

STATE OF NEW HAMPSHIRE
STATE DEPARTMENT OF EDUCATION

In Re: Goffstown/Dunbarton

SB-FY-14-01-008

RECOMMENDATION

Each party submitted a Memorandum of Law in respect to the respective positions. The Hearing Officer recommends that the State Board of Education finding that Dunbarton continues to be liable for its obligation for the Goffstown High School Construction Bond.

Dunbarton is the sending school district and Goffstown the receiving school district pursuant to the AREA Agreement. Dunbarton was notified back in 2001 that Goffstown was going to renovate and make additions to the high school and was proposing a twenty (20) year bond to finance the project. Dunbarton does not deny being notified of this and did not initiate any study to withdraw from the AREA. RSA 195:14, V provides as follows:

Each withdrawing sending district shall remain liable to the AREA or to the receiving district in the case of a dissolution of the agreement for a rental charge as determined by the AREA Agreement for the length of the outstanding bond issue, and for the reduction of school building aid based on the decrease of the annual grant for the payment of debt service for school construction.

Dunbarton, upon receipt of the notice from Goffstown, was required to initiate a withdrawal study four (4) months prior to the vote or it would remain obligated on the bond. See RSA 195-A:14, VI. Dunbarton argues that it is not a withdrawing sending district. However, as Goffstown argues (See Page 6 of Goffstown's Memorandum), Dunbarton is a withdrawing sending district; and consequently, was required to initiate the withdrawal study as set forth above. By initiating the withdrawal study, Dunbarton would have put Goffstown on notice prior to the bond vote as to the potential additional financial risk on the bond without Dunbarton remaining part of the AREA. While there is no question that the AREA expired June 30, 2014,

Dunbarton was clearly on notice back in 2001 that there was a twenty (20) year bond, and had the opportunity to initiate a withdrawal study at that point in time so that Goffstown would be on notice of the possible financial ramifications of Dunbarton withdrawing from the AREA.

Under the circumstances, the Hearing Officer recommends that the State Board of Education find that Dunbarton remains financially obligated with respect to the high school construction bond.

Dated: August 11, 2014

John P. LeBrun, Esquire
Hearing Officer