

Report to the Rochester School Board
Options for Sustainability of the Rochester Secondary School
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Contents	Page
I. Purpose	1
II. Process	2
III. Student Outcomes	2
IV. Student Opportunities	4
V. Student enrollment	6
VI. Finances	7
VII. Leadership	11
VIII. Community	12
IX. Study Questions	12
X. Suggested Next Steps.....	19
Attachment A	20

I. Purpose

The Rochester School Board initiated this study to better understand the situation of the secondary program in Rochester and to consider options for sustainability, both educationally and financially. Sustainability means that the program is effective educationally for the students and is supported financially by the community.

The plan was to review existing information and collect and analyze further information as required. Data to be included:

- Student performance and course offerings;
- Enrollment trends in Rochester and surrounding communities;
- Perception data from school administration and faculty, board members from Rochester and surrounding communities, parents from surrounding towns, Rochester parents and community members;
- Cost drivers;
- Capital needs; and
- Financial resources and property tax impact.

The study was to address the following questions:

1. What needs to happen (general recommendations) in order for the secondary program to grow and attract more area students, home schooled students, and other possible students?
2. If the school does not grow, what are the options for students and what are the tax consequences?

3. What are some of the possibilities if the mission of the school changes? (dual enrollment, community college, engagement with businesses and community, serving foreign students)
4. What are the possibilities of Rochester Town School District becoming a supervisory district independent of any supervisory union?

II. Process

The Rochester School Board contracted with the Vermont School Boards Association (VSBA) to perform the study. The VSBA hired John Everitt as the consultant for the work. The consultant reviewed data and information provided by Rochester School, Windsor Northwest Supervisory Union (WNWSU) Central Office, and the Vermont Agency of Education (AoE). The consultant also interviewed students and staff at Rochester School; parents of students in the valley, both attending and not attending Rochester School; school board members from Rochester, Granville, and Hancock; WNWSU Superintendent and Business Manager; the outgoing and incoming Rochester School Principals; and the Rochester Trustee of Public Funds.

III. Student Outcomes

High School Completion

The first standard of school success is the rate at which students starting at a school in Grade 9, complete high school within four years. While there are some problems with this measure, students graduating early or taking an additional year, it is an informative measure for comparison purposes. The chart below shows that the high school completion rate in Rochester is in the top half of Vermont, slightly above the average and median rates statewide.

Vermont Cohort High School Completion - 2011

Rochester High School	90%
Vermont Average	87.5%
Vermont Median	88.7%
Lowest	65.6%
Highest	100%

Post Secondary Enrollment

Beyond completing high school, an important area to consider when looking at the outcomes of schools is the readiness of students for their next step - college, post secondary vocational education, military, or work. Unfortunately there is limited data for this most critical measure of success. While it is not the intent of schools that all graduates attend college, enrollment in college is a valuable measure of the school's success in graduating young people ready for their next step.

The AoE compiles information about Vermont students who graduated with a regular high school

diploma and enrolled in an institution of higher education within 16 months of their high school graduation date. Comparing Rochester graduates to those from surrounding high schools, Rochester graduates enroll at a similar rate. The Rochester 3-year average is in the middle of the comparison schools. The detailed data for this comparison can be found in the table below.

Percent of Graduates Enrolled in Higher Education

Area Schools	Graduation Years			3-Year Rate
	2009	2010	2011	
South Royalton High School	48%	55%	64%	55%
Randolph UHS #2	56%	63%	48%	55%
Otter Valley UHS #8	51%	51%	66%	56%
Rochester School	57%	48%	61%	56%
Harwood UHS #19	60%	59%	54%	58%
Middlebury Senior UHS #3	67%	64%	56%	63%
Woodstock Senior UHS #4	66%	64%	59%	63%

State Assessments

Another measure of school success is the performance of students on Vermont State Assessments. Since each cohort of graduates in a small school like Rochester may vary substantially, it is important to review group assessment data over time. The chart below shows performance data in four of the five recent years available from the AoE. (One year is not reported because the number of students taking the assessment was less than the minimum required for reporting.)

Over the four years, the percent of Grade 11 students in Rochester reaching proficiency or better in reading was consistently below the performance of Vermont students as a whole - ranging from 7 to 16 percentage points below. While small numbers of students can have large swings in percentage scores, the consistent low performance indicates overall lower performance for Rochester students compared to the state.

Over the four years, the percent of Grade 11 students in Rochester reaching proficiency or better in math varied substantially when compared to statewide performance. In two of the years there was little difference between Rochester student performance and the state results. In two other years the Rochester proficiency achievement was about half that of the statewide proficiency. The small numbers may account for the swing, but if that were the case, one would expect to see a swing that also went higher than the state. That did not happen in the four years as the Rochester proficiency rate in math did not exceed the statewide rate in any of the four years. Overall, Rochester results indicate lower performance than the state as a whole.

**Rochester School
VT State Assessments - Grade 11 Over Time**

	2008		2009		2010		2011*		2012	
	RHS	VT	RHS	VT	RHS	VT	RHS	VT	RHS	VT
READING										
Distinction	8%	22%	16%	25%	26%	29%	NA	30%	8%	31%
Proficient	54%	50%	48%	46%	37%	43%	NA	42%	50%	43%
TOTAL	62%	72%	64%	71%	63%	72%	NA	72%	58%	74%

MATH										
Distinction	0%	2%	4%	3%	0%	3%	NA	3%	0%	4%
Proficient	17%	33%	28%	32%	37%	35%	NA	33%	17%	35%
TOTAL	17%	35%	32%	35%	37%	38%	NA	36%	17%	39%

* The number of students taking the assessment was smaller than the minimum required to report results.

Some individuals interviewed suggested that the high school scores were low because the students do not take the tests seriously. They thought the results of state assessments in the earlier grades provide a better picture of Rochester School performance. A review of the past three years of comparison results for the reading and mathematics assessments in Grade 3-8 showed Rochester School proficiency rates consistently below Vermont as a whole. In reading the difference ranged from 7-12 percentage points below and in mathematics 6 to 21 percentage points below.

IV. Student Opportunities

Course Offerings

Rochester high school operates on a traditional schedule with six 55 minute and one 30 minute periods. The students at each grade level have a fixed set of core courses to take each year, but may schedule some changes to the set program. At present ___ students of the 43 on-campus Grade 9-12 students are taking the set program. Differentiation of student learning needs or curriculum are addressed within the set program. One notable exception is in algebra where three levels are operating - traditional pace with a teacher, slower pace with a teacher, and individual pace using an online course.

The high school program includes courses in the arts, music, spanish, technology, English, sciences, social studies, mathematics, journalism, band, and physical education. Support services are built into some students' weeks by reducing or eliminating a course offering or during the thirty minute period of the day that is not part of the set of courses. There are no Advance Placement courses in the program.

Ratios of Students, Teachers, and Administrators

A hallmark of most small schools is the individual and personal attention given to students because of small class sizes. Rochester, with its set schedule for students at each grade level and small numbers of students in each cohort, has significantly fewer students per teacher than the state as a whole. The chart below compares Rochester School with other PK-12 schools of similar size. Rochester has the second lowest student-teacher ratio in the comparison group. (Bethel is not included in the group as the elementary and secondary school are reported separately.)

Enrollment and Student-Teacher Ratio - 2012-13

School	Enrollment	Student-Teacher Ratio
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Chelsea	185	10.3
Cannan	202	9.8
Craftsbury	160	9.1
Rochester	150	8.7
Cabot	185	7.7

Virtual Courses

The 55 high school students can enroll in online courses through the school to supplement and expand the set program. They fit these courses into their day on an individual basis. A wide variety of courses are available. Currently there are _____ students enrolled in virtual courses.

Vocational Opportunities

The major vocational opportunity for Rochester students is the Randolph Technical Career Center (RTCC). A variety of programs are offered to meet the different needs of area students. These opportunities are not dependent on enrollment in a Rochester high school program for students to enroll. Currently 11 of the 55 high school students are enrolled at RTCC.

College courses

Vermont students in their senior year may apply to the Vermont Academy of Science and Technology (VAST) at the Vermont Technical College in Randolph Center, VT. There they complete their last year of high school along with their first year of college at no cost to the student. Rochester students are eligible for this program and as with the Randolph Technical Career Center, enrollment is not dependent on a Rochester high school program. Currently there are no high school students enrolled in this program.

Students may also participate in the statewide program of two tuition free college courses. The Community College of Vermont has campuses in Middlebury and Rutland where students can take advantage of the opportunity. Students can also travel to other Vermont colleges participating in the program. At present _____ students are taking advantage of this program. Rochester School has no on campus college opportunities.

The distances from VT colleges and the small size of Rochester School has limited its ability to form partnerships with VT post-secondary educational institutions that some other VT high schools have forged to provide college opportunities, especially for more advanced students.

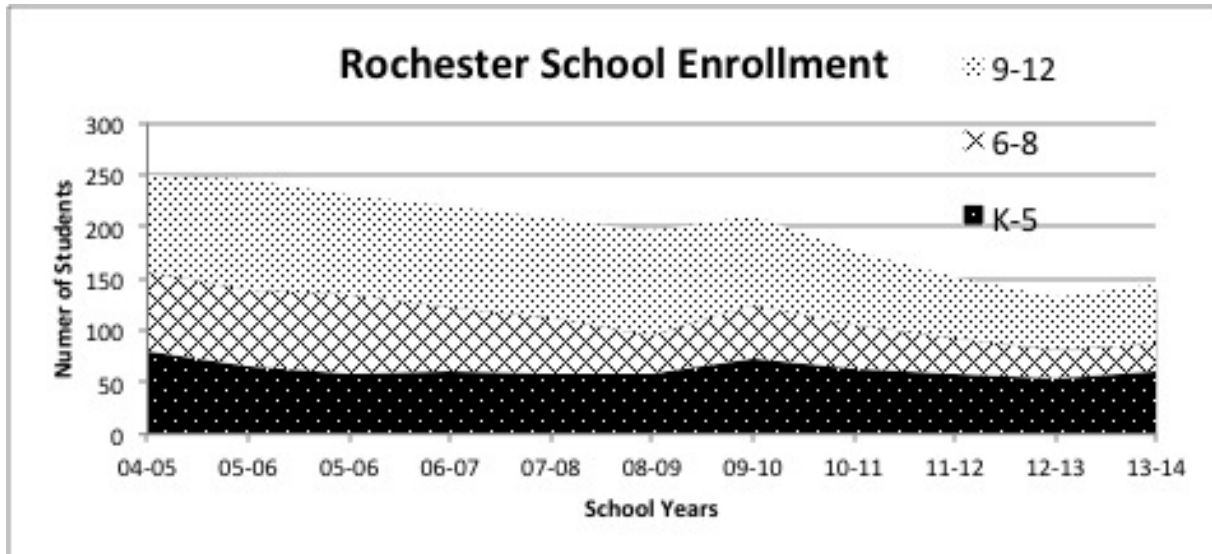
Co-curricular Opportunities

The high school offers or plans to offer the following co-curricular activities in 2013-14:

- Sports
 - Girls and boys soccer combined with Whitcomb High School (Bethel)
 - Girls and boys basketball
 -
- Drama club

V. Student Enrollment

Total enrollment in the Rochester School has been declining for a substantial number of years. While the K-5 population has remained steady, the 6-8 and more dramatically, the 9-12 population has decreased. There was a short period of increase when Hancock and Granville closed their elementary school. In 2004 enrollment was 250 students and current enrollment is 143.



As one focus of this study is on attracting more students to enroll in Rochester School, a significant data point is the number of Hancock and Granville students choosing schools other than Rochester. Currently the total number of such students in Hancock and Granville is 42. (14 in Grades K-5, 15 in Grades 6-8, and 13 in Grades 9-12) These numbers of potential students for Rochester demonstrate a maximum enrollment from all students in the valley to be in the neighborhood of 185 students. (Current enrollment of 143 plus 42 area students choosing other schools) Given school choice in Hancock and Granville, it is unlikely that the maximum could be reached. Families with school choice often chose schooling in the direction of their employment. In addition, many families value the variety of offerings of a larger high school and then make elementary choices based on the high school program selected for the future. Some officials in the two towns report families have moved to Hancock and Granville to take advantage of school choice.

Comparing the Rochester enrollment with other programs in Vermont shows it to be among the smallest.

- There are eleven PK-12 schools in Vermont with five of them having enrollments under 200 students. Rochester has the smallest enrollment of that group.
- There are twenty-two Grade 6/7 through 12 schools in Vermont, the smallest of them is Whitcomb Jr/Sr High School in Bethel at 129. Rochester has 82 students enrolled in Grades 6-12.

- There are 28 Grade 9-12 schools in Vermont with the smallest enrollment being 151 students. Rochester has 55 students in Grades 9-12.

While not alone in the state as far as small enrollment, Rochester School, both elementary and secondary, is the smallest.

VI. Finances

There are two main measures of monetary investment in schooling that offer opportunities for comparison - total spending per equalized pupil and educational spending per equalized pupil. The use of equalized pupils instead of number of students reflects Vermont public policy that to achieve equity, students in poverty or with limited proficiency in the English language require additional resources to support their learning. Vermont also sets a higher level of resources needed for secondary students than elementary students. When analyzing educational investment, it is instructive to look at total spending and educational spending. Educational spending is most often used for comparison purposes as educational spending divided by the number of equalized pupils is the factor that determines a town's homestead (residential) property tax rate. This offers the most direct comparison between educational investment and financial impact on citizens.

Attachment A is a chart showing FY13 total spending and educational spending for three types of school districts:

- Tuition all students - Pittsfield, Hancock, and Granville
- Operate K-12 - Rochester and Bethel
- Operate elementary school and tuition secondary school - comparison group if Rochester were to tuition secondary students

This chart provides comparison data as the Rochester School Board considers changing from a K-12 school to a system that pays tuition for some or all of Rochester students.

In the Rochester School comparison group, those that operate public K-12 schools, Rochester total spending per equalized pupil is second highest in the group, but is seventeenth when compared to all districts in the state. When looking at education spending, the state ranking drops to 199 of 278 school districts. All districts have local revenue that reduces the total spending per pupil. In most K-12 districts the reduction is in the neighborhood of 20%. In Rochester's case the reduction is 43%. The significance of the reduction is that substantial revenue in Rochester makes a difference in the education spending per equalized pupil and thus the homestead tax rate in Rochester.

The two ongoing revenues that account for the reduction are tuition from other school districts and the Vermont small schools grant. In the FY14 budget tuition revenues are \$641,000 (19.5% of the budget) and the small schools grant is \$151,746 (5% of the budget).

Another very significant factor that accounts for the reduction is the "maximum loss" provision for calculating per pupil education spending. The rule in Vermont is that school districts are protected from large downward swings in enrollment through a maximum loss of no more than 3.5% per year.

Rochester School resident enrollment has decreased more rapidly than the maximum loss limit. When calculating per pupil education spending, Rochester School District maintains credit for 143 equalized pupils but has 96 equalized pupils. The budget is built to serve approximately one third fewer students than used to calculate the per pupil cost and thus the homestead tax rate. The chart below shows the difference in tax rate afforded by the maximum loss provision.

Impact of Maximum Loss Provision

School Year 2013-14	Equalized Pupils	Equalized Per Pupil Investment	Homestead Property Tax Rate (without CLA)
With "maximum loss" provision	149	\$14,085	\$1.47
Without "maximum loss" provision	96	\$21,832	\$2.28
Difference	53	\$7,747	\$0.81

Without the two revenue sources and the maximum loss protection, Rochester homestead tax rate would be significantly high.

It is also important to look at per pupil education spending over time. This allows for a comparison of the homestead property tax experience in towns. The chart below shows this history for the member towns of Windsor Northwest Supervisory Union. While each town has years where the cost dramatically changes, overall the per pupil education spending is quite similar. For Rochester, the dramatic change in the current year was a combination of fewer equalized pupils, \$73,000 increase in expenditures and \$125,000 less in tuition revenue.

Per Pupil Cost History

Year	Rochester	Hancock	Granville	Stockbridge	Pittsfield	Bethel	Vermont
2005-06	\$12,640	\$8,807	\$10,411	\$9,476	\$9,019	\$11,852	\$9,582
2006-07	\$12,092	\$9,251	\$9,024	\$10,453	\$9,957	\$11,777	\$10,464
2007-08	\$13,206	\$11,885	\$10,560	\$10,266	\$12,094	\$12,973	\$11,066
2008-09	\$12,301	\$11,786	\$13,826	\$11,711	\$11,781	\$13,270	\$11,599
2009-10	\$11,943	\$11,731	\$12,286	\$11,507	\$12,836	\$13,533	\$12,034
2010-11	\$12,317	\$11,478	\$9,058	\$11,990	\$13,782	\$13,880	\$12,203
2011-12	\$12,222	\$11,492	\$7,875	\$12,909	\$15,247	\$14,620	\$12,287
2012-13	\$11,956	\$15,139	\$11,084	\$14,823	\$17,102	\$15,067	\$12,789
2013-14	\$14,085	\$15,560	\$10,462	\$15,176	\$16,455	\$15,517	\$13,547

As discussed above, even though enrollment did not drop substantially from last year to this year, the loss in previous years continues to affect the per pupil cost. The maximum loss protection applied to the budget in Rochester for FY14 yielded a per pupil cost of approximately \$7,747 less than it would have been without the protection.

The Vermont protection for sharp drops in enrollment is a factor that needs to be included in thinking about future budgets. The FY14 budget resulted in a per pupil cost of \$14,085. For

future years, even if the Rochester School educational spending does not increase and the revenues are stable, the per pupil cost and thus the the homestead property tax rate will increase. The chart below shows calculations for five future years with no change in enrollment, no increase in educational spending, and no loss of revenue. The prior enrollment decrease will have an impact into the future. Maintaining a slower rate of increase will require a combination of increased revenue and decreased expenses.

Per Pupil Calculation for Education Spending of \$2,095,893 (FY14 Amount)

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
ADM	148.8	143.6	138.6	133.7	129.0	124.5
Per Pupil Cost	\$14,085	\$14,596	\$15,126	\$15,674	\$16,243	\$16,832

Cost Drivers

The cost drivers for Rochester School are no different than other Vermont schools, especially those with declining enrollment. The cost of personnel, salaries and benefits, is the major cost driver. The low student to teacher ratio means that the cost of personnel is spread over fewer students and thus drives up the per pupil education spending and thus the homestead tax rate. Physical plant maintenance, transportation, and central office assessment do not drop much at all with declining enrollment and are also cost drivers. The cost of special education is often cited as a cost driver, but since it is responsive to declines in enrollment, it is not a cost driver in the same way as the items above that are not responsive to declines in enrollment.

Tuitions

Each budget season, school districts develop an announced tuition for elementary and secondary education. This is the amount districts that tuition students to other districts' schools use to build their budget. At the end of the year, the AoE calculates an allowable tuition and districts receiving tuitions follow state rules to return extra tuition collected or to bill sending districts for amounts over the announced tuition.

A comparison of the allowable tuitions in area schools shows that from year to year the tuitions can vary significantly, but generally they rise over time. The chart below shows a comparison of the Rochester allowable tuition with those of other area secondary schools. Taking a nine year average, Rochester allowable tuition is the highest of the four.

Allowable High School Tuition Rates

Year	Rochester	Royalton	Bethel	Middlebury
2011-12	\$19,138	\$13,645	\$14,563	\$15,304
2010-11	\$14,746	\$13,619	\$14,326	\$14,951
2009-10	\$13,767	\$14,046	\$13,936	\$14,722
2008-09	\$11,829	\$11,447	\$12,319	\$14,237
2007-08	\$11,825	\$9,711	\$19,192	\$13,270
2006-07	\$13,822	\$8,717	\$12,988	\$11,882
2005-06	\$13,625	\$7,594	\$10,332	\$10,233
2004-05	\$9,972	\$7,417	\$10,614	\$10,160

AVERAGE	\$13,591	\$10,775	\$13,534	\$13,095
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From the point of view of school districts who pay tuition, the allowable tuition is not significant when compared with the actual amount they pay the receiving school districts. While the AoE has a set of rules for allowable and actual adjustments, the receiving school has some discretion to collect or return differences between the announced and allowable. The chart below shows the actual payments made for 2010-11 and 2011-12 school years by the Granville and Hancock School Districts for high school tuition.

Tuition Amounts Paid

High School	2010-11	2011-12
Rochester School	\$13,553	\$16,444
Harwood Union H.S.	\$12,585	\$12,877
Randolph Union H.S.	\$13,301	\$13,913
Middlebury Union H.S.		\$13,272
Sharon Academy	\$11,867	

Since the towns of Hancock and Granville stopped running schools, there has been increased attention in those two towns to the tuition rates they pay to districts where parents choose to send their children. In the past several years, this attention led to friction between those two town school districts and the Rochester School Board. The Rochester School Board set an announced tuition that ended up being substantially lower than the end of the year state calculated “allowable cost”. The Rochester School District, following Vermont statute, billed the two town school districts for additional tuition, funds that were not in their budgets. Both Hancock and Granville also pay WNWSU for expenses related to special education.

Facility

Because of the decreased school enrollment, the two school buildings in Rochester have substantial capacity for more students. Fewer students leads to some savings in expenditures for instruction and supplies, but in terms of facilities, fewer students using the same facility does not lead to decreased expenses for energy, maintenance, or capital repair. The same level of expense spread over fewer students increases the per pupil cost and thus the homestead property tax rate.

VII. Leadership

Over the past several years, Rochester School has had substantial turnover in administrative leadership. For many individuals, this turnover is seen as an indication of the decline of the academic program. At present there is an optimism about new leadership and the strategic plan, but with full recognition that the principal has just started and the strategic plan is also in its first year.

There are also concerns about the services and the future of the supervisory union. There is little confidence that the approximate cost of \$1,000 per student for the supervisory union yields that much in service. Technology services and duplication of some financial tasks are concerns. There is also the uncertainty of the future of Windsor Northwest Supervisory Union. The Secretary of Education is recommending that the State Board of Education dissolve WNWSU and send the member districts to three different supervisory unions. In the plan, Rochester would become a member of the Orange Windsor Supervisory Union, based in South Royalton. That uncertainty and the upcoming retirement of the existing superintendent has led

the board to consider becoming a supervisory district on its own and not be a member of any supervisory union.

The Rochester School Board has its part in elevating perceived concerns about leadership. Board members are split on the sustainability of the school, the quality of the academic program, and the school's importance to the town. These differences manifest themselves in difficult budget decisions, occasional board meetings with heated exchanges among board members and community members, and a perception that the future of the school is a year-to-year decision.

Another area related to leadership, administrative and board, that stands out is the lack of clearly delineated responsibilities among the board, the principal, and the WNWSU administration. This shows up most frequently in board discussions and decisions that are typically the responsibility of administration. Examples of this lack of clarity range from board decisions on relatively minor purchases to board decisions on individual course offerings.

VIII. Community

As in many Vermont towns, Rochester defines its community as those individuals, properties, and businesses within the town lines, rather than a more inclusive community of the geographic valley. As such, most decisions are made with a focus on the Town of Rochester. Many residents see the school, including the high school, as essential to the economy and spirit of Rochester. There is great pride in sports achievements and engagement of students in drama and music. Some believe that there is little hope of drawing families with young children to Rochester without the existence of a PreK-12 school in town. Others believe school choice, at least for secondary education, would be a greater draw for new families. A few believe that school choice combined with the development of a private school in Rochester would be the best draw of all.

At present, the relationships between the Rochester School Board and the boards in Hancock and Granville is not conducive to developing a "valley" focus to replace individual town focuses. Perceptions in Hancock and Granville are focused on the fairness of Rochester tuition as well as a decline in the quality of education in the Rochester School. On the other side, there is a belief that a quality school in Rochester serving students in the valley would benefit all three towns.

IX. Study Questions

Question #1

What needs to happen (general recommendations) in order for the secondary program to grow and attract more area students, home schooled students, and other possible students?

The focus of this question, attracting more area students, is the absolute key for sustainability of the secondary program. This is true on the educational front as well as the financial front. If Rochester School retained all students now enrolled, but without increasing the number of students in the school, the current fifth graders would start ninth grade with a total high school

population of 35 and it would never be larger during their high school career. This small number makes it extremely difficult to offer even the set program now in place for the high school population of 55 students.

Financially, the picture looks no better. Even to maintain the existing student-teacher ratio, the teaching staff would need to be reduced by 30%. Such a reduction of staff would be difficult to do as most teachers and staff require full time employment and benefits. Attracting and maintaining quality teachers in this situation would be close to impossible. In addition, the fixed costs of maintaining a facility do not go down simply because there are fewer people using the facility.

To sustain the Rochester secondary program, the school must attract more area students. It is important to understand the upper limits of the potential to draw more area students. If all high school students in Rochester, Hancock, and Granville were to enroll in the Rochester secondary program, the fifth grader discussed above would enter into a high school program of 53 students, approximately the enrollment in the current year.

For reasons mentioned earlier in the report, reaching this upper limit with area students is unlikely. Currently, the competing factors from other area high schools are size of student body and variety of offerings. The Rochester secondary program will never compete with area high schools on the basis of size of student body. There are simply not enough families in the valley to grow the program much larger than it is now. The program also cannot compete on the basis of variety of offerings. There will not be the sufficient number of students to fill or finance such a variety.

To attract more area students, the Rochester secondary program must offer an approach to education that leaves behind the traditional course sequence approach. The program needs to transform itself in ways that take advantage of its size and the strengths of its community.

Some particulars to consider are:

- Focus on proficiency of common core standards and college and career readiness rather than traditional seat time structure. Make the basis of the Rochester High School diploma proficiency and readiness.
- Establish a deep community involvement program that supports an approach to learning that is based on students' interests and employes apprenticeships, internships, and student designed experiences.
- Expand the use of technology beyond virtual courses and personal tools to more individualized learning systems. (The Khan Academy is an excellent example of such a system that provides students and schools with instruction, assessment, and monitoring based on a complete and sequenced knowledge ladder.)
- Partner with Vermont High School Completion Program to attract unserved students throughout the state with a supportive program that is individualized to their needs.
- Partner with those in the area interested in starting a residential and educational program for students from outside of Vermont and the country.
- Explore a partnership with the VT State College to draw on the music, artistic, and drama interest and expertise of the area to establish a drama and arts campus and dual enrollment (high school and college) for Rochester students.

- Explore a partnership with other small PreK-12 school districts in Vermont who have similar constraints and pressures.

The major transformation described above cannot be done only at the secondary level. The elementary and middle schools would need a similar transformation. Students would need to have experiences throughout their schooling that lead them to take responsibility for learning and focus on proficiencies and developing their interests.

Such a transformation will also not be easily accepted by all involved. Parents will need to be sure that the schooling in such a transformed system will truly prepare their children for the next step, be it college, career training, military, or work. Students will need to learn how to engage in such a system. Teachers will need to learn new ways to work. Community members will need to become deeply involved with students pursuing their interests.

Financially, the Rochester School Board needs to collaborate with other area boards for a system to set tuition rates that meet a standard of equity and fairness. Such a system needs an external benchmark, like the Vermont average or the Rochester Per pupil cost, rather than the implementation of a state rule. Perhaps the boards could collaborate on developing a formula that uses the per pupil education spending (without special education costs) as a foundation factor.

Question #2

If the school does not grow, what are the options for students and what are the tax consequences?

If the high school does not grow, it will become increasingly difficult to provide a quality secondary education. Vermont Legislative pressures to address the cost of education may lead to state actions to reduce or eliminate the small schools grants or the maximum loss protection. Either of these would lead to an overwhelming residential property tax increase in the town.

If Rochester decided not to offer a Grade 9-12 program, the town might consider one of these three possibilities - designate a high school for all Rochester secondary students, enter into a joint contract school with an area high school, or give students and families the choice of schools to attend.

Possibility #1 - Designate a high school

Designating a high school has both educational and financial consequences. In this time of declining enrollment, most any high school would benefit from a continuing increase in tuition students. Additional students allow schools to maintain existing academic opportunities while holding the per pupil cost to a reasonable increase. Rochester students could benefit from increased opportunities and association with a larger group of students. Community wise, since all Rochester public school students would be enrolled in the same high school, designating a high school would allow for some continuity in community spirit. Rochester students and families would all be involved in the same sports teams, concerts, theater productions, open houses, and other school related events that have a positive impact on communities.

Designating a high school requires approval from both Rochester voters and the school board of

the high school. Either party may dissolve the relationship in the future.

Financially, designating a high school puts the district into a somewhat unpredictable situation as there are substantial fluctuations in allowable tuition costs in most school districts. On the other hand, the partner school would benefit substantially from Rochester designation and might enter into an agreement that related tuition to be charged to the per pupil education spending for the designated high school or some other appropriate standard.

Possibility #2- Joint contract high school

Entering into a joint contract school with one or more area high schools is a more permanent partnership where a new entity is formed, governed by a board made up of the partner school districts. The educational benefits are similar to those of designating a high school. Additionally, such a joint high school would have access to at least two campuses, allowing for the development of focused programs like magnet schools. Such programs would combine the enrollment of the partner schools and attract students from area choice towns as there are very few opportunities for magnet-like programs anywhere in Vermont.

One could imagine a joint high school with South Royalton, Whitcomb (Bethel), and Rochester. South Royalton could partner with Vermont Law School and have a social and hard science program focused on environmental studies. Whitcomb could have a math, science, and technical focus taking advantage of area manufacturing partners. Rochester could have a program focused on the arts with apprenticeships where students could learn and practice a variety of artistic endeavors. The three programs combined would share resources on basic skill development and the development of the business skills associated with the focus of the campus. Such magnet schools would be an attractive venue for Vermont higher education satellite programs. Community wise, each town would continue to have a school and community relationship, although it would be with students from towns across the partnership.

Financially, Rochester would have a voice in the operation of the new school and share equally with the partner towns in all financial decisions and consequences. The joint school partnership with other school districts is very different from tuition payments as no school district benefits more than the other partners.

Possibility #3 - School choice

A third possibility is to eliminate the high school program and turn over the responsibility for public high school education to other schools. Students and parents would choose the public or approved independent school they wished to attend. The towns that do offer choice to students and families find that once choice is in place, there develops strong support for maintaining choice. There seems to be no turning back.

All Rochester high school students, as well as other valley high school students attending Rochester School would need to travel a distance for school. The Rochester School Board would need to consider providing transportation or convincing area receiving schools to provide transportation for students. Those students in families of lower economic means would be hard pressed to transport their children to schools at a distance, much less provide transportation for extra curricular activities. Opportunities for students with fewer family resources, would be quite

limited.

Community wise, the existing sense of unity provided by a high school program and all the associated activities that surround a high school would be lost. The community would need to adjust to and more deeply engage in the parallel activities that accompany a PreK-8 program. Many Vermont communities are deeply engaged in elementary and middle school programs when the community children attend high school elsewhere.

Financially, since high school tuition amounts would be set by the high schools chosen by students and parents, it is difficult to make cost predictions. One way to get a sense of the financial implications is to review the experience of other school districts.

The chart below includes per pupil education spending data for Rochester and three groups of medium size school districts, those between 100 and 500 students. The Rochester per pupil cost is higher than the average of the groups, but less than the highest. A \$14,000 tuition is a reasonable estimate for the amount of tuition Rochester might pay in a high school choice system.

Education Per Pupil Cost for Rochester and Similar Size School Districts

Rochester	FY12	FY13	FY14
	\$12,222	\$11,956	\$14,085
FY 14 Comparisons	Average	Low	High
Operate PreK-12 District	\$13,138	\$9,754	\$16,723
Operate elementary school and designate high school	\$13,391	\$11,713	\$15,290
Operate elementary school and have choice for secondary school	\$12,566	\$8,723	\$14,891

The FY14 Rochester School budget, includes approximately \$730,600 for high school programs or about \$17,000 per student. (Big Picture, vocational tuition, and special education expenses are excluded.) An estimate for the cost of secondary school choice tuition is \$14,000 per student. Three other factors relate to secondary school choice - tuition revenue, the small schools grant, and the maximum loss protection. Additional research would be needed to determine the exact impact, but secondary tuition revenue would be eliminated, the small school grant would be reduced, and the maximum loss protection would continue to hold the calculated per pupil education fund spending (and thus the homestead property tax rate) below the actual amounts. A rough estimate of the financial impact of secondary school choice if it were in effect in the current year's budget is:

- Tuition revenue reduction of \$405,000 (27 students @ \$15,000)
- Budget reduction of \$730,600 (high school expenses)
- Increased tuition expense for choice \$392,000 (28 students @ \$14,000)
- Small School Grant reduction \$40,000
- Resulting net increase in total education spending \$106,400
- Per pupil Education spending \$14,800 (up from \$14,085)
- Homestead tax rate before CLA \$1.54 (up from \$1.47)

There is some interest in Rochester in forming an independent school to replace the existing school system. While such an initiative is beyond the scope of this report and not even part of the work of a public school board, it is instructive to consider what actions a public school board might take if such a school existed and the school board desired to stop providing a high school program. The Rochester voters would need to approve a proposal by the Rochester School Board to cease providing high school education. At that point, unless a different high school was designated for Rochester students, and accepted by the other high school, all Grade 9-12 students and families would have their choice of high schools. It is also important to know that the Vermont Legislature was interested enough in this kind of situation that it formed a study committee during the last session. The report of this committee is due for submission to the Vermont Legislature by December 15, 2013.

Question #3

What are some of the possibilities if the mission of the school changes? (dual enrollment, community college, engagement with businesses and community, serving foreign students)

Most of these ideas are already addressed in this report in earlier paragraphs - partnerships with higher education; interest in bringing students from other towns, states, and countries to Rochester; internships. The foundational concept of this report is that the mission of the school does need to change. The school needs additional high school students for both educational and financial sustainability. Continuing the same mission is unlikely to grow the enrollment sufficiently.

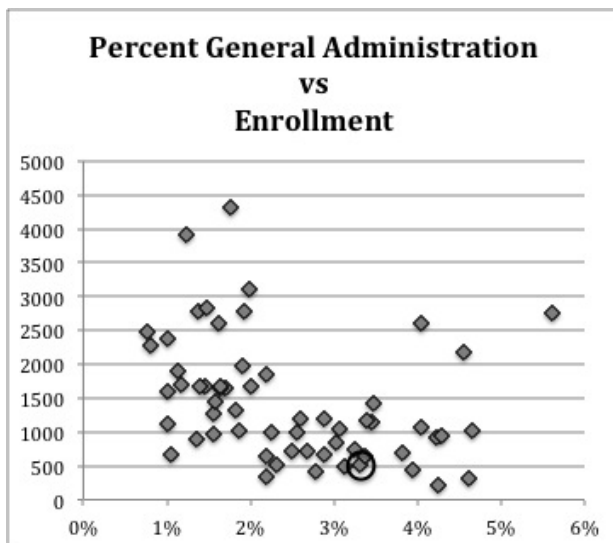
Question #4

What are the possibilities of Rochester Town School District becoming a supervisory district independent of any other supervisory union?

One of the cost drivers for any school system with declining enrollment is that many of the fixed costs (energy, building maintenance and repair, administration, debt) are difficult, if not impossible, to reduce in proportion with the enrollment decline. This same principle applies to the functions of a supervisory union or supervisory district. Vermont law requires that some administrative tasks be completed on a regular basis. There is no proportional reduction in effort to accomplish these tasks for a small a district over a large district. Quite the opposite is true. Most of the tasks required of school district central offices gain substantial efficiency through economy of scale. Processing a payroll for 30 employees takes almost as much time as for 300 employees. State and federal reports follow that same pattern. Another aspect of the situation is the ever increasing complexity of central office tasks, human resources being the prime example. For a central office to be effective, a variety of special knowledge and skills is required. To expect a very few central office employees to accomplish this wide variety of tasks is not realistic.

From the school side of the central office responsibilities, leadership of a school is complex and demanding enough that adding typical central office administrative tasks to the load is to distract those whose main talent and commitment is to successful learning and instruction. Mixing school based responsibilities and central office responsibilities will not lead to an efficient and effective school organization.

In Vermont supervisory unions and supervisory districts, the average percent of educational investment used for general administration (central office) is 2.47%. The two smallest supervisory districts (205 students and 307 students) spend 4.25% and 4.61% respectively. Rochester, as a member of the 520 student Windsor Northwest Supervisory Union, pays 3.31%. (See circle in the chart below.) It is extremely unlikely that a 150 student supervisory district could either save money or effectively meet the responsibilities of a central office and it is almost assured that the responsibilities would greatly distract from the educational work of the school.



The Vermont State Board of Education has the authority to assign town school districts to supervisory unions or supervisory districts. They have required several small supervisory unions or supervisory districts to perform boundary studies to determine if they should become part of a larger governance system. The state board is looking to make larger governance units and would not see effectiveness or efficiency reasons to make Rochester a supervisory district.

X. Suggested Next Steps

There are many significant and critical perspectives to be considered when making a decision about the future of education for high school students in Rochester. First and foremost - What program and structure will best prepare the young adults of Rochester for their next step and will be sustained financially by the voters of the town? While this initial question should be at the top of the list, there are other relevant questions to consider.

- What program and structure will draw additional students to enroll in Rochester?
- What program and structure will lead to increased performance in core academic areas?
- How can the Rochester Board improve relationships with the Granville and Hancock School Boards?
- What is the capacity and willingness of the administration and faculty to transform not only the high school program, but the entire PreK-12 program?
- What is the capacity and willingness of the Rochester School Board to define responsibilities for itself, the superintendent, and the principal and to hold themselves and the administrators accountable for those responsibilities?
- Will Rochester citizens engage deeply with the school program if it transforms?
- Will offering high school choice attract or deter new families from settling in Rochester?

Reviewing data and perceptions of the Rochester School can be used to inform a decision about the future of the Rochester School, but at the end of the day, the next step is political. Given the continuing decline in enrollment, can the Rochester School Board and the Rochester community envision a transformed high school program that would be acceptable and even prized?

Attachment A

Data for Three Types of Vermont School Districts

District Name	Grades Operated	FY 2013 Equalized Pupils	FY 2013 Budgets per Equalized Pupil	FY 2013 Education Spending Per Equalized Pupil	Size Detail
Do not operate a school, tuition all students					
Winhall	None	138.06	21,445	16,977	100 <= medium < 500
Pittsfield	None	68.62	19,134	17,102	Small <100
Stratton	None	32.31	18,636	14,805	Small <100
Hancock	None	44.46	18,062	15,139	Small <100
Baltimore	None	39.07	16,020	14,580	Small <100
St. George	None	115.96	15,302	13,622	100 <= medium < 500
Kirby	None	81.16	15,001	13,664	Small <100
Sandgate	None	53.24	14,837	13,577	Small <100
Searsburg	None	20.18	14,528	12,260	Small <100
Granby	None	14.31	14,198	12,632	Small <100
Victory	None	9.54	13,912	7,347	Small <100
Plymouth	None	51.25	13,552	11,551	Small <100
Ira	None	71.25	13,456	11,227	Small <100
Maidstone	None	24.60	12,942	11,567	Small <100
Granville	None	48.66	12,492	11,084	Small <100
Norton	None	17.94	10,430	8,814	Small <100
East Haven	None	55.97	10,037	9,246	Small <100
Bloomfield	None	41.74	8,957	8,490	Small <100
Brunswick	None	23.71	8,391	7,645	Small <100
Lemington	None	16.31	7,299	6,681	Small <100
	Group	968.34	15,218	13,099	
Operate public K-12					
Craftsbury	K-12	153.08	23,405	16,723	100 <= medium < 500
Rochester	K-12	154.20	20,845	11,956	100 <= medium < 500
Chelsea	K-12	147.88	20,719	13,674	100 <= medium < 500
Enosburgh	K-12	523.57	20,336	11,077	500 <= large <1000
Springfield	K-12	1,373.85	20,080	15,504	1000 <= very large
Rutland City	K-12	2,276.85	19,833	11,988	1000 <= very large
Hartford	PK-12	1,510.31	19,332	12,428	1000 <= very large
Arlington	K-12	294.16	19,322	14,171	100 <= medium < 500
Windsor	K-12	478.13	18,679	13,087	100 <= medium < 500
Royalton	PK-12	330.52	18,349	13,592	100 <= medium < 500
Bethel	K-12	267.18	18,095	15,067	100 <= medium < 500

Concord	PK-12	196.09	18,032	13,499	100 <= medium < 500
Poultney	K-12	398.10	17,709	13,636	100 <= medium < 500
South Burlington	K-12	2,396.99	17,566	13,411	1000 <= very large
Burlington	PK-12	4,040.59	17,513	12,333	1000 <= very large
Cabot	PK-12	209.01	17,391	13,365	100 <= medium < 500
Canaan	K-12	185.55	17,311	9,754	100 <= medium < 500
Stowe	K-12	659.10	16,849	13,413	500 <= large <1000
Montpelier	K-12	975.39	16,561	12,800	500 <= large <1000
Northfield	PK-12	639.06	16,073	12,608	500 <= large <1000
Proctor	PK-12	320.29	15,946	13,439	100 <= medium < 500
Morristown	K-12	817.10	15,921	11,257	500 <= large <1000
Danville	K-12	334.54	15,829	12,449	100 <= medium < 500
West Rutland	PK-12	342.72	15,524	12,568	100 <= medium < 500
Williamstown	PK-12	530.74	15,354	12,614	500 <= large <1000
Colchester	K-12	2,137.36	15,310	12,043	1000 <= very large
Fairfax	PK-12	757.80	15,252	11,233	500 <= large <1000
Winooski ID	PK-12	938.70	14,718	11,573	500 <= large <1000
Milton	PK-12	1,701.47	13,686	11,933	1000 <= very large
Richford	K-12	448.81	13,649	10,096	100 <= medium < 500
	Group	25,539.14	17,236	12,577	
Operate elementary school, tuition high school students					
Isle La Motte	K-6	62.51	18,968	13,265	Small <100
Orange	K-8	155.11	17,818	13,673	100 <= medium < 500
Stockbridge	PK-6	103.61	17,780	14,823	100 <= medium < 500
Wardsboro	PK-6	121.19	17,608	13,550	100 <= medium < 500
Middletown Springs	PK-6	111.60	17,353	14,624	100 <= medium < 500
Halifax	K-8	83.89	17,037	13,198	Small <100
Marlboro	PK-8	129.71	17,025	12,650	100 <= medium < 500
Manchester	K-8	666.50	16,958	13,914	500 <= large <1000
Sharon	PK-6	219.49	16,914	13,902	100 <= medium < 500
Tinmouth	PK-6	84.46	16,848	13,737	Small <100
Dover	PK-6	153.67	16,765	13,638	100 <= medium < 500
North Hero	K-6	98.02	16,640	13,525	Small <100
Sunderland	K-6	139.01	16,576	12,997	100 <= medium < 500
Dorset	K-8	280.04	16,544	13,879	100 <= medium < 500
Roxbury	PK-6	95.72	16,512	12,128	Small <100
Weathersfield	K-8	314.86	16,363	14,891	100 <= medium < 500
Washington	PK-8	122.17	16,306	13,185	100 <= medium < 500
Hartland	K-8	464.10	16,274	14,567	100 <= medium < 500
Barnet	K-8	273.58	16,039	13,878	100 <= medium < 500
Tunbridge	K-8	179.13	15,965	12,634	100 <= medium < 500
Waterford	PK-8	238.40	15,953	13,292	100 <= medium < 500
Stamford	K-8	109.24	15,772	11,220	100 <= medium < 500

Guildhall	K-6	40.30	15,743	8,980	Small <100
West Windsor	K-6	137.37	15,637	13,027	100 <= medium < 500
Fairfield	K-8	347.69	15,593	12,720	100 <= medium < 500
Grand Isle	K-8	316.06	15,584	12,607	100 <= medium < 500
Alburgh	K-8	304.85	15,395	12,087	100 <= medium < 500
Wolcott	K-6	282.86	15,388	12,463	100 <= medium < 500
Coventry	K-8	167.22	15,331	11,801	100 <= medium < 500
Rutland Town	PK-8	524.11	14,640	12,883	500 <= large <1000
Westford	PK-8	342.04	14,599	12,239	100 <= medium < 500
Lunenburg	PK-8	190.31	14,505	12,550	100 <= medium < 500
Peacham	PK-6	103.07	14,269	12,311	100 <= medium < 500
Bakersfield	K-8	232.55	14,168	11,252	100 <= medium < 500
St. Johnsbury	PK-8	1,070.34	14,101	11,429	1000 <= very large
Elmore	1-3	119.55	14,068	11,355	100 <= medium < 500
South Hero	K-8	224.77	13,960	11,299	100 <= medium < 500
Walden	K-8	167.35	13,861	11,579	100 <= medium < 500
Sheldon	K-8	373.37	13,845	10,945	100 <= medium < 500
Montgomery	K-8	181.51	13,718	10,750	100 <= medium < 500
Fletcher	PK-6	217.37	13,600	11,718	100 <= medium < 500
Georgia	PK-8	884.22	13,546	11,859	500 <= large <1000
Berkshire	K-8	282.08	13,344	10,421	100 <= medium < 500
Readsboro	PK-8	104.16	12,658	8,723	100 <= medium < 500
Group		10,819.16	15,249	12,545	