

WWSU INSERVISE OCTOBER 13, 2015

ACT 46: School Consolidation and Merger

I agreed to post these talking point notes to go along with my video presentation given to the faculty at large. Please understand that these are talking notes-not a piece of polished work.

Begin with a few words and A Minute of Silence for Mandy Drake.

Housekeeping/Business

- 1. Hats Off & Thank You to Doug Bernstein and Chris Whalen**
- 2. My Role as Your Superintendent**
- 3. Apologize in advance-Thank you in advance**
- 4. Format: No slides/why. Just listen. Think about the information and your questions. Staff will receive a Google Doc for ongoing Q&A; I will meet regularly with WWEA & HEA. I will share my “talking notes” on the website and the presentation will be videotaped. All Act 46 training documents live on the website.**
- 5. Did you bring your Growth Mindset today?: As the book Mindset suggests- Let’s Set up our Act 46 work to learn and help others learn. Ask yourself: What are the opportunities for growth today? For myself? For the people around me? What do I have to do to maintain and continue the growth?**

How Did We Get Here?

In the late 1990’s Act 60/68 Brigham/ Equity & Opportunity Equal Spending Statewide - One checkbook- ? = Equal Opportunity-Not

Hasn’t Materialized, Costs Have continued to Rise, Legislature is looking for a statewide solution. The truth is we cannot afford ourselves. Highest per pupil in the nation

From 2000-2015:

Declining enrollment-roughly 14,000 fewer students same number of faculty. Most of School Costs about 83% are labor-salaries and benefits. \$ comes in from the big checkbook based on the number of students we have.

In 2010, RED Legislation Act 153/156 to centralize services and encourage larger units- moving SU’s to SD’s-voluntary. Hasn’t happened voluntarily. Only 1 MUUSD CESU. Act 156 centralization is now fully implemented by 2017. WWSU transportation done-special education

next year-must move into WWSU budget. Now required transportation and special education or 5% tax penalty after July 1, 2017.

Act 46 passes spring 2015:

Simply put, eliminates SU's, makes them SD's and allows you to change your own boundaries.

Statewide Context:

1. Higher expectations for our schools-Education Quality Standards, Universal Pre-K, Act 77 Personalization and Proficiency.
2. Increasing Poverty and Addiction Rates.
3. Growing inequity in student opportunities and outcomes.
4. Significant cost pressures-Health Care, Salaries, Special Education & Declining enrollment.
5. High Leadership and Board Member Turnover 40% annually.
6. Want a Statewide Solution – All of Our Children.

The Law:

Requires that by July 1, 2019 all SU's (SD's already like this) will have 1 board and 1 budget to achieve a "sustainable governance structure" providing a single Pre-K -12 education serving at least 900 students at a reasonable cost.

Three Paths:

1. Accelerated Transition: Vote by July 1, 2016. Must be operational by July 1, 2017 (FY 2018 budget)
2. Conventional Transition: Vote & get there by 2019. ADM for the unit goes up to 1250 or 4 districts merged.
3. Self-Assessment, Quality Reviews & Statewide Plan:

If we do nothing, by Nov. 30, 2017 must submit a report to the State Board & Secretary showing how we will meet the quality & cost objectives identified by the state and indicate how this will be achieved in the current structure.

The school board(s) will need to show how they met with other boards in an attempt to unify/merge but couldn't. In order to stay as a supervisory union, we would need to prove:

- That we provide complete equity in the quality and variety of educational opportunities to all our students (foreign language)

- That our decisions and organizational structures lead students to meet or exceed the EQS.
- That we have maximized operational efficiencies through greater flexibility to manage, share, and transfer resources from school to school, with a goal of increasing district-level student-t-staff ratios.
- That we promote transparency and accountability.
- That we serve ADM of 1100 or more
- That we have the smallest number of districts practicable.
- That we can demonstrate that we operate collectively responsible for all PreK-12 students in the SU.
- That we provide all of this at a cost taxpayers, parents, and other stakeholders value.

By 2018 the Secretary will develop a statewide plan to transition all districts into sustainable governance structures. If we wait until July 2019 and have it done to us, other districts outside of WWSU can be assigned to us and all incentives will be lost.

The Incentives: Accelerated: First to the Party Biggest Winners-Last Biggest Losers

1. 5 yrs. Of tax reduction of 10,8,6,4,2 cents with no 5% limit.
2. Keep small schools grants (MES and FES about 110K).
3. 150K Transition Money.
4. Keep Hold Harmless Protection for declining enrollment indefinitely, which will otherwise be gone by 2021. Effects 3 WWSU schools and likely soon 4.
5. Exempt from repaying some construction aid upon sale of a building.
6. All other models lose incentives and gain consequences along the way.
7. **Exempt from the Cost Containment Caps-will explain later; A big deal**

Where are the WWSU Boards:

1. Voted to form Study Committee-Membership, Mtg. Dates 2nd & 4th Wed. 5:30 @HUHS. Reprs are 5 towns 1 and Wat. 2. No HS-Ex-Efficio 2.
2. Study and Prepare a report to the SBE & Secretary for approval by late Jan. or Early Feb. then to communities to vote-
3. All on the same day by Australian Ballot. March, June or next Nov. Local communities can establish specifics in the Articles of Agreement. Once specified and voted upon, they cannot be changed unless receive voter approval but all votes will be co-mingled.
4. Working with consultants from the VSBA/VSA team- Walter Nardelli CSSU and team of people.

5. Consultant is putting together all of the opportunities identified by others throughout VT, all the cost savings others are finding, and answers to our specific questions like bonds, reserves, ownership of buildings, etc.
6. Michelle and I will present on Wed. at our brd. Mtg. 1) a chat about enrollment; 2) a cost model that takes 2014, 2015, and 2016 budgets and superimposes the accelerated model on them to see where we would be; 3) the quick savings of 100K that we would realize.
7. Bottom Line: We cannot afford ourselves now-current state is not an option.

Too early to tell you too much but things to consider:

1. Biggest advantage in combining is the **capacity and elasticity** we would have to make change and respond locally within the SU to future declining enrollment and cost and quality pressures that are unknown at this time. We would be able to offer elementary school choice-kids could go to the school nearest without penalty to the home school.
2. Possibly save on busing.
3. Costs for Special education would be spread over a bigger base so no one school's budget would be hit hard for a costly student and the spikes in the tax rate that this can create would stabilize

Here are a list of ideas that have been brainstormed over the past couple of years since 153/156 as a means of survival and/or to improve quality:

1. Just sharing and combining middle schools between the two campuses with a mid-day bus run. Having HUHS stand alone. Explain why.
2. Building 1 Pre-K -6 or 8 in the Valley and combining the 4 schools.
3. Keeping the 4 schools or closing any of them while combining grades by buildings; Pre-2, 3-4, 5-6;
4. Combining MES & WTES and FES & WES into just 2 units and grade configurations.
5. Moving all middle school students into CBMS (built for 400), avoid sharing HUMS FTE with HS, recapturing HS space to embrace personalized learning, & moving the central office into HUMS.
6. Combining all grades 5-8 into both middle schools (taking advantage of all the shared resources for older students without burdening each of the elementary schools, separate HUMS from HUHS. Keeping all elementary as is or combining.

The Tough Topics:

- Will Act 46 save \$? The Dinner Check with Lobster and a Burger. What is the rest of the state spending really prevents us from calculating our savings where we directly correlate it to a tax rate. The state is working on models.
- What we are spending now vs what we will spend in the future without sharing and the state incentives. We will also pay for every other district taking incentives.
- Our first combing through to look for savings without closing schools or changing staffing results in about 100k for things like 1 audit instead of 7 and so on. It is widely believed that centralizing food service and maintenance will save money.

Declining Enrollment & Equalized Pupils:

Like it or not, we are in this together. Why do we have to care about each of our schools? It hurts all our kids Pre-K-12. These numbers will make us all pay attention from Waterbury to Warren. **NOTE: We do not include preschool students in our long term enrollment studies, while we have those numbers, because that population moves around quite a bit and does not follow through into the other grades. The truer comparisons are K-12.**

Equalized Pupils-Define It-Weighted Not Your Actual Bodies 2 yr. average.

2009-2016 Seven Years: EQP-Brackets indicate a loss- Describe weighting.

FES 103/97=(6)

MES 130/102=(28)

WTES 143/136=(7)

WES 121/145=24

WD 667/654=(13)

HUHS 850/707=(143) Base Rate in FY 15 was \$9,459.

If we had the same number of pupils at HUHS that we did 7 years ago we would get \$1,352,637.00 more revenue to operate.

2009-2016 Actual Students ADM K-12 June 2005-Oct. 2015 We will later add June 2015-we always lose kids every year throughout the year**

FES 95/94=(1)

MES 143/105=(38)

WTES	143/112=(31)
WES	128/150= +22
TBPS	344/357=+13
CBMS	323/254=(69)
HUMS	175/143=(32)
HUHS	678/531=(147)

Cost Containment: Year One It Doesn't Matter What We Decide

Sections 37 and 38 of the Act 46 legislation put in place spending thresholds not to exceed. If you do exceed them, you are basically taxed doubly for the portion in excess.

FY 2017 Equalized pupil \$16,000. Your allowable is \$15,800. You are \$200 over. Your homestead tax rate will be figured on \$16,200. Double tax???

In order to meet these thresholds our schools would need to cut their expenditures by:

FES	\$31,675
MES	\$3,216
WTES	\$115,083
WES	\$50,524
W/D	\$178,244
HUMS/HUHS	\$800,342

What about HUHS? What about our middle schools? Where are we headed?

More opportunities for grades 7-12 not less;

Getting and keeping a competitive edge at HUHS-How ever will we make these huge cuts?

Property values in our towns. We NEED to care about this in all 6 towns. Property values depend on strong schools. If we allow middle and high school to become too small and jus OK it will negatively impact us all.

Next Steps:

- Continue listening, learning, & studying around the state.

- Compare this FY 2017 budget scenario to the future state.
- Double Up on board meetings and work.
- Develop a strong communications plan.
- Set up regular meetings with WWEA and HEA

Our North Star: Why?

However this all turns out, we should remember that any person or organization can explain what they do; some can explain how they are different or better; but few can clearly articulate why they either exist the way they do or why they seek to change and grow. Why is not about money or profits. Why is the thing that inspires us and inspires those around us. Why should define our purpose, cause and beliefs that led us to making these changes. What we are doing, our status quo is not the only way, it is just one way.

Making such significant change in public school delivery and governance will require us to lead with a compelling story. We will need to draw on a wide range of real life stories, provide a framework upon which our new organization can be built, and lead people forward with inspiration and determination, **always being able to answer “why” along the way.** We will need to promote open minds for new ideas, seek to create more for our students, and rely on the aid of others to move forward and succeed.

Our town cultures and identities define us and they are powerful. They also isolate us. Ironically, our property tax problems unite us. The solution requires us to take a good, long, hard look at US. The US in students is PreK-12, not Pre-K -6.

In his 1961 story about the Sneetches, Dr. Seuss introduced us to two groups of Sneetches, one with stars on their bellies and the other with none. Dr. Seuss explained it best by capturing our need to belong, to identify.

Now, the Star-Belly Sneetches had bellies with stars. The plain-Belly Sneetches had none upon thars. Those stars weren't so big. They were really small. You might think such a thing wouldn't matter at all. Then, quickly, Sylvester McMonkey McBean put together a very peculiar machine. And he said, “You want stars like a Star-Belly Sneetch? My friends, you can have them for three dollars each!”

So who are WE? Who are OUR kids? SHOULDN'T they just all have the same stars on their bellies? Like Burlington, Bennington, Rutland City, Brattleboro for example. Many schools under one board, one budget sharing, growing together, and feeding into one high school. If not, really why not? How will we pay for any of it otherwise?