



**DUNSTABLE, MA REGIONAL WITHDRAWAL PRELIMINARY FEASIBILITY STUDY**  
**DEVELOPED BY THE MANAGEMENT SOLUTION, INC.**

## Context

The Town of Dunstable has hired the services of The Management Solution, Inc. (TMS) to conduct a preliminary feasibility study of withdrawing from the Groton-Dunstable Regional School District. This report is in response to several questions put forth in the TMS proposal:

- a. What is the genesis of this exploration?
- b. Is withdrawal in the best interest of the Dunstable education community (current students, future students both short-term and long-term.)?
- c. What are the timelines and steps to withdraw?
- d. What will the educational plan be for Dunstable students post withdrawal?
- e. What are the short-term and long-term educational implications of withdrawal?
- f. What are the short-term and long-term financial implications of withdrawal?
- g. Other considerations?

Three members of the TMS team worked to try and answer these questions: Andrew Paquette, SFO, CGFM, President; David Lockwood, CEO; and Judith Houle, Ed.D., Vice President of Entrepreneurship. This report is based on a study of documents provided by the Town of Dunstable, enrollment information provided by GDRSD, an analysis of applicable regulations (600 CMR 41.00), financial and enrollment analyses from data provided by the Massachusetts Department of Elementary and Secondary Education (DESE), the Pioneer Institute's 2016 MassAnalysis – Benchmark Your Community ([www.massanalysis.com](http://www.massanalysis.com)), and a review of documents found on the Groton-Dunstable Regional School District's web site.

TMS holds no position as to whether it is either a positive or a negative for a community to be part of a regional school district or not. In each case there are both merits and challenges to a formalized relationship of this kind for a district already part of a region, exiting it poses a great number of challenges, some may require large investments of time or effort, others are resulting in significant expenses to be incurred. Finally, some of the benefits realized by membership in a region would be lost.

Dunstable has been a part of the Groton-Dunstable Regional School District (GDRSD) since 1967. All and any benefits, as well as challenges, should be well known at this point. However, in a statewide context of declining enrollments and declining revenues, Dunstable and the Groton-Dunstable Regional School District are facing additional challenges. To that end, the Town of Dunstable is exploring its options.

## Genesis of the Exploration

It is TMS's understanding that the genesis of this study has been discussed in both communities to varying degrees of action and consideration. The reasons for an official exploration are two-fold: first, after the most recent discussions regarding the low student population at the annual Town Meeting, and second, is from a Needs Assessment conducted by the current Superintendent of the Groton-Dunstable Regional School District, Dr. Kristan Rodriguez, and supported by the regional school committee. The student population discussion and the financial impact on the district and ability of the member towns to support this ambitious plan resulted in the Town undertaking this study.

Regarding the Needs Assessment, Dr. Rodriguez presented a plan in the fall of 2015 with five key findings that would need to be implemented, should the district wish to move forward:

Key Finding #1: We need to reverse declining student performance in core areas caused by the loss of essential staffing and resources.

Key Finding #2: We need to restore and improve programs to meet the needs of students in the areas of the arts, library science, physical/behavioral health, technology and engineering, and foreign language.

Key Finding #3: We need to provide comprehensive social and emotional support to our students.

Key Finding #4: We need to improve performance of students with disabilities while meeting the needs of all learners.

Key Finding #5: We need to provide essential support services including kindergarten assistants, technology support staff, nursing staff, custodial and maintenance staff, business office staff, and administrative assistants.

As part of the FY17 regional school budget presentation, a crosswalk between these findings, a plan to implement them, measurable goals, and associated costs were presented. These additional costs are significant in the context of enrollment and financial data presented and analyzed below.

## Enrollment and Financial Information

We turned to the Department of Elementary and Secondary Education (DESE) and The Pioneer Institute's 2016 *MassAnalysis – Benchmark Your Community* ([www.massanalysis.com](http://www.massanalysis.com)) to look at some history for Dunstable's current enrollment and financial situation. Groton's information is presented for comparative purposes.

FY2013 to FY2017 Foundation Enrollment

FISCAL YEAR	GROTON	DUNSTABLE	DUNSTABLE % INCR/DECR	FY13 TO FY17 % INCR/DECR (DUNSTABLE ONLY)
<b>2013</b>	1,992	648		
<b>2014</b>	1,968	628	-3%	
<b>2015</b>	1,950	602	-4%	
<b>2016</b>	1,922	574	-5%	
<b>2017</b>	1,847	533	-7%	-17.75%

The DESE defines foundation enrollment as

A count of the number of pupils for whom a school district is financially responsible on October 1st of any given year. It is comprised primarily of local resident schoolchildren attending their community's local or regional school district. However, it also includes students for whom the district is paying tuition, such as those at Commonwealth charter schools, other school districts, special education schools and other settings. It does not include tuitioned-in students from other districts, because their home districts are paying for those students' costs.

Dunstable has experienced continued reduction in its foundation enrollment from FY13 to FY17, with an overall decrease of 17.75%. The trend in Ch.70 State Aid for districts experiencing declining enrollment has been a fixed dollar amount per foundation enrollment. For example, the preliminary Ch.70 increase for the Groton-Dunstable Regional School District from FY16 to FY17 was \$20 per its Foundation Enrollment (2,380), for an increase of \$47,600. It is important to note that in later versions of the FY17 Budget from the House and Senate this per-pupil amount has increased.

The trend in school-aged children from Dunstable in relation to the district as a whole is decreasing. The data below for Dunstable are the percent of the population in K-12 Schools from 2010-2014.

YEAR	% OF POPULATION IN K-12 SCHOOL
<b>2010</b>	23.7%
<b>2011</b>	22.40%
<b>2012</b>	21.40%
<b>2013</b>	20.10%
<b>2014</b>	18.70%

Source: The Pioneer Institute's *MassAnalysis – Benchmark Your Community* ([www.massanalysis.com](http://www.massanalysis.com)).

FY2013 to FY2017 Foundation Budget

FISCAL YEAR	GROTON	DUNSTABLE	DUNSTABLE % INCR/DECR	FY13 TO FY17 % INCR/DECR
<b>2013</b>	17,694,757	5,757,270		
<b>2014</b>	17,875,695	5,698,984	-1%	
<b>2015</b>	17,893,028	5,528,946	-3%	
<b>2016</b>	17,992,203	5,374,058	-3%	
<b>2017</b>	16,999,249	4,909,498	-9%	-14.73%

The DESE defines the Foundation Budget as “an adequate spending level for a school district.” Dunstable’s declining foundation enrollment has a corresponding reduction in the Foundation Budget.

The Foundation Budget has three primary components: (1) Foundation enrollment, (2) Inflation, and (3) Wage Adjustment Factor.

The Foundation Enrollment can be described as the students that a district is financially responsible. This includes students in-district, school choice students sent by the town to another school district, students attending a charter school, and students attending a vocational school program for which there is no program offered in a district’s home vocational school.

The inflation factor is statutorily defined each year. This factor is applied to the components of the foundation budget. (A more detailed explanation can be found at the following link: <http://www.doe.mass.edu/finance/chapter70/chapter-cal.pdf>)

The wage adjustment factor is a calculation that “gives a district credit” for having higher school costs for areas of the state where wages are higher. It is calculated using the latest average wage data by the state’s Department of Employment. This factor is then applied to the salary functional categories in the foundation budget.

When these three components are taken into consideration, the end result when applied to the foundation budget calculation is the foundation budget increases and the Ch.70 Aid will increase minimally due to the foundation enrollment decreasing. Thus more of the burden is placed on the community to fund the budget at levels adequate to sustain programs and other contractual increases. Dunstable has contributed more than the statutorily minimum required local contribution in efforts to support the District.

FY2013 to FY2017 Minimum Contribution

FISCAL YEAR	GROTON	DUNSTABLE	DUNSTABLE % INCR/DECR	FY13 TO FY17 % INCR/DECR
<b>2013</b>	13,922,808	3,750,310		
<b>2014</b>	14,450,223	3,872,055	+3%	
<b>2015</b>	14,739,440	4,088,752	+6%	
<b>2016</b>	15,120,202	4,168,398	+2%	
<b>2017</b>	14,562,676	4,112,836	-1%	+9.67%

In determining the minimum budget required for school districts in Massachusetts, the “foundation formula” and the determination is the following:

Ch.70 Aid + Minimum Required Local Contribution = Minimum Required Net School Spending.

The previous two charts show that when the declining enrollment is taken with the minimum Ch.70 increase and the declining foundation budget, the Minimum Required Local Contribution increases. It is important to note that both Groton and Dunstable have contributed above the minimum required local contribution. It is clearly evident that both towns support their schools, but the question of when the tipping point of support that is not sustainable in the context of these data looms large for Dunstable in the wake of the needs-based budget presented by the Regional School Committee.

The above analysis is to place the Dunstable educational spending requirements and enrollment trends in context. It does not mean that withdrawal is not an option.

Financial Implications

For the purposes of this preliminary analysis, TMS used the previously discussed sources (DESE and the Pioneer Institute) and The Department of Revenue’s Division of Local Services Community Comparisons. The comparable communities vary as to the type of school district they enroll their students. Most are members of regional school districts in some form. Individual K-12 school districts that have comparable enrollments with Dunstable are Granby, Hadley, and Hatfield. These three districts are the three smallest K-12 districts in the Commonwealth and could prove useful for a more in-depth comparison of costs and programming. There are many areas that must be considered when looking at the financial implications of withdrawal from the regional district.

The cost of administration to the town would most likely increase. Many of the leadership roles required for the region would need to be reconstituted for an individual town district. For example, GDRSD has a superintendent and the cost for this person is shared between both member towns. A Dunstable school district would also require a superintendent of schools. The cost of salary and benefits for this person would likely be in the same ballpark as it currently is for the regional superintendent.

Other organizational structures exist and could be worthy of exploration by the Town. The town could form it’s own Kindergarten to “X” grade and tuition out students from beyond grade “X.” The town would have to find a district willing to enter into a tuition agreement. Dunstable could form a

Kindergarten to “X” Regional District and tuition out students to a district beyond grade “X.” The same need for a district to accept the students would exist with the added need of a community to form a regional school district for the Kindergarten to “X.”

In the two scenarios described, most arrangements across the Commonwealth are tuition agreements for High School students grades 9-12.

Another model potentially worth consideration is a supervisory union arrangement. Per DESE, “A supervisory union is formed between two or more school committees for the purpose of jointly hiring central administrative staff. In this arrangement, each district maintains its autonomy and has its own school committee but shares one superintendent and may also share central office staff and possibly other staff. This organization would then enter into a tuition-based arrangement with another district to send a determined grade range to the said receiving district or become a member of a regional school district. In Massachusetts, there are several variations of this arrangement, such as: Gill Montague Regional School District and the town of Erving, Mount Greylock Regional School District and the communities of Lanesborough and Williamstown, and Berlin Boylston Regional School District and the communities of Berlin and Boylston. The pros and cons of these options and others are reviewed later in this report.

The organizational chart for GDRSD (as it appears on their website) lists five other central office administrators, namely: Assistant Superintendent for Curriculum, Instruction and HR, Director of Business and Finance, Director of Pupil Personnel Services, Director of Technology, and Director Building and Grounds. It is likely Dunstable would still require people to fill these roles.

In a number of small districts, such as the ones listed above, the decision is made to collapse roles and assign the responsibilities to a smaller group of administrators. This can present challenges of its own. In practical terms the reporting requirements for many areas of school district operations is the same whether a district with one thousand students or ten thousand. Even though the data reflect the size of each district, the amount of time and effort needed to fulfill these reporting requirements can be the same. As a result, administrators are pulled in many more directions ultimately stretching their time making it impossible to devote time to projects deemed non-essential.

An assessment would need to be done as to how many staff would need to be hired. Currently the region shares administrators, teachers, and other personnel. Should there be a split some would likely choose to make a move to stay with Dunstable, others may choose to go with Groton, and then a third group might leave not wishing to go with either. Finding highly qualified staff is an expensive and time consuming endeavor. It is also frequently more difficult for small districts, due to financial constraints, as they have a harder time offering competitive salaries, benefits, or even facilities. A December 2015 study by the American Institute for Research titled, *Massachusetts Study of Teacher Supply and Demand, Trends and Projections*, highlights the overall declining student population with a lesser declining teacher work force. The study concludes that since the rate of decline in the teacher work force is less than the declining student population there will be an availability of teachers. Applying this study to Dunstable would surmise that a supply of teachers would exist. The quality of the staff would need to be reviewed, regardless.

It is likely that contracts would need to be renegotiated, most significant of which would be the one for teachers. It would be highly unlikely that the existing contract would be adopted, outside of a short agreed upon transitional period. Renegotiating that, at the same time as all the other transitions in leadership, may not yield an agreement that is as favorable to the district as it could be under more typical circumstances. Other large contracts that would need to be reviewed would include transportation, health insurance, waste management, energy, food service, etc.

Transportation is also an area that will have a direct financial impact on both towns as stand-alone districts. Currently, regional districts receive partial reimbursement for the extra costs incurred in transporting students across town lines. While the overall cost of transportation may decrease for Dunstable, there is no reimbursement available for transportation to stand-alone districts.

Small districts often find they are unable to offer the variety of courses (or levels of courses such as AP) as their larger counterparts. Similarly, the same can be said for sports, and other activities. The smaller the pool of students to draw from the harder it is to field a competitive team for a particular sport (or at least at as many age levels, or for both boys and girls), likewise it may be harder to have enough interest to warrant teaching a course on a particular topic or having a certain extra-curricular activity. Additionally, the cost of these programs is no longer shared which may result in higher expenses to the town. These either have to be budgeted for or it may necessitate increased use of fees back to students.

Ultimately students or families in Dunstable may feel that the new district does not meet their needs and as a result elect to choice out, consider private/parochial options, or for high school aged students go to the local vocational-technical school. Any of these scenarios would result in an outgoing of funds. It is almost certain that GDRSD already has students choicing out of the region, the likelihood is that, as a percentage of total enrollment, the number would increase, and given the smaller overall budget the impact felt by losses of this nature would be greater. Additionally, as a smaller district that likely has reduced facilities, the ability to attract students in from other communities would be diminished; therefore the revenues received from students choicing in would likely be lower.

All districts have a certain subset of students with more profound needs than the average. These needs range from mild to severe and in some cases a district has to place a student in an external program to make sure that their specific needs are appropriately met. Programs of this nature can be very expensive and it is mandated that the sending community carry these expenses. In many cases, if there are enough students with a particular set of needs districts develop special programs to address these. This is frequently preferable to the families of the students affected and it can also be a much more cost-effective solution. With a smaller student body, it should be anticipated that it would be less likely that in district programs for more profound student needs would be cost effective.

It is more than likely that GDRSD receives funds from a combination of Federal, State, and private grants. In most communities the amount of money is significant when compared to the entire district budget. Grants are written for very specific purposes. Discussions would likely be needed with most of the sources of the grants whereby they would have to approve any changes to what the monies

were used for or even the population they were used to service. This could be a lengthy and labor-intensive process.

Challenges may be encountered for any grants that had multi-year awards. How would a split in the district effect any reporting that was required? What would happen to any monies that were rolled forward? Would the Dunstable Public Schools still be able to run the program they had been receiving funds for whilst part of a region? Another area to consider when it comes to grants is how competitive would the smaller district of Dunstable be when it came to applying for funds? Would you have enough students? How would your socio-economics, ELL percentage, SPED profile, etc. change and with the new numbers would you still qualify for the same funds you did before?

Another area that is likely to result in a great deal of expenditure is in the form of legal work. New agreements, policy changes, contracts, dissolving the region, etc. will require input from the legal counsel for Dunstable. A budget would need to be created and funded to cover all anticipated expenses, which would likely be considerable.

Existing financial liabilities may have an ongoing financial impact on the town even after they have left the regional organization, as noted below. A review would need to be done to see if monies were spent on items where repayment was spread over a period of time. For example, have any bonds been written for a building project? What would be the cost of health insurance for retirees? There would need to be an agreed upon process for both towns as they exited the region to address these items.

Another major financial impact of withdrawing is the issue of facilities and the needs of the students they would house. This is addressed in the section on the withdrawal process.

All of these areas would require additional, more extensive study in order to determine the exact financial impact on the Town of Dunstable. There are also implications for the Town of Groton that their officials would need to investigate.

## **The Withdrawal Process**

In examining the process for Dunstable to withdraw from the Groton-Dunstable Regional School District, the Groton-Dunstable Regional School District Agreement (referred to as “the Agreement”) and relevant Massachusetts Department of Elementary and Secondary Education (DESE) regulations (600 CMR 41.00, specifically sections 41.02 and 41.03) were examined.

The Agreement spells out a clear process for withdrawal to happen, consistent with 600 CMR 41.00. The town wishing to exit the regional district must begin the process by a vote of its citizens at an annual or special town meeting. This vote would be to begin the process of amending the current agreement to enable the withdrawal of one of the towns. Once an amendment is drawn up, the Clerk of the Regional School Committee is required to deliver it in writing to the Board of Selectmen of both towns, along with a certified copy of the vote. From this point, the amendment must be presented to each of the member towns for approval at an annual or special town meeting.



Consistent with 600 CMR 41.03, the approved amendment and certified copies of the town meeting votes, must be submitted to the DESE for approval by the Commissioner of Education, whose decision is final.

The Agreement specifies issues related to financial obligations that must be fulfilled and the reconstitution of the School Committee if Dunstable were to withdraw and the Commissioner of Education approves the amendment. This language is consistent with the requirements of 600 CMR 41.00. The Dunstable representatives to the Regional School Committee would have their terms immediately terminated upon dissolution. Dunstable would need to establish its own School Committee, consistent with state law and town by-laws.

The DESE also plays a role in the establishment and changes in any regional school district, as defined in regulations 600 CMR 41.00. Section 41.02 speaks to the convening of a Regional Needs Conference by the DESE at the request of the Regional School Committee. Specifically, this section references the establishment or expansion of a regional district. It is silent with regard to withdrawal.

However, 600 CMR 41.03 does address the issue of withdrawal from a regional district. It requires that any withdrawal from the district shall take effect as of July 1 of the fiscal year in which the withdrawal is requested and that the amended agreement, as approved by both municipalities, be approved by the Commissioner of Education by December 31 of the prior year. These timelines are also spelled out in the Agreement, consistent with this section of the regulations.

After contacting the DESE, they would require a Long Range Educational Plan prior to making a recommendation for approval to the Commissioner.

There are several questions that will need to be answered by a long-range educational plan for Dunstable. There are many questions for Dunstable to consider including, but not limited to, the following:

- Would Dunstable be a fully stand-alone district, PK-12? Would there be consideration of a stand-alone PK-5, PK-6, or PK-8 district with middle and/or high school students remaining as part of the regional district?
- Does Dunstable have the appropriate spaces to educate its students in the desired configuration? If not, what building and/or renovating of existing spaces would be required? If building and/or renovations were needed, then the timeline would also have to be adjusted to enable working with the Massachusetts School Building Authority (MSBA), which adds another layer of complexity and extension of time to make withdrawal a reality. A study would need to be done to determine whether the buildings in Dunstable are large enough to house the number of students, the classes/sections/grades anticipated (this should also take in to consideration all growth projections available). Would buildings need to be renovated and brought up to standard to meet new building codes? Are there any major capital expenditures likely within the next year/five years/ten years? These might include roofing, boilers, generators, labs, grounds, technology infrastructure, etc. Any of these scenarios would have financial consequences down the line and potentially need additional planning to be prepared for them.

- Depending on the desired configuration, would it make educational and fiscal sense to offer the necessary programming for all students to be successful? Would a stand-alone district have the capacity to offer special education services without incurring out-of-district tuition and transportation costs? Would Dunstable have the capacity to offer its high school students a full range of courses and electives that prepare them appropriately for college and careers if it were to separate from the region?

In the context of the above considerations, it would not seem feasible to withdraw in time for the start of FY2018. Most likely, Dunstable would be looking at withdrawal for FY2019 at the earliest. If this is the case, there may be some unintended consequences in terms of their relationship with the regional district both politically and educationally that must be considered.

### Feasibility Options

In light of the questions above, there seems to be three options that Dunstable might consider with regard to the feasibility of the town withdrawing in whole or in part from the district. Each option is outlined below, along with pros and cons of doing so:

#### 1. PK-4 Option

In this option, Dunstable would operate its own PK-4 elementary school while remaining a part of the region for middle and high school students.

##### Pros:

- Swallow Union School is an existing school building within Dunstable's borders, currently housing K-4 students. If the building has the capacity to add PK without major renovations, this would be a fairly seamless transition. A review of the district's capital plan describes detail that the town/district has been considering reusing the building. A needs assessment has been done as to capital improvements. It would not be a significant undertaking to revisit the analysis.
- The savings of sharing the cost of district-level personnel and functions with Groton would be more feasible than establishing these functions for a single town district.
- The establishment of its own School Committee would afford Dunstable the opportunity to have increased autonomy over the education of its youngest students.

##### Cons

- Taking on staff in a single district will require negotiations with various classifications of employees: teachers, paraprofessionals, secretaries, and custodians. It would be difficult at best to establish bargaining units with what would be very small numbers of employees and this may prove to be a significant barrier. The possibility of having to share staff with Groton (e.g., special education, support services, art, music, and physical education) would also place an extra burden on the town and on the employees.
- The need to accommodate PK students with special needs in a town-based program may prove to be more expensive than sharing those costs with Groton.

## 2. PK-8 Options

In this option, Dunstable would operate its own PK-8 district and remain with Groton for grades 9-12.

### Pros:

- If building space permits, there would be greater economies of scale for delivery of services to students with special needs, special subjects, and other programmatic supports.
- The savings of sharing the cost of district-level personnel and functions with Groton would be more feasible than establishing these functions for a single town district.
- Leaving grades 9-12 with the regional district would ensure more access to core and elective courses.
- The establishment of its own School Committee would afford Dunstable the opportunity to have increased autonomy over the education of its students through middle school.

### Cons:

- If building space does not permit a stand-alone PK-8 district, then the town would have to assume the cost of renovating or building space. The process to do this through the Massachusetts School Building Authority (MSBA) is a 3-year process from feasibility through construction, which would further delay the timeline.
- Taking on staff in a single district will require negotiations with various classifications of employees: teachers, paraprofessionals, secretaries, and custodians. It would be difficult at best to establish bargaining units with what would be very small numbers of employees and this may prove to be a significant barrier. That said, there may be enough of a load for Dunstable to have its own support personnel without having to share (e.g., special education, support services, art, music, and physical education).

## 3. PK-12

In this option, Dunstable would fully withdraw from the regional district and establish its own PK-12 district.

### Pros:

- There would be greater autonomy for Dunstable regarding the education of its students, grades PK-12, through the establishment of its own School Committee and governance.
- The willingness of the town to think about tuitioning its secondary students to other districts may prove to be more cost effective than trying to house and educate them within Dunstable's borders.

### Cons:

- The district would have to establish its own central office functions, including a Superintendent, Director of Pupil Services, Director of Curriculum, and the staff to support them. This would not be as cost-effective as sharing those services.

- If building space does not permit a stand-alone PK-12 district with all students being educated within Dunstable's borders, then the town would have to assume the cost of renovating or building space. The process to do this through the Massachusetts School Building Authority (MSBA) is a 3-year process from feasibility through construction, which would further delay the timeline.
- There could potentially be a loss of options for high school students, if they were to be educated in a stand-alone district. The ability to offer electives and other options would be somewhat limited. If the town were to establish a middle/high school configuration with staff holding the proper licenses to teach across a larger grade span, this could be mitigated.
- Taking on staff in a single district will require negotiations with various classifications of employees: teachers, paraprofessionals, secretaries, and custodians. It would be difficult at best to establish bargaining units with what would be very small numbers of employees and this may prove to be a significant barrier. That said, there might be enough of a load for Dunstable to have its own support personnel without having to share (e.g., special education, support services, art, music, and physical education).

## Other Considerations

Serious consideration should be taken around the feelings of parents and students currently, or soon to be, attending GDRSD. The towns of Groton and Dunstable have had a long-standing relationship of almost 50 years together as a district. How will families react to the possible dissolution of this union? How would town officials seek to engage the community in a discussion of this possibility and what will they do with the information they gather?

This speaks to the root cause of this study: Is there a more efficient and cost effective way to provide a quality education for Dunstable? Why the interest in withdrawing? Is there another way to solve address the concerns of the community? These questions will require further study and thoughtful dialogue between all stakeholders. Regardless, there are options for Dunstable to consider.

We would be happy to discuss this report and our findings with Dunstable's town officials in the near future.

Respectfully submitted,

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