

Secondary School Options Committee Report

**Thetford School Board
Thetford, VT 05074.**

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Secondary School Options Committee

Overview:

The Secondary School Options Committee was formed during the summer of 2003 by the Thetford School Board and charged with evaluating the options for educating Thetford students in grades 7-12. In addition, the committee was to provide an historical overview of the relationship between Thetford Academy and the Town, and evaluate the impact of various choices on cost to taxpayers, school enrollment, educational mission, and sense of community.

There is no doubt that the defeat of a proposed School Budget on two occasions prompted the Board to form this committee. Major issues included the rapid increase in the cost of education, the unique relationship between Thetford Academy as a private institution and the Town of Thetford, Middle and High School governance, financial choices, and school curriculum.

After reviewing the various options available for educating our students, we did not find a viable alternative to our designation of Thetford Academy that offers any significant improvement over the current situation. The options available are either expensive or unrealistic or fail to address the central concerns expressed. There is no feasible option for limiting the amount of secondary school tuition that we must pay. The range of options available to the Town is limited. Some changes can only be made if undertaken by the Academy itself.

Salaries for teachers are high in the Upper Valley and the cost of benefits continues to increase while enrollment at both schools is projected to decline. An increasing portion of our school budget is earmarked for debt service and capital costs. Tuition at Thetford Academy is high (by both statewide and local standards). There is no independent taxpayer review or approval of capital projects at the Academy. Of the 24 Trustees at TA there is one School Board representative from Thetford (although 19 are Thetford residents). Thetford voters ultimately have a vote only on the combined school budgets. Once Academy tuition is set, and the budgets approved, the Town is obligated to pay the full tuition amount for each student who attends the Academy.

As a way to address some of the concerns that have emerged, the committee has identified the Partnership Agreement as the vehicle by which changes can occur. This is the instrument which defines the joint relationship between the Town School District and Thetford Academy. These two bodies should consider changes aimed at improving information and cooperation on financial matters and decision making, especially in the area of long range planning. Some of the suggested actions are:

- The School Board form a long-range planning committee to improve communication among the town, the school district and the Academy.
- The School Board works toward an agreement with TA allowing for community review of capital projects at TA.
- The School Board develop a mechanism for having additional elected or appointed representatives from the Town to sit on the Board of Trustees.
- The School Board further inquire about the extent to which any operating surplus should be used to offset tuition.

Thetford Academy does not exist in a vacuum. As the Town's high school since 1819, it has served a varied cross-section of the community. The Academy has begun creating opportunities for more dialogue between Town residents and their Board of Trustees. There is history and heritage in our joint

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relationship, and we will rely on these as we move together into the future, finding a way to meet the needs of students, the needs of the schools, and the needs of our residents and taxpayers.

Committee Members:

- Thetford School Board Representatives:
 - Charlie Buttrey, Polly Cole, Tod Moses (Chair)
- Selectboard Representatives:
 - Rick Barrows, Gene Kadish, Heinz Trebitz
- TA Board Representatives:
 - Judy Vaughan, Frank Barker, Bill Weyrick

Vermont Law Governing Secondary Education:

Vermont law requires that every school district shall provide, furnish and maintain one or more high schools unless either (1) the electorate authorizes the school board to pay tuition to an approved public or independent high school, or (2) the school district is organized to provide only elementary education for its pupils. 16 VSA §822(a). Thetford falls into the former category, as it is the Town of Thetford that constitutes the school district. 16 VSA §421(a).

School districts such as Thetford which do not maintain their own public high schools may discharge their obligation to educate their pupils in one of two ways: one, they may pay tuition to an approved public or independent high school to be selected by the parent of the child, 16 VSA §822(a) or, two, they may vote to designate an approved school as the public high school for the district. 16 VSA §827(a). In the former instance, parents advise the school board of the high school or independent school which they would like their children to attend and the school board pays the tuition established by that school. Thetford has chosen to designate the Academy as the school for its high-school students since the early 1900's.

When the board of trustees of an independent school accepts designation, “the school shall be regarded as the public school for tuition purposes and the school district shall pay tuition to the school only, until such time as the school district or the board of trustees of the school votes to rescind the designation.” 16 VSA §827(b). Parents may request that the school board pay tuition to another approved high school if they are dissatisfied with the instruction provided at the designated school, or if they cannot obtain for the child the kind of course or instruction desired there, or if their child can be better accommodated in an approved high school nearer to the child's home. 16 VSA §827(c). The ultimate decision with respect to whether the school district should pay tuition to a school other than the designated school rests entirely with the school board, which may pay that tuition if, in its judgment, that would best serve the interests of the child. 16 VSA §827(d).

There are, in short, two options presently available for the secondary education of Thetford's children: (1) pay full tuition to the high school of the student's choice, or (2) designate an approved school to serve as the town's high school.

Note: The Town of Strafford is almost certainly not in compliance with these statutory provisions. Although the Strafford School District has designated Thetford Academy for its high-school students,

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the students in that town may choose to attend any secondary school and the town will underwrite the cost of that tuition up to the announced tuition rate at Thetford Academy. Although the statute does allow the school board discretion on allowing students to attend schools other than the designated school, there is nothing in the statute that permits a town to cap its tuition payments. . Although no individual, town or school district has ever brought any formal action challenging the arrangement, it clearly violates Vermont law, which provides that if a town which designates an independent school to serve as its high school sends students to another institution, it must pay the full tuition.

Historical Perspective:

The Town and Academy have operated with an attitude of mutual support and shared interests since the Academy was founded in 1819. Designation and de-designation has been the subject of reoccurring town wide debate. Discussion of petitions for municipal take-over as well as de-designation were brought to the town several times by either the Board of Trustees or taxpayers (including 1919, 1977 and 1980). Designation was maintained.

Historically, Academy costs per student have been comparable to the elementary school. With the State Aid Foundation Program formulas in the 1970s – 80s, Thetford's costs per pupil were below the state average resulting in higher aid reimbursements. In some respects, the Academy subsidized the elementary school during the 1990s when the town paid tuitions on a delayed schedule and the Academy operated at a deficit to keep tuitions low.

Prior to 1978, most capital costs were raised by direct donation, public groups and class donations. Many projects were donated by local contractors, so a great deal was accomplished without the need to raise money through taxes. Unlike many private academies dating back to the early 1800's, Thetford Academy has not only survived, but thrived, and continues to serve as an anchor to the community.

Comparisons:

The School Comparison Sub Committee examined six private academies serving the public population as well as four area public schools that accept tuition students. The committee looked at various aspects of the school: population, grades served, average class size, teacher pay scale, endowment and curricular offerings. In addition, the committee gathered information about governance, public input on school expenses, tuition calculations, additional charges beyond tuition (such as Special Education costs) and how capital projects are funded.

Findings:

- The academies with larger endowments are able to keep tuition costs down by funding capital costs out of their endowment.
- Actual cost of educating students does not necessarily correspond with the set tuition. At many public schools the tuition is often lower than the actual cost per student. Often the charged tuition does not reflect capital or equipment or what came out of the reserves. Actual cost can be offset in private schools by factors such as endowment and boarding students and in the case of public schools, state and federal aid. Both public and private institutions frequently raise money outside of the tuition process. At the Academy the current endowment is not large enough to have a significant impact on the per student costs.

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- Teacher salaries need to be considered in light of the fact that teacher salaries in the Upper Valley are above state average.

Often the charged tuition does not reflect total costs per student and does not reflect capital or equipment. At many public schools the tuition is often lower than the actual cost per student.

This upcoming year Oxbow is expecting to increase its tuition to \$10,500 per student. Hanover High School is expecting to increase tuition to over \$14,000 per student. Both public and private institutions frequently raise money outside of the tuition process.

School Comparison Table 2003 - 2004

School	Grades	Pop	Ave Class	Tuition	Pay Range	Endowment	AP Classes
Thetford Academy	7-12	390	15	\$10,186	30k-60k	\$1,368,000	No
Bellows Free Academy	9-12	1170	8-25	\$8,329	26k-57k	\$150,000	Yes
St Johnsbury Academy	9-12	959	15	\$8,995 to \$26,550	24.5k-50k	\$15,000,000	Yes
Lyndon Institute	9-12	631	NA	\$8885	27k-50k	\$7,000,000	Yes
Burr and Burton Acad.	9-12	600	18+	\$9000		\$2,500,00 Wealthy Donors	yes
Sharon Academy	7-12	134	12-15	\$7722 middle \$8234 HS	25k-35k	none	no
Hanover HS	9-12	751	17.6	\$11,674	33.5k-71k	NA	AP*
Hartford HS	9-12	820	23	\$7,900	26.1k-51.6k	NA	yes
Oxbow HS	7-12	505	15	\$8,602	25k-48.7k	NA	yes
Rivendell Academy	7-12	230	?	\$9,700	26.2k-53k	NA	no

* No advanced placement courses, but many courses prepare students for AP exams.

Demographic Trends:

The Academy forecasts that student enrollment may decline by 20% by 2010. Declines would drop the student enrollment by approximately 80 (from 386 in 2007 to 306 in 2010). Incremental changes in student enrollments are likely to be spread through all classes (7 through 12) and may not have an immediate effect on staffing. Basically, operating costs at TA will remain unchanged. Declining student enrollment will likely result in increased tuition costs per student.

School Choice:

Thetford Academy has the option to participate in Act 150 (the statute governing school choice in public schools). The Academy recently created a committee to study the possibility and concluded that because of the lack of financial consideration given to the exchange of students, it would not participate at this time. There are proposed changes to this law in the legislature so it is difficult to predict what the future provisions will be.

It does a great deal to enhance community spirit when the town's 7th-12th graders all attend a single school. This cannot be empirically measured. The impact of splintering the young people of the town by sending them to half a dozen or more schools would be substantial.

OPTIONS:

The committee weighed six options for the education of secondary students in Thetford.

I. Private and Designated

Designation has the effect of enhancing the Academy's willingness to be responsive to the Town's fiscal constraints. The Academy is presently under no obligation to reduce tuition when the budget fails; that, however, has been the practice stemming from the history of collaboration. The Trustee's recent decision, for example, to postpone a major capital improvement project was the result of its consideration of the taxpayer's concerns that this was not the right time for the project. The Academy was under no obligation to postpone the project, which by most measures is long overdue. Designation and partnership, between the elementary school and the Academy makes the transition from sixth grade to middle school much more seamless and less difficult.

On the other hand, designation limits student choice in the same way that having a public high school limits student choice unless a parent wishes to pay out-of-pocket tuition to another school, or can convince the school board that Thetford Academy cannot best serve the interest of the child), the child must attend Thetford Academy.

There are concerns over the lack of control that Thetford taxpayers have in the governance and, therefore, the budget at Thetford Academy since other than the three town school board representatives from Thetford, Lyme and Strafford, the Academy board is not a publicly elected body. However, it is also true that 19 of the 24 members of the Board of Trustees at TA are Thetford residents and candidates for the Board are annually recruited from the general public.

II. Private and Designated with Increased Representation

There are both advantages and disadvantages with increased representation of Thetford on the TA Board of Trustees through appointment of two thirds of the members by the sending town's Select Boards.

This scenario was investigated by a TA Board of Trustees committee in 2003. The increased representation is a prerequisite for making the school eligible for 30% State funding of capital projects. This would require that the Select Board appoint two thirds of the trustees. Receiving state aid carries construction and program requirements resulting in potentially higher costs. Realistically, state aid is presently not available. TA and other applicants are expected to be waitlisted for at least 5 years.

The Academy Trustees believe it may be easier to fund initiatives outside of these requirements. Accordingly, they decided not to pursue this option any further. Discussions with several representatives of the Academy board and administration make it clear that they believe the Town is well represented by the current 19 out of 24 board members who are Thetford residents, and that the educational and administrative continuity allowed by the current governance structure has served the Academy well for a long time. It is highly unlikely that the Board would vote to surrender majority control to members appointed by outside boards, thus giving up the independence that it currently enjoys.

III. Private and De-designated

Vermont law provides that towns that do not maintain their own public high schools may designate an approved school as the public high school for the district. When the board of trustees of an approved school accepts designation, that school is regarded as a public school for tuition purposes, and, by law, the school district shall pay tuition only to the school, unless the parents of a particular child can demonstrate that they cannot obtain for their child the kind of course or instruction desired.

Under de-designation parents would have the option to send their children to any approved school. Thetford would pay the stated tuition at the selected school, which may be lower or higher than the TA rate. This would open up a variety of educational opportunities to Thetford children who could choose from among many schools: Hanover HS, Hartford HS, TA, Rivendell, Oxbow, Chelsea, South Royalton, and Sharon Academy, or, even further afield, St Johnsbury Academy or Lyndon Institute. On the other hand, it is likely to result in an increase in taxpayer expense as Thetford would pay the full tuition at the selected schools. This would include funding students whose parents are currently paying full tuition to other schools. Thetford would probably see even greater real estate pressure from people wanting to move in, not necessarily from a desire to live in Thetford, but as a way to have the choice of schools for, at least temporarily, less expensive real estate costs. TA would lose all Thetford students going elsewhere, resulting in a lower enrollment and a higher tuition rate for the students remaining at the Academy.

Parents would be responsible for providing transportation to the school of their choice, which could result in significant costs and time commitment. Special education students would not be guaranteed the educational services presently provided under the partnership agreement. The town might be faced with higher special education and transportation. There would be no guaranteed admission for Thetford students at any school. There are limited choices for 7th and 8th grades outside of Thetford Academy.

In addition, de-designation would result in the loss of any taxpayer control over tuition costs. If the local Thetford school budget is rejected, none of the schools to which the students are being sent would be likely to consider reducing the tuition rate as Thetford Academy has often done. Any and all cuts would have to be made at the elementary school level. The pressure at the Academy would be primarily to provide enhanced programs to attract more students with less concern for controlling tuition costs. The budgeting process for the School Board would be considerably more difficult and imprecise since it would have to predict the student selection and tuition at many different schools.

IV. Thetford Academy Goes Public

If the Academy were to become a public school, it would serve as the high school for all Thetford students in the 9th-12th grades. Rather than establishing a tuition rate, the Academy budget would be merged into the education budget, and voted on by Australian ballot. There does not appear to be any statutory prohibition against separate votes on the high school budget and the elementary school budget.

Under this scenario Thetford would be responsible for operating TA as a public high school. Whether the operating costs would or could be much different from those presently incurred by the Academy is

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unknown. The Academy would then be subject to all state educational and construction requirements and mandates.

Conceivably, income from gifts and endowments may be reduced. Other non-tuition income (for example from State and Federal grants) may be secured on an on-going basis.

This action would have to be approved by the TA Board of Trustees, which is unlikely. There also may be fiduciary responsibilities including consideration of past contributions made to support the private institution.

V. Designate another School

There is nothing in the law that prohibits the town from designating a school other than Thetford Academy as the public high school for the district. If another school were to accept designation, the relationship between the Town and that school would be similar, in legal terms, to the present relationship between the Town and the Academy. The designated school would set a tuition rate, and the taxpayers would be obligated to pay it. Municipalities can only designate one school. Thetford would need to find another school that could accept over 250 students. The designated school would need to be able to take all Thetford students. Currently, no school in the Upper Valley has that capacity, and in a time of predicted lower enrollments, would be likely to consider creating additional capacity.

Transportation costs are likely to increase by a factor of 2 to 3. For example, if we bus students to Rivendell there would be approximately 12 miles added to the present routes for collecting and dropping off students at their homes (the distance between Thetford and Orford). Busing students to locations outside Thetford will also add more time spent riding the school bus. Tuition costs: Presently, the difference between Rivendell and Thetford is marginal (see School Comparison Table on Page 5)

VI. Build a Public School

If the Town were to build a high school, Thetford students wishing to attend Thetford Academy at taxpayer expense would have to demonstrate that they could not obtain the kind of course or instruction desired at the public high school. All other students choosing to be educated at taxpayer expense would attend the high school. This is the most expensive option.

Figures from Dresden on school costs:

Projected cost of new middle school and high school renovation- \$37.1 million

- middle school- \$14.2 million - 107,000 square feet - 500 capacity
- high school - \$22.9 million - 187,000 square feet- 850 capacity
- \$132 per square foot

It would be a duplication of school resources in Thetford and the Upper Valley when student enrollments are projected to decline. It would likely have a devastating impact on TA's student enrollment.

History of Thetford Academy - Appendix A

Over the past two centuries, the town of Thetford and Thetford Academy have shared a relationship of mutual support and recognition of common interests and opportunities. This relationship has been based on the generational inheritance of parents, children and grandchildren maintaining continuity of good will and expectations, similar to a familial interaction of patience and tolerance. If a child is having difficulty, knowing the family helps teachers work with the student. It allows time for growth and for potential to develop. This security and confidence in the ability for the relationship to adapt and thrive is a big hurdle for new residents of the school district to adopt.

Communication and interaction between teachers and parents is a lot easier for those with a generational relationship to support them than for newcomers with only a few years of residency. Because the town's relationship with the Academy is unusual, even in Vermont and more so to people from other parts of the country, it is easy for residents to blame that relationship for problems that are being seen across many other communities that have more traditional educational structures.

The Thetford Academy Founders Day is February 8. Organization began in 1818 with the Vermont Legislature issuing a charter in 1819. In its early years, the Academy became a prep school for Dartmouth and "irregular" students were accepted from Thetford to discharge school district responsibilities to provide secondary education mandated in 1904 by the Legislature. In 1819, the First Preceptor (Principal) was John Fitch of Dartmouth. Both ministers and military men were principals throughout its history. In 1852, there were 400 different students at the Academy over the year including 175 from Vermont. The rest came primarily from New Hampshire and Massachusetts, but also from the rest of the New England states, Canada, Maryland and Texas. Although girls attended the school from its beginning, the first girls graduated in 1852 and three years later outnumbered the boys, fifteen to ten.

In the early 1900's the Academy struggled to maintain financial viability, and, in 1918, following a state mandate to the towns to provide junior and senior high school education, there was a resolution for the town to take over the Academy as its public secondary school. Following discussions nearly identical to those we are having today, it was decided that the town and the school would be better served by maintaining the school as an independent institution.

Early buildings were arranged for or provided by Trustees. The fire in November 1942, during the Second World War, burned down the Academy building, the girls' dormitory and the Latham Library which, at that time, was near the Academy. After the fire, Carl Anderson, who had become the principal in 1925, arranged for classes in Grange Hall, the Agriculture building and a small cottage behind Goddard Hall. He went to Boston in 1946 to try to talk Porter Adams (who was very ill) into an early gift already discussed to current campus. Mrs. Adams assured him that she would take care of the gift to TA so he was able to return to advise the Trustees. In 1948, the cornerstone of the "White Building" was laid.

Frank Barker's class of 1949 was the last to graduate from the Grange Hall with graduation ceremonies held in the church. The first classes held in the White Building began in the fall. Students worked many hours in the building project under the supervision of Trumbull Nelson doing labor that high school students could perform with shovels, wheelbarrows and using chunks of wood for soil compaction.

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Frank's perspective is one of respect and admiration for the courage and faith it must have taken for everyone involved (teachers, students and parents) to – with the leadership of Carl Anderson and the Board of Trustees in the middle of the war – deal with the apprehensions and hardships of a burned out school. He believes the confidence that experience inspires should create inspiration for the future. Academy capital costs were raised by direct donation, public groups and class donations. Many projects were donated by local contractors so a great deal was accomplished with little money. Basically, all capital funds were raised in this way until the mid to late 1970's. Carl Anderson wrote many fund raising letters on a one-to-one basis, to the extent that a complete dependence on his efforts left no one prepared and ready to take over in the future.

Certainly, our community today is not the same as it was in the 1940's, and the fundraising efforts in the 1990's met with less success than hoped. Since then, the Academy administration with Board of Trustees has worked hard to improve its ability to raise private funds and hopes that with careful planning and hard work, more successful campaigns for financial support will help reduce the amount of capital expenses required to be raised from taxes.

Significant Dates in the History of Thetford Academy:

- 1761 – Charter of Thetford – N.H. Grants
- 1764 – Part of New York
- 1777 – Part of independent Republic of Vermont
- 1779 – Asa Burton ordained minister
- 1787 – Meeting House on Thetford Hill
- 1791 – Vermont becomes 14th state
- 1819 – February 8, Thetford Academy opened
- 1819 – Asa Burton became the first President of Trustees of T. A.
- 1819 – John Fitch, preceptor
- 1843 – Hiram Orcutt became principal
- 1845 – First dormitory – Burton Hall for boys
- 1847 – Railroad through Thetford
- 1851 – Second dormitory - Bartholomew Hall for girls, affectionately know as Mrs. Burton Hall
- 1852 – First formal graduation of girls at Thetford
- 1855 – Gilbert Hood, Principal, alumnus, trustee, first large benefactor
- 1890 – Baseball established
- 1894 – 75th anniversary of Thetford Academy
- 1900 – Football established
- 1901 – Basketball established
- 1906 – Slafter Hall purchased for a dormitory
- 1911 – Pageant of Thetford, 150th anniversary
- 1919 – Town voted financial support, but maintained independence
- 1925 – Carl A. Anderson becomes principal of T. A.
- 1926 – Mr. Anderson brings his bride, Virginia Wilder Anderson, to Thetford from Ashby, Mass.

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- Vocational Home Economics starts. Teachers: Earlyann Moffat, 1923 – 4; Agnes Shaw, 1934 – 54; Emily Heath, 1954 -
- 1933 – Vocational Agriculture: Howard Finley 1933 – 34; Charles Park Jr., 1934 – 40; Paul Gilman 1940 – 43; Williams Peters, 1943 -
- 1942 – November – Original Thetford Academy Building, girls’ dormitory, and Latham Library burn
- 1942 – Classes held in Grange Hall until 1949
- 1944 – 125th anniversary – first Founders Day
- 1946 – Gift of Porter-Adams campus by Mrs. Adams
- 1948 – New classroom building cornerstone laid
- 1948 – Fire in Agricultural-Science building behind Goddard Hall
- 1949 – Classes begin in new classroom building
- 1955 – Gymnasium dedicated
- 1959 – Junior High an integral part of Thetford Academy – Esther Scruggs and Richard Doyle
- 1960 – Dedication of Daniels Agriculture – Science Building
- 1960 – Gymnasium officially named Anderson Hall
- 1961 – June, Mr. And Mrs. Anderson retire after 36 fruitful years devoted to Thetford Academy and its students
- 1966 – Classroom addition to White Building
- 1977 – Vocational building started
- 1977 - Frederick G. Torrey became Headmaster
- 1978 - Mountain Day begun where each class climbs one of the mountains visible from TA
- 1989 - Robert Brigham became Headmaster
- 1990 – Cross country trail built on Academy and State Forest land.
- 1991 - Martha J. Rich became Head of School
- 1997 – Renovated the White Building and reorganized the campus layout and parking lots
- 1998 - Courtyard/Parking Renovation

Sources for this section are:

- Frank Barker
- Thetford Academy’s First Century by Mary B. Slade, 1956
- Good Eating, compiled and published by the Thetford Homemaking Department with the cooperation of the Alumni Association, 1961.

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Financing School Education Appendix B.

One central issue in this discussion is the manner in which we fund public education. Here in Vermont, the local basis of taxation is the property tax. Your house and land are assessed by the Town, given a value, and combined with all other taxable properties into the Town's Grand List. The town's annual tax rate is calculated by dividing the annual budget (comprised of expenditures for town operations and running the schools) into the Grand List. The voted final tax rates for FY (fiscal year) 2003 are shown below:

TAX RATE for FY 2003	Town	Local School	State School*	Total School	Total Town & School
\$ for \$ 100 of assessed value	0.5165	1.0368	1.0474	2.0842	2.6007
%	19.8	39.9	40.3	80.2	100.0

*Note that in order to maintain equality in funding for local education, the Vermont Department of Taxes captures a portion of the property taxes in property wealthy towns for redistribution to property poor towns.

The major portion of the annual budget (and tax rate) is education costs incurred by running the elementary school (TES) and paying tuition for students attending Thetford Academy (TA). In Thetford school costs make up 80% of our tax rate, split about evenly between TES and TA (see Table III. Thetford School District Budget Summary in Appendix E).

For actual tax rates in other Upper Valley Towns compare Table II in the Appendix E.

This taxing system is based on the value of your property, not your income, and this creates problems for those households where there is a great difference between property value and income. Each year, information on real estate transactions is reviewed by the State, to determine if our "assessed value" for a property is consistent with the "market value" or selling price. The State prepares a calculation to establish the extent of variance, called the Common Level of Appraisal (CLA). If the Town is setting too low a value on our taxable properties (relative to sale price), then the Town is penalized in state education funding, effectively raising the Town's tax rate. Using the CLA, the State issues the "Equalized School Tax Rates per Act 60 Calculations" shown in Table I in Appendix E.

Because Thetford is an attractive town to many homebuyers, the past few years have consistently seen rising home prices, so that our CLA is declining – even just two years out from our recent reassessment. While many properties are rising in value, the income of our residents may not be increasing at the same rate.

Act 68

There is now a new education funding law – Act 68, which will tax property at different rates, one rate for commercial and second-homes, another for local residences. An increase in school budgets will only

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affect the homeowner's rate, not the rate paid by commercial and second-home properties. In addition, the basic "block grant" for education is increased under the new law.

Each year Vermont establishes a statewide "average secondary school tuition rate", which is \$8,234 for 02/03 (see the School Comparison Table in on Page 5). Under Act 68 if our local school district spends more than 125% of the average, then the Town is responsible not only to pay for the amount above the statewide average, but also to pay a penalty to the state equal to the amount of our costs that exceed the 125% threshold. Since Act 68 has a phase-in period, the first year's threshold is 135%, dropping by 5% per year for each of the next two years. It is not yet clear exactly how Thetford Academy tuition will be measured and evaluated relative to the statewide average secondary school tuition rate as set by the State.

Currently (02/03 – see School Comparison Table on Page 5), tuition at Thetford Academy is \$10,186, \$1,952 above the statewide average of \$8,234. Locally, schools in Hartford (\$7,900) and the Sharon Academy (\$8,234) are at, or below, the statewide average, and Hanover High School is considerably above (\$11,674). Rivendell Academy, a new school, sets its tuition rate slightly below the TA rate at \$9,700. Rivendell sets its tuition low to attract students from New Hampshire. Their tuition rate, as with other high schools does not necessarily reflect per student costs. The Thetford Academy tuition rate does reflect per student costs.

School Budgets

Table III in Appendix E provides a summary of the Thetford School District Budget. The school district addresses TES and TA operations, although the budget items for TA are derived from TA's tuition cost billings to the town school district. (Remember that TA has its own annual operating budget and charges the town a set tuition rate per attending student). Items 1130 and 1230 (bold numbers in the table) account for secondary instruction costs at TA; 50% of the transportation services (item 2711) are also related to secondary education.

Note that secondary instruction at TA amounts to slightly more than 50 % of the Thetford School District budget, and that items 1100 through 1204 at 84 % of the budget are mostly comprised of teacher salaries and benefits. In looking at the cost of operating a school, we have made the assumption that a declining enrollment will not lead to a decrease in the cost per student.

The biggest item in a school budget is teacher salaries – with benefits and taxes included, these can amount to 65-75% of total expenses. It is unlikely that any school could respond to declining enrollment quickly enough to reduce their personnel costs on a short-term basis. Given the various fixed costs for operations, it could take a period of years for a school to adjust its staffing to reflect a decreased enrollment. Each year Thetford Academy evaluates its staffing before making contract offers for the following year

We also note that the "cost per student" is not necessarily identical to the tuition rate. In some cases, considerable revenue is generated privately to be used for capital projects, removing such an expense from the tuition calculation.

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Also, although our focus is on Thetford Academy, it should be noted that the cost per student at Thetford Elementary School appears comparable to the cost per student at TA.

Capital Expenses

As an educational institution, Thetford Academy needs to maintain a physical plant – the buildings, classrooms, and other facilities associated with the campus. While repairing and maintaining the current facilities, it is necessary for the school to plan for future needs. Thetford taxpayers have no direct voice in the Academy's decisions about capital purchases, even though we are eventually funding a major part of the cost of these projects through our tuition payments.

Last year there was talk of a proposed six million dollar project at TA. While such a project might indeed serve the school well, there was considerable concern among the community about the costs of such an ambitious project. Numbers taken from Table IV, "Debt Service On Facility Improvement Bond", in Appendix E illustrate the effect of added debt services on the tuition rate. With a bond principal of \$ 6 million and a 3% interest rate, the resulting tuition rate increase would be \$ 1,061 or approximately 10% (FY 2003) per student. Given the perception of an already high level of tuition, and a projected decline in student enrollment, there was a serious question of whether the Town could afford such a project. Historically, Thetford Academy did not rely on taxpayer funding for the costs of building the campus. In past years the Town received assurances from the Academy that debt service and capital costs would not be included in tuition. This situation has now changed.

While it is not unreasonable for the Academy to fund its capital needs through tuition, this action represented a change in policy. There have been annual increases in budgeted amounts for capital expenses. As long as Thetford chooses to tuition its students, capital spending decisions will always be in the hands of the receiving school or district. The lack of any control or review over capital spending has created dissatisfaction among taxpayers.

It was not until the late 1970's that taxpayers were first asked to contribute to the capital costs of the school. Beginning in 1999/2000 some capital expenses were included in the tuition calculation – a budgeted amount of \$5,000 was put into a capital reserve account for paving. The following year saw another \$5,000 for paving and an additional \$15,000 placed into capital reserves.

A large project to renovate the White Building and reorganize the campus layout required borrowing a total of \$2.5 million dollars \$750,000 of private money was put into the project through the capital campaign. Tuition calculations include paying both principal of the loan, and interest. For 2002/2003 the principal cost was \$55,000 and total interest expenses came to nearly \$76,000 – a total of over \$130,000 in debt service. In future years, the amount of principal to be paid on this loan increases at \$5,000 per year, rising to \$100,000 per year in 2010. Increased principal payments will reduce the amount of interest paid, subject to changes in the rate. Interest on this loan has an adjustable rate partly due to the Academy's operating budget deficit incurred in the 1990's. Future interest payments are difficult to project. The Academy expects that this loan will be refinanced at some future point in conjunction with other new projects

In addition to the debt service costs, the 2003/2004 TA budget includes capital expenses of \$103,500, with \$41,000 budgeted for various equipment (upgrading the phone system, extending water and sewer

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lines, and the purchase of a truck). Another \$12,500 includes paving and \$50,000 budgeted for future capital reserves.

For the 2004 calculations, at the recommendation of its auditor, Thetford Academy plans to include an amount for capital reserves that is equal to its depreciation expense, an annual expense of \$135,000. While some of the money is budgeted for specific capital projects in the coming year (\$35,000), another \$100,000 is planned on being added to the capital reserves for future projects.

For tax purposes, buildings and equipment are assumed to have a useful life of many years, and the total money spent on those items is not considered an expense in the year of purchase. Instead, a percentage (usually 2 ½% per year for buildings = 40 year useful life) is included in the expenses for any given year. This depreciation expense represents more than \$5 million dollars invested in school buildings and other equipment. Although depreciation is treated as an expense on financial statements, it is not an actual cash expense to the school, and is not included in tuition calculations. However, taxpayers are now paying directly into the fund that will be used to replace or renovate these buildings as the need arises.

Reserve Accounts

The Academy has two kinds of reserve funds, an Operating Reserve, and a Capital Reserve. In previous years, the Academy has maintained some of its programs through deficit funding; that means the amount of tuition raised was not sufficient to meet all of the expenses of the school. In some respects, the Town benefited from this arrangement, as we received services for which we did not pay.

After several years of surplus, the Academy now finds itself with an Operating Reserve account of about \$300,000. In 2003/04 the Trustees chose to allocate \$33,000 from this account to reduce the amount needing to be raised by tuition. In 2004/05, the Trustees have recommended an allocation of \$20,000 from this account to reduce the amount to be raised by tuition. Thetford Academy also has a Capital Reserve account, which currently stands at \$218,000. As stated above, TA intends to continue funding capital projects in an amount roughly equal to its annual depreciation expense of \$135,000. Of this annual total, some amounts are budgeted directly to capital expenses in the current year, while additional amounts (currently \$100,000 annually) are set aside for future projects.

School Choice Appendix C

Background

Currently, if parents in Thetford wish to choose a school other than Thetford Academy, the two options are: 1) paying full tuition for a child to attend another school, or 2) convincing the Thetford School Board that a child's needs cannot be met by Thetford Academy, the designated school for the town. Historically, the School Board has rarely decided that the school district should pay tuition to another public school in order to serve the best interests of a child. In recent years, permission has been granted only to one child – one whose special needs could not be accommodated at the Academy.

Legislative Action on School Choice

During its 1999-2000 session, the Vermont Legislature passed Act 150, which required that every public high school join one or more regional collaboratives established throughout the state. Beginning in the 2002-2003 school year, students within the region could choose to attend any high school in the district. The plan was also structured in a budget-neutral way so that no funds would be exchanged (unless otherwise agreed upon) and to provide for a gradual increase in the student numbers to minimize the financial impact to participating schools. Limits were set at 3% of the student population or six students (whichever was fewer) for the first year, and 5% or ten students for the second year and succeeding years. In addition, provisions were made for the sending schools to pay all Special Education and Technical Center costs. The law further allowed receiving schools to set capacity limits.

Annual Report on Act 150

Since Act 150 was designed as a pilot program before Vermont went “jumping in” to a broader school choice plan, the State Department of Education issues an annual report in January each year. The report evaluates how schools have implemented the law and the extent to which students have participated. After the first year, results showed that 254 students applied to transfer. This was .7% of the statewide enrollment of 28,241 students in grades 9-12. Of the 254 who applied, 161 actually enrolled in another school. A more thorough review of the data collected is beyond the scope of this town report. Much of the information and data was inconclusive, because it was the first year of a very new plan. The areas of inquiry pursued in the report are as follows: how many students exercised choice and how many wished to but were unable to do so; access to choice by students with special needs and whether their needs were accommodated; social and economic factors of choice participants; effects of the system on access to technical center; effects on small schools. In addition, issues of gender, English language learners, and race/ethnicity were examined in the report. The report for 2003-2004 has just been released, and the major findings do not depart significantly from those of last year. Information was received from all 61 high schools. However, some data was not clear or was not accurate. It is of interest, though, that the number of students participating is moderately lower than the first year; 121 are listed as having transferred. This constitutes .44% of the statewide enrollment of 27,258 high school students. Also, after two years of implementation of Act 150, some patterns have emerged.

- Students are choosing schools with access to technical centers at higher rates than to schools without such access.
- Students from small schools (25 or fewer graduates) are more likely to transfer to a larger school than students from larger schools are to enroll in smaller schools. However, the numbers are too low to statistically reliable.
- Very few schools have been requested to provide transportation assistance.
- Transfer of funds may have occurred in a very small number of cases, involving only eight schools.

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Next year is slated for a much more extensive report, depending upon adequate funding to finance the study.

Implications for Thetford Academy

Approved independent schools like Thetford Academy were not required to participate, although they could choose to do so. The Board of Trustees subsequently established an Ad Hoc Committee on School Choice to review the legislation and to suggest a course of action. The following paragraphs are taken from this committee's report to the Board in June of 2002

Plan of Action

1. Review of existing and proposed school choice programs in Vermont and other states.
2. Research into the school choice plans established by other approved independent schools in Vermont.
3. Study of the regional public school agreements created under Act 150.
4. Determination of the specific financial impact of various school choice options on Thetford Academy.
5. Establishment of liaison with regional elected representatives regarding proposed school choice legislation.
6. Exploration of curriculum options available at regional high schools that are not offered at Thetford Academy.
7. Development of recommendations on the issue of school choice for the Board of Trustees

Discussion. With respect to regional actions taken under the provisions of Act 150, the Committee determined that:

- 1.) No approved independent school in Vermont has chosen, or currently plans to choose to participate in an Act 150-based school choice program. Indeed, those independent schools surveyed found no compelling need to change their present arrangements with sending towns.
- 2.) As required by law, all regional public high schools have entered into reciprocal student exchange agreements with one or more other public high schools. None of these agreements involves the transfer of funds from one school to the other. All have chosen to limit participation to the minimum numbers required by law.

Further Implications for Thetford Academy. The Ad Hoc Committee considered several implications of Act 150 participation for Thetford Academy:

- 1.) Act 150 does not penalize an approved independent school if it does not choose to participate. Similarly, it offers no reward for voluntary participation.
- 2.) Participation, even on an extremely limited basis, would have direct negative financial consequences. Although Thetford Academy could absorb one or two non-paying students without a significant impact, the loss of a single tuition student would present a direct and immediate budget loss of nearly \$10,000.

The committee considered a provision of Act 150 that allows schools to make specific financial arrangements that would involve the transfer of funds between schools. However, it was deemed very unlikely that any regional public high school would agree to pay Thetford Academy tuition since it is higher than most local public high schools. Further, provisions in Title 16 currently exist that permit

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school boards to pay tuition for resident students at another public high school or at an approved independent high school under certain circumstances.

Recommendations. The committee recommended the following course of action:

- 1.) That the Act 150 school choice program is financially not feasible for a tuition-funded, independent school and that Thetford Academy should not participate in this optional program.
- 2.) That Thetford Academy should embark on an ambitious program of recruitment among current K-6 and K-8 sending towns. This could become the core of an expanded recruitment program, should a more encompassing school choice program be enacted.
- 3.) That the Board of Trustees should adopt a proactive procedure with respect to school choice legislation that would include approved independent schools as a school choice option along with public schools.
- 4.) That Thetford Academy work together with the Town School Board to develop a joint position on school choice.

This concluded the Ad Hoc Committee report. Since that time, initial steps have been taken on all of the recommendations.

Other Legislative Proposals

Each year since Act 150 was enacted, bills have been introduced to either amend it or replace it, and, in effect, to broaden school choice for Vermont families. Most have never been voted out of committee. The exception was H-716 which made it to the Senate where it eventually failed. This bill would have granted complete free flow of school choice from grades K-12 among both public and approved independent schools. Last minute amendments on the floor of the House altered the bill, however, so that it would have been a disaster for Thetford Academy. As passed by the House, the bill would have allowed for monies to follow a child choosing another public school, but would not have provided for money to follow a child from another public school to an independent school such as Thetford Academy. In other words, the town would pay tuition for a Thetford child attending a public high school in another town, but the taxpayers in that town would not pay the tuition for a child in that town who wished to attend the Academy.

This year, there appears to be a very strong effort by certain legislators and Gov. James Douglas to provide for unlimited choice among public schools and for the money to follow the child. The Ad Hoc Committee continues to monitor developments.

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Current Partnership Agreement Appendix D

This agreement between **THETFORD ACADEMY** and the **TOWN SCHOOL DISTRICT OF THETFORD** is effective for the school year 2004-2005.

STATUTORY BASIS: The Town of Thetford designates Thetford Academy to serve as the public high school for the Town School District of Thetford according to the provisions of Vermont statute (VSA 16 §827). Thetford Academy accepts this designation as the public high school [hereafter, “designation”] according to the same provisions.

REVIEW AND RENEWAL: Acceptance of designation is reviewed annually no later than the fall quarterly meeting of the Board of Trustees, with written notification to the Town School District no later than November 15, 2003, of the decision to accept or decline designation for the following year.

PARTNERSHIP: Designation and its acceptance reflect the commitment to a close working relationship between the Town School District of Thetford (“Town School District”) and Thetford Academy (“Academy”). The purpose of this partnership is to provide excellent learning opportunities and promote educational achievement for the children of the Town of Thetford. The partnership is based on communication between Academy and Town School District leaders, shared decision-making, coordinated programs, and a sense of common responsibility for students, guided by the Academy’s five fundamental principles: excellence, commitment, cooperation, respect for diversity, and caring.

The provisions that follow define general terms of partnership in the designation relationship. Provisions specified for a given Town School District may be noted in an attached Memorandum of Understanding with that Town School District.

In order to affect this partnership, the Academy recognizes a special responsibility to the Town School District, including the following:

- 1) Guaranteed admission of eligible student residents in the Town of Thetford, as provided in Thetford Academy policy: “Thetford Academy accepts all students in grades 7-12 from designating towns whose needs can be met in regular classrooms or with supplementary instructional services...”
[Policy on Student Admissions, 3/13/97]
- 2) Communication about attendance, placement decisions, disciplinary actions and other student issues
- 3) Mutually agreeable provision of student services for individuals requiring special education services, as provided in Thetford Academy policy
- 4) Participation in joint planning for continuity in curriculum and programs, K-12
- 5) Efforts to increase efficiency in administrative services in order to focus resources on education of students
- 6) Election of one representative appointed by the Town School District Board to membership on the Board and its Executive Committee, as provided in Trustee By-Laws
- 7) Mutually agreeable billing procedures for regular, technical center, and special education tuition, as provided below.

In order to affect this partnership, the Town School District recognizes a special responsibility to the Academy, including the following:

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- 1) Commitment to promote and support the Academy as the designated public high school for Town of Thetford residents
- 2) Compliance with Academy policies and procedures
- 3) Participation in decisions about students at the Academy, as requested by the Academy, concerning attendance, placement decisions, disciplinary actions special education services, and other student issues.
- 4) Participation in joint planning for continuity in curriculum and programs, K-12
- 5) Efforts to increase efficiency in administrative services in order to focus resources on education of students
- 6) Participation of the representative appointed by the Town School District Board in Academy decision-making and committee work on the Board of Trustees
- 7) Mutually agreeable billing procedures for regular, technical center, and special education tuition, as provided below:

Billing Procedures:

- 1) The Town School District will pay Thetford Academy an annual tuition as announced by February 1, 2004, or a lower tuition rate if billed by Thetford Academy, for each student enrolled during the 2004-05 school year, counting enrollment from the first day of school. Payment will be made in two equal installments, due within 30 days of the date of an invoice from Thetford Academy. Invoice dates will be September 15 and December 15, 2004. Costs for extraordinary services may be charged to the Town School District in addition to tuition, by mutual written agreement pursuant to an IEP or Section 504 Plan.
- 2) For students who enroll after the first day of school, the Town School District will pay Thetford Academy a per-diem pro-rated portion of tuition for the balance of the time enrolled, based on 175 school days.
- 3) The Town School District will receive tuition reimbursement for students who have withdrawn from Thetford Academy, on a per-diem pro-rated basis, following formal written notification of withdrawal by the student's parent or guardian. The Town School District will also receive tuition reimbursement, on a per-diem pro-rated basis, for students who have been dismissed from Thetford Academy, following formal written notification of dismissal to the student's parent or guardian, and to the Town School District Board. In cases of dismissal for truancy, pro-rated tuition reimbursement will be counted from the first day of absence in the consecutive sequence leading to dismissal. Temporary separation from the school, such as suspension for disciplinary reasons or absence due to illness or family emergency, will not be subject to tuition adjustment.
- 4) Thetford Academy will notify the Town School Principal in writing when any enrolled student has exceeded absence limits as specified in the Student Handbook, in order that the Town School District may help promote regular attendance.
- 5) For Town of Thetford students enrolled at Thetford Academy and in a vocational program at either River Bend or Hartford Area Career and Technical Center, Thetford Academy will bill the Town School District a vocational-student tuition rate, based on the assumption that each student is enrolled for four course credits in that year at Thetford Academy. The Town School District will assume responsibility for technical/vocational center tuition, with payment directly to River Bend or Hartford Area Career and Technical Center, as appropriate, for Town of Thetford students enrolled in the programs at those institutions.

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- 6) For Town of Thetford students with Individualized Education Programs (IEPs) per federal IDEA statutes, Thetford Academy will bill the Town School District an additional special education tuition rate, approved by the State of Vermont.
- 7) The Town School District agrees to pay interest at an annual rate of 2% above prime interest rates (annual) for balances that remain unpaid after 30 days.
- 8) Should the Town School District and the Academy disagree about implementation of these policies:
 - A. Either party may submit a written request to the other Board (Trustee Executive Committee or Town District School Board) to reconsider a decision.
 - B. Either party may request to attend a Board meeting to present the issue in question, to further explain its perspective, and to propose an alternative resolution.
 - C. If either party finds that, after steps A and B above, the issue is still not resolved in a satisfactory manner, it may submit in writing a formal appeal. A final binding resolution will be determined by an arbitrator who will be selected by mutual agreement of the Trustee Executive Committee and Town School District Board Chairs. Those Chairs will meet with the arbitrator to present and discuss the issues. The arbitrator will make a decision which will be binding for both parties based upon the policies in existence at the Academy and a general sense of equity and fairness. Costs associated with an arbitrator will be shared equally by the parties. It is understood that Thetford Academy and the Town School District will make every effort to resolve disagreements about implementation of the billing procedures and to avoid binding arbitration.

Signed for Thetford Academy:

_____ Title: _____ Date: _____

Signed for the Town School District:

_____ Title: _____ Date: _____

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Appendix E

TABLE I. AREA PROPERTY TAX RATES

EQUALIZED SCHOOL TAX RATES PER ACT 60 CALCULATIONS ¹⁾

	-----EQUALIZED-----							-----ACTUAL---	
	FY00	FY01	FY02	FY03	FY03 rank	3 year change %	FY04	FY03 ²⁾	FY04 ²⁾ School portion only
Bradford	1.410	1.506	1.736	1.752	8	24	1.799	1.708	1.8073
Chelsea	1.242	1.312	1.490	1.644	10	32	1.830	1.692	
Corinth	1.313	1.319	1.520	1.643	11	25	1.625	1.652	1.802
Fairlee	1.656	1.759	2.196	1.922	4	16	2.247	2.080	
Newbury	1.615	1.726	1.776	1.869	6	16	1.859	2.081	1.59
Norwich	1.985	2.030	2.126	2.304	2	16	2.255	2.850	
Strafford	1.460	1.659	1.840	1.693	9	16	1.840	1.528	
Thetford	1.750	1.791	2.040	2.096	3	20	2,189	1.904	2.0842
Topsham	1.350	1.363	1.579	1.758	7	30	1.758	1.857	2.0480
Tunbridge	1.127	1.287	1.456	1.503	12	33	1.687	1.210	
Vershire	1.502	1.844	1.591	1.875	5	25	2.047	1.990	
West Fairlee	1.609	1.972	2.143	2.433	1	51	2.446	2.550	

Notes: ¹⁾ The difference between the equalized tax rate and the actual local tax rate is reflected in the town's common level of appraisal (CLA). The equalized tax rates are given to provide a more comparable tax figure between area towns.

²⁾ School portion only of actual town tax rate (as of Fall 2003).

Source: Orange East Supervisory Union for Bradford, Corinth, Newbury, Topsham, Thetford.
Other towns: town offices, other sources

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TABLE II

AREA ACTUAL PROPERTY TAX RATES FOR FISCAL YEARS 2003/2004

Rates are per \$ 100 of assessed value

Home Owner's Tax: one hundredth of assessed value times tax rate

Rank	Town	Total	Town	Local School	State School	Total School
FY 2003						
1	Norwich	3.432	0.582	1.490	1.360	2.850
2	West Fairlee	3.0113	Individual figures not available			
3	Vershire	2.93	0.94	0.82	1.17	1.99
4	Newbury	2.631	0.55 ¹⁾	0.856	1.225	2.081
5	Fairlee	2.56	0.62	0.63	1.21	1.84
6	Chelsea	2.4510	0.7598	0.56	1.132	1.692
7	Topsham	2.41	0.5533	0.6948	1.1619	1.8567
8	Corinth	2.318	0.666	0.546	1.106	1.652
9	Bradford	2.2927	0.5845 ¹⁾	0.6355	1.0727	1.7082
10	Thetford	2.2733	0.3694	0.9049	0.999	1.9039
11	Strafford	2.057	0.52	0.5380	0.990	1.5280
12	Tunbridge	1.61	0.40	0.32	0.89	1.21
FY 2004						
1	Thetford	2.6007	0.5165	1.0368	1.0474	2.0842
2	Topsham	²⁾	²⁾	0.766	1.282	2.048
3	Bradford	²⁾	²⁾	0.7036	1.1037	1.8073
4	Corinth	²⁾	²⁾	0.582	1.220	1.802
5	Newbury	²⁾	²⁾	0.65	0.94	1.59

¹⁾ Not including village taxes for Bradford and Newbury

²⁾ Not available

Source: Orange East Supervisory Union for Bradford, Corinth, Newbury, Topsham, Thetford.
Other towns: town offices, other sources

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TABLE III.

THETFORD SCHOOL DISTRICT BUDGET SUMMARY

Voted Budget Fiscal Year 2004

<i>Function</i>	<i>Description</i>			Increase from '03	
		\$	%	\$	%
1100	Elementary Instruction	1,238,797	21.5	54,925	5
1102	Arts Instruction	74,868	1.3	3,431	5
1130	Secondary Instruction ¹⁾	2,789,130	48.4	260,784	10
1200	Special Education – Primary	355,311	6.2	38,851	12
1230	Special Education – Secondary ¹⁾	343,358	6.0	65,822	24
1204	Early Essential Ed	33,418	0.6	10,700	47
1240	Enrichment Programs	11,900	0.2	-15,123	- 56
1250	Reading Assistance	73,166	1.3	-12,272	- 14
2130	Health Services	40,603	0.7	5,591	16
2140	Counseling Services	62,659	1.1	801	1
2150	Speech & Language	53,428	0.9	8,104	18
2210	Improvement of Instruction	14,500	0.3	0	0
2220	Library	41,966	0.7	- 20,362	- 33
2225	Thetnet/Computer Tech	21,000	0.4	- 12,123	- 37
2310	Board of Education	28,475	0.4	3,575	14
2320	OESU Assessment	62,897	1.1	4,969	9
2410	School Administration	137,176	2.4	8,103	6
2520	Fiscal Services	1,300	<0.1	0	0
2600	Operation & Maintenance	170,443	3.0	21,806	15
2711	Transportation Services ^{1), 2)}	106,383	1.7	- 7,577	- 7
5100	Longterm Debt	97,306	1.7	83,806	621
5200	Fund Transfers	2,500	<0.1	2,500	N/A
Total School Budget		5,760,584	99.9	506,311	9.6

¹⁾ Secondary Education.

²⁾ Transportation split approx. 50/50 into primary and secondary education

Source: Thetford School District
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TABLE IV

WHAT IF...Thetford Academy raised a bond for facility improvements?

**Possible Scenarios for DEBT SERVICE ON A FACILITY IMPROVEMENT BOND
AND ITS Potential EFFECT ON TUITION RATES**

- There would be long-term debt services added to the Academy's operation budget
- The tuition rate would go up
- Thetford's tax rates would go up

EXAMPLES:

Type: Residential Mortgage

Terms: 20 year - fixed annual payments

	If Bond Principal was: \$ 1,000,000	If Bond Principal was: \$ 2,000,000	If Bond Principal was: \$ 3,000,000	If Bond Principal was: \$ 5,000,000	If Bond Principal was: \$ 6,000,000
<hr/>					
<u>at 3 % Interest Rate</u>					
Annual Paymt. Pr.+Int. \$	\$67,216	\$134,431	²⁾	\$336,079	\$403,294
Additional Tuition \$ per student ¹⁾	\$177	\$354	²⁾	\$884	\$1,061
<u>at 5.5 % Interest Rate</u>					
Annual Paymt. Pr.+Int. \$	\$83,679	\$167,359	\$251,038	\$418,397	²⁾
Added Tuition \$ per student ¹⁾	\$220	\$440	\$661	\$1,101	²⁾

NOTES: ¹⁾ Additional tuition calculated for 380 students at Thetford Academy
²⁾ Not calculated

Source: J. McPherson, TA - Mortgage Tables

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