

At the Deliberative Session of the Annual Dresden School District Meeting, the question was raised as to how Hanover's payment toward the debt service of the proposed Technology Bond would differ if Hanover 6th graders were Dresden students, as compared to their current status as tuition students.

The answer is complicated.

If Hanover 6th graders were Dresden students, they would be counted in Hanover's share of the total Dresden ADM (Average Daily Membership), and Hanover would pay that share of the Technology Bond debt—a share that would be approximately 3% greater in any given year than if the 6th graders were to be excluded from the total Dresden ADM.

The current estimated annual Dresden payment on the bond is \$93,055. 3% of that amount is \$2,792.

On the other hand, if Hanover 6th graders remained as tuition students to Dresden, Hanover would not make debt service payments for the Technology Bond on their behalf as debt service payments are subtracted from the District-Wide portion of the Dresden budget as part of the calculations to determine the base tuition rate that Dresden charges for each 6th grader. (Calculations pasted below.)

Of course, as was done with passage of the 2003 Construction Bond, the tuition agreement could be amended by vote of the two districts at District Meeting to require that Hanover make an additional tuition payment for the Technology Bond. Using enrollment data from October 2019, a per pupil cost based on the middle school's share of the project would be \$84. The total amount paid by Hanover would then depend on how many 6th graders were projected to be enrolled the subsequent year. While the total amount paid would likely be much greater than the \$2,792 given above, approximately two-thirds of the amount would return to Hanover as an offset for their share of the Dresden net assessment—making the effective amount paid much lower. Depending on the enrollments for any given year, the effective amount paid by Hanover for the 6th Grade could be somewhat higher or somewhat lower than the amount calculated above using the ADM method.

SCHOOL ADMINISTRATIVE UNIT #70
Tuition Rate Calculation
for 2020-21

using actual 2019-20 budget data	20-21 Estimate	20-21 Estimate	20-21 Estimate	20-21 Estimate
	Dresden Total	Dresden Dist-Wide	Richmond Middle School	Hanover High School
Total Adopted Budget for 2019-20	26,954,023	5,132,840	7,479,325	14,341,858

Budget Additions:

Budget Deletions:

Deductions:

Community Relations/Volunteers	(10,839)	(10,839)	0	
Regular Tuition				
Spec Ed Tuition (RMS pd From Hanover)	0		0	
Voc Ed Tuition	(102,591)			(102,591)
Spec Ed Transportation	(5,500)		0	(5,500)
Contingency	0	0		
Voc Ed Transportation	(45,250)			(45,250)
Regular Transportation to HHS classes-9th			(9,500)	
Debt Service - Principal	(3,536,197)	(3,536,197)		
Debt Service - Interest	0	0		
Capital Outlay	(617,615)	0	(235,925)	(381,690)
Stabilization fund				
Net Budget	22,636,031	1,585,804	7,233,900	13,806,827

Enrollment Data : as of Oct 1,2019

High School	742	67.33%		
Elementary School	360	32.67%		
Total	1,102			
Allocation of District-Wide Expense (based on percentage of enrollment)		1,585,804	518,048	1,067,756
Net Costs			7,751,948	14,874,583

RMS
Per Pupil Cost 21,533
for 6th grade