

DISCLAIMER

Although I work half-time for the Department of Elementary and Secondary Education (DESE) all of the materials in this presentation are presented from the point of view of a Heath resident, not a DESE employee. Any mistakes in the data itself or the conclusions drawn from it, are mine.

I would appreciate any corrections if any of the data are found to be in error.

This PowerPoint was produced by the Heath Regionalization Study Team: Budge Litchfield, Bob Gruen, Barbara Rode, Ken Rocke, and Sarah Carleton (consultant).

Ken Rocke



HEATH REGIONALIZATION STUDY TEAM

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Findings

OUR QUESTION(S)

- Is it in the interests of Heath to regionalize with Hawlemont (K-6)?
- or
- Is it better to remain a full K-12 member of Mohawk Trail?



REGIONALIZATION PROCESS

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THE PROCESS: IN ORDER FOR HEATH TO REGIONALIZE WITH HAWLEMONT

- Heath must partially (K-6) withdraw from the Mohawk Trail district
 - OPEB costs must be calculated and a payment plan created
 - The Mohawk Trail regional agreement must be changed
 - All Mohawk Trail towns must vote to approve the change in the regional agreement
- Heath must join the Hawlemont district
 - Charlemont, Hawley and Heath would all need to approve this at their respective town meetings
- The Commissioner of Education must approve the two revised regional school district agreements prior to town meeting votes

IF HEATH DOES NOT REGIONALIZE WITH HAWLEMONT

- The tuition agreement between Mohawk Trail and Hawlemont expires June 30, 2022
- Heath will remain a full K-12 member of Mohawk Trail
- Heath elementary students will attend Mohawk Trail schools
 - Which school(s)? To be negotiated
- Heath elementary students will still be able to attend Hawlemont through School Choice **if** the Hawlemont School Committee votes to accept them
- Once students are accepted under School Choice, they are guaranteed enrollment in the future



REVISIONS TO THE HAWLEMONT REGIONAL AGREEMENT

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OVERVIEW: THE PROPOSED HEATH-HAWLEMONT REGIONAL AGREEMENT

- The Heath Hawlemont Study Group has been working on revising the Hawlemont regional agreement to include Heath as the 3rd town
- Two governance issues have emerged and not been resolved
 - The method of passing the Heath-Hawlemont annual budget at town meetings
 - The method of approving any and all actions of the Heath-Hawlemont School Committee

KEY ELEMENTS OF THE HEATH-HAWLEMONT REGIONAL AGREEMENT IN ITS CURRENT DRAFT

- Two school committee members are elected in each town.
- Each school committee member's vote is proportional to their town's relative population.
- Each town has veto power over the school budget in each year.
- Each town has veto power over any action of the school committee.

REVIEW OF DRAFT HAWLEMONT-HEATH REGIONALIZATION AGREEMENT: FINDINGS

- The provision requiring approval of an annual budget by all three towns gives each town veto power over the annual budget.
- The provision requiring at least one school committee member from each town to vote yes to any given school committee action gives each town veto power over each school committee action.
- Both of these provisions are not in compliance with current state law and regulation, and would require special legislation to be passed.
- These two kinds of veto power might lead to situations detrimental to the fiscal and educational viability of Hawlemont.

PROPOSED 3-TOWN REGIONAL SCHOOL DISTRICT: VOTING THRESHOLDS

9/9/2021

Heath Regionalization Study Team: Major Findings

Town	Population (from 2010 Census re: Wikipedia)	Percentage of District Population	Number of School Committee Members	Weighted Vote for Each Member						
Charlemont	1266	54.83%	2	27.41%						27.41%
Hawley	337	14.60%	2	7.30%						7.30%
Heath	706	30.58%	2	15.29%						15.29%
totals	2,309	100.00%	6							
all possible vote configurations										
	value	a	b	c	d	e	f	g	h	i
Charlemont 1	27.41%	27.41%	27.41%	27.41%	27.41%	27.41%	27.41%	27.41%	27.41%	27.41%
Charlemont 2	27.41%	27.41%	27.41%	27.41%	27.41%	27.41%		27.41%	27.41%	
Hawley 1	7.30%	7.30%	7.30%		7.30%	7.30%	7.30%		7.30%	7.30%
Hawley 2	7.30%	7.30%			7.30%		7.30%		7.30%	
Heath 1	15.29%	15.29%	15.29%	15.29%	15.29%	15.29%		15.29%		15.29%
Heath 2	15.29%	15.29%	15.29%	15.29%						15.29%
		100.00%	92.70%	85.40%	84.71%	77.41%	72.59%	70.12%	69.42%	65.29%
	value	j	k	l	m	n	o	p	q	r
Charlemont 1	0.00%	27.41%	27.41%	27.41%	27.41%	27.41%		27.41%	27.41%	
Charlemont 2	0.00%	27.41%			27.41%					
Hawley 1	0.00%	7.30%		7.30%		7.30%	7.30%		7.30%	7.30%
Hawley 2	0.00%			7.30%			7.30%		7.30%	
Heath 1	15.29%		15.29%	15.29%		15.29%	15.29%	15.29%		15.29%
Heath 2	15.29%		15.29%				15.29%			15.29%
		62.13%	57.99%	57.30%	54.83%	50.00%	45.17%	42.70%	42.01%	37.87%
	value	s	t	u	v	w	x	y	z	aa
Charlemont 1	0.00%	27.41%			27.41%					
Charlemont 2	0.00%									
Hawley 1	0.00%	7.30%		7.30%		7.30%		7.30%	7.30%	
Hawley 2	0.00%			7.30%				7.30%		
Heath 1	15.29%		15.29%	15.29%		15.29%	15.29%			
Heath 2	15.29%		15.29%							
		34.71%	30.58%	29.88%	27.41%	22.59%	15.29%	14.60%	7.30%	0.00%



BACKGROUND INFORMATION

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BACKGROUND INFORMATION

- Demographic trends (declining enrollment)
- Relative wealth of Mohawk Trail and Hawlemont towns
- Chapter 70 funding outlook
- Relative spending levels of Mohawk Trail and Hawlemont
- Fiscal impact of regionalization



DECLINING ENROLLMENT

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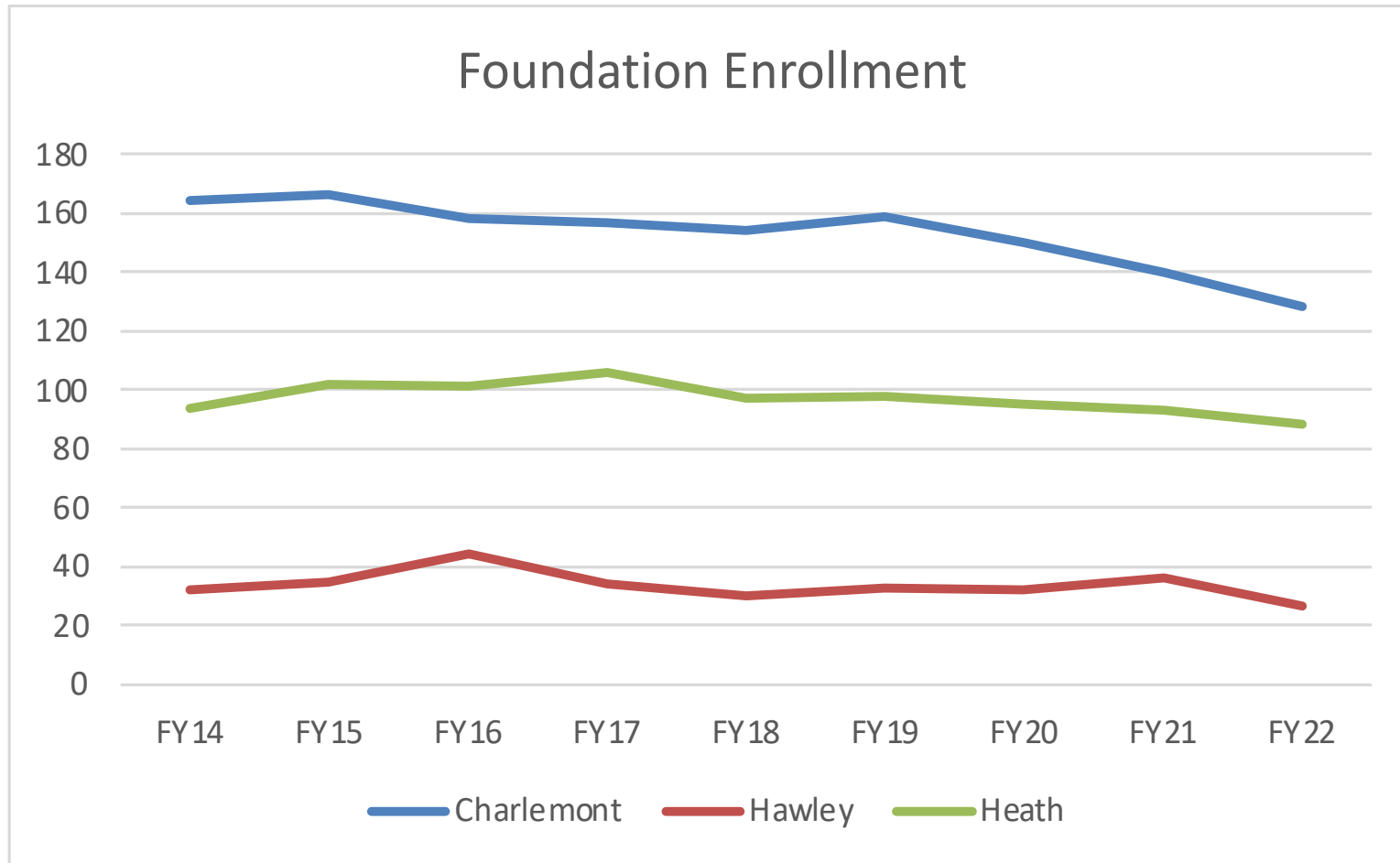
DEMOGRAPHIC FINDINGS

- Declining enrollment is a continuing problem for all of the towns and schools in the Mohawk Trail region.
- Declining enrollment affects both education and finances

ENROLLMENT CONTINUES TO DECLINE

9/9/2021

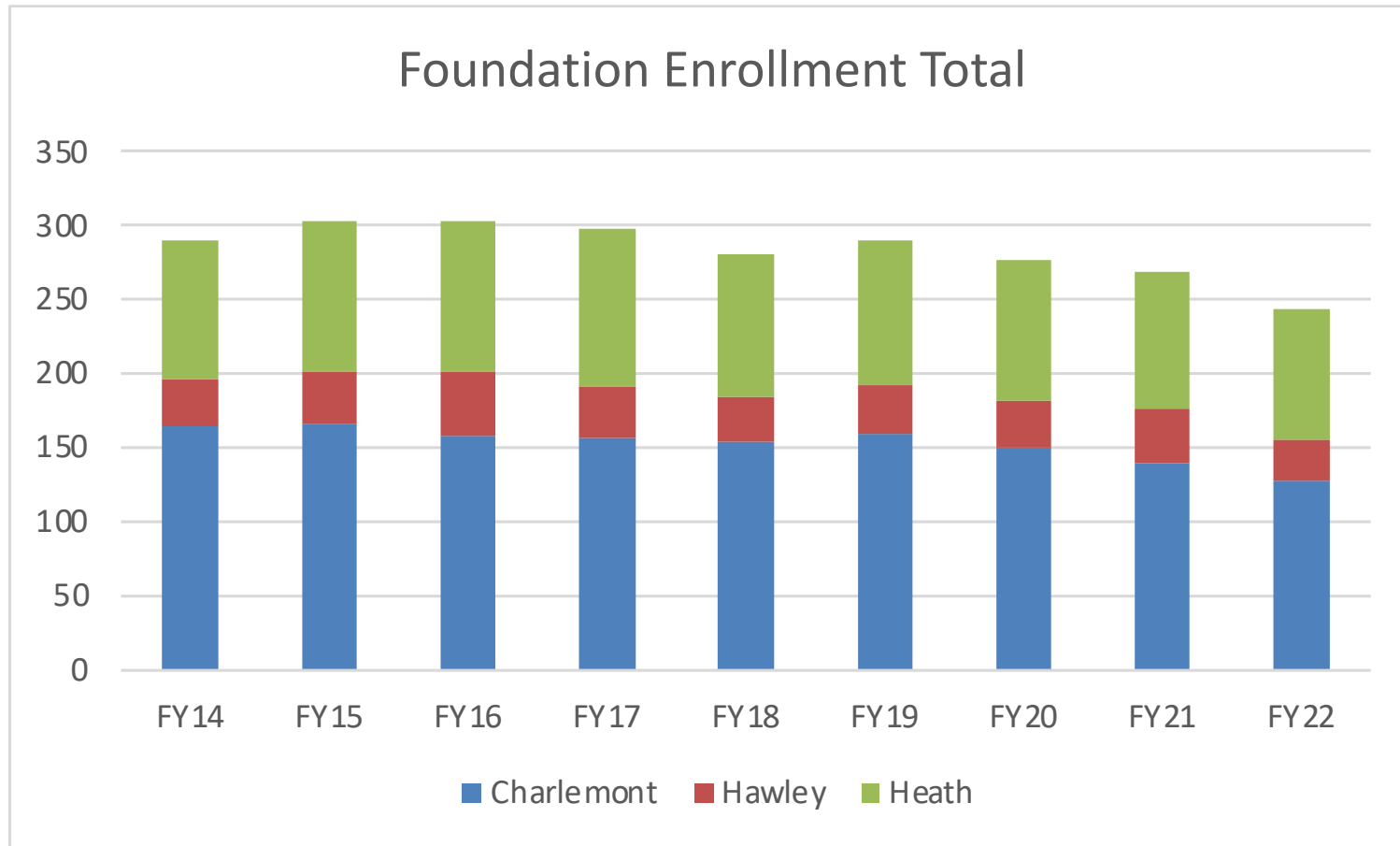
Heath Regionalization Study Team: Major Findings



ENROLLMENT CONTINUES TO DECLINE

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Charlemont	164	166	158	157	154	159	150	140	128
Hawley	32	35	44	34	30	33	32	36	27
Heath	94	102	101	106	97	98	95	93	88

ENROLLMENT CONTINUES TO DECLINE



WHERE HEATH ELEMENTARY STUDENTS GO TO SCHOOL

9/9/2021

2021 Town Resident Students: Where They Enrolled

TOWN	REASON FOR ENROLLMENT	DISTRICT WHERE ENROLLED	PK	K	01	02	03	04	05	06	07	08	09	10	11	12	SP	Total
Heath	Resident/Member	Franklin County Regional Vocational Technical											4		1	1		6
Heath	Resident/Member	Mohawk Trail	1		1	1	2	1	4	2	5	3	3	1	5	7		36
Heath	School Choice	Greenfield Commonwealth Virtual District														1		1
Heath	School Choice	Hatfield											1					1
Heath	School Choice	Rowe			1	3		3	4	1	2							14
Heath	Charter School	Four Rivers Charter Public (District)											1		1			2
Heath	Tuitioned - Agreement	Conway							1									1
Heath	Tuitioned - Agreement	Hawlemont	2	2	4	3	4	8	4	4								31
Heath Total			3	3	8	4	9	14	9	8	5	4	8	2	6	9		92

Heath Regionalization Study Team: Major Findings

HAWLEMONT ENROLLMENT BY TOWN

District	Town	2019	2020	2021	yearly average	% of total
Heath-Hawlemont 'member' towns	Charlemont	69	66	61	65	48%
	Hawley	16	17	10	14	10%
	Heath	31	32	31	31	23%
Choice students		35	28	16	26	19%
enrollment totals		151	143	118	137	100%



CHAPTER 70 DATA; COMPARATIVE WEALTH OF TOWNS

TWO DESE INDICATORS OF RELATIVE WEALTH OF TOWNS

Combined Effort Yield (CEY) as a percentage of Foundation Budget

- A combination of a town's property wealth and income

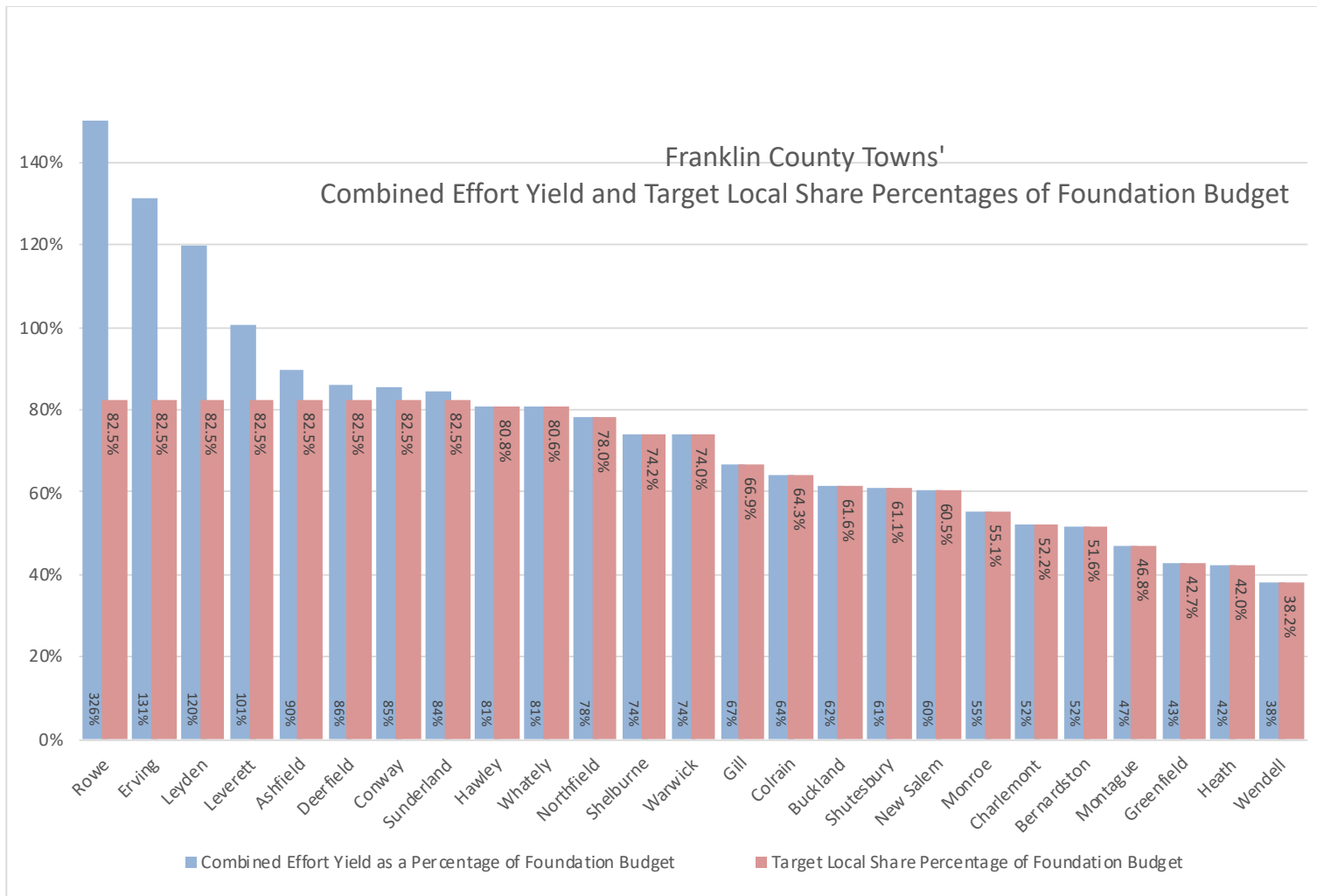
Target Local Share of Foundation Budget

- Capped by law at 82.5% of Foundation Budget

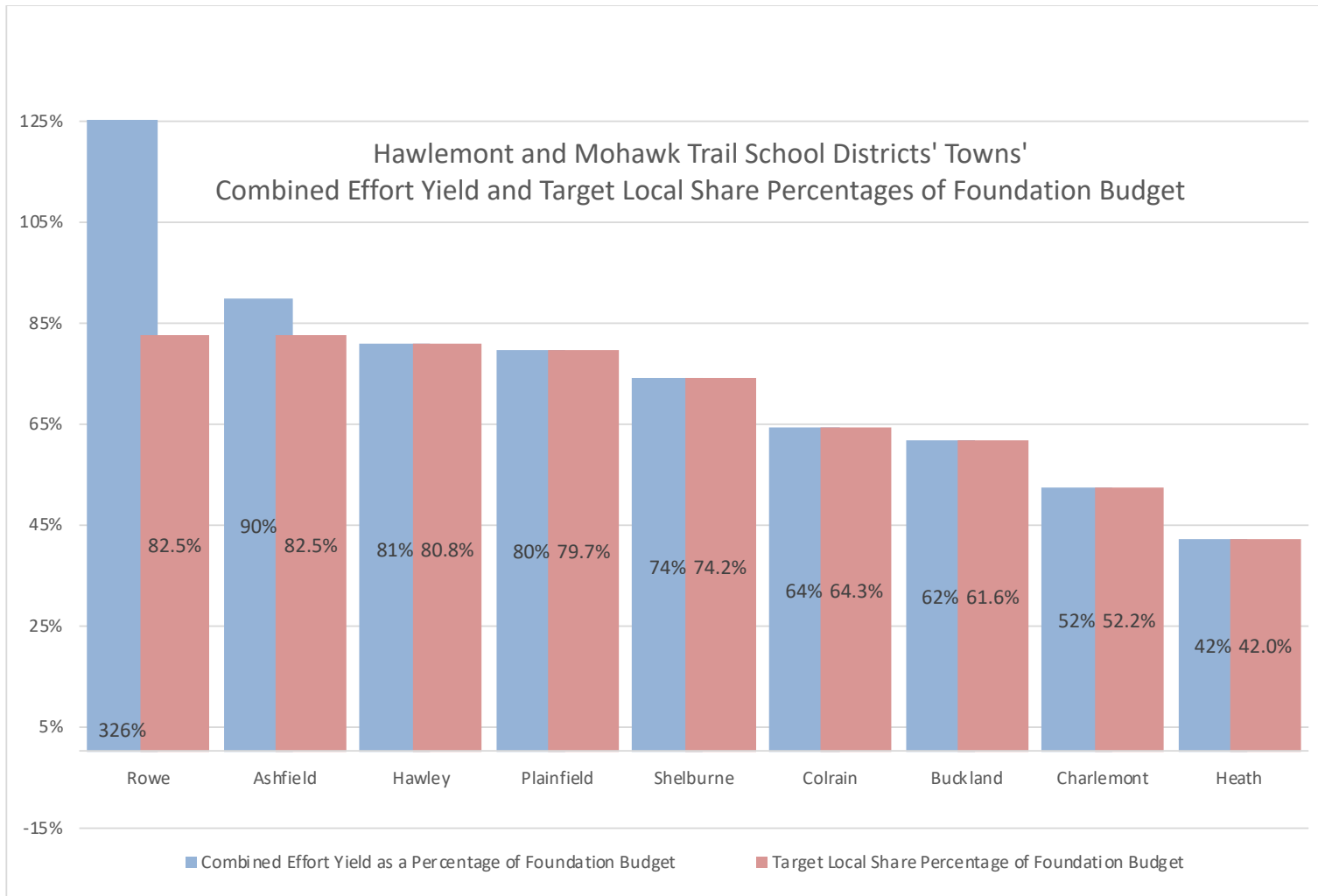
FY22 CEY AND TARGET LOCAL SHARE PERCENTAGES FOR FRANKLIN COUNTY TOWNS

9/9/2021

Heath Regionalization Study Team: Major Findings



FY22 CEY AND TARGET LOCAL SHARE PERCENTAGES FOR MOHAWK TRAIL AND HAWLEMONT TOWNS



THREE TOWN FISCAL COMPARISON

data source *	data year	Fiscal indicator	Town			Totals
			Charlemont	Hawley	Heath	
DOR	2018	Population	1,245	336	702	2,283
DESE	2020	Resident pubic school students**	148	37	98	283
	2020/2018	Resident public school students as a percentage of total population	12%	11%	14%	12%
DOR	2017	Income per capita	21,360	19,063	13,830	
DOR	2020	Residential tax rate	19.51	16.22	22.25	
DOR	2020	Education spending as a percentage of town budget	49%	35%	37%	
DOR	2018/2020	Free cash and stabilization as a percentage of town budget	9%	45%	19%	
DESE	2020	Chapter 70 'Target Local Share' (percentage of Foundation Budget)	47%	65%	40%	

* This data was taken from the District Town Data Tool on DESE's website: <https://www.doe.mass.edu/research/radar/district-town-data.xlsx>

** Some variance between this data and Chapter 70 Foundation Enrollment is to be expected

MOHAWK TRAIL AND HAWLEMONT: COMPARISON OF DISTRICT RESERVES

Reserves		Hawlemont			Mohawk Trail		
		End of Year (EOY) balances			End of Year (EOY) balances		
		FY19	FY20	FY21	FY19	FY20	FY21
Revolving accounts	Circuit-breaker reimbursement						
	Charter school reimbursement						
	School lunch						
	Athletics						
	Tuitions - choice						
	Tuitions - other						
	Transportation reimbursement						
	Other local receipts						
	Private grants						
Excess & Deficiency							
ESSER							
Other reserves							
totals							

TWO DISTRICT FISCAL COMPARISON

9/9/2021

Heath Regionalization Study Team: Major Findings

data source	data year	Indicator	District	
			Hawlemont	Mohawk Trail
		Enrollment		
		PPX		
		Combined reserves (revolving, E&D)		
		Reserves as a percentage of budget		
		School choice \$\$ net balance		

WHAT THE DATA IS TELLING US:

- By this measure of relative wealth, Charlemont and Heath are the least wealthy Mohawk Trail / Hawlemont towns
- Ashfield, Hawley, Plainfield and Shelburne have somewhat similar levels of relative wealth



CHAPTER 70 DATA: COMPARATIVE REVENUES OF SCHOOL DISTRICTS

ACTUAL NET SCHOOL SPENDING

What is it?

- A combined total of
 - Chapter 70 Aid
 - Local Contributions

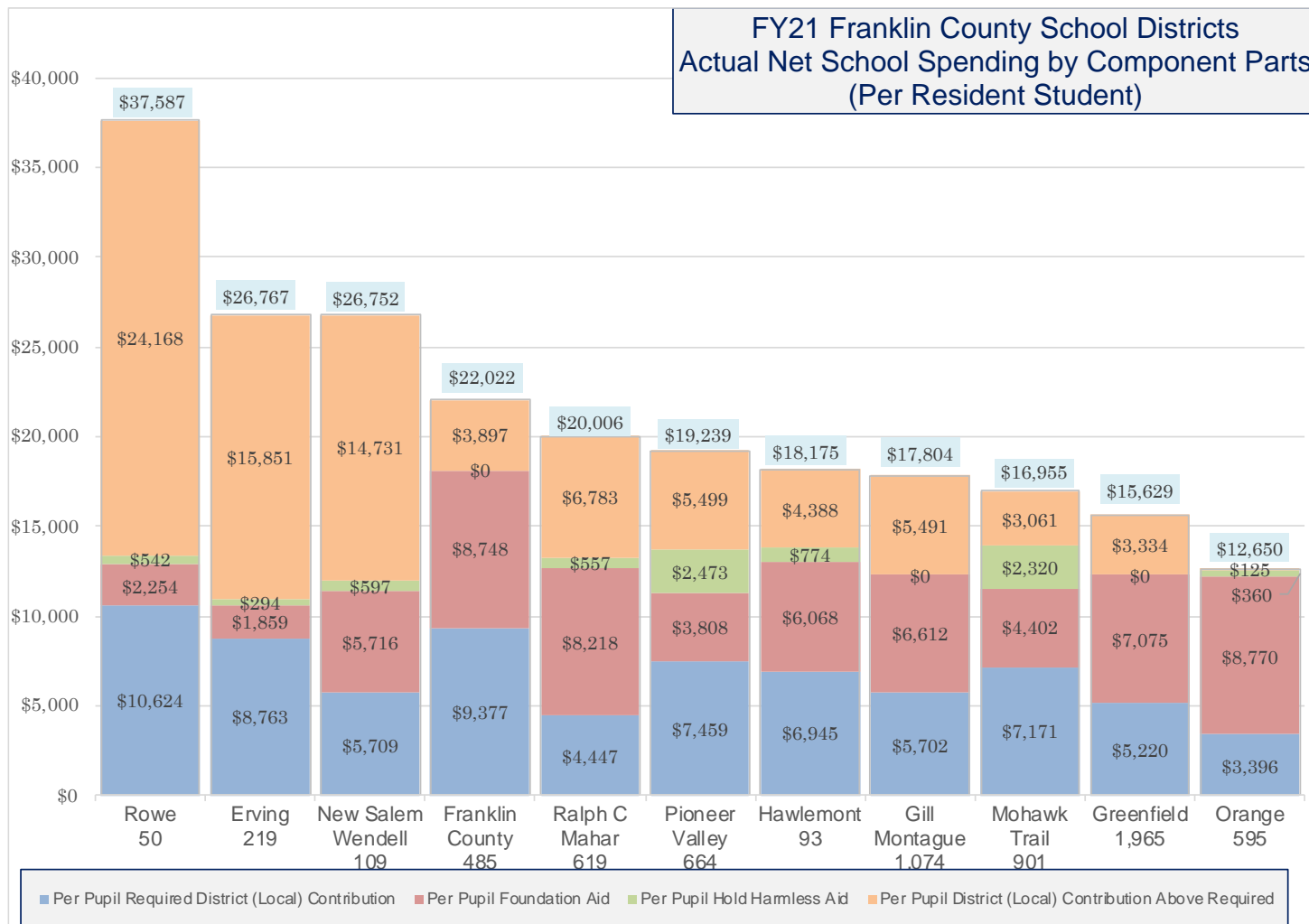
Why is it important?

- One measure of comparative spending of school districts

FY21 ACTUAL NET SCHOOL SPENDING: FRANKLIN COUNTY SCHOOL DISTRICTS

9/9/2021

Heath Regionalization Study Team: Major Findings



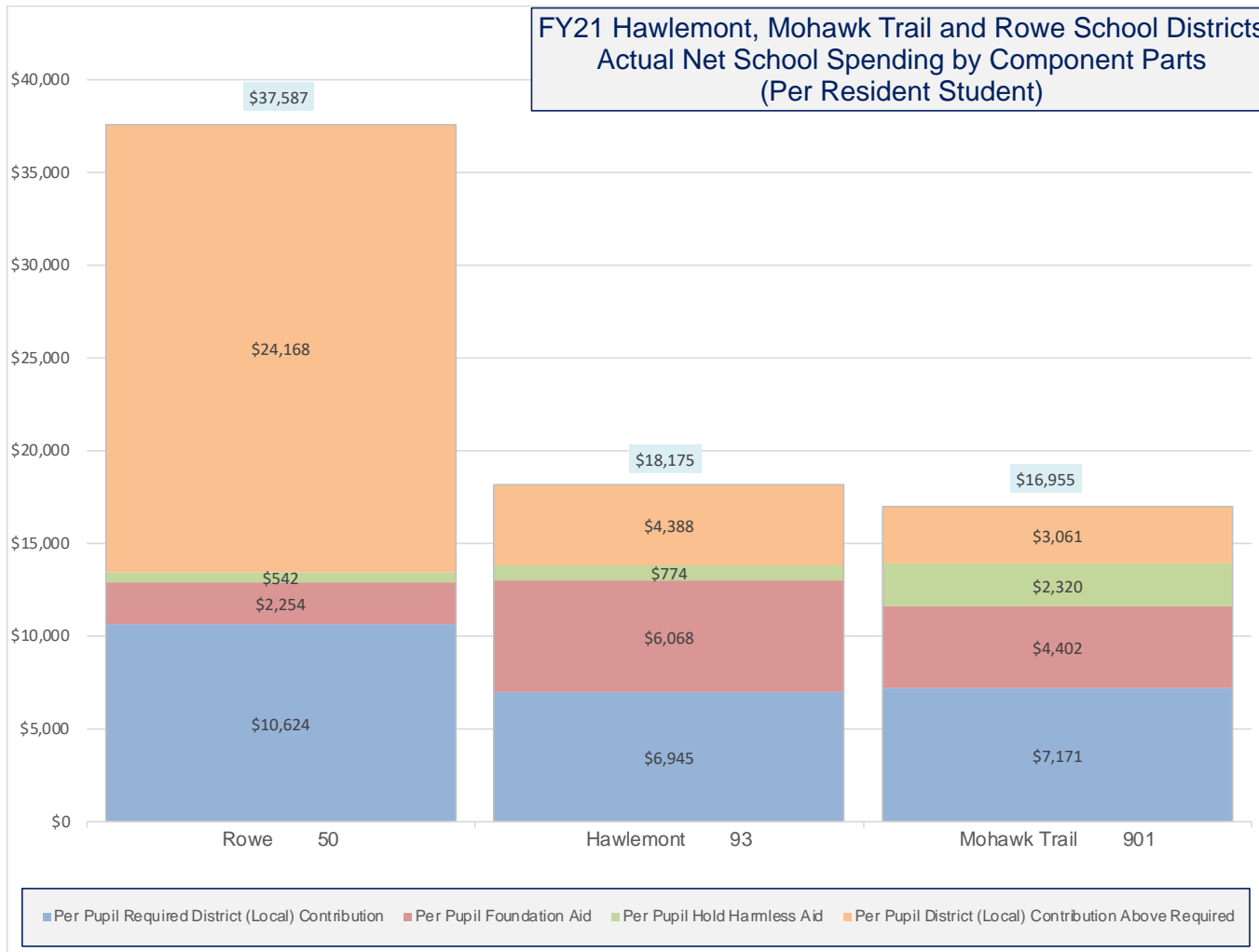
FY21 ACTUAL NET SCHOOL SPENDING: MOHAWK TRAIL, HAWLEMONT, AND ROWE (TABLE)

Abbreviations			PP Local		PP Local		
			Per Pupil Actual Net School Spending				
District			Per Pupil Foundation Budget		Per Pupil Chapter 70 Aid		
			PP RDC	PP FA	PP HHA	PP LCAR	PP Actual NSS
District	Fiscal Year	District Foundation Enrollment	Per Pupil Required District (Local) Contribution	Per Pupil Foundation Aid	Per Pupil Hold Harmless Aid	Per Pupil District (Local) Contribution Above Required	Per Pupil Actual Net School Spending
Rowe 50	2021	50	10,624	2,254	542	24,168	37,587
Hawlemont 93	2021	93	6,945	6,068	774	4,388	18,175
Mohawk Trail 901	2021	901	7,171	4,402	2,320	3,061	16,955

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Health Regionalization Study Team: Major Findings

FY21 ACTUAL NET SCHOOL SPENDING: MOHAWK TRAIL, HAWLEMONT, AND ROWE (CHART)



9/9/2021

Heath Regionalization Study Team: Major Findings

WHAT THE DATA IS TELLING US:

- Mohawk Trail is receiving considerably more Hold Harmless Aid on a per pupil basis than is Hawlemont
- Hawlemont is receiving more combined local and state revenue (ANSS) than is Mohawk Trail
- Hawlemont's member towns' Local Contributions Above Required are considerably higher than Mohawk Trail's
- Hawlemont's Foundation Aid is greater than Mohawk Trail's, indicating greater student need



CHAPTER 70 DATA: HOLD HARMLESS AID

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HOLD HARMLESS AID ‘ABSORBS’ MOST INCREASES IN CHAPTER 70 AID

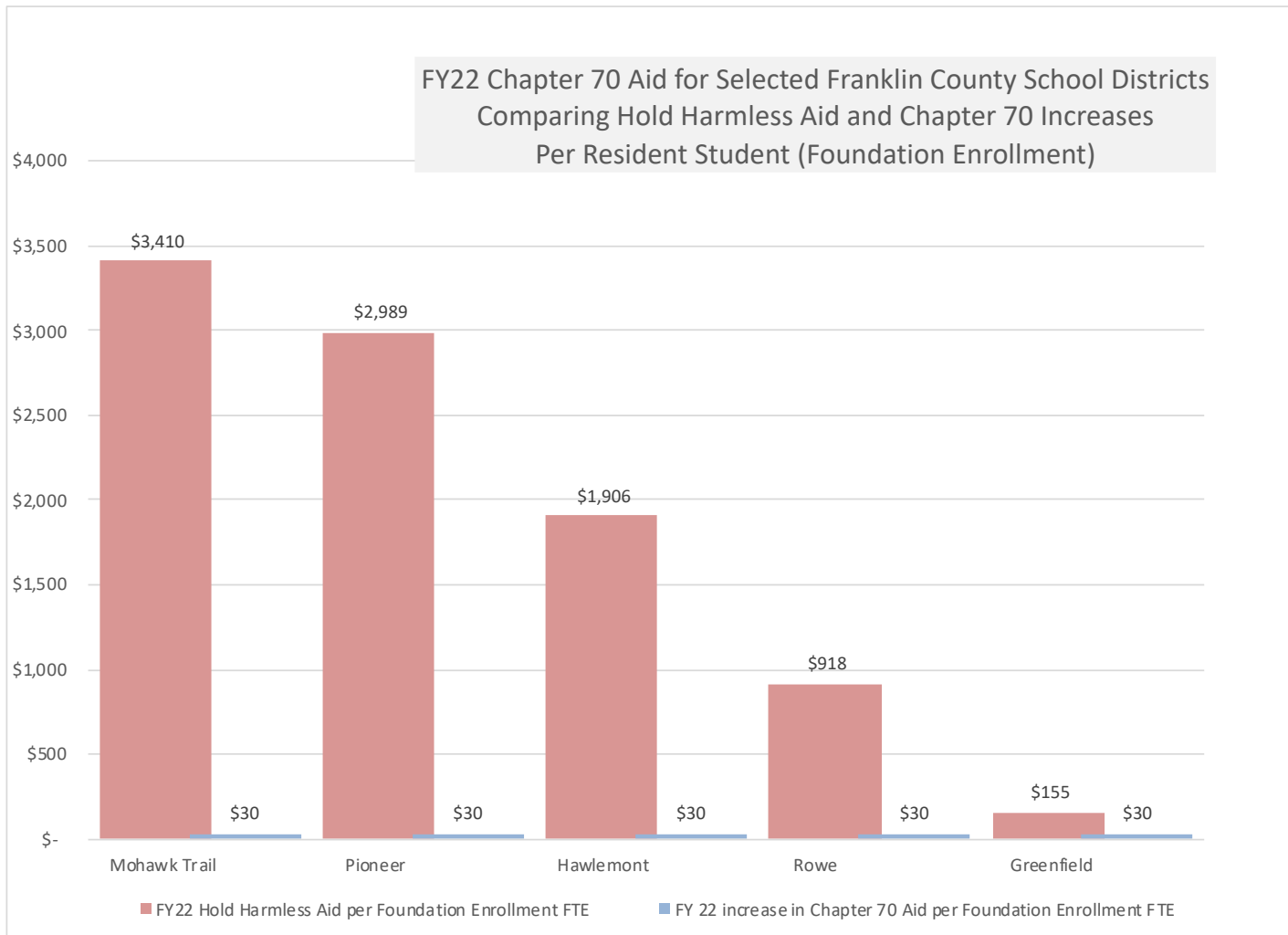
Hold Harmless Aid

- Also known as ‘grandfathered aid’
- Aid over and above what the Foundation Formula indicates
- A consequence of declining enrollment

Chapter 70 Aid increases

- The Student Opportunity Act Chapter 70 Aid increases target less wealthy districts
- Per pupil minimums are included for districts that would otherwise see no increases

COMPARING FY22 HOLD HARMLESS AID AND CH70 INCREASES FOR SELECTED FRANKLIN COUNTY SCHOOL DISTRICTS



WHAT THE DATA IS TELLING US

- Given the amount of hold harmless aid that Franklin County school districts are receiving, it is likely that
 - Chapter 70 increases over the next few years will be limited to per pupil minimums (\$30 PP for FY22)
- Therefore, absent efficiencies gained through regionalization or significant collaboration, future costs of normal inflationary increases in school budgets will either result in increased local assessments, or will necessitate reductions in educational services.
- If Hold Harmless Aid is ever reduced or restricted, Franklin County school districts will be particularly vulnerable.

COMPARING ENROLLMENT THROUGH SCHOOL CHOICE AND THROUGH TUITION AGREEMENTS

Tuition agreements

- District to district (e.g. Mohawk Trail and Hawlemont)
- Elementary only
- Negotiated price (currently \$11,500)
- Current Mohawk Trail - Hawlemont agreement expires June 2022

School Choice

- Parental choice
- \$5,000 (set by state law, hasn't changed in 30 years)
- Always available to families
- Must be approved by school committee of receiving district



FISCAL IMPACT OF REGIONALIZATION

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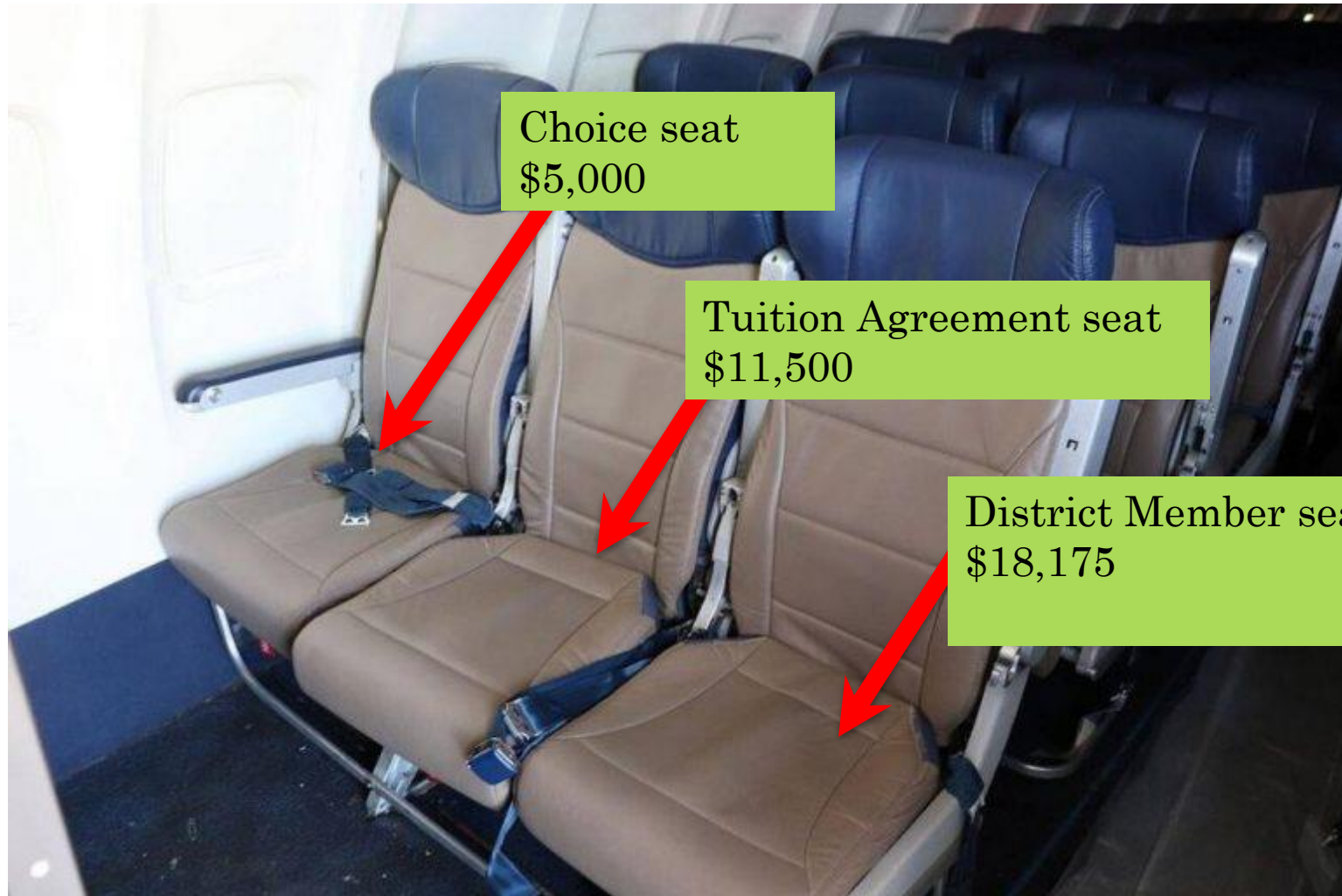
THE METHOD BY WHICH HEATH SCHOOL CHILDREN ARE ENROLLED AT HAWLEMONT HAS FISCAL CONSEQUENCES

- In the following analysis
 - All enrollment and revenue/cost numbers are modeled on FY21
 - The total amount of Chapter 70 Aid of Mohawk Trail and Hawlemont does not change
- The methods of enrollment are:
 1. District membership
 2. School Choice program
 3. Tuition Agreement between Mohawk Trail and Hawlemont

DATA AND CALCULATION NOTES

- FY21 Actual Net School Spending enrollment and spending data are derived from DESE profiles.xls workbook
- Transportation costs are not included
- Special Education costs are not included
- Choice costs are limited to base rate (does not include SPED costs charge-backs)

WHAT DOES A SEAT COST? (WITH APOLOGIES TO THE AIRLINES)



HAWLEMONT ENROLLMENT BY TOWN

District	Town	2019	2020	2021	yearly average	% of total
Heath-Hawlemont 'member' towns	Charlemont	69	66	61	65	48%
	Hawley	16	17	10	14	10%
	Heath	31	32	31	31	23%
Choice students		35	28	16	26	19%
enrollment totals		151	143	118	137	100%

FY21 REVENUES FOR HEATH STUDENTS ENROLLED IN HAWLEMONT MODELED: TUITION AGREEMENT, CHOICE, DISTRICT MEMBERSHIP

9/9/2021

Heath Regionalization Study Team: Major Findings

Town	FY21 Enrollment method	Status	Cost set by	Revenue per enrolled student	2021 Enrollment	Revenues to Hawlemont RSD		
						total revenue	Difference from Tuition Agreement revenue	Revenue difference between enrollment by choice and enrollment by district membership
Heath	Tuition	actual	Tuition agreement	\$ 11,500	29	\$ 333,500		
	Choice	modeled (what if?)	State law	\$ 5,000	29	\$ 145,000	\$ (188,500)	
	Member	modeled (what if?)	Hawlemont FY21 ANSS*	\$ 18,175	29	\$ 527,075	\$ 193,575	\$ 382,075

Assumptions	Number of Heath students enrolled is constant (e.g. if choice, all Heath families choose choice to Hawlemont)
	Heath Per Pupil (PP) assessment equals FY21 Hawlemont district PP assessment
	Per Pupil Chapter 70 Aid (Foundation Aid plus Hold Harmless Aid) equals PP FY21 Hawlemont Ch70 Aid
ANSS	Actual Net School Spending (combination of Chapter 70 Aid and Local Assessments)

FY21 COSTS TO MOHAWK TRAIL FOR HEATH STUDENTS ENROLLED IN HAWLEMONT MODELED: TUITION AGREEMENT, CHOICE, DISTRICT MEMBERSHIP

9/9/2021

Heath Regionalization Study Team: Major Findings

Town	FY21 Enrollment method	Status	Cost set by	Cost per Heath student enrolled in Hawlemont	2021 Enrollment	Costs to Mohawk Trail Regional		
						annual cost or revenue loss	Change from FY21 tuition agreement	Revenue difference between enrollment by choice and enrollment by district membership
Heath	Tuition	actual	Tuition agreement	\$ 11,500	29	\$ 333,500		
	Choice	modeled (what if?)	State law	\$ 5,000	29	\$ 145,000	\$ 188,500	
	Member	modeled (what if?)	Mohawk Trail FY21 ANSS	\$ 16,955	29	\$ 491,695	\$ (158,195)	\$ (346,695)

Assumptions	Number of Heath students enrolled is constant (e.g. if choice, all Heath families choose choice to Hawlemont)

FY21 COSTS TO HEATH FOR STUDENTS ENROLLED IN HAWLEMONT: TUITION AGREEMENT, CHOICE, DISTRICT MEMBERSHIP

9/9/2021

Heath Regionalization Study Team: Major Findings

Town	FY21 Enrollment method	Status	Assessment paid to	Per Pupil Assessment (Required Local Contribution + Local Contribution Above Required)	2021 Enrollment	Costs to Town of Heath	
						annual cost	Change from (elementary) Mohawk Trail member to Hawlemont member
Heath	Tuition	actual	Mohawk Trail	\$ 10,232	29	\$ 296,728	
	Choice	modeled (what if?)	Mohawk Trail	\$ 10,232	29	\$ 296,728	
	Member	modeled (what if?)	Hawlemont	\$ 11,333	29	\$ 328,657	\$ (31,929)

Assumptions	Number of Heath students enrolled is constant (e.g. if choice, all Heath families choose choice to Hawlemont)
	Hawlemont uses additional Heath membership income to increase Hawlemont budget

FOR HEATH, IT'S NOT A CRISIS, IT'S A DECISION POINT

- If Heath regionalizes with Hawlemont, Heath schoolchildren will receive a good education at Hawlemont.
- If Heath does not regionalize with Hawlemont, and Mohawk Trail extends the tuition agreement, the current arrangement will continue.
- If Heath does not regionalize with Hawlemont, and Mohawk Trail does not extend the tuition agreement, Heath schoolchildren will receive a good education at Mohawk Trail schools, and –
- Some parents will likely choice their children to Hawlemont, where they will receive a good education.

BARBARA RODE

Concerns

- Hawlemont Budget instability
- Hawlemont percentile ranking
- Hawlemont SC delay of hybrid option
- Hawlemont communication challenges

Findings

- Heath joining Hawlemont could pose a fiscal risk to Heath
- Hawlemont SC exploring alternative Central Office creates a larger divide
- Recommend staying in Mohawk Trail District

BOB GRUEN

- Goal after the closing of Heath School- What did I promise?
- Efforts to listen and respond
- Tipping point

BUDGE LITCHFIELD

- **Education:** Innovative and professionally recognized HAY program.
 - Strong staff and administrative team working with DESE to address student performance issues (other schools work through this also).
 - Aspects of site provide unique hands-on, project-based learning opportunities.
- **District Cost Risks:** Small district very vulnerable to unplanned large financial obligations (OOD Placements)
 - Hawlemont does not have many reserve funds left and Heath has a large tax rate.
- **Proximity:** for many Heath kids, the shortest bus ride is to Hawlemont.
- **Governance:** Two voting elements remain in the proposed revision to the Hawlemont Regional Agreement, they are unworkable and unreasonable.
- **2 District Plans:** Current HRSC pushing to separate from MTRSD in many ways, we are full members and that seems to work well for us.
- **Withdrawal from MTRSD:** Complex legal stuff, OPEB, verbal agreement was reached, must be revisited.
- **MOST IMPORTANT, KID'S EDUCATION:** most facts presented in slides but communication with families and voters is imperative, this is a big deal (to say the least).

KEN ROCKE (PERSONAL OPINIONS, NOT REPRESENTING DESE)

- Heath elementary students will receive a good education at either/both Hawlemont and Mohawk Trail
- There is no clear economic benefit to Heath in joining the Hawlemont RSD
- The risks and costs of regionalizing with Hawlemont appear to outweigh the likely benefits
- Even if outstanding issues can be resolved, it's unlikely that the process can be concluded this year
- Therefore, Heath should begin conversations with Mohawk Trail immediately to determine which Mohawk Trail elementary school Heath elementary students will attend in SY 22-23