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Nicole Mace Executive Director nmace@vtvsba.org

Harry Frank Director of Board Education Services hfrank@vtvsba.org

Kerri Lamb Director of Operations klamb@vtvsba.org

Emily Simmons Director of Legal & Policy Services esimmons@vtvsba.org To: The House Education Committee From: Nicole Mace, Executive Director Date: March 29, 2017 Re: S.122

Thank you for the opportunity to testify on the Senate Education Committee's bill to modify Acts 153,156 and 46. I want to start by sharing that since the passage of Act 46 in 2015, voters in 96 towns within 21 supervisory unions have voted to merge 104 school districts into 16 unified union school districts and 4 modified unified union school districts.

The types of changes and opportunities contemplated by Act 46 require that school board members navigate some of the most challenging and pressing issues facing public education today. Vermont's school board members have risen to the challenges posed by declining enrollment, rising costs, leadership turnover, and growing inequity in student opportunity, and are charting a positive course forward for public education in Vermont. This course builds upon our strengths but recognizes that preserving the status quo is not in the best interests of the students and communities we serve.

Given the number of districts that have complied with the law or are in the process of complying with the law, one important principle for the VSBA board is that any changes to the law should not fundamentally alter the rules that districts must follow in order to comply.

With that principle as the backdrop, in January the board unanimously approved the following recommended changes:

Timelines

- 1. Extend the July 1, 2017 deadline for RED/RED variation merger votes to November 2017 for districts that meet objective criteria indicating that more time is needed, such as a failed vote.
- 2. Extend the November deadline for Alternate Structure proposals for districts that objectively have extenuating circumstances.

Alternative Structures

1. Clarify in statute that districts that successfully form a RED or RED variation do not have to submit an alternative structure proposal.

Side-by-Sides (Act 156 RED variation)

1. Explore options for amending the law dictating that "side-by-sides" have one K-12 side formed by two districts. Other possibilities also include a 3:1 side by side.

Transition Funds

1. Clarify that districts that form a preferred structure by July 1, 2019 are eligible for \$150K in transition funds. We believe this was a technical error that needs to be corrected.

S. 122 reflects many of the VSBA board's recommendations, as well as the perspectives of study committees around the state that the Senate Education Committee met with at the start of this legislative session. We appreciate the approach that the Committee took, which provides some additional flexibility to school districts, while not fundamentally altering the rules of Act 46.

We do have some suggestions for the House Education Committee to consider:

In Section 3, subdivision 2(B), we request a clarification that an Existing District is structurally isolated <u>at the time of the law's passage</u>, so as not to incentivize districts to change their operating structure in order to avoid merging.

Also in Section 3, we oppose the addition of subdivision 2(C), which would allow an "Existing District" to be one whose level of indebtedness per equalized pupil is not comparable to that of districts around them. This constitutes a big change to the rules of Act 46 that districts have been proceeding under for the past 20 months. To allow a district within a supervisory union that has the ability to merge because it has the same operating structure as those around it simply because it has greatly differing debt from the others is a significant shift. The better approach to addressing debt issues is the one included in H. 509.

In Section 5, withdrawal from a union high school district, the Committee might consider allowing this provision to apply to school districts that are members of a union high school district but have a different operating structure than the other member districts. This would capture Vernon, as well as North Bennington school district, both of which have unique operating structures within their union high school district.

The structures eligible for incentives under Acts 46, 153 and 156 are not "one size fits all." The Education Committees spent several years taking testimony on the complexity of Vermont's education system and the need for flexibility within the law to accommodate that complexity. Making significant changes to the law in order to provide additional flexibility at this stage of the process could place school district officials in communities that complied with the law in an untenable position with the voters in their communities.

The additional structures created by S.122 appropriately balance the need to maintain the essential elements of the law with the real challenges that communities face when they have barriers to merging into a structure eligible for incentives under current law. However, we caution against expanding the definition of districts eligible to qualify as an "Existing District."

Act 46 can and should be improved, but the General Assembly should not lose sight of the goals of the law. We must achieve equity of opportunity for every child at a cost that taxpayers can support. The strength and vitality of our public education system depends upon it.