

MINORITY REPORT RECOMMENDING AGAINST ADOPTION

There are many laudable goals outlined in the CESU proposal to implement a Voluntary Merger as allowed under current Vermont statutes, especially as outlined Act 153/156. This Minority Report does not criticize the good intentions that underlie the merger proposal, but instead argues that potential problems exist in the Articles as written, the Cost Benefit Analysis (CBA) is inadequate, and the Timeline for implementation is too rushed. Our schools and communities will be better served, and a more successful Union School District can be formed, if more time is allowed for more thorough research and development. Therefore, the Minority recommends against adoption at this time.

It is easy to agree on our shared goals: equality of educational opportunities for all students, regardless of town of residence; more cost-efficient use of resources and improved administrative efficiency; and an excellent 21st century education to meet the needs of all our young people as they enter the world as young adults. It is also easy to agree that we want all this while also reducing the ever-growing cost, as described in higher per pupil spending. It makes sense to start this analysis with what we are doing well, and where we need to improve, both in fiscal efficiencies and in educational outcomes.

Fiscal Efficiencies

In recent years, CESU has undertaken to share services where possible, as encouraged by Vermont law. There are many examples of successful coordination of services, overseen by the Superintendent and Central Office. The CBA should discuss what additional sharing could be accomplished under our existing SU structure, then point out what efficiencies would require a new Union District structure. It should demonstrate where we could do better, and provide realistic estimated dollar savings for these suggested efficiencies. Our superintendent coordinates "carousel meetings" a couple times a year for our boards to come together to meet and discuss issues. We could do this more often under our existing SU system, at the superintendent's suggestion, if he expressed a need for more coordinated programming and communication. This would require no governance change. The potential here has not been fully explored.

At the state level, Vermont leaders have been endeavoring to reduce costs of education, or at least slow down the rate of increase. "Montpelier" has chided school boards for failing to curtail increases, even as the state has shifted costs from Montpelier to local budgets. Consolidation of supervisory unions has been suggested as a cost saver, primarily because it would cut per pupil administrative costs. This proposed CESU voluntary merger retains its superintendent, so any administrative cost savings must occur elsewhere. What is projected, and how?

The Cost Benefit Analysis (Attachment B) indicates "potential" savings in administrative areas, totaling \$323,420. Putting all payroll under one single accounting program should be more efficient, but considering that payroll programs simplify recordkeeping and tax filing, what are the actual expected savings? The projected savings show only \$47,000 for reduced bookkeeping. \$40,000 in savings for "reduced board expenses" is unexplained: all our directors are unpaid volunteers. At least one school board chair has advised that budgets for individual schools still be maintained, but there is no indication that this has been included in these projected savings. *

The relocation of the Central Office and the Mansfield Academy is included in the projected administration savings, but will this require a school closure? More explanation is needed. The cost of making these moves is not included because "they are covered by a Vermont transition grant," ie, paid for by Vermont taxpayers. These transition costs should be part of the analysis, as taxpayers pay for them through other taxes.

The \$323,420 admin savings represents less than 1% of the total budgets for all our CESU schools (approx. \$27.4M for MMUSD and \$16.4 for the elementary districts). It is unclear whether the \$323,420 in reduced costs at Central Office is a "gross" or "net" amount, as new costs from new duties are not included. The report states that staff may be reallocated to facilities coordination and human services. Will other new and different administrative duties be added as a result of the consolidation, requiring the same or more staffing, or new computer programs? Will school board directors request stipends for their additional workloads? Even without those possibilities, the administrative savings will be negligible, at best.

The most notable cost saver in the Cost Benefit Analysis is under "**Potential Net Reduction from School Closing.**" Here the estimated net savings is \$539,782, a savings of a little over 1% of our combined 7-district budgets. The report fails to discuss what criteria would be considered, or the likelihood, for a school closure, only stating "no school closures are planned in the immediate future." With that statement, it is unclear why these school closure savings are presented at all.

A more informative discussion of the financial drivers that may lead to a school closure needs to be included in the merger report, along with which school(s) might be considered, and why. It is understandable that the committee would be reluctant to discuss or identify the need for a school closure in a few years, but the Cost Benefit Analysis is incomplete without more forthright data and ingenuous insights from the administration. People deserve to understand what the likelihood is that one or more of our schools will close, or that their children will be bussed elsewhere. Conversely, the discussion needs to demonstrate how the new governance will be used to keep a struggling school open, and how the merged budget will be affected, especially after the 4-year "incentives" are used up.

The CBA includes a chart demonstrating **Estimated Impact on Local Tax Rates** to demonstrate a "benefit" to local property tax payers. This chart shows the "8 cent incentive", which happens for only 1 year. If a reader looks at the fine print, they see that the "incentive" is actually reduced each year in the 3 subsequent years, but no figures appear in the chart to demonstrate this. Once again, it should be noted that Vermont is only able to pay these "incentive grants" by raising taxes elsewhere, so there is a false sense of savings as this is presented. Vermonters are paying the bill for the tax "incentives."

As we consider undertaking the huge task of creating a new governance structure, and dismantling the one we have, as we consider that Vermont education monies will be spent to pay legal and accounting specialists to assist with this major transition, the Cost Benefit Analysis must provide solid evidence that this money will be well spent. The savings described in The Report are minimal at best, as demonstrated above. Ultimately, this means *better educational outcomes* should be outlined in The Report.

Improved student opportunities

In the area of Improved student opportunities and outcomes, the CBA presents 3 benefits: *school choice for elementary age students*, *the sharing of facilities and resources*, and *equalized programming opportunities*. A few observations, concerns, and questions come to mind.

School Choice

If one is to accept that a major reason to reorganize our supervisory union is to provide our elementary students with more "**school choice**," then this Report should make a better case.

Tuition is mentioned as an impediment that prevents children from enrolling in schools outside of their town of residence, but there is no explanation for why some of our youngest students would choose to travel farther for their schooling. If different programming is to be offered in different schools, some discussion of this would be helpful, such as what choices, and how would transportation and "equal access" be assured. Question: Is the benefit of providing school choice to elementary students in our CESU sufficient to warrant a change of governance, or could our CESU schools build on their cooperative structures to provide more choices now? If our high school students can currently access "school choice," we ought to be able to offer school choice within our own network of elementary schools.

To expand elementary choices we need to ask, "Which students are in need of different options?" and "Will the merger attempt to supply better options for those students?" Have we explored options in our SU to identify what "choices" are desirable, and how we might best provide them? This is a topic that could/should be discussed at our "Carousel meetings." Educational staff must be the starting point in this discussion. The Report, at the very least, should discuss examples of "choices" that would be beneficial, their potential costs and viability.

~~The CBA points to the \$1.18M cost of tuitioning students to the technical schools outside the district, and suggests that a unified district could "fashion educational environments" to meet these students' needs and "save money over time" in doing so. The implication that our students would get their technical training within the Union District raises some concerns. If planners are hoping to build/create a MMUUSD tech center, then a financial plan should be spelled out. Would a MMUUSD tech center be located in one of our existing schools, by reconfiguring the use of the buildings, or would one of our buildings be reconfigured? The vague reference is out of place without more explanation. Without more clarity, one can only conjecture. Will the Union District be able to borrow larger sums for bigger projects (such as a tech center)? What fiduciary protections will be established to assure against financial risk*** when the Union District funds are all in "one pot?" And, if a MMUUSD tech center were to be built, would its programs be comparable to the programs that MMU students currently access, and would MMU students have a choice as to which tech centers they can attend?~~

Under the proposed merger, it is hoped that elementary students may be offered new choices and greater equality of educational opportunities throughout the Chittenden East community. A well-designed school merger study should also discuss how to provide better 21st century school choices for our high school students. Currently our high school students can access technical school programs and there is also a some limited school choice program. , as well as technical choiees. Missing in this study was is any consideration of whether the system for discussion around expanded high school choices could be improved that might be achieved under a regional under a new model, such as one that could facilitate more shared specialized and high-level classes in both technical and academic as well as technical areas.

~~A well-designed school merger study would consider how to provide better 21st century school choices for our high school students, and not limit school choice to the elementary level.~~

Equalizing Opportunities

School choice options, whether for elementary or high school students, can certainly be beneficial where high quality choices also provide **equality of opportunity**, another valuable goal. Equality of opportunity can be accomplished by sharing resources, staff and tax revenues, and by operating under a single school board. But there is more to consider.

One challenge to the goal of providing "equalized programming opportunities for all students" will be making the hard choices as to what to keep and what to cut. The CBA should present an outline of where inequalities/differences currently exist and provide a projection of which programming would be expanded to all schools, and which programming would be cut back. Cutting back can mean reduction in supplemental staff for enrichment programs, or fewer classroom teachers (larger class sizes). The CBA should present "potential costs of equalization." It should provide graphs showing the range from maximum to minimum, from "leveling up" to "leveling down," to demonstrate what "equalizing programming opportunities" will cost.

Fortunately, we live in neighborhoods that place a high value on education and community participation. Most of our children thrive under the excellent programs and staff in our schools, along with many diverse and dynamic opportunities for growth where we live. Many of our children come from homes where family activities, reading and educational outings are part of daily life. Our classrooms glow with the positive energy that so many of our children bring to school, under the expert guidance of our hardworking staff.

Unfortunately, not all children come to school with the benefits provided to the most fortunate, while other children struggle with disabilities that require unique and dedicated oversight. How will this merger provide more for our most needy students, those who are currently not thriving? Will we see additional enrichment activities, guidance services, and supplemental help in academic areas? A more thorough discussion of this topic is needed to understand how this merger will be beneficial for those students, and what that will cost.

To summarize, the Cost Benefit Analysis is inadequate in its presentation of figures and data to demonstrate how this merger will translate into savings, and how the savings will be converted into equalized educational opportunities for students, and educational benefits for those who are currently struggling. The Analysis needs to outline more thoroughly what costs might be associated with improved educational opportunities and equalized programming, and how they will be paid for, just as any business plan would.

The dilemma of a Modified Union District, and other aspects of ACT 153/156

A significant revision to Act 153/ 156 has created a mechanism for replacing an existing Supervisory Union with a Union School District even where some districts/towns wish to retain their current Supervisory Union set up. In Article 1 of this proposal it is established that, with enough votes, *either* a Unified Union School District *or* a Modified Union School District will be established with sufficient

votes. Which outcome depends on whether all, or only a majority, of towns/districts approve of the change.

Here is the problem: Although voters vote YES or NO, they have no say regarding whether their vote is for a Unified Union or a Modified Union. These 2 outcomes (MMUUSD or MMMUSD) are not the same, and not equally desirable. Voters should have an opportunity to approve or disapprove of the option that is indicated in their vote, that is, a separate vote for each option. Voters need clear choices spelled out, and this proposal does not do so.

Discussion. If the CESU is replaced by a new MMMUSD (Modified Union School), some communities become Non-participating districts, ~~this~~ thus creating a division where none existed before. A voter may support a Unified Union district, but would not approve of a Modified Union District, not wanting to see a division within the 5-town SU. The ballot should provide an opportunity to vote for a MMMUSD and a separate opportunity to vote for a MMUUSD. Voters could vote YES or NO for each option, and the highest vote would of course prevail. This way, if voters want a Unified district, but not a Modified District, that would be reflected in the voting results.

ACT 153/156 created several options for voluntary merger, including a Unified Elementary District. This Voluntary Merger Study Committee only considered a Modified/Unified Union school district. For voters who agree that some of our elementary schools should consolidate, but don't agree with changing the workload and responsibilities of the MMU board, the proposed option is unacceptable.

Unfortunately, the merger of elementary schools was not considered and CESU voters have had no opportunity to discuss or choose this option.

The Unified Elementary District type of merger could be an appropriate governance change for our schools. A ~~UHD-UED~~ UHD-UED would allow for the efficiencies of scale, sharing of personnel, resources, buildings, payroll, and accounting, while allowing our well-functioning MMUSD (high school district) school board to retain its current responsibilities (oversight of our 3 largest buildings, grades 5-12). If we replaced our 6 separate elementary boards with 1 Unified Elementary board, this would allow school choice, which is especially appealing to those districts that are in close proximity. It would allow for the per pupil spending numbers to be based on all the elementary students, providing some "stability" regarding year to year tax consequences that follow year to year population changes. The value of local school board participation would be combined with the value of collaboration and efficiencies of scale. The MMUSD board and the Elementary board would serve as partners overseeing the PreK-12 education of all CESU students. And there would still be the "benefit" of Vermont tax incentives and transition grants.

Governance and Local Control

The Report states that the "chief objection" to the proposal has been fear of loss of local control. This is incorrect, although it correctly points to the successful collaboration of our 5 towns within our Mount Mansfield Union school district. Despite our collaborative success to date, there are valid concerns and differences. While it is true that our high school district successfully built and shares our middle and high schools, providing better facilities in these larger centralized campuses than could be achieved in our small local towns, the unification of our elementary schools is not the same.

Our elementary school buildings are already built, owned by each town, and will continue to be where our elementary students go to school. Instead of being a town asset, with townspeople overseeing the building where their children spend their earliest school years, the buildings will be overseen by a group of directors who are generally unfamiliar with the buildings (at this time, at least). That local connection to the history and maintenance of each school building will be diluted when neighbors no longer have the responsibility. Where citizens have given freely of their time and talents to serve as community overseers, local representation will be curtailed with the change to fewer board members (loss of about 30) and more school buildings (additional 6 buildings). Fewer community members will "have their eyes on" the buildings.

The continued participation of the community in our schools is desirable, and the governance structure should encourage positive engagement with the community. With representation limited to participation on the 15-member board, this will provide only 1 or 2 voices for our smaller communities, at meetings that will be farther away. The smaller outlying towns have proportionally smaller voices, so issues that are unique to these smaller communities are less likely to make it onto the agenda of the unified board. While ~~Article 18~~ [Article 17](#) allows that the Union District school board "shall provide opportunity for local input," the Articles make no provision for local school councils that would have a voice, or any legal authority, to facilitate any meaningful participation. This needs further public input and development before approval of the Articles.

A real concern regarding the functioning of a unified PreK-12 school board: Too much work and too broad a scope of expertise for a single board. The same number of directors as the current MMU board will be responsible for overseeing 9 (instead of 3) buildings and principals, and working with issues regarding PreK-12 curriculum and policies (not "just" the 5th-12th grades already overseen). The scope of educational activities in the PreK-4 grades is vastly different than that of the 5th-12th grades, so this is an exponential expansion of responsibilities, requiring broader appropriate knowledge. This is not just a merging of budgets.

The Report has not discussed the challenges that will face the new board as it strives not only to "keep up" with its responsibilities, but takes on the loftier goals of providing new choices for elementary students, and adjusts to serving a wider community of parents. Will issues of the 6 elementary schools be allowed sufficient time for consideration? Doesn't the high school board already have a "full plate?" Can we expect directors to continue to volunteer without stipends?

Consideration of different configurations for the unified board members would be helpful. For example, there are questions that could be pursued: Should there be board members whose knowledge and oversight is primarily on the elementary schools, and others who have more background with the older grades? Could the board be structured so that each town had at least one of each? Should each elementary school have a school council, with one elected chairperson, who would also have a voice in school board planning?

The Report needs to more thoroughly analyze and address these questions and concerns, and demonstrate how local participation and elementary issues will be successfully integrated into the already busy schedule of our 5-town unified ~~school~~ high school board.

Technology

The Analysis needs a cost estimate for upgrading infrastructure, equipment and staff training to get all schools on par. We agree that technology is a vital and ubiquitous component of our 21st century communications and education, and that schools must invest in adequate up-to-date equipment and infrastructure, along with knowledgeable staff. We agree that a new Union District, as well as our current SU, should strive to provide equal technology opportunities for all. Where the CBA is inadequate is in outlining what it will cost to get all schools to the same level.

Assets and Financing

Similarly, the Report for the merger of these 6 school districts lacks a spreadsheet outlining assets and liabilities. Each district's real estate, assets, debts and liabilities should be clearly outlined. These, in combination with the MMUSD and the Central Office financial statements, are a basic legal and accounting requirement for consolidation of assets. Just as voters of each town are presented with budgets regarding their own schools when they vote in the annual budget, voters in this case are voting to join assets and liabilities, and should be presented with that information.

The annual fluctuation of school populations is cited as a destabilizer in budget projections from year to year, as state funding is based on per pupil costs. This report has provided population data going back several years, but missing from this analysis is any attempt to project school age populations for the next several years. Part of any financial picture should include projections of revenues and costs, and in this analysis, student population numbers are key to forecasting.

Conclusion

The Minority recommends against this proposal in its current form. A more thorough merger study is required, as the CBA lacks sufficient substance and data, failing to provide pertinent or compelling evidence that the benefits are sufficient enough to warrant the costs. CESU should take more time to do this right, and more fully vet the consequences of going ahead with this proposed MMMUSD/MMUUSD.

The Minority recommends that a more thorough process be initiated to outline and address our strengths and deficiencies in the spirit of unity. The Merger study process should be an open-ended process to evaluate how to work more efficiently and collaboratively to provide outstanding and equal educational opportunities for all our students. Despite seeds of good ideas and the potential to realize some efficiency with centralized governance, there are too many significant issues and unknown consequences that need further study and problem solving.

The Analysis should outline areas where we are currently underperforming or deficient. Having identified areas of weakness, the study should consider where current strategies could be improved, and then go on to specify where a Unified District would help, and what strategies would be employed. The study should consider different types of mergers, especially concentrating on options that directly relate to our identified deficiencies and to goals that are currently hard to attain. There should be a balanced discussion of unknowns, and recognition of specific concerns that have been reported to the committee, in the interest of presenting a more balanced view.

The Minority recommends against this proposal in its current form because it allows for the creation of a Modified Union District. The possibility that our union will be split into Members and Non Members is a very real and unfortunate possible outcome if this document is approved.

Recommendation: Establish unbiased 5-town forums and learn what the unresolved issues are. Take the time to understand the problems that led Maine to undo mergers, to understand why several of our nearby SU merger study groups chose not to unify. Give doubters and proponents more opportunities to understand the issues, to reach more common ground.

The proposed Timeline is not sufficient to provide the newly created Union District board of directors adequate time to develop the new unified budget with a full understanding of the many cost drivers, including becoming familiar with unique issues in each school. This is necessary to assure a smooth successful transition. The adjustments will be challenging enough without the added burden of rushing through the complex work that will be required. Clearly we want to avoid mistakes and gaps of knowledge. ** This process needs to be more than just combining all the numbers "onto one sheet."

The expanded responsibilities, scope of experience and expertise that will be required, or at least desirable, among the newly elected 15 member school board is a change that will over-burden directors and under-represent issues. Recommendation: more analysis of what the ideal board configuration should be.

The loss of local control is much more than an outdated emotional concern, as it involves relinquishing ownership of real estate and assets, as well as transferring decision-making to a smaller number of people, most of whom are not the neighbors we meet and greet in our daily comings and goings.

Delay the November vote. Our state legislators have realized that school consolidation is much more than a fiscal issue that could be fixed with economies of scale. They instead are gathering knowledgeable professionals to assist them in developing a better understanding of the complex issues and consequences. With the state launching this study, it would make sense for our merger committee to allow time to benefit from their findings. We have much to learn.

The Minority recommends against acceptance of the CESU merger at the time.

Cautionary footnotes:

**We have been advised that a centralized single budget will mean fewer audits, albeit a more complex budget if it includes how funds are spent in each school. On that note: at least one school board chair (who supports the merger) recommends that we still maintain school-by-school budgets.*

*** The Burlington school district, with its centralized school board, experienced a very serious fiscal problem involving several years of mistakes that no one noticed. What systemic failure allowed these errors to be worked into the budget process year after year? We need to ask this question, and understand its import, before committing to a new unified budget process.*

**** A single budget and a single school board also mean fewer eyes on the figures. What are our checks and balances? We need to create a very transparent and duplicative system to assure that in the years ahead we have 1. Accuracy 2. Knowledge of accounting rules 3. Security of accounts*

Signature Page: The undersigned Voluntary Merger Planning Committee members do not support adoption of the CESU Voluntary Merger Plan.
