



Act 46: Unification

Act 46 is designed to encourage and support local decisions while exploring opportunities to unify existing education governance structures.

Initial Implementation of Act 46

Rebecca Holcombe
January 13, 2016

Overview:

- Why we are doing this?
- Progress to date?
- Clarifications and choices on the way?

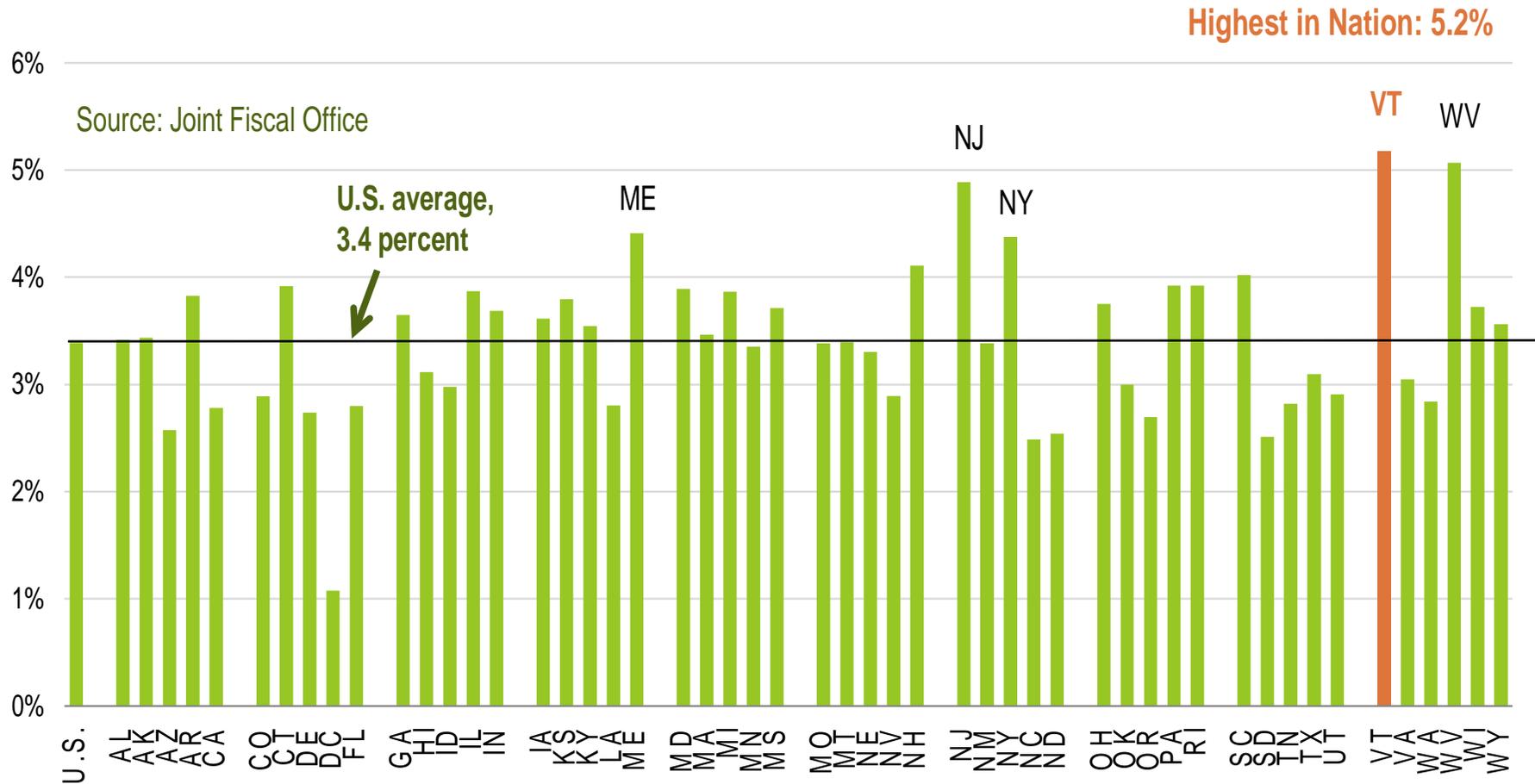
Julia Dunn,
Student member, CESU board

Equity, Quality, Opportunity



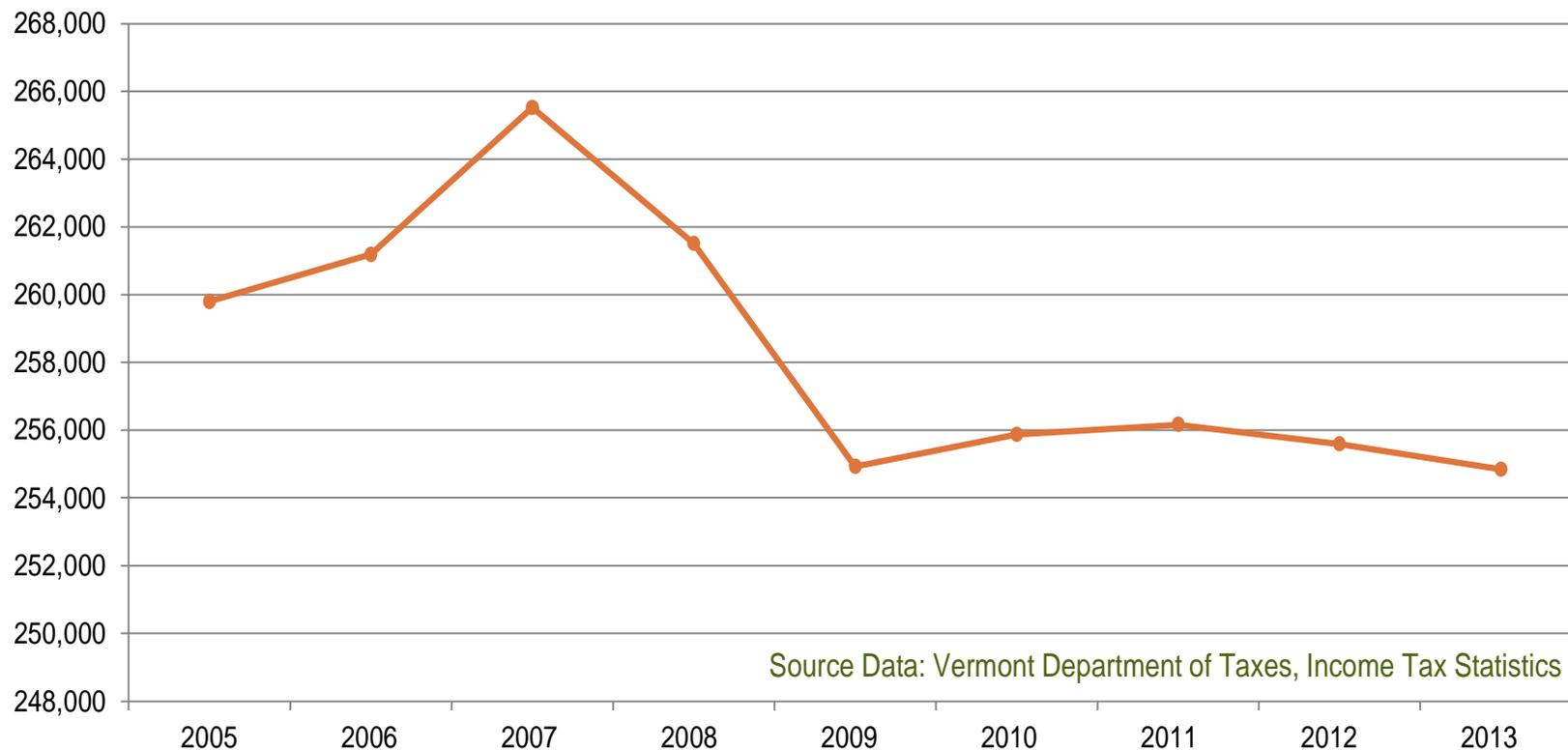
We are able to share resources so that when kids come together at the high school, they have all had the same good opportunities and can be at the same level.

State and local revenues to K-12 education as a share of GSP (2011-12)



Thank you to Rep. Oliver Olsen for the image.

Fewer state income tax returns for resident taxpayers under age 65



Thank you to Rep. Oliver Olsen for the image.



Governance Activity to Date

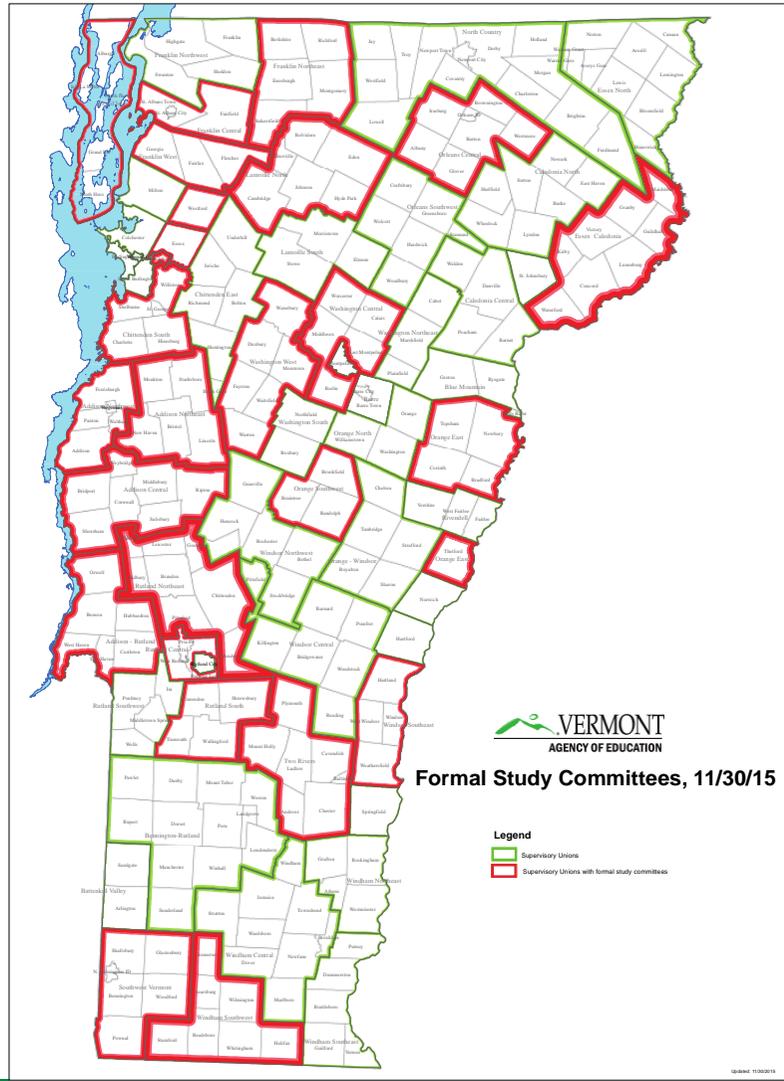
Estimated 15 Votes expected before July 1, 2016:

- 8 supervisory unions have notified the AOE they are pursuing accelerated mergers
- We believe 2 more are pursuing accelerated mergers
- 1 accelerated merger was approved by voters
- AOE expects several RED or RED variation votes as well

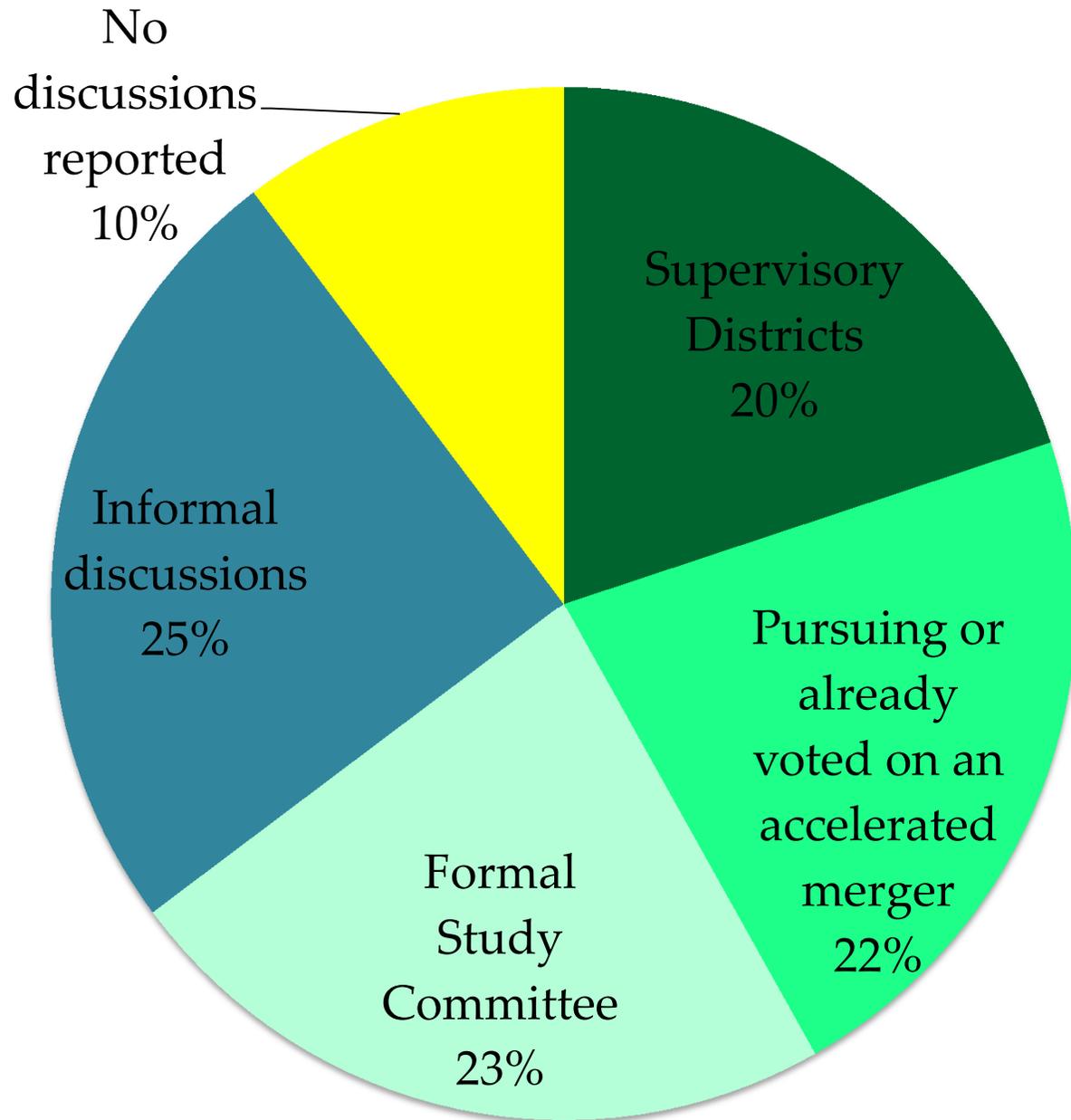
Also:

- 23 active Section 706b study committees to our knowledge
- Additional conversations about mergers across SU lines (including regional conversations)

Governance Activity to Date by Region



Governance Activity by % of Average Daily Membership (Students) (as of Nov. 30, 2015)

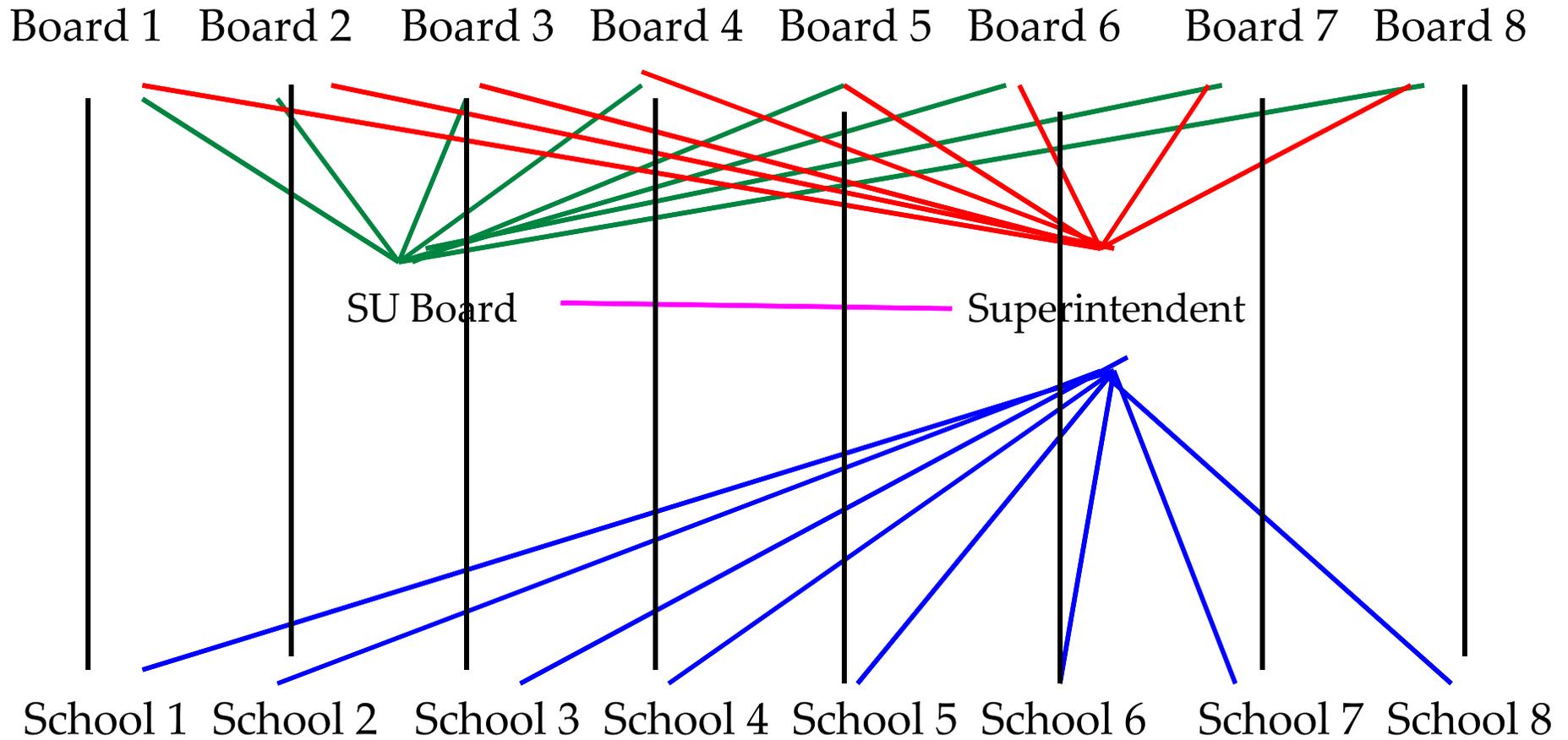


Clarifications and Choices

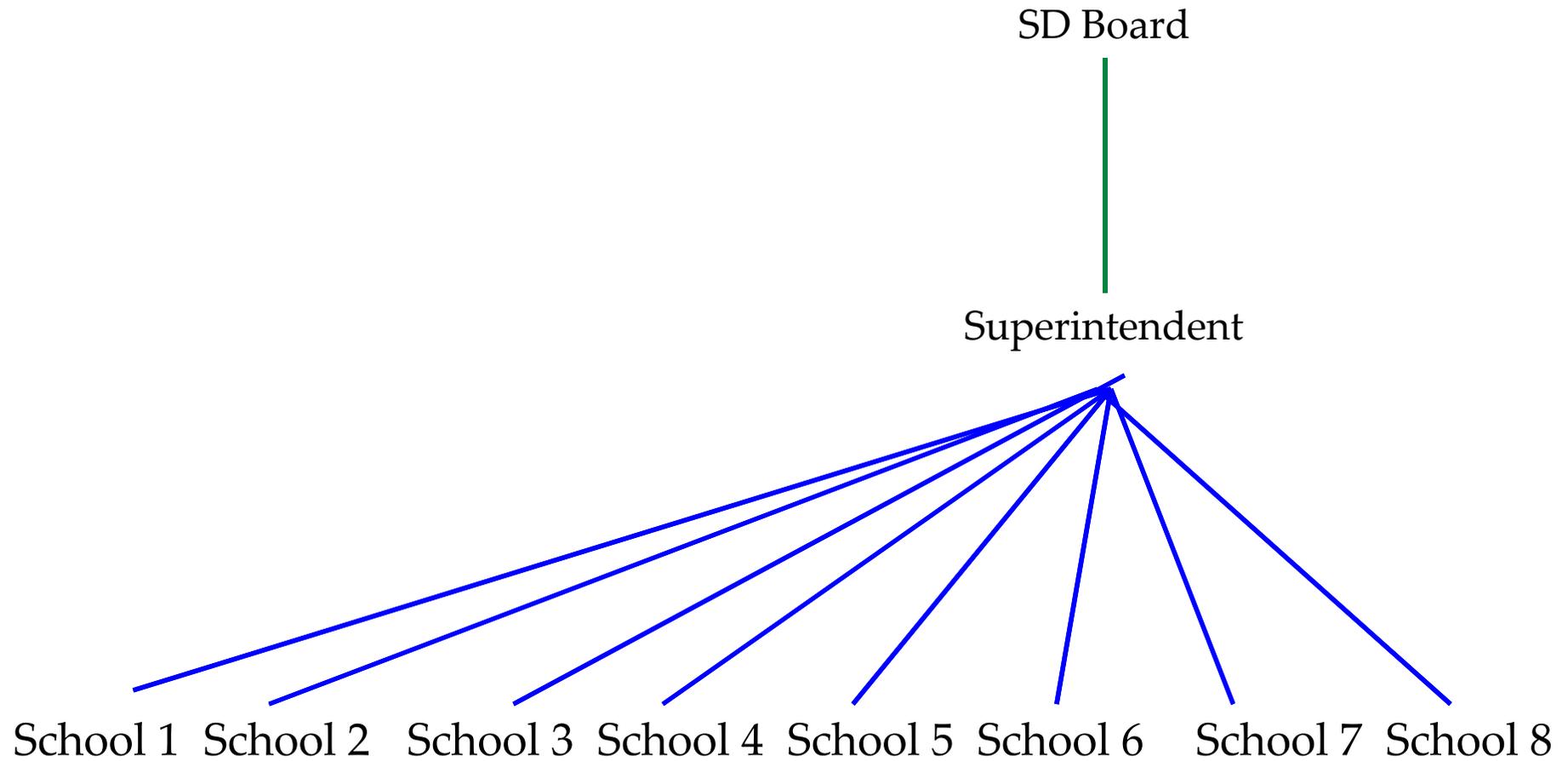
Clarification



Supervisory Union



Supervisory District



Clarification



Clarification: Difference between districts and schools

Districts:

- Either operate school(s) or tuition district students to schools (public or private).
- Set a budget to cover the costs of either operating or tuitioning, and providing access.

Schools:

- educate children
- have parent councils and traditions
- can be public or private



(Shelburne News)

Clarification: Tuitioning and Operating

To Operate or Not Operate? That is the Question...



Under current statute,
only districts get to
decide by a vote of the
electorate to operate
or tuition.

Purposes of Education

- Democratic equity (Education as a public good, shared community purpose, common opportunities)
- Social and economic efficiency (Education as a public good, workers for the workforce)
- Individual advancement: “getting ahead” (Education as an individual good, use market competition to incentivize quality)

**Note that these are contradictory goals.
Schools will never “succeed.”**

Thank you to David Labaree, Stanford University, for framing.

No strategy is perfect.

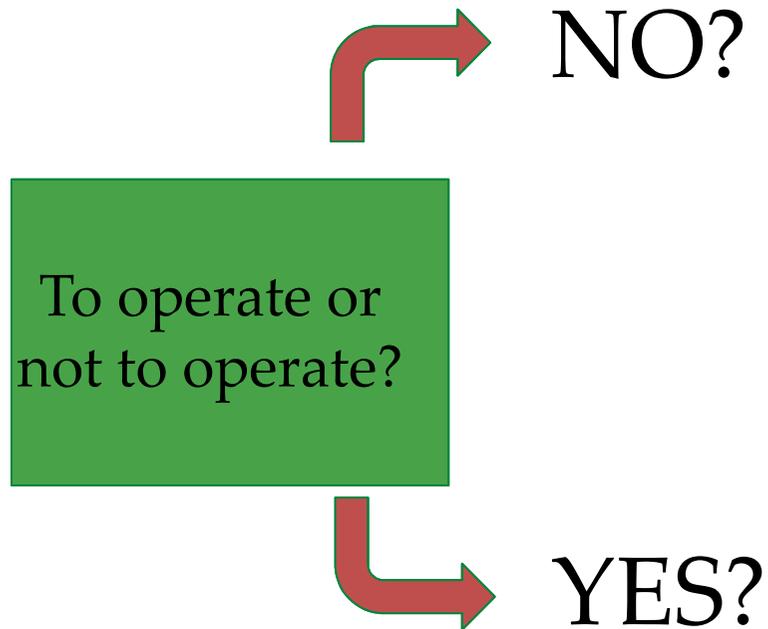
All strategies present challenges.

Different choices mean different challenges.

District Structure:	Main Challenges:
Operating	Meeting individual needs within one system. If very small, controlling costs.
Tuitioning	Ensuring equity of opportunity, controlling costs.
Operate at some levels and tuition at others	All of above, can mitigate with scale.

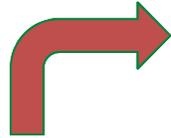
These are typical challenges, although local circumstances may vary.

To Operate or Not Operate?



If you tuition...

To operate or
not to operate?



NO: Required to tuition
at some or all levels.
Parents get to select
where kids go, unless
board designates.
Primary challenges:
Cost containment
and equity.



Act 46, Section 45:
Parents of secondary
students choose a school
in or out of the state
unless the district votes to
designate up to three VT
schools (generally for
purposes of cost
containment).



YES

Challenge of Equity

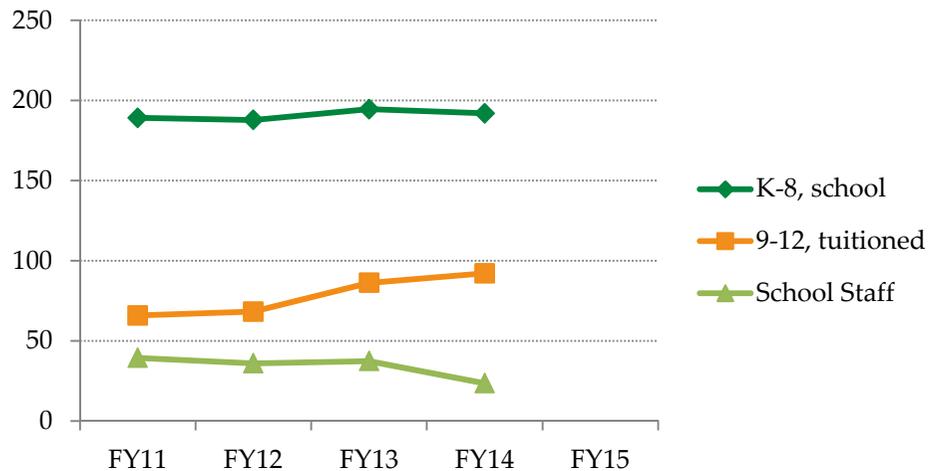
Where publicly-funded tuition students attend school

Type of School	Number of publicly funded students <i>enrolled</i>	% of those publicly-funded students with an IEP	% of those publicly-funded students who are living in poverty
Four Vermont "Academies"	1948	12.27%	24.90%
Approved Independent Schools EXCLUDING schools for only students with disabilities	828	10.39%	27.54%
Publicly tuitioned students attending VT Public Schools	2614	22.88%	34.85%
All Vermont Public Schools	77611	14.67%	40.13%

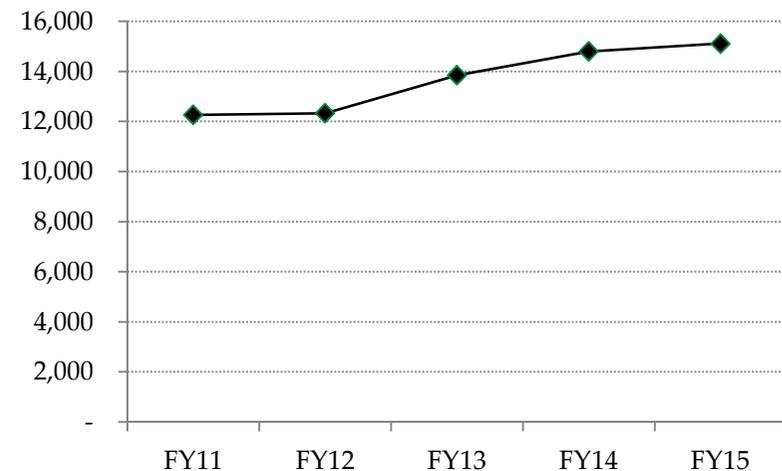
Challenge of Cost

Costs can also rise as **more students for whom tuition must be paid move into the district**. If a budget fails, only local school costs can be reduced.

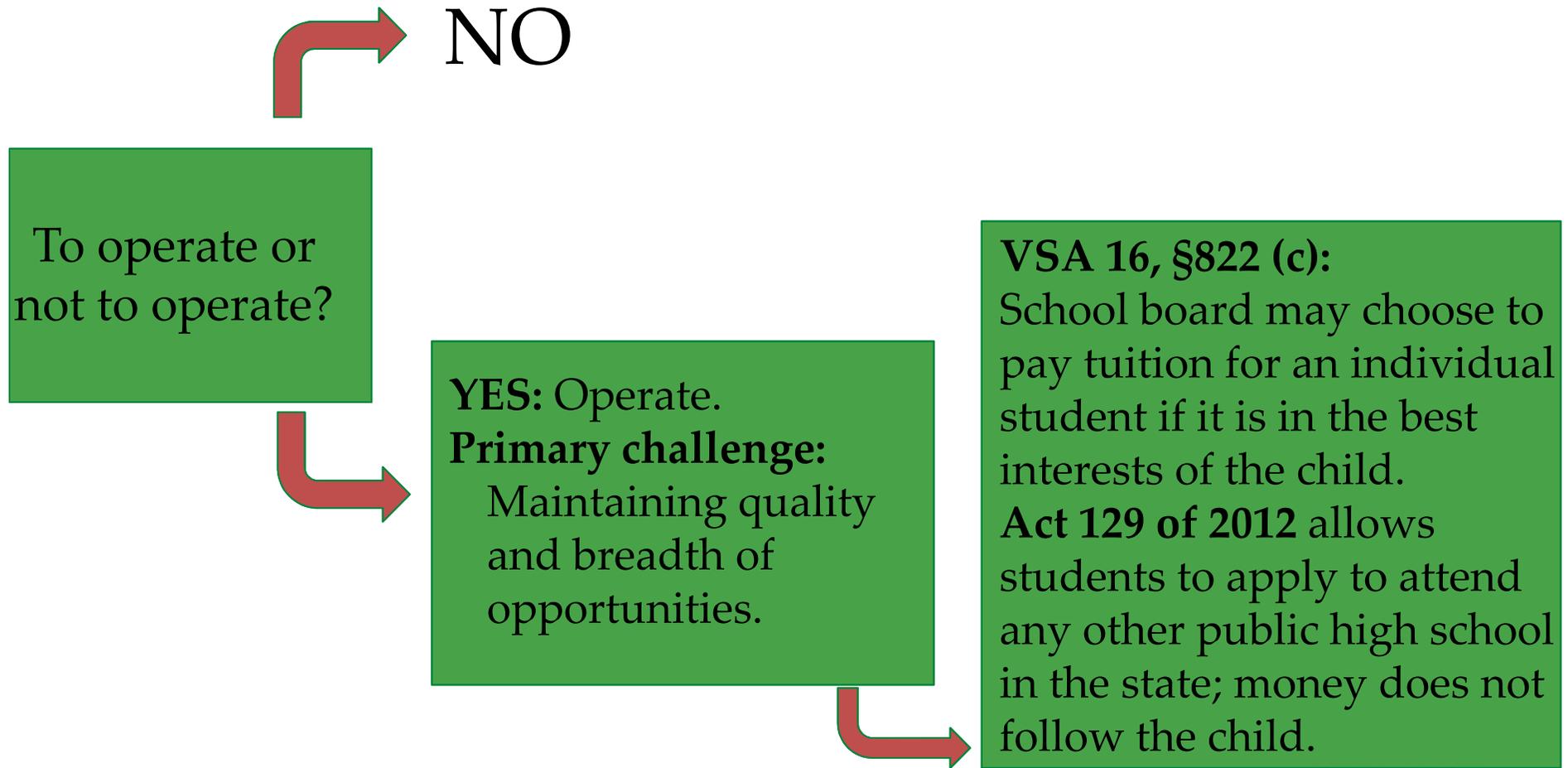
Students & Staff



Ed Spend per EqPup



If you operate...



Value for Dollars?

Do students in these VT public high schools have comparable opportunities? Do they have the opportunities they deserve?

School A:

Mathematics:

General Math

Pre-Algebra

Algebra I

Algebra II

Geometry

Trigonometry

Pre-Calculus

Calculus

AP Calculus AB

Business Math

Probability and Statistics—Other

Math Proficiency Development

School B:

Mathematics:

Integrated Math

Problem Solving

Pre Algebra

Algebra I

Junior Math

VT Operating and Tuitioning Options

To operate or not to operate?

NO: Required to tuition at some or all levels. Parents get to select where kids go, unless board designates.
Primary challenges: Cost containment and equity.

YES: Operate.
Primary challenge: Maintaining quality and breadth of opportunities.

Act 46, Section 45: Parents of secondary students choose a school in or out of the state unless the district votes to designate up to three VT schools (generally for purposes of cost containment).

VSA 16, §822 (c): School board may choose to pay tuition for an individual student if it is in the best interests of the child.
Act 129 of 2012 allows students to apply to attend any other public high school in the state; money does not follow the child.

What would be the likely impact of tuitioning while operating?

Scenario 1



50 kids

Per pupil cost: \$14,000

Total operating budget:
\$700,000

Scenario 2



50 kids

Per pupil cost: \$14,000

45 attend, 5 tuition students

Either:

Cut operating budget to \$630,000 and pay \$70,000 in tuition. (Total budget of \$700,000).

OR

Level fund operating budget and **increase total expenditures** to \$770,000

Voters make the choice.



Advice to Communities

Identify and focus on YOUR goals and culture



What is it you want most?

- Start by clarifying your goals and core commitments.
- The RIGHT strategy is a function of local commitments and regional conditions.
- None of us can have everything, but we can get what we need.

Guildhall



- Only 20 students in grades K-5
- Project only 10 students in 2018
- Expected per pupil costs to rise from \$12k to about \$20k
- Decided to close school and tuition

Bridgewater and Pomfret

- Declining enrollments, rising taxes
- Wanted a community school
- Closed the Bridgewater school and now jointly operate the Prosper Valley School



	FY14	FY15	FY16
Bridgewater	1.633	1.693	1.511
% Change		3.69%	-10.74%
Pomfret	1.731	1.748	1.452
% Change		0.98%	-16.94%

Elmore



- Tax rate increased \$0.15 between FY15 and FY16
- Projected to increase the same in FY17, which will put them over the threshold
- Held a revote on a merger with Morrystown; now waiting on a revote in Morrystown.
- If revote fails, Board expects a \$0.35 tax increase

North Bennington



NB ID School District decided to not operate a school.

FY15: North Bennington students attended elementary school in 5 schools in 4 towns.

North Bennington ID tax rate has gone up about 20% from FY13 to FY16. The State as a whole has gone up about 16% in that time.

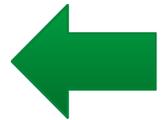
Bolton



FY14 ETR = 1.5538

FY15 ETR = 1.7162

FY16 ETR = 1.6304



The new entity tax rate is 1.5450 and with the 8 cents off, the incentive rate is 1.4651. Bolton is in the four year transition period that limits a tax rate increase or decrease to 5%. Under that limit, Bolton's rate can only go down to 1.6304

Weybridge

FY16:
The Education Fund sent \$366,140 to Weybridge beyond what it raised off its local homestead base.



Town Equalized Homestead Rates

	FY2014	FY2015	FY2016
Weybridge	1.635	1.881	2.015

Hard Choices

The Challenge



We have one education fund.

Are individual districts making decisions we can all afford?

Are we making decisions that take care of our most vulnerable children?

Caution: tax incentives are a means to an end, not an end in themselves

- Tax benefits cover transition costs, then go away.
- Don't make changes for the sake of short term tax reductions that were designed to offset transition costs.





“I think the community made a really good case that we’re better off together than we are separated. We’re trying to do what’s best for the students in this community, so that’s been the impetus.”

John Alberghini, CESU



Laws & Regulations

Act 46: Unification to Achieve Sustainable Governance



What is Act 46?

[Act 46 of 2015](#) is an opportunity for districts and supervisory unions to unify existing disparate governance structures into sustainable systems of education delivery that are designed to meet identified State goals, while recognizing and reflecting local priorities. [Learn more.](#)



What are my options?

There are several different routes to take that may provide incentives for communities that voluntarily merge. [Learn more.](#)

- [Phase 1: Accelerated](#)
- [Phase 2: REDs and Variations](#)
- [Phase 3: Conventional](#)
- [Study Committee Worksheet](#)



FAQs and Other Resources

The Agency has provided answers to frequently asked questions and clarification regarding Act 46 and the related Acts 153 (2010) and 156 (2012). Links to other related resources are also listed. [Learn more.](#)

<http://education.vermont.gov/laws/2015/act-46>