

Final Report: School Governance Study for Essex North Supervisory Union and School Administrative Unit 7

Overview of the Final Report

This report is divided into seven sections: a background section describing the genesis of the report; a section describing the challenges facing schools in Essex North Supervisory Union (ENSU) and School Administrative Unit #7 (SAU 7); four sections describing the each phase of the study; and, a section of recommendations. The report also includes five appendices: enrollment projections; copies of PowerPoint presentations outlining alternative education plans; an analysis of each of the alternative education plans and the alternative that was ultimately incorporated in the community survey; an overview of the law governing interstate districts and a copy of the law itself; and, the survey results in three different formats.

I greatly appreciate the assistance provided by the administrators in ENSU and SAU 7 and the building level administrators in both districts. I am especially grateful to those school board members who volunteered countless hours serving on the Governance Study Steering Committee (GSSC). They attended meetings, public presentations, and reviewed the materials that are included in this report.

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Background

In September 2009, the Essex North Supervisory Union (ENSU) Board and School Administrative Unit 7 (SAU 7) Board invited interested area residents to a meeting of a "Resource Committee for Area Schools". The purpose of this committee was to discuss ways the two districts could "...*contain costs and increase educational offerings in an era of sustained declining enrollment.*" The Tillotson Grant underwriting this governance study is the result of a recommendation of that Resource Committee for Area Schools. The scope of this study includes the development of enrollment projections for each of the schools in the region, the development of alternative school consolidation models and program alternatives for the school boards and public to consider, and the gathering of feedback from the community regarding the future of public education in the North Country.

Challenges Facing ENSU and SAU 7 Schools

Schools in ENSU and SAU 7 face three inter-related challenges: declining population in the schools; cost-effectiveness; and, educational opportunities.

The **declining population in the schools** contributes directly to the other challenges. The five schools in the region are projected to lose 100 students over the next three years, roughly 10.5% of the current enrollment.

This loss in student population leads to a challenges in **cost-effectiveness**. If staff levels remain fixed and spending increases by 3% per year, the cost-per-student would increase by 23.5% due solely to the loss of students. Moreover, unless the schools are consolidated in some fashion, it will be very difficult to reduce staff because the projected enrollment decline is spread evenly across the grade levels in the five schools in the region. Without reducing staff the rise in per pupil costs and the corresponding increase in tuitions could make it difficult to pass operating budgets in the future.

The combination of enrollment declines and budget challenges outlined in the previous paragraphs will make it increasingly difficult for districts to provide a wide range of **educational opportunities** for students, particularly at the high school level. Staff cutbacks without consolidation will only compound this problem since elective programs will become increasingly vulnerable to budget cuts since schools must retain sufficient staff to teach required courses.

PHASE 1: The Development of Alternative Education Plans

The Establishment and Role of Governance Study Steering Committee

Dr. Wayne Gersen, the consultant hired to conduct this study, convened a Governance Study Steering Committee (GSSC), comprised of representatives from the Boards in Essex North School Union (ENSU) and School Administrative Unit 7 (SAU 7). The GSSC guided Dr. Gersen in the gathering of information. They provided feedback on various conclusions and proposals, and made the public aware of the complex problems each board is facing in light of the challenges outlined above. As constituted, the GSSC had no authority to make decisions regarding the assignment of students or faculty, the closure or upgrading of facilities, or the courses that might be offered in ENSU and SAU 7 schools in the future. The GSSC did provide invaluable help to the consultant in the development of the specific consolidation proposal shared with the public and provided candid feedback throughout the all phases of the study.

Information Gathering: Enrollments

At the outset of the study, the consultant gathered and disseminated three-year enrollment projects for each school within ENSU and SAU 7 using the October 2011 data provided to him by the Superintendents in each town. Those projections are found in *APPENDIX A*. As noted in the *Challenges* section, above, the projections indicate a drop of 100 students over the next three years, roughly 10.5% of the current enrollment.

Information Gathering: Facilities

The consultant toured each school and accompanied the GSSC members on tours in advance of several of their meetings. He reviewed summary reports on the facilities prepared by the Business Manager of SAU 7 and Superintendent in ENSU. In his initial overview of the existing conditions of each school (see *Appendix B*), the consultant reported that with the exception of Colebrook Academy, which has deficiencies, and Colebrook Elementary School, which is exemplary, all of the facilities are adequate for their current level of use.

Information Gathering: Program Offerings

In January and February of 2012 the consultant reviewed the course of studies in each high school, visited each of the five schools at least once while students were in attendance, and discussed the status of the school's staffing levels and program with the Principals. He also met with faculty members informally in small group meetings to get their perspectives on the school facilities, programs, and students. In his interim report, the consultant noted variances in the instructional practices in the schools, the limited electives offered in the high schools, and the consensus among secondary school staff of the need for more vocational education opportunities for students in the region.

Information Sharing and Gathering: Public Forums

The consultant convened a public meeting on January 11, 2012 and two public forums on January 29 and February 9 of 2012. At each public forum he gave a presentation that outlined alternative school consolidation models. At the first forum he presented an analysis of the facilities and a set of alternatives generated by the GSSC and him following their initial meeting on January 11, 2012. At the second forum he presented an expanded set of alternatives derived from feedback he received following the first forum. Copies of the PowerPoint presentations given at the forums can be found in *APPENDIX B*.

PHASE 2: The Review of Alternative Education Plans

Following the second public forum in February 2012, the consultant issued an interim report that indicated the GSSC was, at that time, deliberating on three broad options:

1. *Creating a regional middle school in Canaan while retaining high schools in Colebrook and Canaan*
2. *Creating a comprehensive high school in Canaan for all students in the region.*
3. *Retaining the current organizational structure with the realization that funds need to be invested in Colebrook to upgrade the Academy OR to put an addition onto Colebrook Elementary School.*

In that Interim Report he also indicated “... *the Steering Committee is deliberating on two sets of subsidiary questions that deal with organizational changes that could occur as part of any of the alternatives outlined above:*

1. *Consolidation at the elementary and/or middle school level in Canaan, Stewartstown and/or Pittsburg.*
2. *Expansion of vocational offerings at Canaan HS and/or arts offerings at Colebrook HS with a plan to increase tuition-free opportunities for cross enrollments between the two schools.*

The interim report also stated that the GSSC intended to make a questionnaire available on line and in hard copy form “...*before the end March*” and to convene public meetings sharing those results before the end of the school year.

After holding two meetings in March, the GSSC had not reached a clear consensus on a specific plan and determined that the issues relative to school consolidation were far too complex to address within the promised time line. Before making a final determination of a particular school consolidation model, the GSSC wanted to:

1. *Be completely familiar with all of the school facilities;*
2. *Thoroughly review all of the alternatives presented in earlier forums to make certain the one presented in the questionnaire was the best option;*
3. *In their capacity as liaisons to each of the Boards, gain a clear understanding regarding the process that would take place should further study of a consolidation of schools be warranted; and,*
4. *As much as possible, determine the cost implications of any consolidation, including the possibility modifying tuition agreements in lieu of entering into a consolidation agreement.*

To meet the goal of becoming familiar with each of the facilities in the region, the GSSC rotated their meeting sites and scheduled building tours before each meeting. By the end of May the GSSC members had the opportunity to see each building with tours led by the building Principal and/or the Superintendent and Assistant Superintendent.

At their meetings in the spring of 2012, the GSSC completed the second goal by systematically reviewing the various options presented at the public forums in January and February as well as options that emerged as a result of those meetings. As a result of their analysis, the GSSC adopted the plan that was incorporated in the survey issued in September 2012. The analysis of the

materials reviewed at those meetings and the GSSC's Recommended Plan can be found in *APPENDIX C*.

In late June, the consultant met with ENSU and SAU 7 administrators and Sarah Browning, the New Hampshire State Department of Education's liaison to districts contemplating the formation of interstate districts. The consultant also exchanged emails with Vermont officials on this topic but determined that since the law defining the procedure for the creation of an interstate district is identical in both states a separate meeting with Vermont officials was unnecessary. At their June 2012 meeting, the consultant, Ms. Browning, and the Superintendents and business administrators reviewed the procedures outlined in Chapter 200-B, the New Hampshire-Vermont Interstate Compact. Following that session, the consultant prepared an *Overview of Laws Governing Interstate Districts* that he shared with members of the GSSC after having it reviewed by Ms. Browning. The procedure for creating an interstate district is discussed in greater detail in the "Consideration of Consolidation Options" section of this report (*see page 9*). Copies of Chapter 200-B and the *Overview of Laws Governing Interstate Districts* are included in *APPENDIX D*.

During the summer, the consultant developed an economic model to illustrate potential savings that could be realized through the consolidation recommended by the GSSC and to demonstrate how those projected savings might be distributed among the communities. Because the savings were based on several complicated assumptions that could change between now and the implementation of any consolidation, the GSSC decided to keep the financial analysis out of the survey text.

Over the summer the consultant also developed an economic model illustrating the effects of using a tuition model to share costs as opposed to a model based on the creation of a single school district. The consultant's analysis demonstrated that any tuition model would effectively penalize some towns (the "tuition-paying towns") and reward others (the "tuition-receiving towns"). For example, if the Pittsburg Middle School plan described in the survey was adopted and implemented using a tuition model, Pittsburg, a "tuition-receiving town", would receive substantial gains in revenue while Canaan, one of the "tuition-paying towns", would have higher costs. The consultant concluded that using any tuition model would skew the costs (or savings) unless some kind of creative collaborative agreement was reached. The "Consideration of Consolidation Options" section (*page 9*) of this report illustrates one example of how a cost sharing formula might work.

In late summer the GSSC met, reviewed the consultant's work completed over the summer, reviewed the final draft of the survey, and discussed the logistics of issuing the survey and sharing the findings.

PHASE 3: Community Survey

The GSSC began reviewing the contents and structure of the survey in spring 2012. The final version of the survey sought feedback on the Pittsburg Middle School plan (*see Appendix C*), on the kinds of curricular offerings the community sought in its high schools, on transportation, on governance, and on the funding for upgrades to Colebrook Academy and Canaan Memorial School. The questionnaire also included town specific questions and provided several opportunities for extended responses. The survey results were tabulated in three different formats: in summary form; cross-tabulated by five communities (Canaan, Colebrook, Columbia, Pittsburg, and Stewartstown); and cross-tabulated by parent and non-parent demographics. These three tabulations can be found in *Appendix E*. A summary of the overall survey findings follows:

Who responded to the survey?

Over 378 residents in the ten towns that comprise the two school districts responded. The response patterns closely approximated the student enrollment patterns (*see last page of this summary*), particularly at the State level where 25% of the students in the region reside in Vermont and 24.66% of the survey respondents were Vermont residents. 45.4% of the respondents were community members with no children in school. 11.6% of who were parents of children who had not yet entered school.

Did the respondents support the proposed Middle School consolidation plan?

26.2% supported the plan with no reservations and 36.2% opposed it. 22.7% were open to the plan but needed more information, and 14.9% were somewhat opposed but might be persuaded. Residents of Colebrook (54.7%) and Columbia (59.3%) expressed the strongest opposition, as did parents of current elementary students (44.9%) and middle school students (43.4%).

How did respondents feel about consolidating Pittsburg and Canaan High Schools?

22% opposed the high school consolidation. Pittsburg residents (38.8%) expressed the strongest opposition. 42% supported high school consolidation, with current HS parents (25.4% support) and pre-school parents (52.4% support) having outlying responses. In general, 2/3 either support or are open to the idea of Canaan and Pittsburg consolidating high schools.

Which vocational programs received the greatest support for consideration?

60% or more of the respondents cited five vocational programs: building trades (73.6%), mechanics (66.1%), culinary arts (65.8%), electricity and electronics (61.5%) and health and emergency sciences (60.9%). These programs were the highest ranked in all demographic groups.

How long should students be required to ride the bus?

59.2% believe a 40- minute bus ride is the maximum acceptable time for riding the bus, with Pittsburg residents (50.8%) most willing to accept a longer ride and high school parents (22.7%) least willing.

Is the public open to the idea of having one school board govern a consolidated school district?

34.8% supported the idea with another 31% open to it with additional information needed. 24.3% are opposed to a change of this kind. The strongest opposition was in Pittsburg (31.3%) while Canaan (43.6%) and Stewartstown (44%) residents and parents of children not yet enrolled in schools (43.9%) expressed the strongest support.

Would the public support spending money to upgrade the high school facilities in Canaan and Colebrook?

The public was split on this issue, with 26.1% expressing unqualified support and 28.6% expressing outright opposition. 33.6% were open to the idea of upgrading the schools but needed more information. The strongest opposition to this question was in Pittsburg (56.7%) and among parents of high school students (40.9%). The strongest support was in Canaan (37%) and among parents of children not yet enrolled in school (39%). Additional information is available in the individual town questions (*see next page*).

How important is cost containment?

84% rated cost containment as very important (37.7%) or important (47.4%). These findings held true in all demographic groups.

How important is the expansion of opportunities for HS students?

93.8% rated the expansion of opportunities for HS students as very important (68.9%) or important (24.9%). These findings held true in all demographic groups.

What are the top three priorities of a consolidated school district?

The highest priority was to improve the success of high school graduates (57.9%). The raising of academic standards (49.6%) and the improvement of early learning opportunities (45.4%) ranked as second and third priorities. Improving the buildings (22.7%) and reducing costs (31.9%) were the lowest ranked priorities.

Should the districts pursue the consolidation study any further?

27.9% expressed unqualified support for pursuing the study while 22.7% expressed outright opposition. The most prevalent response (30.3%) was "I am open to further study... but need more information..." Only Colebrook (43.7%) has less than 50% of the respondents indicating either "support" or "open to further study". Canaan (70.2%) and Stewartstown (69.7%) have the highest percentages indicating either "support" or "open to further study".

Should things stay as they are?

28% want to retain the status quo in terms of governance and attendance patterns, 44.8% want to see changes made, and 27.2% are unsure. Pittsburg (36.4%) had the highest percentage supporting the status quo over the other two responses. Interestingly, Canaan (48.7%) and Colebrook (45.3%) residents had nearly identical responses to this question despite their divergent responses to the pursuit of the study.

A summary of the findings in each town is outlined below:

Canaan

What ideas about upgrades to Canaan Memorial School received support?

A solid majority of the public wants to upgrade the school to provide more vocational education (81.7%), but there is no majority in response to questions linking it to the adoption of a consolidation plan.

Colebrook

Which alternatives do Colebrook residents favor in terms of facilities upgrades?

There was not majority support of for any of the options on the survey, though there was substantial opposition (47.3%) to the notion of consolidation with Canaan High School. When those who “support” a given alternative are added to those “open” to that same alternative, the closure of Colebrook Academy with an addition to the Colebrook Elementary School (76.7%) is favored over the renovation of Colebrook Academy (69.2%).

Columbia

What are residents thoughts regarding the AREA agreement?

46.2% want to have the AREA agreement modified to allow a limited number of students to attend schools in other towns while 30.8% find the current AREA agreement acceptable. Only one respondent wanted to discontinue the AREA agreement.

Are Columbia residents willing to buy into ownership of Colebrook facilities?

73.1% favor the concept of buying into ownership contingent on having a voice in educational decisions at the school level.

Pittsburg

Would you revisit combining grade levels at the elementary school?

46.5% of all respondents are open to revisiting the combination of grade levels at the elementary level, a figure that mirrors the opinion of elementary parents.

Stewartstown

What kinds of changes are acceptable in Stewartstown?

53.1% of respondents were open to sharing grade levels with Canaan with 75.6% favoring the expansion of preschool programs into Stewartstown school should such a combination occur. The respondents were closely split on the question of tuitioning 7th and 8th grade students, with 46.8% supporting the idea and 53.2% opposing it.

Vermont “Choice” Communities

What kinds of governance structures are “choice” towns willing to consider?

61.5% of the respondents were supportive of forming a Regional Education District. 40% opposed joining a district that limited their choice to Canaan Memorial School.

PHASE 4: Consideration of Consolidation Options

Two equations affect any consideration of consolidation options:

1. More Consolidation = More Savings
2. More Consolidation = Less Local Control

More Consolidation = More Savings: While it is challenging to calculate the exact savings that could be realized through consolidation, it is clear that savings will accrue due to the elimination of one SAU office, the opportunity to reduce teaching staff by having larger class sizes and/or combining courses, the opportunity to consolidate transportation routes--- particularly if all students attended school on fewer campuses, and the opportunity to reduce operational costs by closing under-utilized facilities. Those savings could either translate into lower tax rates or they could be used to build or upgrade existing facilities.

More Consolidation = Less Local Control: Any consolidation will require a change in governance and any change in governance will likely result in a diminishment of local control over all or some portion of the schools. As implied above, if all schools in the region were replaced with a new centrally located facility the savings would be far greater than any plan that retains schools in each community. One other factor needs to be taken into account relative to local control and consolidation: in order to consolidate the schools serving the ten towns in **any** fashion, the governance structure for **all** schools in the region will need to change in some fashion. Governance issues are technically complicated, politically charged, and ultimately affect adults in the community and employees in the schools far more than they affect the students attending school. One “hidden cost” of the savings that result from consolidation, then, is the diminishment of local town decision-making in terms of schools. Each school

board will need to determine how to strike a balance between local control and cost containment.

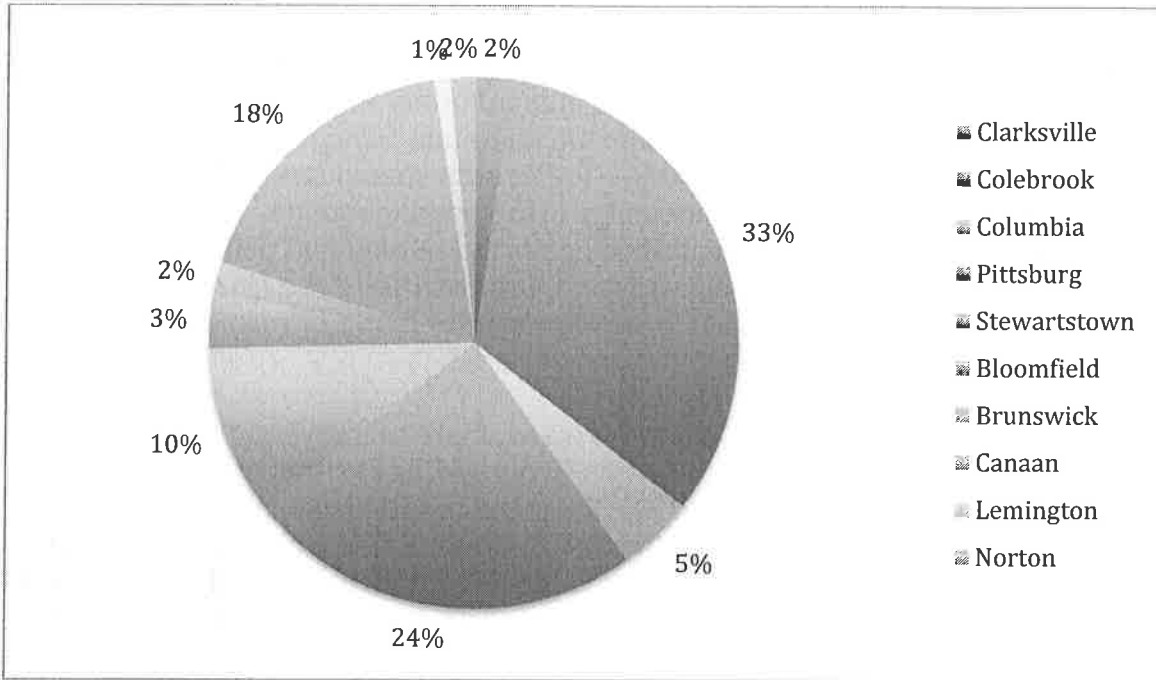
The consolidation plans reviewed by the GSSC would all require some form of interstate governance. At this writing, there are two interstate school districts in place involving Vermont and New Hampshire towns and each has a different governance structure. The Dresden Interstate District has three boards in addition to the SAU Board: one for each of its elementary schools (the Norwich, VT Board and the Hanover NH Board) and an interstate board (the Dresden Board) that governs its secondary schools, a middle school and high school. The Rivendell Interstate School district has one eleven-member board with at least one representative from each of its four communities (Orford, NH, Fairlee, Vershire, and West Fairlee, VT) and one at-large member.

Chapter 200-B, the statute governing the establishment of an Interstate compact, gives wide latitude to towns contemplating cross border collaboration. The law calls for towns contemplating the creation of an interstate district to establish an Interstate School District Planning Committee (ISDPC). Based on the guidelines described in Chapter 200-B, an ISDPC for the ten towns comprising ENSU and SAU 7 would:

- Consist of twenty (20) members, at least ten (10) of whom would be school board members from each of the ten towns contemplating involvement in the consolidated district(s)
- Develop future alternative plans for housing students, for facilities (*see last bullet*), cost apportionment for the operating budget, cost apportionment for any capital projects recommended in their report, governance, education programming, and many personnel and contractual logistics
- Convene meetings in accordance with open meetings laws in both states
- Incorporate recommendations on any facilities improvements in their consolidation deliberations. (*NOTE: Given the time required to formulate any consolidation plan, it is likely that all bonds except those for the Stewartstown School will be paid off before the issuance of the IPDC report noted below and/or before the actions recommended in the that report take effect. Thus, those facilities issues that need to be addressed either during the time period of deliberations or shortly thereafter will likely be funded under the current governance structures*).
- Issue a final report that includes recommendations for future action regarding consolidation

The determination of cost apportionment is one of the most complex factors in the creation and operation of Interstate districts. The pie chart on the next page provides an example of how costs **might** be shared in an interstate district involving the ten communities in ENSU and SAU 7. The cost apportionment illustrated in the pie chart below assumes a 75/25 split between Vermont and New Hampshire communities based on 2011 student enrollments, assumes a

per pupil split for Vermont communities, and a split in New Hampshire towns based on the FY 12 SAU 7 apportionment:



Thus, if all the costs for all the schools were added together and apportioned based on the assumptions outlined above, Colebrook would bear 33% of the cost, Pittsburg would bear 24%, and so forth down to Lemington, who would bear 1% of the cost. Under this model, **which is one of many ways costs could be apportioned**, no tuitions would occur. As noted above, the ISDPC has wide latitude in determining how costs are apportioned and how the governance structure is defined. These two issues- cost apportionment and governance, will be the most difficult ones facing the ISDPC.

Should the current school boards in the region decide to explore consolidation, the next step would be the creation of an Interstate School District Planning Committee (ISDPC) whose final product would be a report issued to all districts that would be affected by the consolidation. The consolidation alternatives explored by the ISDPC could take many forms. For example, the ISDPC might consider the impact of: the establishment of a Regional Education District (RED) for Vermont choice towns; creating a co-op for one or more NH towns; changes to AREA agreements among NH towns; the creation of other cross-border tuition agreements (e.g. *tuitions for vocational offerings at Canaan*); and any combination of the above. Given all of the complicated and inter-connected options outlined above, the ISDPC review will require several months to complete.

Recommendations

The ENSU and SAU 7 boards will ultimately decide on the desirability of pursuing consolidation. The community wants some changes, but it is very clear that the specific change proposed in the survey is not desirable to a majority of the residents. The survey does indicate that a substantial number of residents (44.8%) do not in favor keeping things they are and only 28% want to maintain the status quo. In determining whether to pursue further exploration of consolidation--- that is whether to create the Interstate School District Planning Committee required by Chapter 200-B--- the boards should schedule public discussions on this issue at their meetings in the coming months. In doing so, they should review the town-specific findings of the survey and gather additional feedback following the release of this report. ***I recommend the Boards in ENSU and SAU 7 convene open public meetings on the issue of forming an ISDPC as soon as practicable.***

Even if no formal consolidation talks take place, there are several promising avenues for the ENSU and SAU 7 boards to pursue. Two areas of strong consensus emerge from the survey: 85.1% of the respondents viewed the containment of costs as “very important” or “important” and a similar percentage (84.8%) want to see an expansion of opportunities for high school students. Given those findings, ***I recommend the Boards and administrators in ENSU and SAU 7 consider following:***

- Consolidating staff and services wherever feasible to increase learning opportunities for students. For example, the districts should consider:
 - Sharing secondary education staff in areas like:
 - foreign language
 - science
 - AP courses
 - running start courses
 - business education
 - consumer science
 - music
 - fine arts
 - Sharing technology support staff
 - Arranging for Colebrook and Pittsburg students to attend Canaan High School all day for vocational education programs
 - Expanding Canaan and Pittsburg’s initiative combining interscholastic athletic teams
 - Sharing extra-curricular offerings in drama, music
 - Sharing of K-12 staff in art, music, and physical education
 - Sharing of staff in special education

- Explore regional collaboration efforts, especially with high schools in Groveton NH and Concord VT who face similar demographic and economic challenges.

- Given community support for expansion of vocational education, explore ways for Canaan to expand its vocational offerings into New Hampshire schools and/or ways to develop full-day programs at Canaan for New Hampshire students
- Given that the third priority for consolidation was to improve early learning standards (45.4%), explore ways to enhance early childhood offerings, particularly in Stewartstown where there was wide support for such an initiative. Alternatively, the elementary schools could explore forming alliances with existing pre-school and day care providers to help ensure that all students enter the schools ready to learn.

Finally, ***I recommend that the boards in Canaan and Colebrook begin addressing the need for their facilities to be upgraded***, either in the context of consolidation talks or, should those talks not occur, in the context of spending plans for the next 3-5 years. Should the towns enter into consolidation talks they should do so recognizing that the cost for improvements to any shared facility would need to be borne by all communities who benefit from them just as all communities would share in the savings that would occur as a result of consolidation. Deferring decisions on building improvements will only add to the ultimate cost and delay the chance for students to take full advantage of the program improvements that will occur when the buildings are upgraded.

