

REPORT OF SCHOOL CHOICE WORKGROUP
October 22, 2007

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INTRODUCTION

The School Choice Workgroup met approximately once a month between April and October 2007. Mark Clough chaired the group; regular participants were Beth Comerci, Nick Comerci, Julie Hansen, Wendy Morgan, and Gib Parrish. The report was improved with additional questions, feedback, and input from Martha Evangelista, Chris Hunt, David Jacobs, Sam Kempton, Jo Ann Post, Marcia Roy, and Jane Woodhouse.

This report is the best efforts of the Workgroup to collect the pertinent information and present alternatives that would provide families with more choice for educating their children. This report, together with the reports of all of the workgroups created in the spring of 2007, should provide Peacham voters with the necessary information and articulation of all our alternatives for educating our town's children, so that together we can decide which alternative is the best for our town.

This report has three sections. The first section is the Executive Summary and Overview for those who would like to know the basic information and ideas in the report without having to read the detail. The second section is background information useful for evaluating the three alternatives presented in the report and in other reports. The third section describes three alternatives for how school choice might be implemented in Peacham.

As is evident from the last section in particular, towns have found a variety of ways to educate their children. Some have no school choice, some choice for all grades, and some have a mix of public school and school choice, depending on the grade of the student.

I. EXECUTIVE SUMMARY AND OVERVIEW OF REPORT

Alternatives

Alternative #1: Full Choice. Students are allowed to attend any approved public or independent school they wish for elementary, middle and high school. Town pays tuition for the approved school based on announced rates and a formula set by the state. Religious schools would not be eligible for town paid tuition.

Kirby, for example, offers full choice to its families. A budget for Alternative #1 is provided on page 15 and in Appendix F.

Alternative #2: Full Choice with an Independent School in Peacham. Peacham students can attend any approved public or independent school with one option being an independent school in Peacham. This alternative is similar to Alternative #1 since students could apply to attend any school, but has the advantage of having a school in Peacham.

Although the difference between this and the first alternative is not great, we have included this alternative because many townspeople want a school in the community and have inquired about the possibility of having an independent school here. An independent school in Peacham might (1) have the same curriculum and teachers and/or be located in the current Peacham Elementary School; (2) be the Stevens School; or (3) be another school created in town. Winhall closed its public school and opened an independent school in order to keep a school in town.

Alternative #3: A Public School with Fewer Grades in Peacham and School Choice for Other Grades. This alternative would allow the continuation of a public school in Peacham for fewer grades, and then provide choice for all other grades.

Elmore, for example, has a one-room school for the lower elementary grades, after which children go to Morrystown school through grade 6, and then have school choice for grades 7 through 12.

Definitions

Definitions of the terms used in this report appear at the end in a glossary at Appendix A. In order to ensure that we have the same understandings of the most important terms for this report, three are included here:

“School choice” refers to the opportunity parents or guardians have to choose a public or independent school for their child to attend – other than a designated or a religious school – for which the town will pay part or all of the educational costs of the child. Current interpretation of the U.S. Constitution prohibits a town from making tuition payments to a religious school. Peacham currently has school choice in grades 7 through 12.

"Public school" means a publicly funded elementary school or secondary school for which the governing board is publicly elected. (16 V.S.A. Sec. 11(a)(7).) Historically, Peacham students have been more likely to attend Barnet and Danville than any other public school.

“Independent school” is a school that is approved by the Vermont Department of Education, is eligible to receive tuition from a town, and is governed by an independent board of trustees. Historically, Peacham students have been more likely to attend St. Johnsbury Academy and Stevens School than any other independent school.

Summary of Background Information

In addition to providing information specific to the three Peacham alternatives listed above, this report includes background information on the following topics, which is summarized here. More detail on each of these topics can be found in Section II of this report.

Peacham Student Demographics

Traditionally, Peacham elementary students have been educated at Peacham Elementary School, at a number of independent schools, including religious schools, and at home. Peacham secondary students have been educated in a variety of public and independent schools. Over the last five years, when given a choice of where to send their children to school, approximately 60% of Peacham parents chose a public school and 40% chose an independent school for their children in grades 7 and 8; and 23% of parents chose a public school and 77% chose an independent school for their children in grades 9 through 12.

School Governance under School Choice

The role of the Peacham School Board would be, as it is now, to ensure that Peacham students receive an appropriate education. Peacham voters would elect the board on an annual basis, as it does now. The role of CCSU would be to provide the Peacham School Board and *all* Peacham students the variety of services it now provides the Board and Peacham's *secondary* students, including paying tuitions, monitoring IEPs, and preparing financial information for the school board and the town. The role of the board of an independent school in town would be independent from the town itself.

Special Education

As occurs now, under school choice, Peacham would be responsible for the special education needs of Peacham students and would participate in determining those needs for individual students. If the receiving school disagreed with the determination of special education needs for a Peacham student, the CCSU would have the final say in what services would be provided to the student.

Transportation

No town is required to provide transportation to or from school. Like all public school boards, the Peacham School Board is responsible for adopting a *transportation policy* for its students. Peacham could provide transportation or not, as decided by the voters. Although the town cannot pay someone to run a private bus route, the town can reimburse a parent for the costs of transporting children to school.

Financial Information

If full choice were adopted, the major components of a school budget would be tuitions, CCSU costs, transportation costs (if the town chooses to provide it), special education costs (if any), and building carrying costs.

No limits on town-paid tuition are set by Vermont statute for the cost of public schools or the cost of independent schools that have a technical school; whereas for independent schools, a limit is set at the state-wide average for public union schools of the same grade level.

The announced tuition for Peacham Elementary School for 2007-08 is \$18,442. Because of changing demographics and expenses, the allowable tuition for 2007-08 may decline when it is calculated in the fall of 2008.

The range of elementary school tuitions for the schools to which Peacham students might go have varied widely in recent years; for 2007-08 the announced tuitions for Barnet and Danville, the public schools most frequently attended by Peacham students, are \$10,986 and \$10,947, respectively. *See* Figures 1 through 3 below for additional information on announced and allowable tuitions.

Potential Effects of School Choice

In keeping with the theme of choice, the Workgroup elected to enumerate effects without characterizing them as positive or negative; townspeople will undoubtedly perceive a wide variety of effects and what is positive to one person may well be negative to another. These effects range from parents being able to choose where their children are educated, to the community no longer having a public school serving K-6.

The social and educational effects on Peacham students if the town were to have school choice would depend in large part on where the students would go to school. Each student would go to the school that the parents believed would provide the best education for the student. Students likely would go to a variety of schools, including Barnet, Blue Mountain, Danville, Riverside and Stevens. (Families could choose to send a child to Good Shepherd but could not get town tuition.)

Process for Providing School Choice to Peacham Students

In order for Peacham to adopt greater school choice, the question of closing the elementary school completely or reducing the number of grades that it provides would be warned for the regular or a special town meeting at which voters would discuss and ultimately vote on the warned question. Townspeople would also have to vote a budget for the upcoming school year. The process might be smoothest if the question of providing choice were presented at a special town meeting in advance of regular town meeting, and the budget were voted on at the regular town meeting.

II. BACKGROUND INFORMATION

Introduction

Vermont law describes five ways for a town to provide for the education of its elementary students:¹

1. The town can maintain an approved school within the district;
2. The electorate can vote to pay tuition for all elementary students to a public school in another district, making the receiving school the “designated school” for students from the sending district;

¹ *See* 16 V.S.A. Sections 821(a), (a)(1), (c) and (d) for items 1-4. For item 5, *see* 26 V.S.A. Sec. 563(24) and emails from John Bacon to Wendy Morgan, October 15, 2007.

3. Upon request of the pupil's parent or guardian, the school board can vote to pay tuition for an elementary pupil who resides near a public elementary school in an adjacent district;
4. If the school district does not maintain an elementary school, the school board may pay tuition for elementary pupils at approved independent nonresidential elementary schools upon request of a pupil's parent or guardian, or;
5. For homeschoolers in grades for which there is no local public school, the town can also pay curriculum materials and tuition for classes taken at an approved public or independent school.

Peacham Student Demographics

Peacham Students: Following is a chart summarizing where Peacham students have been educated for the last five years (FY2003—2007). (The State maintains enrollment figures for independent schools for only four years; hence we have no information for 2003 for students in religious schools or in elementary grades in independent schools.) Homeschooled students are not identified by grade; for the years below, the number of homeschooled students was 3, 2, 2, 6, and 4, respectively. A breakdown of where Peacham students have been educated for FY 2003 through FY 2007 appears in Appendix B.

School	2003	2004	2005	2006	2007
Peacham	52	47	49	51	44
Independent		4	4	2	4
Total	52	51	53	53	48

Table 1. Schools attended by Peacham elementary students, FY 2003 through FY 2007.

School	2003		2004		2005		2006		2007	
	7-8	9-12	7-8	9-12	7-8	9-12	7-8	9-12	7-8	9-12
Public	14	17	14	14	10	14	8	9	14	8
Independent	9	38	9	42	4	44	8	42	10	38
Total²	23	55	22	56	14	58	16	50	24	46

Table 2. Schools attended by Peacham middle and high school students, FY 2003 through FY 2007.

Homeschoolers are entitled to take classes and to participate in team sports in their public schools. If a town has no public school, it will pay partial tuition for homeschoolers who

² Due to rounding of “fractions” of a student (e.g., student may have attended a school only part of a year), some subtotals and totals may be slightly more or less than the sum of their constituent parts.

attend classes at a public or independent school. In addition, in 2001, the Peacham School Board adopted a policy of reimbursing homeschoolers for the costs of materials.³

Projected Students: Unfortunately, we do not have solid data on the number of elementary, middle, and high school students Peacham can expect in the future. In particular, we cannot project how full choice (including the possible lack of public transportation) might affect the decision of some families to move into or out of Peacham. Some towns with school choice have experienced an increase in student population attributed anecdotally to school choice.⁴

School Governance under School Choice

Role of Peacham School Board

If Peacham had full choice, Peacham voters would elect on an annual basis, just as it does now, a school board that would have responsibility for the education of all Peacham children.

Section 563 of Title 16 of the Vermont statutes, lists 31 different powers of a school board, in addition to other authority specifically provided in other laws. Under section 563, a school board

1. shall determine the educational policies of the school district, subsection (1)
2. may approve or disapprove of proposed rules and regulations for the management of public schools in the district, subsection (1)
3. shall have possession, care, control and management of the property of the school district, subsection (3)
4. may relocate or discontinue use of a schoolhouse or facility, subject to the provisions of section 821 and section 822 of Title 16, subsection (7)
5. shall prepare and distribute annually a proposed budget for the next school year, subsection (11)
6. may, at the expense of the district, present informational materials to the electorate on any matter to be voted, subsection (23)
7. annually, shall inform students and their parents or guardians of their options for school choice, (subsection (28)
8. may make available school facilities and equipment for specific public purposes, subsection (30)
9. subject to the requirements of section 571 of title 16, may enter into contracts with other school boards to provide joint programs, services, facilities, and professional or other staff. Nothing herein shall be construed to permit the designation by school district that does not maintain a secondary school of

³ 26 V.S.A. Sec. 563(24); emails from John Bacon to Wendy Morgan, October 11 and 15, 2007.

⁴ The Town Clerk in Kirby says “there have been some cases” where families have moved into Kirby for school choice, “more now than 10 years ago. Last year, at least two families. Probably not the only reason but a big reason;” of the approximate 100 Kirby students, “probably 5-10%.” The Town Clerk in Elmore believes “a few families have moved into town for choice, not many.” The Town Clerk and Assistant Clerk/School Board Member of Wolcott “do not think people are moving into town for choice.” Conversations with Wendy Morgan, October 2 and 16, 2007.

another school district's secondary school as the secondary school of the district. Subsection (31).

Thus, the Vermont statutes provide for a school board to ensure the education of all its students whether in public or independent schools, and to determine the educational policies of the district, and provide no statutory limitation on the authority of the board to advocate for its students.⁵

By statute, the Peacham school board does not have the authority to dispose of the Peacham Elementary School building without a vote of the electorate; however, a school board does have the authority to discontinue the use of a schoolhouse or facility.⁶

Role of CCSU

CCSU provides a wide variety of services for Peacham, Barnet, Danville and Walden. The services fall into four general areas: administrative, financial, special education and early education. For a summary of "What the CCSU Does," see Appendix C to this report.

Administrative services from CCSU includes providing leadership and advice for the school boards; dealing with legal issues; preparing school reports; preparing reports and warnings for annual and special town meetings; recruiting teachers and support staff; reviewing tuition invoices; resolving issues for secondary students, e.g. residency, truancy, custody, probate court, legal issues; handling personnel issues; handling contracts for teachers, staff, transportation, insurance, and graduate course offerings; and administering grant programs.

Financial services from CCSU includes preparing payroll; preparing budgets; making financial recommendations to school board; handling unemployment, disability, and workers' compensations claims; enrolling employees in insurance programs and retirement plans; filing periodic reports for payroll, grants, special education, and unemployment; preparing W2s and 1099s; paying bills; and preparing allowable tuition and announced tuition.

⁵ Peacham townspeople have raised the question of whether the school board is responsible for educating the town's children or for maintaining the public school in Peacham, or is required to support public schools. As noted above, the Vermont statutes require the board to ensure that the town's students obtain an education, but do not mandate that the education be provided in town or in public schools. In contrast, "The Vermont School Boards Association is a non-profit membership organization serving school board members around the state. VSBA's sole mission is to improve, on an ongoing basis, high quality learning opportunities for Vermont students by supporting those locally elected officials responsible for *overseeing the public schools*. VSBA serves as an education resource, a provider of education, training and a variety of other services, and an advocacy voice for local school officials." <http://www.vtvsba.org/standards.html>. (Emphasis added.)

⁶ 16 V.S.A. Sec. 562 provides: "At a school district meeting, the electorate . . . (7) May authorize the school board to enter into leases of real property for more than three years, to purchase buildings or sites for school purposes, to locate and erect schoolhouses, and to sell, or otherwise dispose of, schoolhouses or sites for same."

Special education services from CCSU includes participating in special education meetings, synthesizing data for special education reports, providing training for teachers and staff, contracting with service providers, coordinating transportation, and reviewing needs and services provided in out of district placements.

Early education services from CCSU includes coordinating early education program for pre-school, handicapped, and at-risk students; screening, testing, and/or arranging for evaluations of young children.

Role of the board of an independent school

Most independent schools are governed by a board of directors, which does not “own” the school but holds the non-profit corporation, its assets, liabilities, and mission, in trust for the parents, students, future students, and the community at large.

The board of directors of an independent school is selected according to the by-laws of the school. Most independent schools have "self-perpetuating" boards. That is, the Board finds new members for itself, through a strategic screening and selection process. Other independent schools elect a board through an open nomination and election process.

Special Education

If Peacham were to have full choice, special education services would be provided to elementary students in the same manner as they are now provided to Peacham students in grades 7 through 12. Thus, a student’s needs are determined at an IEP (individual educational plan) meeting at which a special education professional representing Peacham is involved. CCSU has the final decision on service needs if there is a disagreement with the receiving school. Routine special education services are provided by the receiving school with no increase in tuition as the receiving school is compensated by the State. Student specific special education services, i.e. one-on-one services (such as paraeducator, speech services, occupational therapy, counseling, physical therapy, evaluation services and transition services) are provided by the receiving school and billed to Peacham.

In order for an independent school to accept a special needs student from Peacham, the Vermont Department of Education must approve the independent school and CCSU enters into an agreement with the independent school outlining the requirements for the student. The independent school is responsible for meeting the obligations under the agreement, and the CCSU is responsible for monitoring that agreement to ensure that services are being delivered.

For a more comprehensive description of the differences in handling special education needs when a student is in a local school versus in a school as a result of school choice, see the Questions and Answers from Judy Eklund, Special Education Coordinator for the CCSU, attached hereto as Appendix D.

Transportation

Students “may be furnished with total or partial transportation to school . . . as in the opinion of the board of school directors is reasonable and necessary to enable [them] to attend school.” A town, through its school board, must adopt a transportation policy for its students, taking into consideration the transportation needs of pupils supported by, but not limited to, such factors as age and health of pupils, distance to be traveled, condition of the road, and type of highway.⁷

At this point in time, both Barnet and Danville provide a free bus to their schools from designated spots in Peacham. Other schools in the area do not provide transportation to Peacham students; parents of children in those schools carpool or drive their own children to school.

While a town cannot pay a parent to run a private bus service, it can compensate a parent for transporting a child: “Such compensation may be paid to parents or guardians, and shall be payable only in return for actual transportation . . . as shall be stipulated by the school directors.”⁸

Financial Information

Basic components of a school budget if full choice is adopted: The basic components of a school budget if Peacham adopts full choice are:

- tuition
- payments to Caledonia County Supervisory Union (CCSU) to cover the costs of providing services to Peacham
- transportation costs
- special education costs, and
- building carrying costs.

Each of these components is described more fully elsewhere in this report.

Tuition

Under state law, a town without a public school will pay:⁹

- the tuition¹⁰ of any public school in Vermont or an adjoining state,
- the “announced tuition” of any public or independent school in Vermont functioning as an approved area technical center,¹¹
- up to the “union average,” i.e. the statewide average of announced tuition for Vermont union schools either for grades K through 6, for grades 7 and 8, or for grades 9 through 12, to an approved independent school, or,

⁷ 16 V.S.A Sec.1222(a).

⁸ 16 V.S.A Sec.1222(a).

⁹ 16 V.S.A. Sec. 823, 824.

¹⁰ The term in the statute is “full tuition,” which means announced tuition initially, and then allowable tuition once that is determined. Jo Anne Post and Wynne Browne conversation with Wendy Morgan, October 8, 2007.

¹¹ For this reason, Peacham will pay the announced tuition of independent schools St. Johnsbury Academy and Lyndon Institute, even if it is above the statewide average of union high schools.

- above the statewide average for an approved independent school if the town so votes at town meeting on an annual basis.¹²

One concern raised about offering school choice is that Peacham would have no ability to keep tuitions down because other towns would control tuitions. However, as detailed below, the tuition in Peacham has been appreciably higher than the elementary school tuitions in towns to which our children go once they leave Peacham. In addition, because the tuition that Peacham pays another town is based upon the budget that that town sets for itself, another town could not “gouge” Peacham taxpayers through tuition increases, at least no any more than it is willing to gouge itself.

Figures 1 and 2 below show the tuitions of select area schools for the elementary grades. The tuition calculations for public schools are made according to state requirements so that the tuitions for different schools are comparable. The tuition for public schools does not include costs for special education, transportation or hot lunch, and does not include the local revenues line from the budget.

“Announced tuition” is the amount a school calculates will be the cost per pupil for the upcoming school year. According to the DOE website, “Announced tuition is the maximum amount of tuition per student a receiving district can collect from sending districts.” Announced tuition is due by law on February 1, based upon the school budget that is presented at town meeting.¹³

“Allowable tuition” is the amount a school calculates was the actual cost per pupil once the books for a year have been closed. According to the DOE website, it is calculated by “dividing actual allowable expenditures by the full-time equivalency of students.” Allowable tuition is calculated in the fall, approximately 20 months after announced tuition is made public. Thus the allowable tuition for the 2005-2006 school year (set by February 1, 2005) is determined in the fall of 2007.¹⁴

“Union average” means the statewide average of the announced tuition for Vermont union schools either for grades K through 6, for grades 7 and 8, or for grades 9 through 12. The union average tuition is the maximum tuition a town will pay to an approved independent school, unless the town decides, on an annual basis at town meeting, to pay a higher amount.

The tuitions for independent schools are set by each school. If the amount is above the state-wide average of union schools of the same grade category, a town with choice need only pay the state-wide average of union schools for that category.

¹² Under 16 V.S.A. Sec. 824(c), “the electorate of a school district may authorize the payment of a higher amount at an annual or special meeting warned for that purpose.” Thus a town can vote to pay tuition above the statewide average, voting for a specific maximum amount, not for a specific school.

¹³ <http://education.vermont.gov/new/html/data/allowable.html>.

¹⁴ <http://education.vermont.gov/new/html/data/announced.html>

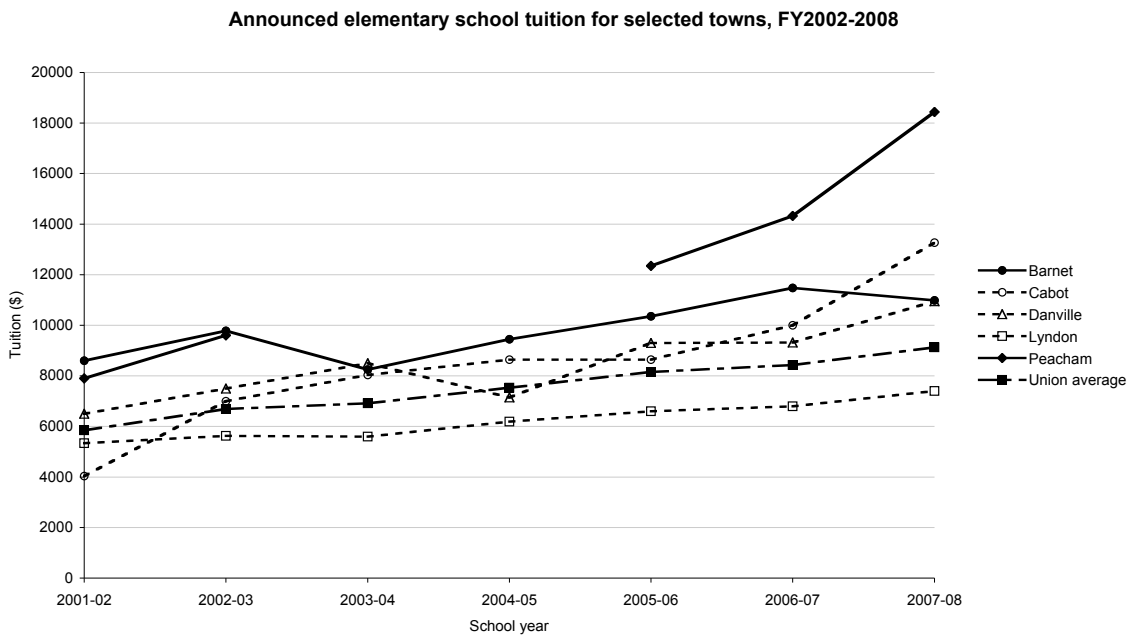


Figure 1. Announced tuition for selected Vermont towns and for union elementary schools, FY 2002 through FY 2008.¹⁵

¹⁵ The line for Peacham is broken because for two years there is no announced tuition for Peacham on the DOE website. For many reasons, one cannot assume that if Peacham had full choice, the savings would be the difference between Peacham's announced tuition and the announced tuition of the schools in which Peacham students enrolled. See text on Projected Students at page 6.

Allowable elementary school tuition for selected towns, FY1999-2006

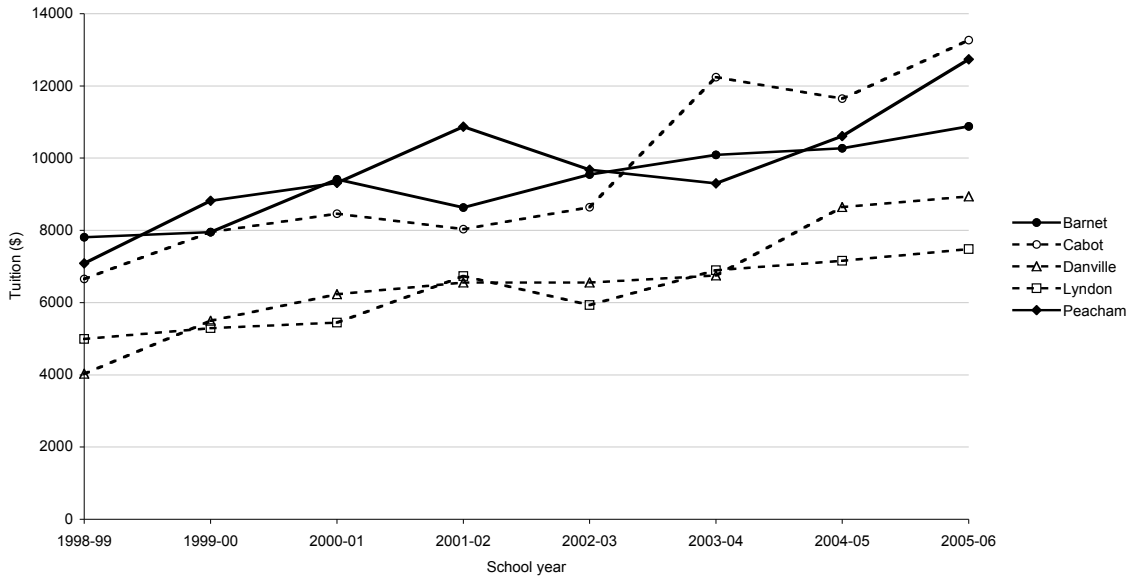


Figure 2. Allowable tuition for selected Vermont towns, FY 1999 through FY 2006. Figure 3 illustrates the difficulty in accurately predicting student count and school costs. Each symbol below represents the comparison of announced tuition with allowable tuition. For example, the left most symbol shows that for one year in Cabot, the announced tuition was \$4042, and the allowable tuition, the tuition once all the books for that year were closed, was approximately \$8035. If announced tuition were accurate all of the time, all of the symbols would line up on the diagonal line. Because there are fewer symbols below the line than above it, this graph shows that more often than not the announced tuition underestimates the actual per student costs of running a school.

Announced versus allowable elementary school tuition for selected towns, FY2002-2006

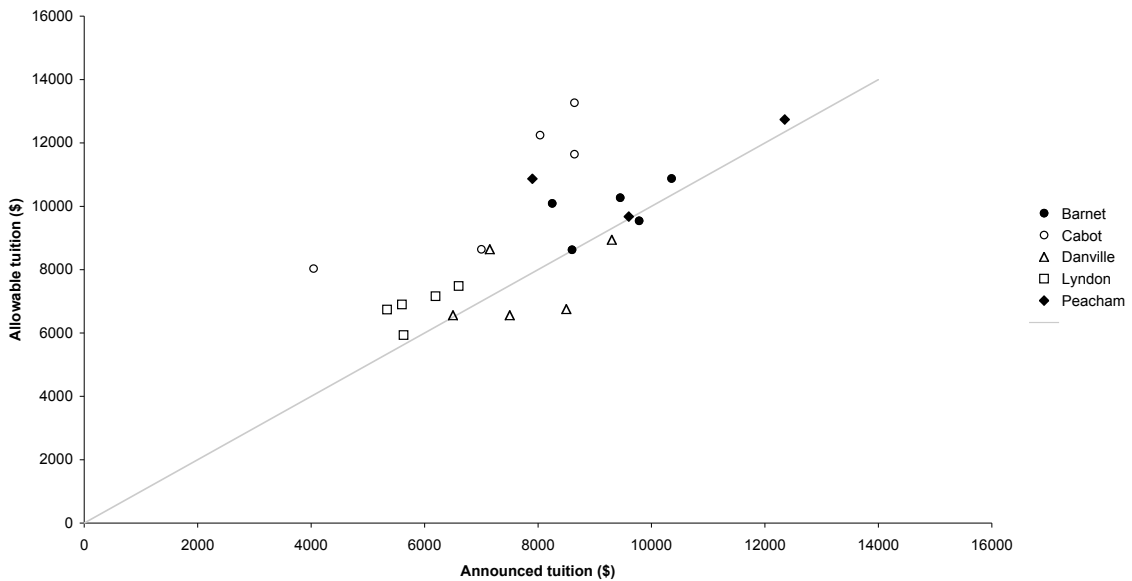


Figure 3. Comparison of allowable and announced tuitions for selected Vermont towns, FY 2002 through FY 2006.

CCSU Costs

CCSU provides services to four towns: Peacham, Barnet, Danville and Walden. There is no contract between Peacham School District and CCSU for services or payment; the formula for dividing CCSU costs among the towns is decided by the CCSU Executive Committee (of which the Peacham School Board is a part).¹⁶

The current formula for dividing CCSU costs among the towns is as follows: 20% of the costs are divided evenly, 40% of the costs are divided based on the number of teachers, and 40% of the costs are divided based on the number of students.¹⁷

Peacham's assessment for 2007-08 is \$47,246 (Superintendent) and \$11, 849 (Fiscal—bookkeeping), for a total of \$59,095.¹⁸ As of February 19, 2007, Peacham projected for 2007-08, 48 elementary students (including CREEP, the pre-K program) and 62 secondary tuition students, for a total of 110 students.¹⁹

Potential Effects of School Choice

In keeping with the theme of choice, the Workgroup elected to enumerate effects of school choice without characterizing them as positive or negative. Townspeople will perceive a wide variety of effects: what is positive to one person may well be negative to another.

The Workgroup identifies the following potential effects of school choice; townspeople can undoubtedly identify others.

- Parents will be able to choose where their children are educated.
- New families may move to town.
- Housing prices may increase.
- Not all elementary students will be educated in Peacham.
- The number of transitions between schools can be minimized.
- Transportation will not be provided automatically.
- Children's travel times will change (may be more, may be less).
- Depending on the availability of transportation, not all children may be able to go to their school of choice.
- Students will have increased opportunity to pursue individual interests.
- Connections between community members may change.
- School costs might or might not be reduced.

¹⁶ Email from John Bacon to Jo Anne Post, June 4, 2007.

¹⁷ Email from Rob Billings to Jo Anne Post, dated unknown (Post forwarded to Wendy Morgan on May 24, 2007); email from Bacon to Post, June 4, 2007.

¹⁸ Email from Post to Morgan, May 29, 2007.

¹⁹ "Peacham Budget Highlights" handed out at February 19, 2007, pre-town meeting public meeting.

- The town may be asked to pay tuitions to independent schools above the statewide average of union schools; the town can accept or decline such a request through a vote at town meeting.
- The community will no longer have a K-6 public school.

The social and educational effects on Peacham students if the town were to have full choice would depend in large part on where the students would go to school. At a minimum, each student would go to the school that the parents believe, given the factors most important to each parent, would provide the best education for the student. Judging from decisions made by parents in the past, students would go to a variety of schools, including Barnet, Danville, Riverside and Stevens. (Those who would choose to go to Good Shepherd could not get town paid tuition.)

Process for Providing School Choice

In order for Peacham to adopt greater school choice, the question of closing the elementary school completely or reducing the number of grades that it provides would be warned for the regular or a special town meeting at which voters would discuss and ultimately vote on the warned question. The townspeople would also have to vote a budget for the upcoming school year. The process might be smoothest if the question of whether to provide increased choice (and/or a different question of how to provide an education to Peacham students) were presented at a special town meeting in advance of regular town meeting, and the budget were voted on at the regular town meeting.

III. ALTERNATIVES FOR INCREASING SCHOOL CHOICE IN PEACHAM

Alternative #1: Full Choice

Students are allowed to attend any state-approved public or independent school they wish. Town pays tuition for the approved school based on announced rates and formula set up by the state. Religious schools would not be eligible by law.

Additional Information

*Kirby Experience:*²⁰ Kirby closed its last school in the early 1970s, at a time when the town already tuitioned out many students. After the decision was made, there were conversations in town about reopening school, but the last such conversation was 15 to 20 years ago. By then many people had come to like school choice, though when you close all the schools, you “lose a lot of community.”

Kirby has around 100 students in grades K-12. It offers transportation at present only to Lyndon Town School. Whether Kirby will continue to provide transportation after the current 3-year contract is up is not certain.

²⁰ The following information comes from the Kirby Town Clerk, Wanda Grant, in a conversation with Wendy Morgan, October 16, 2007.

There have been “some cases” where a family has moved to Kirby because of school choice; “more now than 10 years ago.” In terms of the numbers, “probably 5 to 10% of the 100 students moved to town for school choice; probably not the only reason, but a big reason.”

One problem with choice is that “you are kind of at the mercy of other schools -- you have no way to reduce costs.” One problem in particular is that the State now penalizes a town that spends more per child than a specific amount set by the State, even when the town has no control over spending. “Our Superintendent’s Office is trying to get a solution to that problem.”

Questions and Answers: Sam Kempton posed a number of questions to the Workgroup regarding school choice to which others in town would undoubtedly like to know the answers. Some of the questions have been presented in this report, but all the questions and their answers, along with a few concerns raised by others, appear in Appendix E.

Financial Information

Table 3 provides estimates for total and per pupil costs for the Full Choice alternative for FY 2008.²¹ To calculate these estimates, the Workgroup made a number of assumptions, which are explained below. Because the exact number of elementary students may vary in the future, the Workgroup decided that it would be helpful to provide estimates for differing numbers of elementary students. To facilitate comparison with other Workgroup budgets and with the current school budget, the Workgroup has also included estimates for the entire school budget.

Number of elementary students	Total cost for elementary students	Total cost for 7-12 grade students	Total cost for all students	Cost per elementary student
56	\$670,779	\$744,484	\$1,415,263	\$11,978
51	\$619,710	\$744,484	\$1,364,194	\$12,151
46	\$568,641	\$744,484	\$1,313,125	\$12,362

Table 3. Estimated costs for educating Peacham elementary students at other schools under a Full Choice alternative for FY 2008, based on announced tuitions for FY 2008.

Assumptions

In calculating the estimates in Table 3, the Workgroup made the following assumptions:

- (1) We reviewed the number of Peacham elementary students in school for FY 2003-07. We excluded the homeschooled students. Because the number of students may change over time, we provide estimates for an historical average of 51 students and a range of students that is five more and five less than this average.

²¹ Additional information on the estimates is provided in Appendix F, including estimates based on allowable tuitions for FY2006.

(Data on student enrollment was taken from the Vermont Department of Education and CCSU records.)

- (2) To estimate the percentages of students who would attend public and independent schools under Full Choice, we used the percentages of students during 2003-07 in grades 7 and 8 who attended public and independent schools. Sixty percent attended public schools and 40% attended independent schools.
- (3) To estimate the cost for elementary students attending public schools, we prorated the announced FY 2008 elementary tuitions for Barnet (49%), Danville (44%), Cabot (3.5%), and St Johnsbury School (3.5%), based on the percent of Peacham students that attended grades 7 and 8 in these schools for the years FY 2003-2007.
- (4) To estimate the cost for elementary students attending independent schools, we used the announced average tuition for union elementary schools for FY 2008.
- (5) We included in our estimates the following "overhead" costs:
 - Peacham School Board and fiscal services provided by CCSU: \$30,000
 - Debt service for the Peacham Elementary school building: \$26,220
 - Costs for maintaining the Peacham Elementary school building (building operation, heating, insurance, etc.): \$20,000
 - Cost for a part-time caretaker for Peacham Elementary school building: \$3,500
 - Transportation cost in current school budget (less the 50% of the cost that is reimbursed by the State): \$19,087
 - Total "overhead" costs: \$98,807
- (6) To estimate the tuition cost for Peacham students in grades 7-12, we used the cost for these students in the FY 2008 school budget of \$744,484.

Alternative #2: Full Choice with Independent School in Peacham

Peacham students can attend any approved public or independent school with one option being an independent school in Peacham. This alternative is similar to Alternative #1 since students could apply to attend any school, but has the advantage of having a school in Peacham.²²

Although the difference between this and the first alternative is not great, we have included this alternative because many townspeople want a school in the community and have inquired about the possibility of having an independent school here. An independent school in Peacham could have the same curriculum and teachers and/or be located in the current Peacham Elementary School, or it could be the Stevens School, or it could be another school created in town.

²² Townspeople have questioned whether we could have a designated independent elementary school in Peacham i.e. Peacham has an independent school in town which all children K-6 can attend, and the town pays tuition only to that school. The answer to this question is No. Under Vermont law, the town "may grant to the school board the authority to pay tuition for elementary pupils at approved independent nonresidential elementary schools *upon request of a pupil's parent or guardian.*" 16 V.S.A. Sec. 821(d) (emphasis added). Because the parent or guardian must make the request, the town cannot designate an independent school to receive elementary students even if the independent school were willing to be so designated.

Additional Information

Winhall Experience: In 1998, voters in Winhall, Vermont directed their school board to close the public school, reconfigure it as an independent school, and open the new school in the fall. According to *How to Privatize a Public School in Vermont: A Layman's Guide*, "Privatizing a public school can help communities maintain a school in their area even when shifting demographics shrink the pool of students. Privatizing a public school can give school leaders more flexibility in hiring teachers and designing curricula. It can also help a community save taxpayers' money under certain circumstances."²³

The Layman's Guide contains information on

- challenges to privatization
- closing the public school
- can you close the Kindergarten?
- what to do about the school building
- what happens to the teachers
- how to start the new school
- what regulations govern independent schools
- questions to think about with this "opportunity to 'start over' and handle some education issues differently than in the past"
- misperceptions about independent schools.

In Winhall the townspeople have chosen to pay tuition at a higher level than the state average for public union schools; however, the town is *obligated* to pay only the statewide average of union schools.

Until the fall of 2007, Peacham's only independent school, the Stevens School, has been approved for grades five through eight. This year, at the request of a number of families from Peacham and other towns, the Stevens School applied for and was granted approval for grades three and four from the Vermont State Board of Education.

Governance

As indicated above, Peacham voters would elect a school board that would have responsibility for the education of all Peacham children. In addition, the independent school would have its own board of directors selected according to the independent school's bylaws.

Process for reaching this alternative

As indicated above, the creation of an independent elementary school in Peacham depends on the interest and commitment of townspeople to realize and support such a school. As compared with other options for educating Peacham students, having full choice increases the chance that an independent school would be created here because such a school would have the tuition of interested Peacham parents with which to begin to fund the school.

²³ http://schoolreport.com/vbe_privatize.htm.

Thus, for example, the parents and staff of Peacham Elementary School and any interested townspeople could decide to open an independent school using the same staff and curriculum as is currently provided in the elementary school. They would have to apply to the State Board of Education for approval, but presumably that would be a formality since the school is operating in accordance with Vermont requirements already. They could ask the voters through a regular or special town meeting to rent the school building, and could request a below-market rental price. The town, through the School Board, could also seek to rent out part of the school building; for example, the Supervisory Union appears from the Report of the Merger/Collaboration Workgroup to be in need of new or additional space. The group creating an independent school based upon the current public program could also ask Peacham voters to approve tuition higher than the statewide average of public union elementary schools; they would have to seek that approval annually.

Similarly, Stevens School could expand to offer lower grades for interested Peacham families.

The risk of increasing costs of any independent school in Peacham would be on the board and students of the independent school, rather than on the Peacham voters.

Alternative #3: A Public School with Fewer Grades in Peacham and School Choice for Other Grades

This alternative would allow the continuation of a public school in Peacham for fewer grades, and then provide choice for all other grades.

Additional Information

*Elmore Experience:*²⁴ Elmore has a one-room schoolhouse in the center of town in which up to 23 students are educated by one teacher (who is in the teachers' union) and one aide. This year, the students are in grades 1 and 2; in recent years they have been in grades 1/2 or 1/2/3. Kindergarteners and the upper elementary students attend Morrystown school; this designation of Morrystown for elementary grades not provided in Elmore is the result of an agreement by both Elmore and Morrystown voters. Elmore has full choice for grades 7 through 12. Elmore is part of a supervisory union, which includes Morrystown and Stowe. The Superintendent acts as the principal for the Elmore School.

The estimated cost per student in the Elmore School was \$5,500 for 23 students in 2006-07, and \$6,700 for 20 students in 2007-08. For 2007-08, the cost per student in grades 3-6 in Morrystown is \$8,725.

²⁴ The following information comes from the Town of Elmore 2006 Annual Report, from the Elmore Town Clerk, Sharon Draper, and from the Superintendent Elect, Tracy Wrend. Conversations with Wendy Morgan, October 2, 2007.

The town clerk's sense is that while families are initially resistant to returning to Elmore after kindergarten, they quickly come to like the school, and families are involved in and supportive of the school. She also believes "a few families have moved into town for choice, not many."

Governance

Much as we have now, under Alternative #3, Peacham voters would elect a school board that would have responsibility for the education of all Peacham children, and would have responsibility for running the smaller public elementary school.

Financial Information

Budget: The budget under Alternative #3 would depend on the number of grades offered, the number of teachers and aides hired, and the rate of pay of those hired. The CCSU cost would decrease with the decrease in teachers. (Forty percent of Peacham's payment to CCSU is based on the number of teachers at Peacham Elementary School.) Certain fixed costs for the Peacham Elementary School building would remain.

CONCLUSION

Different towns have found different ways to educate their children. One size need not fit all. Some towns have no school choice, some choice for all grades, and some have a mix of public school and school choice depending on the grade of the student.

Our hope is that Peacham townspeople will consider all the options contained in the reports of all the workgroups who have worked over the past six months to develop the choices before us. We hope that we as a town will have an open discussion about the best way for us to provide our children the education they deserve, that we will vote on all the options supported by townspeople, and that we will then work together, without rancor, to implement whatever alternative is selected.

APPENDIX A: GLOSSARY

“Allowable tuition” is the amount a school calculates was the actual cost per pupil once the books for a year have been closed.

“Announced tuition” is the tuition of a school that is calculated according to the requirements of the Department of Education; it does not include the costs for transportation, special education or hot lunch.

“Designated school” is a school, other than a local public school, which the town and school have voted or agreed to be the receiving school of the town’s school age children.

"Independent school" means a school other than a public school, which provides a program of elementary or secondary education, or both. (16 VSA Sec. 11(a)(8).) An independent school must meet the school quality standards and be “approved” (not just “recognized”) in order to receive public funds. (*See* 16 VSA Sec. 11(a)(8), (19), (20).)

"Public school" means a publicly funded elementary school or secondary school for which the governing board is publicly elected. (16 VSA Sec. 11(a)(7).)

“School board” means the board of school directors elected to manage the schools of a school district, the prudential committee of an incorporated school district, the supervisory union board of directors, and the supervisors of unorganized towns and gores. 16 VSA Sec. 11(a)(9). The school board of a town is elected by the townspeople. An independent school has a board of directors or board of trustees selected according to the school’s bylaws.

“School Choice” refers to the opportunity parents or guardians have to choose a public or independent school for their child to attend – other than a designated or a religious school – for which the town will pay part or all of the educational costs of the child.

“Union average” means the statewide average of the announced tuition for Vermont union schools either for grades K through 6, for grades 7 and 8, or for grades 9 through 12. The is the maximum tuition a town will pay to an approved independent school, unless the town decides on an annual basis at town meeting to pay a higher amount.