

**From:** Nick Taylor <[director@seacoastwhc.org](mailto:director@seacoastwhc.org)>

**Date:** November 11, 2022 at 12:47:09 PM EST

**To:** Sally Tobias <[sally.tobias@me.com](mailto:sally.tobias@me.com)>

**Subject: Re: Housing Ordinance Amendment - email from James Bubar**

I actually think James does a decent job capturing the gist of Richard's report – so it's just about providing the specific district information on enrollment and capacity to show that this isn't an outlier situation that will require new capital expenses. I just took a quick look through some of the Oyster River District documents:

New Middle School is designed for 700 students [[FAQs](#)] // Current enrollment is 630 (projected to drop to mid-500s by 2026) [[ORCSD 2022 Annual Report, Page 14](#)]

I couldn't quickly find the High School capacity, but the same annual report predicts declining enrollment for the high school and generally flat enrollment projections across the entire district. I assume the Superintendent or School Board would know the exact capacity.

Assuming the high school capacity is there. The next question is how many students per housing unit. According to the NH Office of Planning and Development's [Municipal Housing Unit Total by County Report](#) (Michael could probably pull the more updated numbers), there are 5,510 housing units in Durham, Madbury, and Lee. [New Hampshire Department of Education](#) has Oyster River Enrollment at 2,110 so that's .38 kids per housing unit.

We could then figure out the exact number units that could be absorbed based on the available capacity, but it's likely in the ballpark of adding another 700 hundred housing units before capacity conversations are happening.

New Hampshire Association of Realtors also put together a good video with Richard to explain the study for people aren't as familiar and don't want to read the full report/slide deck. <https://vimeo.com/707072484/7efb5a9e72>

You/Richard/anyone can double check that quick math, but my guess is the planning board would appreciate this greater level of detail – and I think we can give it to them if we have the firm school capacity numbers.

Nick

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**From:** James Bubar <[jamesabubar@gmail.com](mailto:jamesabubar@gmail.com)>  
**Sent:** Thursday, November 10, 2022 11:25 AM  
**To:** Michael Behrendt <[mbehrendt@ci.durham.nh.us](mailto:mbehrendt@ci.durham.nh.us)>  
**Subject:** Housing Ordinance Amendment

Michael,

Please share with the Board.

I believe that Emily stated the issue better last evening and never received a clear response. I appreciated all of the laudatory statements on the value of diversity, the quality of our educational system, the belief that our children want to actually live that close to their parents, this can be done, that can be done, people will do what is right, etc.

But the citizenry deserve a concise, clear, transparent discussion on the economic impact that the proposal will have on all our residents, renters effectively pay property taxes too, they just don't get to deduct them. I have yet to see the ORCSD Mgmt Team engaged at any level in this discussion. There seems to be a belief that they have excess capacity, that they would be willing to increase the average class sizes, that they could easily & economically employ more bus drivers or teachers etc. Why make assumptions when the ORCSD Mgmt Team has never tried to hide anything and is very open to dialog?

I reviewed the Housing Committee files online, the only bit of financial information available is from Professor England's 2020 powerpoint presentation of the summary from an analysis he did for a State Real Estate Association. This analysis was based on high level data collected by the State and not on a detailed analysis of any existing school district let alone ORCSD. Some of the points made in the slide presentation:

1. "Possibility of little or no increase in total instructional cost as enrollment grows if school district
  1. Increases average class
  2. Hires new teachers at "lowest step" on salary scale."

These are problematic as a few years ago there was an attempt to right-size the class sizes that met with strong resistance from parents throughout the district and those efforts were abandoned.

STEM teachers are most likely in demand and command a wage higher than the lowest step. Hiring a number of teachers on the lowest step could also degrade the overall quality of education being offered until their experience level increases. Lowest step is also a transitory concept, as progression through the "steps" is not merit based but years-of-service based. This would result in overall costs increasing over time even if enrollment remains stable.

1. "Highly likely that marginal cost of extra student less than average cost of educating all students in town."

Marginal cost is always less than average cost until the point where it isn't. Economies of scale help reduce marginal costs, favorable marginal costs are achieved by increasing asset utilization and decreasing variable expenses. The challenge comes in when capacity exceeds the fixed assets' ability to service that capacity resulting in potentially substantial fixed asset purchases. AKA, the new Middle School, which I believe was built more to address asset issues and less about increasing student demands.

1. "Need to look at particular circumstances in each district before making dire predictions."

Since the study was based on high-level State collected data, this is very wise advice. Don't base your economic assumptions on the hope and pray that the possibilities suggested in the slide show actually materialize. The devil is in the details. Ignoring a specific analysis of our district runs a clear and present danger that can be subsequently removed.

With all the budget challenges the Town faces and increasing pressures on the taxpayers, it should be mandatory that a competent economic impact assessment be performed and presented.

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James A Bubar