

Act 46: One Board and One Budget for WWSU Schools; Are the Carrots and Sticks Big Enough?

By: Brigid Scheffert Nease, Superintendent

One of the biggest decisions facing voters of the Washington West Supervisory Union (WWSU) this decade could be whether or not to merge all of the WWSU school districts into one school district with one budget. With Vermont's recent Act 46 School Consolidation Law, school boards are now required to consider taking action to formally consolidate governance of all schooling in the WWSU into a single Preschool through Grade 12 unified union school district.

The WWSU Act 46 Study Committee, in tandem with the WWSU Executive Committee Board, with representatives from each WWSU town district, is charged with studying consolidating school governance through an accelerated merger process. This new law basically gives the local boards the decision making authority to determine how they will merge from July 1, 2015, until July 1, 2019. After that, the law requires the Secretary of Education and the State Board of Education to decide how to merge those districts that have not merged by July 1, 2019, into the required PreK-12 governing units.

Our WWSU Study Committee is working very hard to understand the law and evaluate the pros and cons of complying with it sooner rather than later. By late March, the committee must prepare and submit a required report to the State Board of Education on the feasibility of combining all of the WWSU districts into one new district with one school board. If the committee study determines that unification is feasible and possibly advisable, and if the State Board of Education approves the submitted plan with the very specific locally determined articles of agreement, a vote by Australian ballot will occur on the same day in each of the WWSU communities, likely in May, but no later than June 30, 2016.

The committee and board welcome community input. Their meetings are held in the Harwood Union library from 5:30-9:30 on the 2nd and 4th Wednesdays of each month. Mad River Television Channel 44 broadcasts the meetings and anyone can access the footage from their computer. Community members can stay up to date and informed by visiting the Act 46 page on the [wwsu.org](http://www.wwsu.org) website, where all the training documents, tax comparison data, previous reports and Op Ed articles can be found, following my blog posts at neasesnotes.blogspot.com, and by visiting the AOE informational Act 46 website at <http://education.vermont.gov/laws/2015/act-46>. Questions and/or comments can be sent to the dedicated email address at act46merger@wwsu.org

My first writing focused on the law itself and our local challenges, especially our declining enrollment, where to find information, and the work of the committee to date. This writing will

focus mainly on three key areas of study: the educational opportunities, the incentives, and the consequences.

The Increased Educational Opportunities being identified include but are not limited to:

Parents could exercise school choice within the schools in the WWSU without serious financial penalty to any one school. Students could attend any of our schools. Parents could choose the school closest to their homes.

We would have increased capacity and better flexibility among schools to share staffing where feasible and necessary to address our continued serious declining enrollment. This would give us a better chance of right sizing student-to-staff ratios, not only to reduce spending, but to provide a more robust peer group for our classes. We currently have and have seen over the last several years some elementary classrooms with 8-11 students and middle school classrooms of 14 -15. Most larger school districts throughout the state have research-supported classroom sizes of 18-20 in grades K-2, 18-22 in grades 3-4, 20-25 in 5-6, and 24-28 in 7-8.

We would have the ability to share resources across schools where feasible, such as buying one expensive science kit instead of 6, sharing physical education equipment, specialized technology, floor machines and maintenance equipment, and numerous other items that would not need to be duplicated throughout the programs and services we provide.

We would have the ability to innovate the delivery of education by sharing and restructuring what we do now. This could look like creating units/modules that rotate through the schools so that expensive learning materials are not purchased in duplicate, restructuring the grades served in each building (maybe not every building would house preschool for example), merging the entire middle schools into CBMS or just merging the student bodies between the two campuses, creating specialized academies, creating grade specific buildings in some Valley schools to address the declining enrollment (such as one school designated as just a 5/6 campus, which would mean hearty, healthy class sizes and not purchasing many of the same materials three or four times over), and the list goes on as the committee's brainstorming continues.

It is important to note here that we **may locally choose** to do none of these things. However, merging these types of ideas could be considered as affordable ways to improve opportunities for our students and to achieve cost savings in the harsh reality of declining enrollment. If we do not merge, we cannot even get to the conversation given the current state statutes and funding formula.

We could better provide equal opportunities for all students in the district regardless of town of residence. For example, if we value foreign language instruction, we would provide it to all

students in grades K-12 throughout all schools in the same amount of time and offerings. At the present time, some of our schools have foreign language instruction, and some do not.

Schools could still enjoy special events and experiences particular to each school through PTO efforts and so forth. Act 46 is not trying to create identical schools. Think about a unified district such as Burlington. Each of the Burlington schools has its own personality, special events, and so on. We are speaking about equal opportunities around core academics, the curricula and the State Board of Education Quality Standards.

The Financial Incentives:

We would receive significant financial incentives from the state in the form of an off-the-bottom-line tax rate reduction of \$.10 in the first year, then \$.08, \$.06, \$.04 and \$.02 in the following years. Tax rates would still be determined using the existing formula.

We would keep the Small Schools Grant money currently received by Fayston and Moretown, totaling approximately 107K as merger grant money indefinitely.

We would be exempt from the actual costs of declining enrollment in future years and continue to fall into the “safe harbor” for phantom students in the calculations indefinitely. Currently, three of our schools fall into this “safe harbor” with Harwood Union being the biggest receiver.

We would be exempt from the cost containment thresholds/spending caps in FY 2018. Each school’s allowable growth is calculated individually. For FY 2017, HUHS, for example, can only raise per pupil spending by .98% before receiving a double tax dollar-for-dollar penalty. With health care costs rising 7.9% and salaries rising 3.75%, if expenditures rose on average 3%, HUHS would need to cut approximately 800K to avoid the penalty. It is expected that the legislature will reconsider these caps this winter, but if they provide any relief, it will not come in time to help with this winter’s budgets.

The Consequences of Doing Nothing

We would lose the tax incentives noted above for 5 years off of whatever the tax rates will ultimately be as a result of the statewide formula. In addition, we will pay for these incentives through the education fund for all the towns that merge between now and July 1, 2019.

We would lose the Small School Grants, in excess of \$107,000 per year. Moretown and Fayston would be hit with 50K plus in lost revenue each.

We would lose the 150K AOE grant (less the 20K they have already given us to conduct this study) to help transition to the new unified district, only to be forced under the law to merge in FY 2020 into a preferred PreK-12 structure.

We would lose the protection of the hold harmless “phantom” student provision and calculations would be based on our actual declining enrollment.

The Secretary of Education may step in to intervene at the local level to make decisions that were previously decided upon by local boards by FY 2020.

We could be assigned additional schools from other supervisory unions to join our SU, and/or any one of our schools, depending on geography, could be reassigned to a different SU.

We could face years of uncertainty and distraction of all WWSU administrators and board members navigating the impact of Act 46 and struggling under cost containment spending penalties, budget cuts year after year, declining enrollment, and classes that are just too small.

Conclusion:

Obtaining a successful vote for merger/unification in the six towns of the WWSU will likely depend upon each voter learning, listening and then deciding if the benefits outweigh the losses. The significant differences would be governance by a single school board of directors, replacing the current six boards; a single budget that includes all proposed expenditures and revenues and results in the same school tax rate for every town, only varying by the influence of the Common Level of Appraisal (CLA); and all the existing assets and debts of each school becoming commingled and assigned to the new unified union. Yes, this is a big change that will require fears being allayed.

The loss and concerns around local control are real. However, so much has changed in our public schools over the last ten years. We really need to ask ourselves what do we really presently control locally, and then figure out if that will really change. The things we do control that are dear to us such as artists in residence, ski days, special field trips to Ferry Beach, Button Bay, the Boston Science Museum, the Ski and Skate Sale, the Jazz program, and ever so much more will likely not change and only can change by the collaboration of parents, board members, staff and administration, just as it always has. Many of the same people will be leading and serving. They all will continue to fight to provide for strong, vibrant, and unique schools because that is what is best for all the students, who ultimately end up at Harwood together, the taxpayers in our communities, and finally the property values in our towns.

If, on the other hand, local control becomes largely about what we are going to cut and how we will survive under these pressures of property taxes, what will we ultimately achieve? It could feel, based on circumstances outside of our local control, a bit like the dead right pedestrian who rightfully is in the crosswalk but gets run over anyway.

School closures by one large board are clearly another fear. No school closures are envisioned in this plan. The articles of agreement can specify very clearly if, how, and by whose authority any school would close. For example, other towns have stated in their articles that no school will be closed without a unanimous vote of the New Union School District Board and an affirmative vote of the affected town. I believe there is only one reason why any of the WWSU schools would close and that is simply and plainly because there would not be enough students to sustain a healthy learning environment. This will be the case with or without a merger. Honestly, school closure is more likely to happen sooner without a merger if any one school needs to stand alone after losing the small school grant revenue while facing declining enrollment without the “safe harbor” provision.

Vermonters have repeatedly demonstrated their commitment to education. Vermont currently spends 5.2 percent of its state product on education – the highest in the nation. All students in the state receive an education paid for from one checkbook at the state level. That’s how the formula works. Our tax rates are dependent (and we are held hostage in some ways) on what every single town chooses to spend to educate its students. Therefore, what we spend locally does not directly correlate to increases or decreases in the property tax rates in our WWSU communities. All towns within and outside of our supervisory unions have a host of different circumstances. Together we have a spending problem. In this state, we can no longer afford our schools, plain and simple. Given our serious declining enrollment statewide, we need to systemically change the way we operate and pay for schools throughout Vermont to achieve any real sustainable savings.

In Vermont, our small rural schools are getting dangerously small. Did you know that now 70 percent of the school districts in Vermont have fewer than 100 students? These small rural towns, like 3 or 4 of ours, are feeling a particular financial pinch. Some of them have tax rates around \$2 and climbing.

For the last couple of years, many towns throughout Vermont are feeling such acute budget pressures that they are cutting or limiting music, arts, foreign languages, after-school programs, sports, field trips, busing, and the like. I fear that we, in the WWSU, may not be far behind if we do not act.

This law is far from perfect. The game we are forced to play in may be totally unfair. The circumstances may feel totally out of our control and make us feel mad as hell. However, the bottom line is all we can do then is take control of what we have control over as much as possible, work with what we have, play as smart as possible, and capture the best for our students and taxpayers. The only other choice is to sit back, watch, let what happens happen, and be prepared to live with the uncertain outcome.

Unless suddenly we receive several hundred students to take us back to a long ago student population level, and/or the way we fund education through the Brigham decision changes, without a governance merger, I believe we will find ourselves down the road in 4-5 years very disappointed with the outcomes of what we will actually be able to provide our students compared to other successful schools throughout the state, and seriously dismayed at what has happened to our property values.