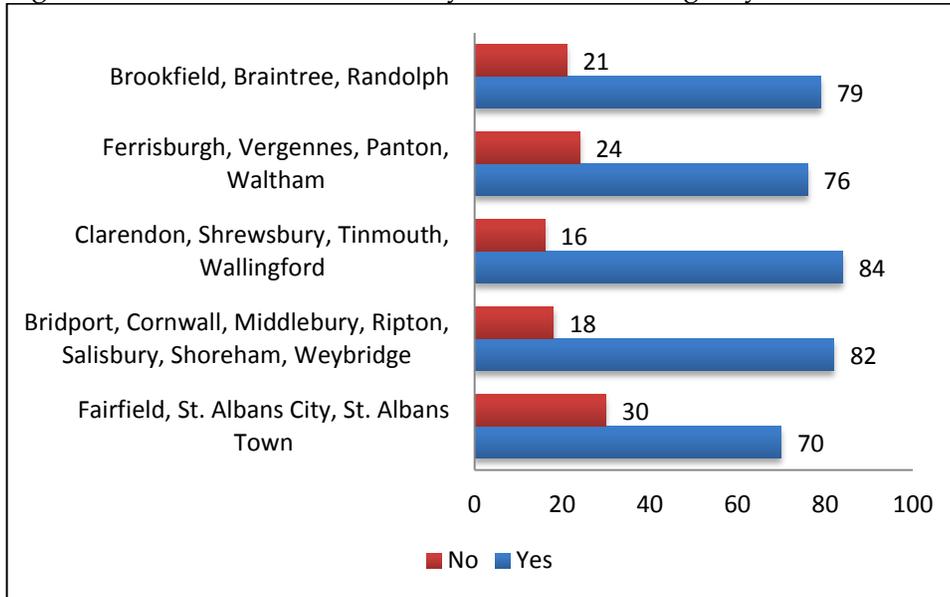


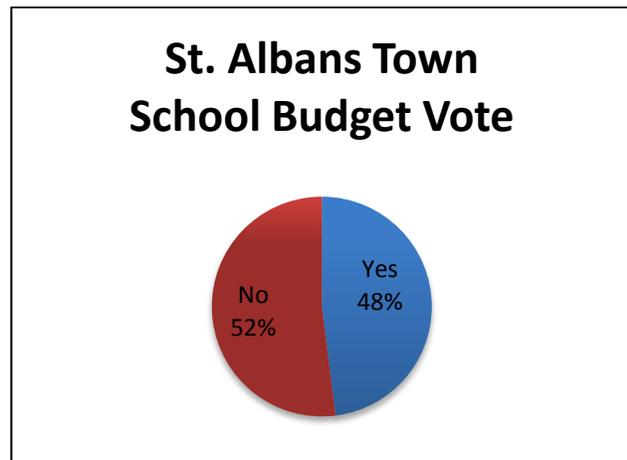
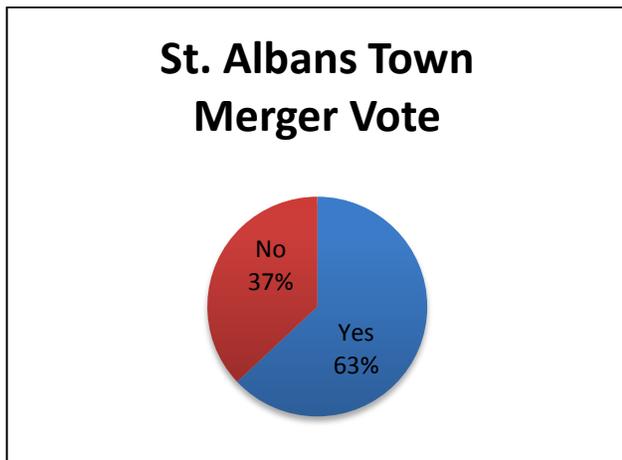
Update on School District Activity in Response to Act 46 March 14, 2016

On town meeting day, taxpayers/citizens/Vermonters in five regions voted overwhelmingly to unify their school districts and pool resources to provide better opportunities for children and use shared resources in strategic ways that reduce cost pressures on tax payers. See Figure 1 below. The margins in favor of unification were quite high in each of the six mergers within those five regions.

Figure 1: Towns that voted to unify on Town Meeting Day, with vote margins.



These vote margins are quite strong. Of note, approving a merger did not guarantee a successful vote on a local budget. For example, St. Albans town voted to unify with neighboring towns, while voting down its local budget.



Under Act 46 to date, 35 communities, representing 40 school districts, have voted to streamline themselves into 9 unified districts so that they can enhance educational quality and reduce administrative costs. An additional two regions are schedule to vote on unification on April 12.

Table 1: Successful Act 46 unification votes and scheduled votes as of March 11, 2016

Successful Merger Votes since July 1, 2015	New UUSD	Towns Voting	Districts that would merge (includes existing Union school districts)
Addison Central	1	7	8
Addison NW	1	5	4
Elmore-Morristown <i>(final)</i>	1	2	2
Essex-Westford <i>(final)</i>	1	3	4
Franklin Central	1	3	4
Orange SW	1	3	4
Rutland NE - Barstow <i>(final)</i>	1	2	2
Rutland NE - Otter Valley <i>(final)</i>	1	6	7
Rutland South	1	4	5
Total	9	35	40
Votes Warned for April 12			
Addison-Rutland	1	6	7
Lamoille North	1	6	7
Total	2	12	14

Several communities that considered accelerated mergers decided to wait, and spend more time working with members of the community to build a shared and coherent educational vision before bringing proposals to a vote. We respect and admire these communities: they are creating systems to serve their children into the future and want to take more time to focus on developing the relationships and vision that will make unification work. The AOE thinks the high rate of success for votes to date reflects the reality, based on our conversations, that these communities began their

conversations by discussing and stayed relentlessly focused on how they could enhance opportunities by working together, rather than each town going its own way. Educational benefits of unification that these communities report to us:

- Coherent and continuous systems of support
- Better recruitment and retention
- Better professional development
- Better experience, support and continuity for struggling students owing to greater coordination and alignment among schools
- More stable leadership

Of note, many of the successful proposals indicated that one reason to unify was to strengthen their ability to support small, local elementary schools. It is the opinion of the Agency, based on what we are seeing in districts, that in the future there are more likely to be small schools in large districts, than there are to be small schools in small districts. All the towns that have voted to unify have had local conversations about how to keep schools closely connected to their communities within the larger district.

Not all votes are likely to be successful, and in fact, one town rejected unification on Town Meeting day. The town of Huntington again voted to avoid joining the Mt. Mansfield Modified Unified Union District at the elementary level. Of note, because Huntington is already part of the union at the secondary level, it benefits from the tax reductions and transition grant that apply to the union as a whole, despite voting no. By November 30, 2017, Huntington will have to work with the CESU board to put together a proposal that justifies why it should remain a stand-alone elementary district in that SU.

Some communities have had significant challenges moving ahead on proposals. In general, regions that are struggling fall into one or more of the following patterns:

- **The complexity and diversity of district structures within some SUs makes it difficult for some regions to move forward.** Under Act 46, districts with different structures cannot be forced to merge. Thus, a town that tuitions students in grades 7-12 cannot be forced to merge with a town that tuitions students in grades 9-12. Only the district, by a vote of the electorate, gets to decide if it wants to adjust the grade levels at which it tuitions or operates in order to merge with a partner with a different structure. Thus, unless a district votes to change its structure, in some cases, it will have limited or few options to merge. In these regions, we expect to see the formation of alternative education structures down the road, that bundle districts with different structures into an SU with a shared responsibility but separate governance. For example, Orleans Southwest Supervisory Union has more districts than it does towns, and each of these districts has a different structure. None of these districts can be forced to merge, so truly, it is up to the towns of Orleans Southwest Supervisory Union to decide within themselves if there are any opportunities to work together that they want to pursue. The Agency has provided guidance to these

complicated regions: <http://education.vermont.gov/documents/edu-act46-summary-remaining-districts.pdf>.

- **Where governance conversations began with a focus on tax incentives, conversations have struggled and been very painful.** Vermonters care a lot about their schools, and for years, have demonstrated a willingness to spend quite a bit to ensure quality opportunities for children. This is a huge asset to the schools. In communities where the focus of the conversation was on moving quickly to get incentives, towns appear to be pushing back. Our sense is that Vermonters care first and foremost about making sure they are making a good investment with their tax dollars in the future of their children. Where the conversations have not been focused on how working together can lead to greater opportunities, more equity and better outcomes, study communities have not been able to put together plans and gain support.
- **What Act 46 is appears to be doing statewide is forcing some hard but overdue conversations about its goals, and about how well those goals actually are or are not served by our current districts structures.** Communities in many regions are also having hard but overdue conversations about the sustainability of our current efforts, given continuing declines in enrollments and the increasing challenges we face in making sure we are providing high quality education, distributed in an equitable way.

Update on Budgets

With 235 districts reporting budget data, representing 88% of the expected budgets and 90% of the equalized pupils:

- Education spending is up 1.50% versus 2.88% last year for the same cohort of districts.
- Expenditures are up 2.48% versus 2.33% last year.
- *Offsetting revenues are up 6.02% versus 0.41% last year.*

In terms of dollars:

- Budgets are up almost 37 million this year versus almost 34 million last year.
- Education spending is up 17.4 million this year versus 32.5 million last year.
- *Offsetting revenues are up 19.5 million this year versus 1.3 million last year.*

Additional points of note:

- The [Agency of Education](#) has not asked the Legislature for positions.
- Each new supervisory district will have [representation](#) on its unified district board based on the model it has selected as the best for its region.
- Newly drafted Articles of Agreement of the merged system can include language that will help [protect small school](#) closures.
- Teachers and principals are currently [accountable](#) to the Superintendent. Merging systems does not change this.