

Scott Thompson (Calais) before the Senate Education Committee: H.39
14 March 2019

D.I.R.E. — Delay, Inquire, Remedy, Evaluate.

There do exist real, objective, unresolved impediments to merger. (See below for an example.) Unless these impediments can be overcome prior to merger, forcibly merged school districts risk launching amidst a toxic cloud of popular resentment and disaffection — with damaging effects on education. D.I.R.E. offers a path for the legislature to apply Act 46 humanely and effectively while restoring to itself the initiative in making education and social policy for the state.

In the current session: offer an unconditional delay to all forced mergers. For the post-session: create a panel of inquiry (without AOE, VSA, or VSBA) to examine the situations of all force-merged Sec. 9 districts, taking note of objective impediments identified. Next year’s session: draw on the panel’s findings to provide legislative remedies for these impediments. Beyond: establish a serious, independent monitoring capability outside AOE (perhaps in UVM) to collect data and periodically report on the performance of all post-Act 46 districts against both prior history and 706b study committees’ future projections for the merged district.

A real impediment: favorable and unfavorable (-) consequences of ch. 11 merger — pooled debt service of pre-merger elementary school bonds, Washington Central SU, in dollars

	FY 20	FY 21	FY 22	FY 23	FY 24-28	FY 29-33	FY 34-38	Total
Berlin	-32,550	-30,838	-29,608	-28,228	-143,142	-177,485	384,309	-57,542
Calais	-165,485	-162,160	-158,872	-155,615	-724,711	-612,668	-152,866	-2,132,377
East Montpelier	297,545	290,421	283,703	276,930	1,291,396	1,095,184	-264,967	3,270,212
Middlesex	10,814	10,683	10,691	10,656	59,597	103,415	135,435	341,291
Worcester	-110,324	-108,106	-105,914	-103,743	-483,140	-408,446	-101,911	-1,421,584

Source: RHR Smith and Company, Draft *Audited Financial Statements and Other Financial Information*, June 30, 2018, for Berlin (pp. 38-39), East Montpelier (p.38), and Middlesex (p. 38).

Inequity is inequity, regardless of scale

	Total at Burlington scale (42,453)
Berlin (2,832)	-862,581
Calais (1,534)	-59,012,908
East Montpelier (2,596)	53,478,548
Middlesex (1,672)	8,665,566
Worcester (900)	-67,056,117

A \$60 million debt repayment stream over 20 years corresponds roughly to a \$45 million bond today.