 30-year bonds. If it is included with the tuition option, a ten-year bond is recommended.

SECTION VII: Cost Analysis

This section of the report details the cost and tax impact of the various options under consideration. In addition to the three main options under consideration (tuition, addition/renovation, and new facility), the impact of upgrades and additions to the elementary school have been included.

In each case, the highest tax rate impact, the average dollar cost for a \$250,000 home in Newmarket over 30 years, and the total cost of options during a thirty-year period are listed. When describing the impact of bond issues, the level payment approach is used. The other common approach, level principal payments, is included in the Cost Model described below.

It must be noted that while the tax rate impact of bond issues remains steady over the period analyzed, the tax rate impact of the tuition option is more volatile, due to the fact that within a four year period, \$1,500,000 is added for continued upgrades to the what would be the Junior High School facility. The tax rate impact drops from a high of \$1.25 to a low of \$0.80.

These cost estimates and tax rate impacts are based upon the projections and assumptions described earlier in the report. If different projections and assumptions were to be made, the figures presented here would change.

Further details are contained in a Cost Model developed for this project (see Attachment V). The Cost Model is posted on the School District's website for public use. The model can also be used as a planning tool since it allows for a variety of projections and assumptions to be analyzed.

The costs of the facilities options (tuition, addition/renovation to the existing Jr/Sr High School, construction of a new Jr/Sr High School facility and upgrades and addition to the elementary school) are as follows:

Table VIII: Cost Impact of Facility Options

	Tuition Option*	Addition/Renovation Option	New Facility Option	Elementary Upgrade/Addition**
Highest Tax Rate Impact	\$1.25	\$1.21	\$1.98	\$0.58
Average annual cost for a \$250,000 home	\$279	\$303	\$494	\$146

Total cost over 30 years	\$23,986,792	\$25,935,066	\$42,209,001	\$3,776,060
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*The tax rate drops substantially after five years, due to the completion of facility upgrades

**This is a ten-year bond

It is also possible to see the effect of combining any of the three main options with the Elementary School Option.

Table XIX: Cost Impact of Including Elementary Option

	Tuition & Elementary School Option	Addition/Renovation & Elementary School Option	New Facility & Elementary School Option
Highest Tax Rate Impact	\$1.83	\$1.79	\$2.56
Average annual cost for a \$250,000 home	\$327	\$351	\$542
Total cost over 30 years	\$27,762,852	\$29,711,126	\$45,985,061

Conclusions

The cost of the Tuition Option and the Addition/Renovation option is similar over a thirty-year period, given the projections and assumptions in this report. The Tuition option, given the model contract utilized, costs \$1,948,274 less than the Addition/Renovation option.

The cost of a new facility is substantially higher. A new facility would cost \$18,222,206 more than the Tuition Option, and \$16,273,935 more than the Addition/Renovation option.

The average annual costs of the three primary options are:

Tuition	\$799,559
Addition/Renovation	\$864,502
New Facility	\$1,406,966

It is crucial to note caveats with these figures. While they have been carefully developed and are useful to establish a foundation for further vetting, they are still estimates based upon the best information available and subject to further projections and assumptions. The Summary and Next Steps section recommends several additional steps to verify the approach.

The “costs” discussed in this section are strictly financial costs. It will now be important to apply VALUES to those costs. Several important values have emerged from those who have participated in this process. The value of

keeping students in Newmarket is highly held by many who participated, and they also value the culture and setting in a small school. They also believe that a newer facility will add to the economic growth and vitality of Newmarket. Others believe that much could be gained for students in a larger school setting with a wider curriculum and improved facilities. Many also are concerned with the tax rate in Newmarket and fear that the cost of new facilities will actually weaken the Newmarket community.

The School Board will be tasked with balancing these often-competing values while examining the options before them. The question of what values matter most will be something the Board needs to establish for themselves and to search out community values as well.

SECTION VIII: Qualitative Data: Stakeholder Perspective

Newmarket is a town of 9,000 residents. In order to gain an understanding by various stakeholders perspectives including parents, community members, senior citizens, faculty, staff, and students at the middle/high school levels of the three facility options, the consultant team responsible for conducting the facilities study held a total of 15 focus group sessions and one public forum. The purpose of the focus group sessions and forum was to gain an understanding of how varied stakeholders view the three facility options: tuition; addition/renovation; and construction; and how they align with the priorities of the community. The number of attendees at the focus group/public forum is only a small representation (approximately 6-7%) of the voters of Newmarket. The feedback collected is only intended to be a sampling of opinions and viewpoints. No statistical data can be represented from the responses collected from the focus groups and/or public forum.

Each focus group conversation was guided by the co-facilitators, and the data gathered was used to learn more about the opinions of the designated topic and to guide future decision making. The focus group conversations were approximately 45 minutes long. The data collected was utilized to bring forward a summary of patterns and trends and assist the community in making informed decisions regarding the future of Newmarket Junior/Senior High School facilities. The focus groups were structured and facilitated in an environment that encouraged participants to express their opinions. Each session yielded a large quantity of detailed information in a relatively short time. All responses to the focus group questions were spoken with participants responding to open ended questions yielding relatively broad and qualitative responses. In total, there were approximately 102 individuals who attended the focus group sessions.

Focus Group Questions:

- What are your thoughts and preferences on the three options being considered for the Junior/Senior High School facilities (tuition, renovation/addition, new facility)?
- What is most important to you in making your decision regarding the three options?
- From your perspective what needs to happen to move the community in making a decision?
- Are there recommendations or suggestions you have for the JAC and/or the school board?

- Are there other things that you would like to share before we wrap up?

The public forum provided a less structured, large group setting, designed for stakeholders to express their opinions on the three facility options. The public forum was facilitated by the consulting team, and unlike the focus group sessions, there were no structured questions to respond to. Individuals were provided the opportunity to share general thoughts and opinions related to the three facility options for the Newmarket Junior/Senior School. The public forum was 2 hours in length and attended by approximately 80 individuals.

The majority of participants in the focus groups and the public forum were directly associated with the school system in one way or another, and a significantly smaller number had no direct association with the school system.

Overview of Focus Group and Public Forum Data

As the consultant team conducted the focus groups and the public forum, a variety of views were presented. Keeping in mind school buildings should not dictate how to educate children and that construction should not drive instruction, the goal of gathering public input was to seek out and capture the viewpoints of the participants. The intent of the focus group conversations and public forum was to assist all stakeholders in better understanding the three facility options, to share data to support each option and to provide the opportunity for individuals to share their viewpoints. Both the focus group sessions and the public forum were productive and resulted in several patterns and themes summarized below:

Strengths and Commendations Conveyed Across All Stakeholder Groups of the School District:

- All stakeholder groups expressed a deep commitment to Newmarket students.
- Across all groups, there was praise and public recognition for the faculty, staff and administration K-12.
- All expressed a sense of community spirit and strong links between school and home.
- Stakeholder groups consistently emphasized the importance and value for high learning expectations of all students which has resulted in impressive student outcomes.
- The importance of personalized and individualized attention for all students was very important to the majority of those sharing viewpoints.
- Strong and meaningful parent/family/community engagement in the schools is valued.

- The “human capital” of the faculty and staff, their many years of experience, expertise and dedication to students was consistently described.
- Despite the small size of Newmarket High School, stakeholder groups were impressed with the range of curriculum offerings, extracurricular activities and engagement of students in athletics and sports.
- The welcoming, engaging and many positive social aspects of the school community are valued.
- The school has created many signature elements resulting in a sense of ownership, community character, and history. The school is a source of pride for Newmarket.
- The school is the heart of the community and provides a venue for social events of all kinds.

Challenges and Concerns Conveyed Across All Stakeholder Groups of the School District:

- The existing facility falls short of accommodating the needs of all students.
- The older design of the facility impedes the delivery of true 21st century education.
- A disconnect exists between what educators want to do for students and what the learning environment will allow them to do.
- The existing facility is compromised in regard to meeting the needs of students who have physical limitations and/or disabilities.
- A lack of long term facilities planning from prek-12 exists.
- Decision making related to facility options is complex.
- Affordability for any adopted option is an important element.
- The community is looking to the school board for leadership, direction and moving the community forward.
- There is an expressed interest to involve a larger segment of the community in seeking future input and perspectives

Patterns that Emerged:

- There are two belief sets within the community; those who support regionalization and/or tuitioning students to a nearby high school, and those who are invested in educating students in their home community.
- The majority of stakeholders attending the focus groups and public forum expressed a desire to maintain the responsibility of educating Newmarket high school students and not tuition students to a neighboring town.
- The tax rate is high and there are significant concerns regarding the impact of renovation and/or a new facility will have on the tax rate and the future of the community.

- There is an emerging movement toward compromise among community members and a willingness to re-evaluate personal opinions and the facility options.
- The school serves as a focal point for the community and stakeholders voiced commitment to a continued investment in maintaining this culture.
- The town of Newmarket is vibrant and growing and most participants view the high school as a critical factor in continued community growth.

Stakeholder Summary

For many years the community of Newmarket has found itself painfully examining the options for the junior/senior high school facility. As a result of conducting the focus group sessions and the public forum, it became clear that there are two belief sets within the community; those who support regionalization and/or tuitioning students to a nearby high school, and those who are invested in educating students in their home community. In looking forward, the citizens of Newmarket are faced with tightening of budgets, the growing needs of the community, the rapid advancements in curriculum requirements and the need for affordable approaches to education. All of these factors will require that the citizens work together to make decisions. And in recent months, the community has come to realize that in order to address the junior/senior high school facilities and the current options presented, there is a need for adjustments in opinions, and that the best solution(s) will require further vetting of the three options carefully considering all of the data that has been gathered.

SUMMARY AND NEXT STEPS

The charge of the Independent Consultancy was to establish which of the three options under consideration, Tuition, Addition/Renovation, and New Facility, will relieve Newmarket's persistent Jr/Sr High School facilities issues and is also viable and sustainable. Each of the options examined is potentially viable, within the parameters developed, and worth further exploration. The advantages and disadvantages of each option have been outlined. Further discussion of these options will surely reveal additional advantages and disadvantages.

In response to additional issues raised during this project, a working definition of a quality educational system was developed; a number of quality educational indicators as a framework for discussion were established; and demographic and economic issues affecting New Hampshire and Newmarket were examined.

It has been determined that there are two school districts within the geographic region that may be a tuition partner for Newmarket; that the

current Jr/Sr High School can sustain an Addition/Renovation project; and that a new facility of 104,000 square feet can provide quality educational experiences for Newmarket students.

An additional step was required to establish estimated costs and tax impact for each option. The cost estimates are necessarily based upon certain data sources, assumptions, and predictions. These are summarized below:

- 1) Enrollment projections were based upon the NESDEC 2014-15 Newmarket Enrollment projections report. The base enrollment number of 550 for building options took into account the NESDEC projections and included a projection of eligible students returning to Newmarket with updated facilities, of students from other districts tuitioning into Newmarket, and the possibility of larger growth than expected in the future.
- 2) In determining tuition costs and comparative operational costs in Newmarket, a 2% annual increase in both those costs was assumed. A review of the last five year's increases in Newmarket's appropriations and in Dover's per pupil costs has buttressed those increases.
- 3) In determining tax impacts, a 2% increase in the assessed valuation of Newmarket was also assumed. While there are two ways in which valuation increases: the value of existing property grows and new property is added to the valuation of the community, only new properties affect taxes actually paid to the community.
- 4) In determining the size of facilities, state standards were applied for square feet per pupil and utilization rates.
- 5) For bonded indebtedness levels, State rules were used.

A Cost Model has been developed, which quickly demonstrates the tax impact of the three options. The model also makes it possible to test various assumptions and data decisions as the options continue to be analyzed. We are indebted to Jeff Raab for development of the model, using our data and assumptions.

The data section of the final report provided the basis for discussions at those public events. The results of those events are incorporated in this report, in order to provide further guidance to the Newmarket School Board.

While we have not "narrowed the field" of options to be considered, and that wasn't our charge, we have established the parameters which should lead to further analysis of the options, and established a framework for decision making. We hope that serious and thorough conversations continue, until the ultimate public forum, the voting booth, will decide the future direction of the school district.

We believe that those continued efforts should actively involve members throughout the community of Newmarket. The School Board, even in

conjunction with School Administrators, cannot do all the needed work alone. We urge the School Board to involve members of the Joint Advisory Committee in these continuing efforts. The JAC has contributed many, many hours of their time. We hope they will continue to be available, and that the School Board will keep them actively engaged.

We appreciate the opportunity that has been provided to us by the Newmarket School Board and the Newmarket Town Council. There are very few communities where such cooperation between school and municipal boards is so clearly demonstrated.

- Volunteer members of the Joint Advisory Committee have been--- and we trust will continue to be---- dedicated and valuable for this process. We thank Gail Durocher-Wentworth; Larry Giddings; Mike Hoffman; Tom Jennings; Darby Johnson; Gary Levy; Nathan Lunney; Dan Wright and Dale Pike from the JAC.
- School Administrators Mike Martin and Christine Blouin have provided both information and insight to us throughout this project.
- Building level Administrators, including Chris Andriski and Sean Pine were always available and responsive.
- Penny Botterman and Kathy Lombard have been very responsive and helpful with all the variety of requests we have made of them.
- Numerous members of the public have provided valuable comments and insights.

We were asked to examine each of the three options described in this report thoroughly and openly, and to provide a balanced, unbiased view of each option. We have done our best to live up to that standard and will continue to do so. We appreciate the opportunity to work with the School Board, the Town Council, the Joint Advisory Committee, and members of the Newmarket public.

Recommended Next Steps for the School Board, Town Council and Community to Consider

- 1. Engage in backward planning.** If the goal is a warrant article in March 2016, then establishing timelines for critical tasks is a first step in the process. The School Board might want to consider engaging a professional Project Manager to help with this planning.
- 2. Further vet the options under consideration.**
 - a. For the tuition option,** discussions with Epping and Dover would be necessary. While the report makes it clear that both communities were potentially interested in a long-term tuition arrangement, what those arrangements could be have yet to be determined. Such discussions

would also be an opportunity to explore programs that could be available, and reveal the culture and values of the two districts.

- b. **For the addition/renovation option**, a structural engineer should be engaged to conduct more in-depth work in the current facility to assure that “surprises” that can occur in renovations would be limited as much as possible.
 - c. **For the new facility option**, the Educational Specifications that were used in the former facility proposal should be reviewed and revised. Careful attention should be paid to actual “needs” for these specifications. It is also recommended that the student enrollment projections in the report be included in the planning of the facility.
- 3. Include the needs of the elementary school.** A PreK-12 approach has been brought up frequently during discussions. The School Board needs to decide how to address this issue, which cuts across all three options.
 - 4. Obtain a broader view from the community.** Participants from the community felt it important to seek guidance from more members of the community. Two suggestions for obtaining such a broader view include using the UNH Survey Center to conduct a professional poll of the community, and holding a special district meeting for citizens to provide advisory votes on the options under consideration.
 - 5. Continue and expand the School Board and Town Council relationship.** This joint project is atypical for New Hampshire. Town and School often see each other in a competitive situation, much to the loss of both. It is recommended that the Town Council and School Board continue to explore ways to share issues and solutions to community needs.
 - 6. Engage in Strategic Planning.** Whether alone or in concert, strategic planning is a critical long-range need for the School District.
 - 7. Consider engaging an economist/demographer.** During discussions, various opinions have been expressed about the effect of different options on the future of the community. An economist/demographer could provide insight on the current condition of the community; the challenges facing Newmarket; the fiscal capacity of the community to meet those challenges over the next several years; and the economic effect of various options on the community.
 - 8. Examine potential cost savings opportunities.** Each of the three options under consideration would require additional expenditures, some more than others. No matter what option is ultimately chosen, it will be very important to examine potential cost savings that could be realized through shared services, in joint purchasing, energy efficiency or other to be identified areas.

GLOSSARY

NECAP Definitions

The New England Common Assessment Program (NECAP) is New Hampshire's state assessment program. It is divided into four performance levels: Substantially Below proficient; Partially Proficient; Proficient, and Proficient with Distinction.

The levels are described as follow:

Substantially Below Proficient: Students performing at this level demonstrate extensive and significant gaps in knowledge and skills as described in the content standards for this grade span. Additional instructional support is necessary for these students to achieve proficiency on the content standards.

Partially Proficient: Students performing at this level demonstrate gaps in knowledge and skills in the content standards for this grade span. Additional instructional support may be necessary for these students to achieve proficiency on the content standards.

Proficient: Students performing at this level demonstrate the knowledge and skills as described in the content standards for this grade span with only minor gaps. It is likely that any gaps in knowledge and skills demonstrated by these students can be addressed by the classroom teacher during the course of classroom instruction.

Proficient with Distinction: Students performing at this level demonstrate the knowledge and skills as described in the content standards for this grade span. Errors made by these students are few and minor and do not reflect gaps in knowledge and skills.

ATTACHMENTS

Attachment I: NESDEC Enrollment Projects Report

Attachment II: High School Tuition Agreement between the Barrington School District and the Dover School District

Attachment III: Project Draft Budget and Newmarket Middle/High School Renovations & Addition Draft Drawing

Attachment IV: Newmarket Elementary School Draft Drawing

Attachment V: Cover Sheet for Cost Model

- i New Hampshire Center for Public Policy Studies. *What Is New Hampshire? An Overview of Issues Shaping the Granite State's Future*. N.p.: n.p., 2014. Print.
- ii New Hampshire Center for Public Policy Studies. *What Is New Hampshire? An Overview of Issues Shaping the Granite State's Future*. N.p.: n.p., 2014. Print.
- iii New Hampshire Center for Public Policy Studies. *What Is New Hampshire? An Overview of Issues Shaping the Granite State's Future*. N.p.: n.p., 2014. Print.
- iv New Hampshire Department of Education. *Fall Enrollments in NH Public Schools and Academies*. N.p.: n.p., 2014. Print.
- v *Facility Analysis of Newmarket Elementary School and Newmarket JR./SR. High School*, October 2007 – Pages 74-75