

Act 46: A Town By Town Comparison of the Pros and Cons of Merged Governance with One Board

Draft #1: Jan. 2016

I. Education: Quality, Efficiency, and Coordination

- A. Merger creates capacity which allows for the flexible sharing of students, staff and resources.
- B. Create educational program options for students through school choice within preK-12 WWSU without charging tuition. Individual school strengths are an asset to be celebrated and coordinated. We can use all of our schools to meet the needs of all of our students.
- C. By sharing students it will be possible for an individual student to be reassigned by choice within a grade level rather than remaining in one fixed peer group for seven years due to gender, challenges, or peer group for example.
- D. Retain investment in hiring and training of staff through assignments that match student/school needs by sharing and combining staff as needed.
- E. Streamline professional development of all staff by using our teachers as trainers, coaches and interventionists in a more consistent and cost effective manner.
- F. Harwood Union High School needs renovations to maintain and provide space for improving program offerings and to meet building code requirements. Additional educational experiences should include (world language and cultural immersion, STEM (science, technology, engineering, and mathematics), coding, and expanding the arts which will prepare our students for their future.
- G. Improve coordination of educational programs and experiences preK-12 for students especially during transitional years.
- H. Local control becomes redefined from an individual school board that governs one school to a unified union school board that governs seven schools.
- I. Current declining enrollment creates budget challenges that can only be rectified town by town through unsustainable cuts. By working together we will have more capacity to make cuts when necessary in a manner which is not detrimental to the quality of the individual schools. Together we can more likely weather the storm of challenges.
- J. Cost sharing will more likely lead to the preservation and protection of highly successful celebrated programs such as the music and art department at Harwood, the before and after school programs at the elementary schools, and environmental studies/sustainability program at the middle school level.

- K. It is difficult to maintain band, chorus, and athletic teams with declining enrollment. They would become more viable merged.

II. Financial Elements

- A. We cannot afford the schools we have today.
- B. The ongoing declining student enrollment is seriously threatening the quality of our schools and therefore the stability of our real estate value. As enrollment declines, we are forced to offer less. For towns to grow and prosper they need to attract and maintain new families to stabilize and expand our student population by maintaining exciting vibrant schools.
- Homestead tax relief – reductions of \$.10/ \$.08/ \$.06/ \$.04/ \$.02 (vote unanimous in all communities) or \$.08/ \$.06/ \$.04/ \$.02. in towns that approve the merger.
 - Only with an accelerated merger can you decrease your equalized tax rate by more than 5%. In any merger your tax rate cannot increase by more than 5% for the first 5 or 4 years depending upon the type of merger.
 - We get to keep the smalls schools grant money as revenue indefinitely
Moretown - \$53,859
Fayston - \$52,048
 - Because of declining enrollment WWSU currently collects revenue (\$91,396) for 9.26 phantom pupils as a protection against real declining enrollment. Without merger this revenue is completely lost through phase out in 2021.
- C. Save money through coordinated bulk purchasing of materials and equipment, sharing of teachers and support staff, one point data collection for state and federal reporting, and eliminating considerable duplication within seven entities (audits, State Reports, annual town reports, school board expenses, use of current space).
- D. Increased fiscal stability will exist with one budget rather than the unpredictable spikes in tax rates that result from erratic swings in student enrollment, maintenance needs, special education, etc., which are presently measured school by school.
- E. Merger prior to the required state due date of 2019 brings with it facilitation grant money of \$150,000 to support the development of a new governance structure. After 2019 there will be no funds available.
- F. Without a successful merger between 2017 and 2019 our districts will be left to bear the reality of property taxes individually by town while also paying for the incentives for those town that have merged state wide.
- G. Merger would allow for one total budget for all of the WWSU schools and central office to be voted on by all taxpayers.

- H. Depending on the decisions of the unified board space could become available in any one of the schools and at Harwood in particular should the middle schools merge allowing the central office to move into an already established school building. Known cost reductions and increased revenues in a unified Washington West SU are approximately \$70,000. There are many other potential areas of savings based on the decisions of the unified school board in areas such as food service and maintenance.

III. General Information Data

- Asset/Debt Table - SU Summary-[WWSU Summary of Capital Assets and Debt](#)
- Cost Per Pupil Comparison
- Warren - New Debt and Deficit Information with estimated tax rates
- Moretown and WDSB Debt shared among all towns vs current state
- Estimated Tax Rates Information Updated for Merger (update to come shortly)
***These documents will be linked to the website

IV. Town Specific Impacts

Fayston Positive – Pros

- A. The tax penalties of not meeting the Affordable Growth Percentage (AGP) are waived beginning in FY18. In order to meet this target in FY17, \$87,000 had to be cut.
- B. More likely to be able to avoid undesirable three or more grade level classroom configurations, as implemented in Moretown, in order to be affordable, and maintain our desired single and/or two grade classroom configurations.
- C. Additional possibilities created through merger:
 - Merge the Middle Schools
 - Develop magnet schools/academies
 - Share students among schools
 - Optimize class sizes
 - Cost shifting, instead of new taxation, to fund new initiatives such as after-school, summer programming and extended day options such as skiing.
 - Equity in student programming, i.e. foreign language, band, chorus, etc.
- D. During the years that the property tax incentives are received, the equalized homestead tax rate for each town will not increase by more than 5% in a single year.

Fayston Negative – Cons

- A. These forced AGP reductions will be in place for FY18 without a merger. Cuts in FY18 will likely result in reduced programs for students.
- B. Declining Enrollment has hit WWSU schools hard. Statewide students have declined approximately 1200-1400 yearly for the past nine years.

	2009	2017
Fayston	104	94
Moretown	130	108
Waitsfield	143	127
Warren	122	148
Waterbury-Duxbury	667	649
Harwood Union	850	703

C. VT State Quality Standards recommend up to 20 students in grade K to 2 and 25 or fewer in grade 3 to 6. Our small schools data in the valley schools is:

	Students	Grades
Fayston	13.43	K-6
Moretown	15.00	K-6
Waitsfield	16.00	K-6
Warren	18.75	K-6

D. Without merger, Fayston loses the small schools grant of \$52,048.

E. Will likely need to make \$87,000+ further reductions to meet the AGP for FY18

Warren Positive – Pros

A. The tax penalties of not meeting the Affordable Growth Percentage (AGP) are waived beginning in FY18. In order to meet this target in FY17, \$80,500 had to be cut.

B. More likely to be able to avoid undesirable three or more grade level classroom configurations, as implemented in Moretown, in order be affordable, and maintain our desired single and/or two grade classroom configurations.

C. Cost of bond for financing the improvements to the facility to meet the health and safety needs of students identified by the Agency of Education and the current estimated \$200K deficit will be shared by all taxpayers in the WWSU.

D. Additional possibilities created through merger:

- Merge the Middle Schools
- Develop magnet schools/academies
- Share students among schools
- Increase class sizes
- Cost shifting, instead of new taxation, to fund new initiatives such as after-school, summer programming and extended day options such as skiing.
- Equity in student programming, i.e. foreign language, band, chorus, etc.

E. Warren’s increase in equalized homestead tax rate under accelerated merger is held to a 5% increase in spite of the new debt, the deficit and averaging of equalized pupil with the supervisory union.

Warren Negative – Cons

- A. These forced AGP reductions will be in place for FY18 without a merger. Cuts in FY18 will likely result in reduced programs for students.
- B. Declining Enrollment has hit WWSU schools hard. Statewide students have declined approximately 1200-1400 yearly for the past nine years.

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- C. VT State Quality Standards recommend up to 20 students in grade K to 2 and 25 or fewer in grade 3 to 6. Our small schools data in the valley schools is:

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Fayston	13.43	K-6
Moretown	15.00	K-6
Waitsfield	16.00	K-6
Warren	18.75	K-6

- D. Failure to merge, Warren will be solely responsible for their debt and deficit on their own.

Moretown Positive – Pros

- A. The tax penalties of not meeting the Affordable growth target are waived beginning in FY18. MES met the target from the beginning because they were the only school who had increased equalized pupils (6.1%). However, their Affordable Growth Percentage (AGP) was 0.88%. This year’s increasing enrollment was an anomaly compared against the last nine years of decline.
- B. More likely to be able to avoid undesirable three or more grade level classroom configurations, as implemented in Moretown, in order be affordable, and maintain our desired single and/or two grade classroom configurations.
- C. Additional possibilities created through merger:
 - Merge the Middle Schools
 - Develop magnet schools/academies
 - Share students among schools
 - Increase class sizes
 - Cost shifting, instead of new taxation, to fund new initiatives such as after-school, summer programming and extended day options such as skiing.
 - Equity in student programming, i.e. foreign language, band, chorus, etc.

- D. During the years that the property tax incentives are received, the equalized homestead tax rate for each town will not increase by more than 5% in a single year.

Moretown Negative – Cons

- A. These forced AGP reductions will be in place for FY18 without a merger. Cuts in FY18 will likely result in reduced programs for students.
- B. Declining Enrollment has hit WWSU schools hard. Statewide students have declined approximately 1200-1400 yearly for the past nine years.

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- C. VT State Quality Standards recommend up to 20 students in grade K to 2 and 25 or fewer in grade 3 to 6. Our small schools data in the valley schools is:

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Fayston	13.43	K-6
Moretown	15.00	K-6
Waitsfield	16.00	K-6
Warren	18.75	K-6

- D. Without merger, Moretown loses the small schools grant which is currently \$58,859.
- E. Moretown has a considerably high cost per pupil, currently the highest in the SU, \$3,182 above the statewide average for FY16.

Waterbury/Duxbury Positive – Pros

- A. The tax penalties of not meeting the Affordable growth target are waived beginning in FY18. In order to meet this target in FY17, \$89,000 had to be cut.
- B. Additional possibilities created through merger:
- Merge the Middle Schools
 - Develop magnet schools/academies
 - Share students among schools
 - Increase class sizes
 - Cost shifting, instead of new taxation, to fund new initiatives such as after-school, summer programming and extended day options such as skiing.

- Equity in student programming, i.e. foreign language, band, chorus, etc.
- C. Waterbury/Duxbury’s existing debt will be shared by all towns.
- D. Waterbury Duxbury will likely gain in expanded programing such as foreign language.

Waterbury/Duxbury Negative – Cons

- A. These forced Affordable Growth Percentage (AGP) reductions will be in place for FY18 without a merger. Cuts in FY18 will likely result in reduced programs for students.
- B. Declining Enrollment has hit WWSU schools hard. Statewide students have declined approximately 1200-1400 yearly for the past nine years.

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- C. Waterbury/Duxbury should be concerned about the low class sizes in the middle school.
- D. Waterbury/Duxbury has seen six of the last nine school years decline in enrollment, but not to the same degree as the valley schools. However, Waterbury/Duxbury needs to be as equally concerned about the rate of enrollment decline in order to maintain a vibrant, robust school for their high school students.

Harwood Union High School Positive – Pros

- A. The tax penalties of not meeting the Affordable Growth Percentage (AGP) are waived beginning in FY18. In order to meet this target in FY17, \$127,500 had to be cut. The original amount based on 3% increased expenditures was \$800,000. This reduced to \$127,500 due to 16 staff members who turned over which is very unusual.
- B. Additional possibilities created through merger:
- Merge the Middle Schools
 - Develop magnet schools/academies
 - Share students among schools
 - Increase class sizes
 - Cost shifting, instead of new taxation, to fund new initiatives such as after-school, summer programming and extended day options such as skiing.
 - Equity in student programming, i.e. foreign language, band, chorus, etc.
- C. During the years that the property tax incentives are received, the equalized homestead tax rate for each town will not increase by more than 5% in a single year. *This may allow for new*

debt associated facility improvement bond to bring the school up to health and safety standards and to modernize the school into a 21st century learning environment.

- D. As the elementary schools realize savings and become more affordable, the overall combined tax rate with Harwood Union becomes more affordable.

Harwood Union High School Negative – Cons

- A. These forced AGP reductions will be in place for FY18 without a merger. Cuts in FY18 will result in reduced programs for students.
- B. Declining Enrollment has hit WWSU schools hard. Statewide students have declined approximately 1200-1400 yearly for the past nine years.

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Waitsfield Positive – Pros

- A. The tax penalties of not meeting the Affordable growth target are waived beginning in FY18. In order to meet this target in FY17, \$90,431 had to be cut.
- B. More likely to be able to avoid undesirable three or more grade level classroom configurations, as implemented in Moretown, in order to be affordable, and maintain our desired single and/or two grade classroom configurations.
- C. Additional possibilities created through merger:
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- D. During the years that the property tax incentives are received, the equalized homestead tax rate for each town will not increase by more than 5% in a single year.

Waitsfield Negative – Cons

- A. These forced Affordable Growth Percentage (AGP) reductions will be in place for FY18 without a merger. Cuts in FY18 will likely result in reduced programs for students.
- B. Waitsfield made expenditure reductions in the FY17 budget that cannot be replicated in FY18. There are no further reductions to be made without significant impact on student

programs. Even with an expenditure reduction of \$174,000, because of declining enrollment, the tax rate in Waitsfield is expected to increase 4.3%.

- C. Declining Enrollment has hit WWSU schools hard. Statewide students have declined approximately 1200-1400 yearly for the past nine years.

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