

Act 153, The Regional Education District (RED) Experience.

1. One group of districts, all belonging to the Flood Brook Union Elementary School, formed a RED.
2. One group of districts, Fairfax and Fletcher in Franklin West, each rejected the RED proposal. Fairfax and Fletcher were the only districts voting.
3. In four cases RED proposals were defeated after failing to receive a majority of votes in every district. In each of these cases the RED proposal passed a majority of districts and received a majority of votes cast.
4. At least one supervisory union continues to evaluate the possibility of a RED proposal. Others are examining the Modified Unified Union option the legislature passed to allow a majority of districts belonging to a union to consolidate without agreement from all districts.

How much money can consolidation be expected to save SUs and state taxpayers?

1. The best answer is “Don’t ask.”

The Agency of Education has focused its efforts on defining difficulties created or compounded by the current structure of education governance.

1. It is my understanding that the House Education Committee is exploring the potential of governance change in terms of its ability to improve the educational experience, outcomes, and increased equity of opportunity for VT students.
 - a. I do not believe they are addressing possible savings.

The Agency has made no estimates of potential savings that could be achieved by changes in governance for a number of reasons.

1 Potential for costs and savings can change dramatically depending on the circumstances of particular SUs under various proposals to change the governance structure.

- a. One SU conversion may be created out of 5 elementary districts all belonging to the same union. There is an SU wide pay scale.
 - i. In this case transition costs should be minimal. On the other hand, the SU may already have realized many of the savings the governance change would be expected to create.
- b. Another case might require the combination of 2 SUs, each with a decentralized structure and widely different pay scales among districts in the SU. Software, policies and procedures are likely to be substantially different. In this case transition costs would be much higher and more enduring.
 - i. But it is possible that over the long run this conversion will result in larger savings as well as greater improvements in performance and equity.

- 2 **The Agency has learned that the very term “savings” is misleading.** People tend to view savings as an amount by which their taxes are reduced. The phrase “**freed resources**” is more appropriate. The experience of the Two Rivers SU, a new supervisory union created out of Rutland-Windsor and most of the districts of Windsor SW illustrates the point.
 - a. The initial study, performed under contract for the Agency, presented a level of savings of approximately \$600,000 dollars.
 - b. Critics complained that savings reaching taxpayers were much lower.
 - c. The Agency and contractor reexamined the figures. It turned out that the amount we labelled savings was an accurate estimate of freed resources. The new supervisory union board chose not to pass all of these freed resources to taxpayers. The freed resources went in three general directions.
 - i. Transition costs greater than those projected in the study. As the new SU Board looked at the transition it chose to keep a number of employees from the two former SUs greater than the number employed by many comparably sized supervisory unions.. It was believed that the pooled store of information and increased representation by employees of both SUs was likely to reduce tension and lead to a smoother transition.
 1. There is reason to believe the judgment of the SU board has been confirmed.
 - ii. Increased spending on education services. As the SUs combined, the SU Board learned that each was providing services to its students that they agreed were desirable for all.
 1. A portion of the freed resources was used to purchase services that improved the educational experience of students from each of the previous SUs.
 2. Note that there were also a number of instances where it was found that one of the SUs was paying more than the other for a service. The result in this case was an increase in savings.
 - iii. A portion of the freed resources was returned to districts in the form of reduced SU assessments.

It must not be assumed that all resources freed by changes in the governmental structure can be translated directly into lower spending. There is no evidence that this will be the case and considerable evidence that the new units will invest some portion of these resources in additional educational spending.

People to consider for giving testimony.

There is no reason to repeat people from whom the committee hears regularly. I have attempted to come up with a few people who may be able to offer unique perspectives.

Alison DesLaurier, Two Rivers SU Board. Rainbowhill98@yahoo.com. Ms. DesLaurier was involvd in the transition to Two Rivers from the earliest discussions of the possibility through the implementation.

JoAn Canning, Superintendent, Orleans Southwest SU. Superintendent Canning's SU is entering the final stages of a legthy merger discussion. She is likely to provide in depth insights into the process. jcanning@ossu.org.

Michelle Mathias, Principal, Edmunds Elementary School, Burlington. Dr. Mathias served as principal at Hyde Park Elementary School in Lamoille North SU. She is able to comment on community involvement in one elementary school in a supervisory district that operates a number of elementary schools, and community involvement in a small district operating one elementary school that belongs to a supervisory union. SMATHIAS@bsdvt.org.

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