

2017 Amendment to the Tuition Contract between the Hanover and Dresden School Districts

In accord with Paragraph 4 of the July 1, 2014 through June 30, 2034 Tuition Contract between the Hanover School District and the Dresden School District governing the education of Hanover's 6th grade students by the Dresden School District at Richmond Middle School ("Tuition Contract") (approved March 2016), upon approval by a majority of the voters in Hanover and Dresden School Districts at the March 2017 annual meetings, paragraphs 2 and 3 of the Tuition Contract shall be amended to read as follows:

2. The term of this contract shall be for twenty (20) years (July 1, 2014 through June 30, 2034) unless sooner terminated by the mutual agreement of the Hanover and Dresden School Districts. The Hanover School District shall have the right unilaterally to further extend the Contract on the same terms and conditions for a stated number of additional years up to 10 years by a vote of a Hanover School District meeting occurring not later than the end of the 2030-2031 school year.
3. The Hanover School District shall pay to the Dresden School District tuition in the amount established by the Dresden School Board for each sixth grade student enrolled at the Richmond School as of October 1st of each school year. The amount paid by the Hanover School District to the Dresden School District in any given school year will be the amount arrived at by multiplying the number of Hanover School District students enrolled in the fifth grade on the first school day in January in the preceding school year, increased or decreased by projections made by the Superintendent of Schools which most accurately reflect expected enrollment on the October 1st subsequent to the January projection, by the tuition rate. One half of this amount will be paid by October 1st and one half will be paid by March 1st. If the actual enrollment of Hanover sixth grade students on October 1st of the given school year varies from the number used in the above calculation, then the resulting difference in tuition due will be added to or subtracted from the payment to be made to the Dresden School District by October 1st of the following school year.

In addition to the tuition charge as established by the Dresden School Board under Paragraph 3 to cover operating expenses, during the period of July 1, 2014 through June 30, 2025, the Hanover School District will pay to the Dresden School District each year a tuition surcharge to cover Hanover's pro-rata share of Dresden's debt service expense for the construction of sufficient space to accommodate Hanover's 6th grade students at the Richmond Middle School. This tuition surcharge shall remain in effect until June 30, 2025, and the parties agree that the Hanover and Dresden School Boards shall meet and agree to an equitable debt service surcharge no later than June 30, 2024, and that any recommended revisions shall be submitted for approval as an amendment to this Agreement no later than the 2025 annual meeting for each district. The amount of the surcharge will be calculated for each fiscal year (through June 30, 2025) as follows:

- a. The debt service payment for the total project of renovating and reconstructing Hanover High School and constructing the new Richmond Middle School (RMS) for the fiscal year will first be multiplied by the percentage representing the share of the total project cost attributable to the construction of RMS (RMS%).

(Based on detailed cost estimates, the RMS% to be used will be 38.63% until the project is completed and the final project cost is determined from Dresden's audited financial statements. After the final costs of construction have been so determined, the final costs of the new RMS as a percentage of the total project will be compared to 38.63%. In all future fiscal years after that, the RMS% will be based upon the final construction costs. If the final percentage differs by more than 2 percentage points from 38.63%, i.e. is either less than 36.63% or more than 40.63%, a retroactive adjustment will be made in three equal installments over the next 3 years. If the variance is less than 2 percentage points, no retroactive adjustment will be made.)

- b. The amount resulting from Paragraph 3.a will then be reduced by
1. RMS% multiplied by the full amount received in that year from the Town of Hanover by Dresden on account of the project, plus
 2. RMS% multiplied by one-half of the amount received in that year from Dartmouth College by Dresden on account of the project.
- c. The amount resulting from Paragraph 3.b will then be multiplied by the percentage representing the share of RMS students who are Hanover 6th graders – (“6th Grade%”). (To arrive at this percentage, the 6th grade Daily Average Membership (ADM) from Hanover reported on Dresden's New Hampshire State A-3 report for the previous school year will be divided by the total ADM reported for RMS.)
- d. The amount resulting from Paragraph 3.e is the amount of the tuition surcharge to be paid by the Hanover School District to the Dresden School District.
- e. In summary, the calculation of 6th grade tuition surcharge will be as follows:

Project debt service,
times RMS%,
minus RMS% times the full amount received from the Town of Hanover,
minus RMS% times the amount received from Dartmouth College,
times 6th Grade%
equals Tuition Surcharge.