

# Stratton School Board

9 West Jamaica Road

Stratton, VT 05360

802-896-6184

December 7, 2017

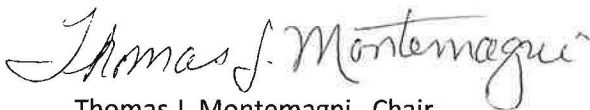
Vermont Agency of Education  
Secretary Rebecca Holcombe  
219 N. Main Street, Suite 402  
Barre, Vermont 05641

Dear Secretary Holcombe:

Enclosed is the Town of Stratton's Act 46 Section-9 Proposal for Alternative Structure. The Proposal was voted on and approved by the Stratton School Board at a warned board meeting this seventh day of December 2017 for consideration by the State Board of Education.

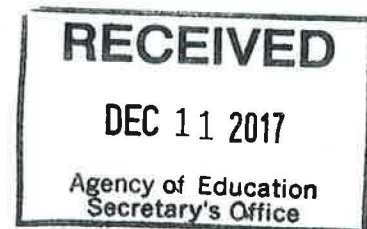
Thank you.

Sincerely



Thomas J. Montemagni, Chair

TJM/da

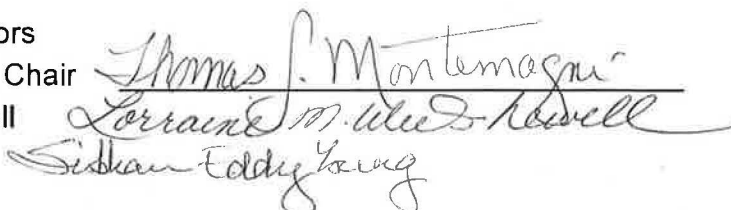


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## Stratton School District Stratton Vermont

To: Secretary Rebecca Holcombe, Vermont Agency of Education  
Vermont State Board of Education

From: Stratton School Directors  
Thomas Montemagni, Chair  
Lorraine Weeks-Newell  
Siobhan Eddy Young




Date: December 7, 2017

Re: Act 46, Sec. 9 - Proposal for Alternative Structure

### Executive Summary

The School Directors of Stratton Town School District have explored governance consolidation with area school districts and found that a merged structure brings substantial disadvantages to Stratton students and taxpayers and does not advance the Goals of Act 46. They have decided to propose to the Vermont Secretary of Education and the Vermont State Board of Education that Stratton Town School District retain its current structure as a single town school district within a supervisory union.

### Basic Information



The Stratton Town School District is located in the southwest corner of Vermont in the Green Mountain and Finger Lakes National Forests. Stratton Vermont includes 46.4 square miles of land with very low population density. Stratton Mountain Resort, located in the northeast corner of the town is a popular tourist destination. Stratton Resort is separated from the majority of our students by a mountain range that is a physical barrier, both in miles and topography. The Resort also geography also separates Stratton students from the town of Winhall. The 2010 US Census counted 216 residents in Stratton and the 2014 estimate suggested little change. The student population is steady in the mid thirties with about 70% of the families

choosing area independent schools.

Stratton Town School District is a member of the Windham Central Supervisory Union along with the newly formed West River Modified Union Education District (Dover and Wardsboro), the newly formed River Valleys Unified School District [Brookline, Jamaica, Newfane, Townshend, and Windham(7-12)], and the town school districts of Marlboro, and Windham (PK-6).

Stratton Town School District does not operate a school, rather pays tuition for resident students to attend the school of their choice. The town voters have a history of paying the full announced tuition for any area school that agrees to enroll any Stratton resident choosing to attend that school. The most frequently chosen schools are the Mountain School at Winhall and Burr & Burton Academy in Manchester, Vermont. For students choosing independent schools that do not agree to enroll any Stratton student, for example the Stratton Mountain School for skiers, the town pays the state average tuition. The school directors work with the Windham Central Supervisory Union to provide bus services so that there is equity of access for all students to their chosen school.

The number of students in Stratton remains relatively stable in the 35 student range. With a low poverty rate and a close to even split between elementary and secondary students, the calculation of equalized pupils is close to the student enrollment. The table below shows the data for the prior four years.

**Stratton Enrollment and Equalized Pupil Data**

Fiscal Year	Enrollment (Town Records)	Equalized Pupils (State Report)
2017	37	29.49
2016	36	30.28
2015	29	30.95
2014	33	31.42

Per pupil spending, the factor in the homestead tax rate determined by school district decisions, has remained under the excess spending penalty for four of the last five years. The chart below shows the data on recent per pupil spending.

### Stratton Per Pupil Spending in Relation to the Excess Spending Penalty

Fiscal Year	Per Pupil Spending	Excess Spending Threshold
2016	\$14,679	\$17,103
2015	\$15,630	\$16,166
2014	\$15,825	\$15,456
2013	\$14,804	\$14,841
2012	\$14,129	\$14,733

### Possible Partners

Beginning in the Winter of 2016, the School Directors of the Stratton School District explored among themselves and with directors from other school districts ways to promote improvement in the five Goals of Act 46 and the possibilities to form a different governance structure that would contribute to achievement of the five goals. The discussions with other school districts included:

- Meetings to discuss the possibilities of joining the Bennington Rutland Supervisory Union,
- Meetings to discuss the possibilities of forming a Regional Education District with Winhall, Ira, Sandgate, North Bennington, and Searsburg,
- Meetings to discuss the possibilities of a Stratton and Searsburg merger to form a unified school district, and
- The formation of an Act 46 Merger Study Committee to consider a merger of three school districts who do not operate schools - Winhall Town School District, Sandgate Town School District, and Stratton Town School District. The merged district would work with Arlington Town School District (PreK-12) to form a Three-by-One Side-by-Side structure described in Act 49 of 2017.

School Directors from Winhall, Sandgate, and Stratton met four times during the Summer of 2017. The committee hired Dr. Dan French as a consultant to assist the committee in investigating the possibilities for a merged structure for the three town school districts not operating schools. At the first meeting, Dr. French gave an overview of the possibilities, including the RED incentives if Arlington Town School District were to join in the effort to form a Three-by-One Side-by-Side structure described in Act 49 of 2017.

At the second meeting, Dr. French reviewed an analysis of the implications for students

and for financial matters of a merged district. The districts noted that the model for a merged district showed an increased tax rate for two towns and a decreased rate for one. Applying the RED incentives reduced the differences somewhat but did not eliminate them. The table below shows the tax impact data from the model used by Dr. French.

**Model of Homestead Tax Rates with Incentives**

<b>Town</b>	<b>FY2018 Tax Rate</b>	<b>Merged Tax Rate</b>	<b>Merged Rate Less 8 ¢ Incentive</b>	<b>Change with Incentive</b>	<b>Change with Incentive and 5% cap</b>
Sandgate	\$1.6958	\$1.7758	\$1.6958	0 ¢	0 ¢
Stratton	\$1.5824	\$1.7758	\$1.6958	+11 ¢	+3 ¢
Winhall	\$1.8425	\$1.7758	\$1.6958	-15 ¢	-15 ¢

Also at the second meeting, participants from Stratton School District raised questions about the method tuition rates were set in the towns for independent schools selected by families and the way transportation was provided in the districts. In general, the committee decided to pursue a merged governance structure for the three town school districts.

At the third meeting, Dr. French reviewed a draft report of the merger committee findings and a draft of articles that would form the basis of the merger. Committee members reviewed the draft and discussed several areas. For Stratton members setting tuition rates and transportation remained troubling areas for agreement. Dr French took some suggested language to be reviewed by the committee's attorney to bring back to the next meeting.

Two new pieces of information dominated the fourth meeting. First, the financial information for Winhall was updated. The equalized per pupil cost was higher than initially thought, thus the merged tax rate would be higher. Second, Arlington decided not to participate in the Three-by-One Side-by-Side merger structure, thus there would be no RED incentives to mitigate the increased tax rates for Stratton and Sandgate. At this point the committee decided to cease deliberations on a governance merger among Sandgate, Stratton, and Winhall. The committee disbanded as it found that a merged governance structure was not in the best interest of the citizens of the three towns.

## Act 46 Goals

As part of the Act 46 Merger Study Committee, the members considered the goals of Act 46 and the impact of a merged governance structure - impacts that moved districts toward the goals as well as impacts that inhibited or moved away from the goals. The chart below has three sections for each of the five goals. Directly beneath the Act 46 goal statement is a general statement about the relationship of a merged system to the goal. This statement is from the DRAFT Act 46 Merger Study Committee Report. (Although the committee disbanded prior to adopting the DRAFT report, there was little disagreement with the general statements about Act 46 goals.)

Below the general statement, the table is split in half. On the left side are comments about the Act 46 goal as it relates to Stratton Town School District as it is currently structured and governed. On the right side are comments about the school district if it were in a merged school district with Sandgate and Winhall. The comments on the left and on the right are the thinking of the Stratton School Directors and not the Merger Committee.

### Act 46 Goals and Governance Structures

<p><b>Goal #1: Equity in the Quality of Educational Opportunities</b></p> <p>The Committee believed that maintaining school choice in all three towns at all grade levels would support the Act 46 policy goal in terms of providing equitable access to quality and varied educational opportunities for the diversity of student needs and aspirations.</p>	
<p><b>Single District</b></p> <p>In Stratton, students attend a variety of schools based on their academic interests and needs as well as on the location of their home in Stratton and access to schools. The school district has a priority of funding the full tuition amount for any school that commits to enrolling any Stratton resident student that chooses to attend that school.</p> <p>A second priority of the school district is to provide transportation, through the supervisory union, to the greatest extent possible for students to attend these open enrollment schools. These two priorities of the school district provides maximum</p>	<p><b>Merged District</b></p> <p>During Committee discussions, it became clear that the limits placed on amounts of tuition paid by Winhall and Sandgate would reduce the ability of some families in Stratton to access schools that best fit their children’s needs and academic interests unless the family could afford to pay a portion of the tuition.</p> <p>Transportation was also an area of difference among the Committee districts. The different concentrations of schools chosen by families and the geography of the towns, has led to different levels of access to chosen schools with fewer attendees. Stratton with many fewer</p>

<p>access to school programs ensuring equity and quality educational opportunities.</p>	<p>students has a history of more fully accommodating transportation needs.</p>
<p><b>Goal #2: Students Exceeding or Achieving State Quality Standards</b></p> <p>Merging into <del>a single</del> a single school district will give the new school board oversight over a larger number of students at receiving schools in the region. The Committee believed this would allow the new school board to better monitor patterns of student achievement over time.</p>	
<p><b>Single District</b></p> <p>Without a systematic way to monitor student achievement of choice students across the state, the existing local attention to reports from students and families about school experiences remains valuable data. The relative small number of Stratton resident students adds to the ability of the school district to be informed about student achievement.</p> <p>Monitoring the success of public and independent schools in the region is a valuable surrogate for individual achievement. This school monitoring is the same for districts operating schools as it is for those not operating schools.</p> <p>Monitoring post secondary data is no easier with a large group than a small group, so there is no significant advantage to gathering this data in a merged district.</p>	<p><b>Merged District</b></p> <p>A merged district with more students has the potential to be more influential in establishing a system for monitoring choice students, but this merged district would have only about 240 students K-12, too few to establish a more elaborate or thorough system beyond the existing school monitoring by the Agency of Education.</p>
<p><b>Goal #3: Maximize Operational Efficiencies</b></p> <p>This merger will reduce the number of non-operating districts in the region from three to one, creating a more effective structure for its supervisory union. The merger will also allow the new district to better share resources among the three communities. These non-operating districts do not currently employ instructional staff so the district-level ratio of students to FTE staff will not be affected by this merger.</p>	

<p><b>Single District</b> The major functions for the supervisory union are special education, pre-K education, and transportation. Currently, Winhall, Sandgate, and Stratton are in three different supervisory unions. Moving them into the same supervisory union would gain most of the efficiencies of a merged district, although the supervisory union would need to maintain three sets of accounting systems and other separate school district records.</p>	<p><b>Merged District</b> A merged district would consolidate the supervisory union functions from three separate supervisory unions to one. Because of the wide area of choice schools involved, the functions would need to be applied across supervisory unions so that the consolidation would generate some new complexities.</p> <p>It is not clear that the merged structure maximizes operational efficiencies, but it does change the operations.</p>
<p><b>Goal #4: Promotes Transparency and Accountability</b></p> <p>This merger would create a more viable non-operating school choice district in the region. By reducing the number of non-operating districts in the region from three to one, the supervisory union budget and related assessments will be greatly simplified.</p>	
<p><b>Single District</b> Currently, Stratton Residents are able to understand the costs and services associated with the Windham Central Supervisory Union Budget. They have a voice in the budget development, the operation of the supervisory union, and the evaluation of the superintendent.</p>	<p><b>Merged District</b> While the development of the supervisory union budget and assessments would be simplified, it would not create increased transparency and accountability for residents. Because the population of Stratton is small compared to the other towns in the merged district, Stratton would have a reduced voice in the governance of the supervisory union.</p>
<p><b>Goal #5: Services Provided at a Cost that Parents, Voters, and Taxpayers Value</b></p> <p>This merger will preserve school choice in grades K-12 among these communities. These communities value school choice, and school choice has proven to be an important means for economic development in the region.</p>	
<p><b>Single District</b> The priorities of the Stratton School district for equity of access and transportation for its students are valued by residents. The school directors develop budgets that support these priorities and the voters have input into</p>	<p><b>Merged District</b> One of the difficulties in a merger of Winhall, Sandgate, and Stratton is the financial impact. Although Winhall and Sandgate had a lower increase in education spending per equalized pupil between FY2011 and FY2015, more</p>



and support the budgets.

From FY2011 until FY2015, the Stratton School District education spending per equalized pupil increased 7.6% while the spending statewide increased 14.8%. The table below shows the continued moderation of educational spending.

recent spend patterns show Sandgate and Stratton with a similar spending and a higher spending trend for Winhall. The table below demonstrates these trends.

### Trends in Equalized Pupil Educational Spending - FY2015 - FY2018

	FY15	FY16	FY17	FY18	Four-Year Average
Sandgate	\$13,197	\$14,374	\$15,472	\$17,087	\$15,032
Stratton	\$15,630	\$14,679	\$14,584	\$15,944	\$15,209
Winhall	\$16,004	\$15,737	\$16,429	\$18,565	\$16,684

### Conclusion

After the exploration of possibilities for changes in the Stratton Town School District, the School Directors concluded that retaining its current governance structure is the most effective way to best serve the students and other residents of Stratton. This conclusion is based on three main points.

- There is no advantage for resident pupils to be in a merged governance system where Stratton would be a minority voting partner.
  - There would be no additional educational opportunities available for students. Furthermore, discussions in the regional study committee indicated that some opportunities could be reduced as families might be forced to pay partial tuition to some schools.
  - The current transportation system takes advantage of collaboration with multiple supervisory unions. A system in a merged system where there were conflicts between equity and equality could eliminate the existing flexibility.
- There is no advantage for the districts to be in a single supervisory union. The workload for special education, transportation, and preschool services would be increased to the point of requiring increased personnel to meet the needs. None of the three superintendents involved in the discussions saw an effective and efficient way to provide services to a merged district.

- With no opportunity to form a merged district that would benefit from the Act 46 financial incentives, taxpayers in Stratton would have increased rates without an increase in student benefits.

## **Pursuing Act 46 Goals**

As part of this proposal, the Stratton Town School District has examined how, as a stand alone school district in a supervisory union, it can take actions to continue to improve its performance in connection with each of the Goals of Act 46. The actions considered are listed below each of the goals.

### **Goal #1: Equity in the Quality of Educational Opportunities**

The school district will continue to look for ways to assist families in choosing educational opportunities that meet the needs and academic interests of their children. At this time schools are establishing programs and opportunities for less traditional students. Informing and supporting families as they navigate these choices will require increased attention by the school directors.

### **Goal #2: Students Exceeding or Achieving State Quality Standards**

The school directors will look for ways to evaluate and communicate the success of regional schools attended by Stratton children.

### **Goal #3: Maximize Operational Efficiencies**

The school directors will continue to work with the Windham Central Supervisory Union to improve the provision of special education, transportation, and preschool for all the schools in the supervisory union.

### **Goal #4: Promotes Transparency and Accountability**

The school directors will continue to provide information to Stratton citizens about their process of examining regional school tuition rates, the supervisory union budget, and the process for collaboration with the supervisory union on student transportation.

### **Goal #5: Services Provided at a Cost that Parents, Voters, and Taxpayers Value**

The school directors will continue to work toward controlling educational spending and communicating their progress to Stratton residents.