

## **Report on Act 46 of 2015**

**Section 6(d) Accelerated Activity; Supervisory Union  
Becoming a Supervisory District; Enhanced Tax Incentives;  
Small School Support; Data and Report.**

## **Report on Act 153 of 2010**

**Section 8(a) Regional Education Districts; Status of Merger  
Discussions.**

**REPORT**

February 8, 2017

**Report to the House Committees on Education,  
Appropriations, and Ways and Means and to the  
Senate Committees on Education, Appropriations,  
and Finance.**

**Submitted by Secretary of Education  
Rebecca Holcombe**



## I. Legislation

[Act 46 of 2015](#): *An act relating to making amendments to education funding, education spending, and education governance*

[Act 153 of 2010](#): *An act relating to voluntary school district merger, virtual merger, supervisory union duties, and including secondary students with disabilities in senior year activities and ceremonies*

## II. Summary

[Act 46 of 2015](#), Section 6(d) requires the Secretary to report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance “regarding the districts merging under [the accelerated merger process created by Sec. 6(d) of Act 46], conclusions drawn from the data collected, and any recommendations for legislative action.”

[Act 153 of 2010](#), Section 8 requires the Secretary to report to the House and Senate Committees on Education “regarding the status of [Regional Education District (RED)] merger discussions and votes.

## III. Report

### A. Overview

The stated purpose of Act 46 is “to encourage and support local decisions and actions that:

- (1) provide substantial equity in the quality and variety of educational opportunities statewide;
- (2) lead students to achieve or exceed the State’s Education Quality Standards, adopted as rules by the State Board of Education at the direction of the General Assembly;
- (3) maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with a goal of increasing the district-level ratio of students to full-time equivalent staff;
- (4) promote transparency and accountability; and
- (5) are delivered at a cost that parents, voters, and taxpayers value.”

[Act 46, Sec. 2]

Act 46 established a multi-year, phased process that provides multiple opportunities for school districts to unify existing disparate governance entities into “sustainable governance structures” that are designed to meet the identified educational and fiscal goals, while recognizing and reflecting local priorities.

The Act stated that the preferred model of governance is a unified union school district (*i.e.*, PK-12) that (1) provides for the education of its resident students either by operating all grades; by operating PK-6 or PK-8 and tuitioning the remaining grades; or by tuitioning all grades and (2) is large enough to function effectively as a supervisory district (*i.e.*, a single-district supervisory union (“SU”). The identified operating / tuitioning structures represent the most common governance structures in the State.

Act 46 acknowledged that the creation of a supervisory district is not always “possible” or “the best” means to accomplish the Act’s stated goals and that there will be SUs with multiple merged and/or unmerged districts in some regions of the State (“Alternative Structures”).

Act 46 created or incorporated three incentivized phases of voluntary merger, all of which rely upon a decades-old statutory process. Districts that do not pursue or do not achieve a voluntary merger are required to evaluate their ability to meet or exceed State goals, to talk with other districts, and to present proposals to the State Board of Education. During 2018, the Secretary of Education will develop a proposal and the State Board will issue a final statewide design that redraws SU boundaries and realigns unmerged districts into more sustainable models of governance that meet State goals - to the extent the changes are *necessary, possible, and practicable* for the region. This process of self-study and recommendations is necessary both to support local continuous improvement and to inform State Board decision-making

The overarching phased nature of Act 46 is apparent:

- **Incentivized Mergers**

After self-evaluation/analysis and regional conversations per 16 VSA Chapter 11

- **Accelerated** – “phase 1 mergers” (Act 46 of 2015)  
All districts in an SU become a single unified district
  - voter approval: 07.01.16
  - fully operational: 07.01.17
- **REDs & Variations** – “phase 2 mergers” (Acts 153 of 2010 & 156 of 2012)  
(includes Side-by-Side mergers & MUUSDs)
  - voter approval: 07.01.17
  - fully operational: by 07.01.19
- **Later “Conventional” Mergers** – “phase 3 mergers” (Act 46)
  - voter approval: no deadline
  - fully operational: by 07.01.19

- **Proposals by Nonmerging Districts** (Act 46)

After self-evaluation/analysis and regional conversations per Act 46, Sec. 9

- proposal due: 11.30.17

- **Secretary of Education’s Statewide Proposal** (Act 46)

- proposal due: 06.01.18

- **State Board of Education’s Final Statewide Plan** (Act 46)

Governance changes to SUs and districts to the extent necessary, possible, and practicable

- issued: by 11.30.18
- effective: 07.01.19

## B. Agency Activity

Act 46 has prompted numerous community conversations within and among districts and SUs throughout the State. In addition, the Act requires rigorous self-evaluation by all districts, regardless of whether they merge or propose to retain the same governance system.

The Agency of Education is actively involved in answering questions and providing guidance directly to school districts, SUs, merger study committees, legislators, and the general public.

The Agency has revised its [School Governance Webpage](#) into three separate pages. The pages provide substantive information as well as links to statutes, fact sheets, worksheets, guidance documents, answers to frequently asked questions, and merger proposals submitted to the State Board of Education. The three pages are:

- [Options](#) – Provides an overview of the multi-year process created by Act 46 that required each school district in the State to conduct a rigorous self-examination of its current ability to meet or exceed the educational and fiscal goals of Act 46 and consider the opportunities that can arise from regional cooperation, including though merger.
- [Guidance](#) – Provides links to information regarding, *e.g.*, creating a unified union school district pursuant to decades-old statutory provisions, [membership on a unified school board](#), and the availability of [consulting and legal services grants](#) for districts in all phases of the process – including initial exploration of joint activity; formal “§ 706 study committee” conversations; and the creation of “alternative structure” proposals. Most of the [data needed for self-evaluation](#) is also available through links on this page.
- [Merger Activity](#) – Provides a map of current activity and a synopsis of community votes on proposals to create unified union school districts. It also includes links to each study committee’s report, proposed articles of agreement, and appendices that have been approved by the State Board of Education and presented to the local electorate for a vote.

Prior to recommending a merger proposal to the State Board of Education, the Secretary and her Governance Team submit each proposal to a rigorous review that involves multiple conversations with the § 706b merger study committee or its representatives (*e.g.*, its chair; school board members; its attorney; its consultant; and/or the superintendent(s)) as well as consideration of several revised drafts of the study committee’s final report, proposed articles of agreement, and supporting data.

## C. Governance Activity – Results of Votes

### a. Unified Union School Districts

Since July 1, 2015:

- Voters in 58 towns in 14 SUs voted to merge 66 school districts into:
  - 13 unified union school districts (PK-12)
  - 1 modified unified union school district (“MUUSD”)
- Voters in 4 SUs did not approve proposals to merge a total of 20 school districts:
  - Addison-Rutland (5 towns Yes : 1 town No - ) – new proposal TMD 2017
  - Barre (1 town Yes : 1 town No)
  - Franklin NE (0 towns Yes : 5 towns No)
  - Orleans Central (1 town Yes : 6 towns No)

Prior to July 1, 2015:

- Mount Towns RED (Bennington-Rutland SU)
- Mount Mansfield MUUSD (Chittenden East SU)

The 16 union school districts created since 2010 include:

- 6 that qualify for incentives and protections under the “Accelerated” phase
- 4 that qualify under the Regional Education District or “RED” requirements of Act 153 (one of which is a member district of a larger SU, and so is an “Alternative Structure”)
- 2 that qualify under the “Side-by-Side” criteria of Act 156 (both are “Alternative Structures”)
- 2 that qualify as Modified Unified Union School Districts or “MUUSDs” under Act 156 (both are “Alternative Structures”)
- 2 that do not qualify for incentives under any program (both are “Alternative Structures”)

For more detail, please see the table at *Appendix A* and the map at *Appendix C*.

### b. Students

Of the approximately 87,000 prekindergarten – grade12 students living in Vermont in the 2015-2016 academic year, 44,075 of them live (or will live) in a unified school district as follows:

- Unified school districts created since enactment of Act 46: 22,768
- Mountain Towns RED and Mount Mansfield MUUSD: 2,934
- Existing Supervisory Districts (Burlington, Montpelier, etc.): 18,373

## D. Governance Activity – Current Proposals

The Agency anticipates that on Town Meeting Day 2017 voters will be asked to approve at least 9 more proposals to create a unified union school district that involve the potential formation of:

- 4 new PK-12 districts that would operate all grades
- 4 new PK-12 districts that would operate some grades and tuition the others
- 1 new PK-12 district that would tuition all grades

These proposals include the potential creation of three unified districts that propose to be their own supervisory district and six unified districts that would be a member district within a larger supervisory union (and thus, technically, an “Alternative Structure”).

They propose the creation of unified districts that operate all grades, that operate some grades and tuition others, and that tuition all grades.

For more detail, please see the table at *Appendix B* and the map at *Appendix C*.

In addition, to the best of our knowledge, there are 15 more merger study committees or subcommittees formed pursuant to 16 V.S.A. § 706b.

## E. Educational Consequences

Educational benefits anticipated by merging districts have included:

1. Greater flexibility to share students, staff, resources, and programs among schools – including:
  - a. Increased sharing of educational resources among buildings (*e.g.*, piano keyboards; Naviance career readiness training; microscopes)
  - b. Expansion of after-school and summer programs to all schools within the new district
2. Ability to offer intradistrict K-8 choice among elementary schools operated by the unified union district
3. Transformation of the district’s elementary schools into magnet schools (such as in Burlington)
4. The possibility for grade reconfiguration to address shrinking population and create more robust peer groups
5. Improved communication within and between departments and grade levels (to support, *e.g.*, better alignment of world languages across buildings)
6. The elimination of bureaucratic redundancies and centralization of supports so that administrators are able to focus on their roles as educational leaders
7. The creation of a unified program of educator recruitment, induction, and mentoring, including paraprofessionals and substitutes

## **F. Financial Consequences**

Proposals for merger have looked at immediately quantifiable annual cost reductions – such as the need for fewer audits, payment of fewer board member stipends, reduced legal costs, bulk purchasing, and other miscellaneous savings. Projections in this category have varied from a potential annual cost reduction of less than \$20,000 to a potential annual cost reduction of \$300,000, with most in the \$100,000-200,000 range. Proposals with lower projections were generally from SUs that included an existing union high school district and that already had a high level of coordinated services, bulk purchasing, etc. throughout the SU. In these situations, large initial savings from consolidation of services and operations were not expected because many of the savings in this category had already been realized.

Proposals for merger have not identified specific dollar amounts for the savings anticipated to arise from, for example, sharing staff among schools, staff attrition, grade-reconfiguration, facility repurposing, and centralized maintenance services and training – but have listed items such as these from which they expect to see savings.

Of the 14 new union school districts created since July 1, 2015 (Act 46), four became operational on July 1, 2016. These new districts became operational very soon after their voters approved merger and so the budgets for their initial operating year were created by combining each merging district's voter-approved budget.

The remaining 10 new unified districts will not become operational until July 1, 2017 or later.

More precise financial data will be available in future years.

## **Appendices**

- A Governance Activity – Approved Proposals as of January 18, 2017
- B Governance Activity – TMD Proposals as of January 18, 2017
- C Governance Map (as of February 1, 2017)



219 North Main Street, Suite 402  
 Barre, VT 05641 (p) 802-479-1030 | (f) 802-479-1835

## APPENDIX A

### Governance Activity – Approved Proposals As of January 18, 2017

<u>SU(s)</u>	<u>Fully Operational</u>	<u>Incentive Program</u>	<u>Operate / Tuition</u>	<u>UUSD's Name</u>
<i>Unified Union School Districts Created After June 30, 2015:</i>				
Addison Central SU	07.01.17	Accelerated (Act 46 of 2015)	PK-12o	Addison Central
Addison Northeast SU	07.01.18	RED (Act 153 of 2010)	PK-12o	t/b/n
Addison Northwest SU	07.01.17	Accelerated	PK-12o	Addison Northwest
Chittenden South SU	07.01.17	Accelerated	PK-12o	Champlain Valley
Elmore -Morristown (in Lamoille South SU)	07.01.16	None	PK-12o	Elmore-Morristown
Essex Town SU <u>and</u> Chittenden Central SU	07.01.17	Accelerated	PK-12o	Essex-Westford
Franklin Central SU	07.01.17	Accelerated	PK-12o	Maple Run
Grand Isle	07.01.19	None	PK-6o / 7-12t	Champlain Islands
Lamoille North SU	07.01.17	MUUSD (Act 156 of 2012)	PK-12o	Lamoille North <i>MUUSD</i>
Orange Southwest SU	07.01.17	RED	PK-12o	Orange Southwest
Rutland Northeast SU	07.01.16	Side-by-Side (Act 156)	PK-8o / 9-12t	Barstow
	07.01.16	Side-by-Side	PK-12o	Otter Valley
Rutland South SU	07.01.16	RED	PK-12o	Mill River
Washington West	07.01.17	Accelerated	PK-12o	Harwood
<i>Unified Union School Districts Created Prior to July 1, 2015:</i>				
Chittenden East SU	07.01.15	MUUSD	PK-12o	Mt Mansfield <i>MUUSD</i>
(4 Districts in Bennington-Rutland SU)	07.01.13	RED	PK-8o / 9-12t	Mountain Towns RED

Donna Russo-Savage Principal Assistant to  
 the Secretary, School Governance





219 North Main Street, Suite 402  
 Barre, VT 05641 (p) 802-479-1030 | (f) 802-479-1835

## APPENDIX B

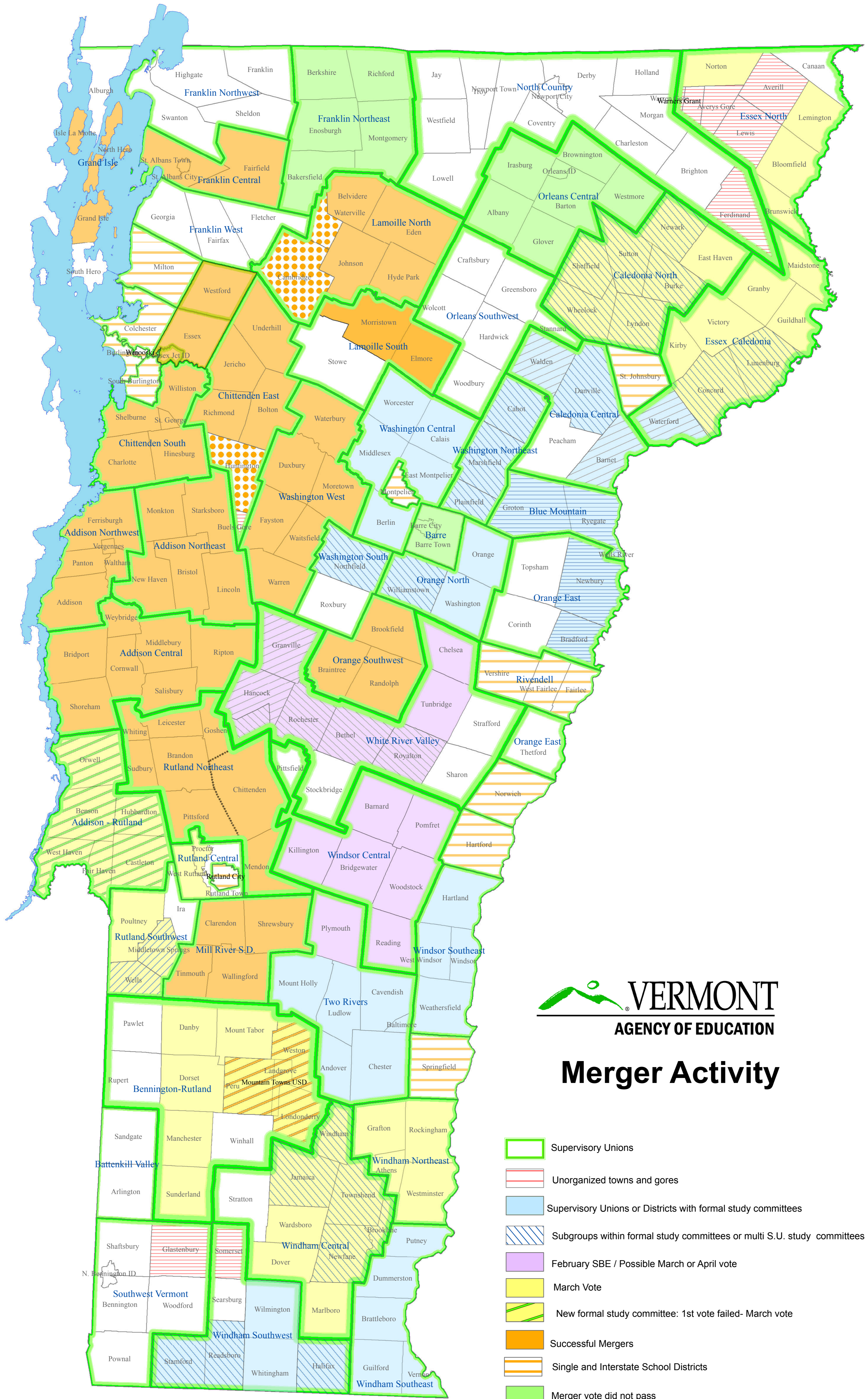
### Governance Activity –Proposals\* (TMD Vote Anticipated)

#### As of January 18, 2017

SU(s)	Potential Number of Districts / Towns / Schools	Incentive Program, if Approved	Proposal to Operate / Tuition
Addison Rutland SU	7 (+1 inactive) / 6 / 6	RED / MUUSD	PK-12 operating
Bennington–Rutland SU	7 (incl Mtn Towns RED) / 9 / 5	RED	PK-8 operating / 9-12 tuitioning
Caledonia North SU <u>and</u> Essex-Caledonia SU	7 / 8 / 8	RED	PK-8 operating / 9-12 tuitioning
Caledonia North SU <u>and</u> Essex Caledonia <u>and</u> Essex North SU	10 / 10 / NA	RED	PK-12 tuitioning
Rutland Central SU <u>and</u> Rutland Southwest SU	3 / 3 / 5  2 / 2 / 2	Side-by-Side  Side-by-Side	PK-12 operating  PK-6 operating / 7-12 tuitioning
Windham Central SU	3 / 3 / 3  6 / 5 / 5	Side-by-Side (w/below)  RED / MUUSD	PK-6 operating / 7-12 tuitioning  PK-12 operating
Windham Northeast SU	5 / 4 / 7	RED	PK-12 operating

\* This list includes only those proposals that have been approved by the State Board of Education. It does not include proposals in earlier stages of the process.

Donna Russo-Savage Principal Assistant to  
the Secretary, School Governance



## Merger Activity

- Supervisory Unions
- Unorganized towns and gores
- Supervisory Unions or Districts with formal study committees
- Subgroups within formal study committees or multi S.U. study committees
- February SBE / Possible March or April vote
- March Vote
- New formal study committee: 1st vote failed- March vote
- Successful Mergers
- Single and Interstate School Districts
- Merger vote did not pass