

**LEGISLATIVE REPORT**

# **ACT 46 of 2015 MERGER ACTIVITY**

**Report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance**

**Drafted January 2020**

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**Prepared by the Vermont Agency of Education**

**LEADERSHIP**

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## Executive Summary

[Act 46 \(2015\), Section 6\(d\)](#) requires the Secretary to report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance annually through January 2021 regarding the districts merging under the “accelerated” merger<sup>1</sup> process created by Sec. 6, the “conclusions drawn from the data collected, and any recommendations for legislative action.”

## Legislation

[Act 46 of 2015](#): An act relating to making amendments to education funding, education spending, and education governance. The [stated purpose of Act 46](#) was “to encourage and support local decisions and actions that:

1. *provide substantial equity in the quality and variety of educational opportunities statewide;*
2. *lead students to achieve or exceed the State’s Education Quality Standards, adopted as rules by the State Board of Education at the direction of the General Assembly;*
3. *maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with a goal of increasing the district-level ratio of students to full-time equivalent staff;*
4. *promote transparency and accountability; and*
5. *are delivered at a cost that parents, voters, and taxpayers value.”*

Act 46 established a multi-year, phased process that provided multiple opportunities for school districts to unify existing disparate governance entities into “sustainable governance structures” designed to meet the identified educational and fiscal goals, while recognizing and reflecting local priorities.

[Section 5\(b\) of Act 46](#) stated that the preferred model of governance is a unified union school district (“UUSD”) – i.e., a multi-town district responsible for PreK-12 – that (i) provides for the education of its resident students either by operating all grades; by operating PreK-6 or PreK-8 and tuitioning the remaining grades; or by tuitioning all grades; and (ii) is large enough to function effectively as a supervisory district (“SD”), a single-district supervisory union (“SU”).

Act 46 acknowledged that the creation of a supervisory district would not always be “possible” or “the best” means to accomplish the Act’s stated goals and that there would

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<sup>1</sup> A new union school district was an “accelerated” merger under Section 6 if it merged all districts in an SU into the preferred structure, had an average daily membership of at least 900, and was operational on or before July 1, 2017.

continue to be SUs with multiple merged and/or unmerged districts in some regions of the State ([“Alternative Structures”](#)).

Act 46 created or incorporated three incentivized phases of voter-approved merger, all of which relied upon a decades-old statutory process in Title 16, Chapter 11, for the creation of union school districts.<sup>2</sup>

Per [Section 9](#), districts that did not expect to be a member of a new unified union school district by July 1, 2019, were required to evaluate their ability to meet or exceed State goals, to talk with other districts, and to present proposals to the Secretary and State Board of Education.

The Legislature directed the Secretary of Education to review the Section 9 Proposals, meet with the boards of the districts that submitted them, and develop a proposal to merge districts where necessary to meet the goals of the Act.

The Legislature required the State Board to review and analyze the Secretary’s proposal and to issue a final statewide order merging previously unmerged districts and redrawing supervisory union boundaries into more sustainable models of governance that meet State goals. Act 46 restricted the State Board’s discretion to create, expand, or continue multi-district supervisory unions in [Sec. 8\(b\)](#), stating in part:

*The State Board shall approve the creation, expansion, or continuation of a supervisory union only if the Board concludes that this alternative structure:*

- 1. is the best means of meeting the goals set forth in Sec. 2 of this act in a particular region; and*
- 2. ensures transparency and accountability for the member districts and the public at large ...*

Act 46, Sec. 10 exempted three categories of districts from consideration in the State Board’s Final Report and Order. Act 49, Secs. 3, 4, and 8 created three additional categories.

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<sup>2</sup> See [Act 153 \(2010\)](#) as amended by [Act 156 \(2012\)](#) and Act 46; Act 156 as amended by [Act 56 \(2013\)](#); and Act 46 as amended by [Act 49 \(2017\)](#).

## Governance Overview

Since the enactment of Act 153 in 2010, voters in 161<sup>3</sup> school districts residing in 145 towns approved formation of 39<sup>4</sup> unified districts, for a net reduction of 122 districts. The State Board's Final Report and Order issued pursuant to Act 46, Secs. 8 and 10 in November 2018 merged 45 districts to create 11 new union school districts and enlarge two existing union school districts.<sup>5</sup> The State Board made no changes to 47 districts. The Report and Order – together with two voter-approved actions in 2019 – resulted in a further net reduction of 37 school districts. In all, there are 159 fewer districts today than reported in 2010.

There are 111 school districts in the State as of July 1, 2019, which can be categorized as follows:

- 17 unified union school districts, each of which is large enough to function as its own SD
- 31 unified union school districts, none of which is large enough to function as an SD but, rather, is assigned to be a member of an SU
- 5 union high school districts, each of which is assigned to be a member of an SU
- 4 union elementary or elementary-middle school districts, each of which is assigned to be a member of an SU
- 9 single-town school districts, each of which is responsible for PreK-12 and is large enough to function as its own SD
- 45 single-town school districts, each of which is responsible either for PreK-12 or for some subset of those grades and is assigned to be a member of an SU

In addition, there are (i) two interstate school districts created by Congress that include towns in both Vermont and New Hampshire (the Dresden and Rivendell Interstate Districts); (ii) one town district within one of the interstate districts (Norwich

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<sup>3</sup> This number does not include approximately ten additional “ghost” districts – districts that were or should have been functionally inoperative, but that had continued to exist as legal entities, sometimes with a school board, when a town was a member of both a union elementary school district and a union high school district.

<sup>4</sup> A 40<sup>th</sup> unified union school district created after the enactment of Act 153 in 2010, the Mountain Towns RED, subsequently voted to merge with additional districts to form the Taconic & Green Regional School District in 2018. Creation of the Mountain Towns RED resulted in a net reduction of four districts, which are reflected in the reference to 161 districts. The towns have not been double counted.

<sup>5</sup> Some of the districts subject to the State Board's Order filed a civil suit in January 2019 challenging the Order's validity. The Franklin Superior Court rejected the districts' claims, and the State Board's Order and the Board-directed mergers took effect on July 1, 2019. The districts appealed the adverse ruling to the Vermont Supreme Court, which heard oral arguments on January 15, 2020. *Athens School District, et al. v. State Board of Education, et al.*, Docket Nos. 2019-185 and 2019-241. The number of districts as stated in this report reflect the current reality; the Agency will adjust them if the Supreme Court reverses the lower court's decision. The Agency has not created an updated map, however, and will wait to do so until the Supreme Court issues its order.

PreK-6); and (iii) three regional career technical center districts (Patricia Hannaford, River Valley, and Southwest Vermont).

## **Early Merging Supervisory Districts**

Of the 50 union school districts formed either voluntarily or by the State Board's Order since 2015, six met the definition of an "accelerated" merger under Act 46 and are required to be addressed in this report:

- Addison Central School District
- Addison Northwest School District
- Champlain Valley School District
- Essex-Westford Educational Community UUSD
- Harwood UUSD
- Maple Run Unified School District

Seven additional unified union school districts began operations within the relevant time frame, but are not considered "accelerated" mergers:

UUSDs that are their own SDs but that did not meet the 900 Average Daily Membership (ADM) threshold:

- Mill River UUSD
- Orange Southwest UUSD

UUSDs assigned to be members of an SU:

- Barstow UUSD
- Elmore-Morristown UUSD
- Otter Valley UUSD

Modified Unified Union School Districts:

- Lamoille North Modified Unified Union School District
- Mount Mansfield (Modified) Unified Union School District

Unlike several of the unified districts that began operating on July 1, 2018, or July 1, 2019, which include UUSDs that pay tuition for some or all grades, all but one of the 13 early merging districts operate schools for all grades, K-12, in multiple elementary school buildings and at least one secondary school.

Earlier reports to the General Assembly relied solely upon anecdotal accounts of opportunities and challenges in the newly merged districts. Because each of the districts identified above has been operating for at least two fiscal years, the Agency attempted to obtain more detailed information for its January 2020 report. In early autumn it sent a questionnaire to all 13 districts focusing on each of the five goals of Act 46. It received 11 responses, including a response from all but one of the eight districts that serve as their own SDs. The Agency then met individually with the

superintendents to explore each district's answers to the questionnaire in more detail. Each meeting lasted between two and three hours. Business managers either attended or were consulted as needed. To date, the Agency has met with nine superintendents, representing ten of the 13 districts.

This report focuses on the seven unified districts that are their own SDs and that responded to the Agency's questionnaire (five of which are "accelerated" mergers, and so Act 46 requires them to be addressed in this report). At times, usually in a footnote, it also includes information regarding other unified districts that have been operational for at least two fiscal years.

## **Goal 1: Equity, Quality and Variety of Educational Opportunities**

The Agency sought information about equitable, high-quality educational opportunities by comparing each district's pre-and post-merger experiences with (i) intra-district elementary school choice; (ii) the addition, expansion, reduction, and elimination of educational programming; and (iii) the availability of after-school programs at the elementary and middle- school levels. It also attempted to evaluate whether actual or perceived changes arising from merger had resulted in an increase or decrease in the number of students attempting to access public high school choice – both out-of-district students seeking to enroll in the district's school and also resident students wishing to enroll in a different public high school.

Although not all examples discussed below are directly attributable to formation of a unified district, all were reported to have resulted (at least to some degree) from the community's shift from an "us and them" mind-set to a "we" perspective, and most could not have occurred without the ability to share resources and take advantage of the flexibility inherent in a unified system.

### **Intra-District Elementary and Middle School Choice**

None of the seven districts had a program of inter-district school choice among the town elementary or elementary-middle school districts prior to merger, although several occasionally allowed for limited exchanges on a one-for-one basis. After merger, six of the seven began to offer intra-district choice among the schools they operate.

Since July 2017, families have accessed intra-district choice opportunities (i) to enable a student to remain enrolled in a school after the family moved to a different town in the district, (ii) to provide a student the chance to be part of a larger or different peer group, and (iii) to allow a student to access programmatic variations, both during the school day and after. At least one district reported that a high number of alternative enrollments resulted from geographic considerations (e.g., the location of a parent's

employment or the relative distance between a student's home and the district's elementary schools). Another district noted that intra-district choice not only helps families, but it also assists the district to identify any programmatic inequities or other potential school-based issues.

Most of the districts have seen movement of 10-15 students per year, although some districts reported either slightly lower or significantly higher numbers. The only limits placed on the numbers of students permitted to transfer are related to class-size considerations – a request to enroll in a different school is permitted only if (i) the addition of a student in one school would not require the district to hire another teacher and (ii) the loss of the student would not create an undesirably low class-size in the other school. One district reported denying kindergarten requests in one year because the school of choice had a particularly large number of kindergarten students already residing in the town. In general, however, extremely large or small class-size considerations do not appear to have prevented intra-district transfers in these districts.

Currently, none of the districts offer transportation specifically to students accessing intra-district school choice. In some districts, students are able to take advantage of re-designed bus routes to travel to the chosen school. One district is developing a “hub and spoke” transportation model that will likely enable more intra-district choice students to travel to school by bus, although the district might need to add an additional tier of busing to do so. All districts are aware that the availability of transportation affects a student's ability to take advantage of intra-district choice and that the lack of public transportation has the potential to create inequities. At least one district noted that in practice, however, the ability to make private transportation arrangements – and therefore to take advantage of intra-district choice – does not appear to be related to a family's apparent socio-economic status.

### **In School Educational Opportunities**

Prior to enacting Act 46, the Legislature received testimony that small school districts often faced the prospect of eliminating or reducing educational programs – particularly at the elementary level – in response to a precipitous rise in the community's education tax rate. In theory, a unified district's ability to share resources among its schools and the flexibility inherent in a unified structure would enable districts to restore, expand, and/or maintain educational opportunities. Responses to the Agency's questionnaire seem to confirm that both of these suppositions are the case.

In the two years prior to unification, the merging districts in two of the seven UUSDs added educational programs; four of the seven reduced programming; and four of the seven eliminated programming entirely. In contrast, since becoming operational in



fiscal year 2018, six of the seven unified union school districts added programming and six expanded programming. As to whether there has been a reduction in programming since merger, two districts reported reducing the scope of what had been offered and two eliminated some programming entirely. In addition, six of the seven unified districts indicated that they have increased elective offerings at the high school since merger.

Although the new and expanded programming has been uniformly focused on ensuring that all students in the district have equitable access to a variety of educational opportunities, discussions demonstrated that each district is responding to the particular needs and priorities of its community, as well as to the unique situation of each school at the time of unification.

Each UUSD acknowledged that the ability of its unified board to review all schools, to develop a unified vision for the district as a whole, and to share staff and other resources among schools has supported its efforts to increase equitable access to programming and has sometimes enabled the district to provide programming and services to schools where it would have been difficult, if not impossible, to do so prior to merger.

For example, prior to merger, several small schools in one UUSD had no access to Tier 2 interventions and disparate access to Tier 3. In addition, for budgetary reasons, one merging elementary school district had eliminated all literacy interventionist services. After unification, even the smallest of the elementary schools has access to full time interventionists providing Tier 2 services. In addition, all UUSD students now have access to world languages in the same grades and for balanced periods of time. Further, because a unified district has the ability to share staff among buildings, each elementary school now has access to art, music, and PE through educators who have been hired as full-time staff, in contrast to the pre-merger situation where each school independently attempted to contract with teachers on a part-time basis.

In another UUSD, although none of the schools is so small that it faces potential closure, one of the merging PreK-8 districts was small enough that the prospect of double-digit tax increases forced it to reduce technology and to eliminate foreign language and library programming. After merger, a high school language teacher who had been employed on a full-time basis but had not been needed at the high school for that amount of time, began to provide instruction at the PreK-8 school as well. In this situation, the UUSD neither spent additional money nor realized any savings, but the unified district was able to provide services where earlier budgetary concerns had eliminated them. Similarly, the unified district reconfigured library/technology positions at a different PreK-8 school so that the smaller school now has those services two days per week. This UUSD also increased access to the arts throughout the entire district. This includes the availability of instruction in string instruments in all



schools and an expanded and reimagined full-district drama program, that was achieved through, e.g., sharing staff and approving construction to provide space for music and other arts to replace use of a rental site that had mold issues and was not ADA compliant.

A third UUSD has focused on aligning the curriculum and proficiencies at each of its elementary schools, and then encouraging each to approach these common markers from its own unique perspective – e.g., sustainability, wilderness and outdoors education, and project-based learning. The district is moving toward creation of full-semester immersion high school programs in sustainability and the outdoors that access the elementary-school resources. This UUSD has also formed teams of interventionists to ensure that equitable services are available throughout the district. In addition, it has added instructional coaching/mentoring for students and teachers, which did not exist prior to merger. Like many of the districts, this UUSD is focusing on the social-emotional needs of students and has begun providing district-wide counseling supports. Achieved in part through repurposing staff and in part through newly created positions, the district considers these efforts to be foundational to the ability of students to access opportunities in an equitable manner.

Unlike many other Vermont school districts, another UUSD reported that enrollment numbers continue to be stable in all schools within the unified district. Wanting to ensure that each school retains its unique nature but that all PreK-8 students have equitable access to opportunities, the unified district has developed a matrix to consider both the equity and autonomy of its schools, focusing on student/teacher ratios as related to, e.g., class size, access to art, music, PE, world languages, and technical education, and the availability of interventions.

As one result of this analysis, the district added positions to ensure that Science, Technology, Engineering and Math (STEM) opportunities are equitably available in all schools, noting that prior to merger a student's access to technology depended upon the local appetite for providing such opportunities.

One UUSD noted that prior to merger, each elementary school district's individual priorities resulted in a deficient and fragmented delivery of the science curriculum. The district believes that it has begun to provide more equitable opportunities to all of its students less through the sharing of staff than by promoting a "mind-set of equity" throughout the multi-town community. For example, the UUSD has begun to provide a revitalized science program in each of its elementary schools, primarily by prioritizing the focus of, and increasing the budget for, professional development provided to teachers at the elementary level. The same "mind- set" has also resulted in the equitable availability of educational supplies in each school.

Perhaps most unique among the districts, one UUSD has focused on obtaining designation as an International Baccalaureate (“IB”) World District<sup>6</sup> – a school district in which every school is certified as an IB School. Although the possibility of becoming an IB World District had been discussed prior to merger, it was more difficult to create a unified vision and to make changes when each town school district identified its own priorities and developed a separate budget.

As it works towards full certification, likely to occur this year, the unified district has focused on providing professional development to support a new approach to teaching and learning in every school, where a learner’s growth and self-reflection, international mindfulness, inclusion, and diversity guide all practices. World language instruction is now provided in all schools, with elementary students having equitable access even in schools where language was not offered prior to merger. The district requires culminating and capstone projects throughout the programs and provides opportunities for the guided exploration of areas of passion. Upon completion of grade 10, students will choose either to continue with the IB “diploma” program, to pursue a career-related program at the CTE center (which is also working toward IB certification), or to follow a more traditional high school path. Because students will be immersed in the IB program from their earliest years, the district believes that the choice made at the end of 10<sup>th</sup> grade will be less likely to be tied to socio-economic status than it would be if these options were offered in a non-IB setting.

### **After School Programs**

In addition to providing a safe, positive alternative for students with working parents, quality after-school programs can offer enrichment opportunities to students who might not otherwise have access, as well as homework assistance and scholastic reinforcement to students who struggle academically. In the two and one-half years since they became operational, all of the seven UUSDs have expanded and/or added after-school programming, and none have reduced or eliminated any programs that existed prior to merger. After-school programming is not available in every elementary school in some UUSDs, however. Students are most likely to lack after-school options if they are enrolled in the smallest schools – where scale remains a factor even after merger – especially when those schools are located in rural areas and public transportation to another school building is not available.

One UUSD noted that all of its elementary schools had strong programs prior to merger and that those programs are continuing to thrive and expand, while another district remarked that programs available to students at the smaller schools continued to open and close due to scale. Other UUSDs have been able to work with private partners to ensure that some level of after-school programming is available to

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<sup>6</sup> See this [link](#) for more information about the IB program.

students in every school. Even in those UUSDs with after-school programs in every school, however, some are unable to offer it on an equitable basis (days, hours) throughout the district. One UUSD noted that any pre-merger reduction in after-school options at the middle school was probably due to student interest, and that any post-merger increases are most likely attributable to parental need for after-school options.

One UUSD with short driving times between schools and a comprehensive busing schedule shares after-school resources among its schools, and its students can attend after-school programming offered at any school. This UUSD has also implemented a flexible staffing schedule so that the hours worked by at least one full-time high school teacher are shifted to include after-school programming available to students throughout the district.

Finally, several UUSDs mentioned that an after-school component has been added to the district's PreK programs, most lasting until 5 or 5:30 p.m..

### **Public High School Choice Trends**

The Agency requested data regarding the numbers of UUSD students enrolling in other public high schools under the public high school choice program, as well as the numbers of out-of-district students enrolling in the UUSD's high school under that program, in order to evaluate whether merger might be responsible for any changes. In all seven unified districts, numbers of in-coming and out-going students have remained relatively constant since merger.

One UUSD reported that it generally fills all available slots (15) for incoming students. In that same district, two or three students leave the district, usually seeking a school that is a better "fit." In contrast, outgoing students from another UUSD enroll in other high schools to access athletic opportunities the UUSD is too small to offer. At least two other UUSDs are regularly at full capacity for incoming students and have had to use a lottery to identify the students permitted to enroll in the UUSD's high school. One UUSD that has seen a slight increase in students applying to leave the district speculated that parents of rising-ninth graders are responding to the likelihood that high school programming will be reduced for budgetary reasons if the small elementary schools are not closed or reconfigured. Even so, the district has recently increased its limits for both outgoing and incoming students because it does not want to restrict its students from accessing what they need.

Many of the UUSDs noted that even though their incoming numbers are higher than their outgoing numbers, the public high school choice program does not allow them to charge tuition or to count the students within their average daily membership (and thus lower their tax rate). One district observed that even though the number of incoming,

public high school choice students is increasing enough to offset a decline in the resident student population, the inability to count those incoming students in any way was not helping it with the financial difficulties caused by the resident student decline.<sup>7</sup>

Even so, another UUSD with a high limit both on the number of incoming and on outgoing students reflected that an increased number of students in a room is positive both socially and instructionally, noting as examples that there is the possibility for a very different level of conversation in an Advanced Placement (AP) U.S. History class of 16 students than there is if there are six students in the class, and that a school's chorus is stronger with more voices. This UUSD also observed that despite its own financial realities arising from a declining resident student population, the positive consequence of the system is that there is no financial disincentive in allowing resident students to enroll in another school that better meets their individual needs. This UUSD has a high number of incoming students and relatively low number of resident students who wish to leave. It posits that it is an attractive destination because the district is well organized and it is apparent that the board members, as well as the community as a whole, are "pulling in the same direction."

## **Goal 2: Leading Students to Achieve and Exceed Education Quality Standards (EQS)**

Conversations about Goal # 1 topics often led to deeper discussions concerning the reality that providing the same educational programming to all students is not enough to ensure that all students are able to access those opportunities in an equitable manner. Much of the information provided under Goal #1 is relevant to Goal #2 as well – for example, the decision to add or increase academic and behavioral interventionists and to add mental health counselling supports. Some of the other programs and efforts designed to help students deal with trauma or to enter school ready to learn are discussed immediately below, followed by a brief mention of other topics included in the Agency's questionnaire regarding Goal #2.

### **Academic and Social-Emotional Supports**

One UUSD noted that students are sometimes placed in programs outside the district when they reach high school because their behaviors are too extreme and unmanageable for the student to remain with the general population. This UUSD has created a therapeutic program at one of its elementary schools with a goal of helping students develop the skills to be successful while they are young. The program is available to all students in kindergarten through grade 6, regardless of their town of residence, and is not related to a student's eligibility for special education services.

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<sup>7</sup> Another UUSD noted that access to early-college was contributing to a decrease in student population, and that the decrease made it more difficult to provide high quality programming for the high school students who remained.

Students can participate in the program for a short or longer period of time. The therapeutic program could not have been available as a resource for the students of the multiple elementary schools if each school had remained its own, separate school district.

Another UUSD has created a district-wide program focused on developmental trauma in elementary students that provides both short-term (e.g., eight weeks) stabilization and longer-term programming. Most, but not all, of the students have concurrent learning disabilities. The program is located in a separate building on one elementary school campus and students can participate in classes in the main building. The district provides transportation so that the program is available to all elementary school students in the district. The district is also using a team approach to ensure that interventionists are available at all schools and has added instructional coaching/mentoring services, focused on assisting both educators and students.

The board of a third UUSD has just approved the budget line-item for a unique collaborative program with two other newly-created UUSDs in the region. Currently, all three districts participate in an alternative program for students in grades 9-12 whose needs cannot be met in a regular classroom setting. Although many of these students have Individual Education Programs (IEPs), the common factor among them is that, as the result of trauma, they are not engaged in their education and are often defiant or aggressive. The three UUSDs currently offer these students the opportunity to enroll in a program administered by a private counselling entity that provides both clinical and special education services. Because the UUSDs were not satisfied with the general education services available from the private provider, the UUSDs assumed responsibility for providing academic instruction last year, with one UUSD providing instruction in the humanities and another providing it in STEM. Beginning next year, one of the UUSDs will house and administer the program and all three will share in the costs of its operation. Rather than be in charge of the program, the private counselling provider will now deliver its services contractually to the in-house program. The UUSD anticipates that it will make the program available to students in grades 6-8 as well and hopes that eventually it can expand to accommodate students who have not experienced trauma but who would otherwise benefit from a non-traditional setting.

As mentioned above under Goal #1, several of the UUSDs have moved, shared, or added staff so that students in all elementary schools have access to literacy and other interventionist services that had been eliminated – or were never available – due to budget concerns in the smallest of the pre-merger districts. Again, the districts attributed these changes to a new “mind-set of equity,” a unified district’s flexibility to share resources, and a reduction in tax-rate volatility when small districts become part of a larger system.

## **Prekindergarten Programming**

Recognizing that not all children arrive at kindergarten ready to learn, many of the districts have expanded district-run prekindergarten programming since merger. Expansion has occurred both by offering programming at elementary schools that previously had none and also by expanding the number of hours prekindergarten programming is offered, either through district-run programs or in conjunction with private providers. Several UUSDs now offer full-day programming (or the option of full- or part-day), despite the financial disincentive to do so, and some offer a before-school and/or after-school childcare component. At least one UUSD that offers a half-day option has assumed the financial responsibility of transporting students to their daycare facilities so that prekindergarten programming is available to children of parents who are unable to collect the child mid-day.

The UUSDs repeatedly stressed that ensuring that prekindergarten is available to all three- and four-year old children, regardless of the town in which they live, would not have been possible when each town district established its own priorities and developed its own budget – and before the communities began to think of all children as their own and the unified board members had the ability to address inequities.

## **Summer Programming**

As with after-school programs, some of the UUSDs had strong summer programs in each town prior to merger and most have expanded existing programs or added new ones since merger. None has reduced or eliminated a district-operated program that had been available prior to merger. Summer programs are not offered in every town of some UUSDs, however, and although the district-run programs accept any student living in the district, few UUSDs provide transportation. Some districts have had to limit enrollment numbers to ensure a safe and quality program. Many are linked to programs and grants that ensure students have access to meals during the summer vacation. At least one UUSD is offering summer programs for students who are English language learners, which includes transportation, and has charged a design team with developing a plan to expand summer programming throughout the district.

## **Staff Stability**

Consistency – or the lack of consistency – in administration, board membership, and teaching can affect a district's ability to pursue a coherent, long-term mission of ensuring that students are equitably able to access excellent educational opportunities.

Those UUSDs that experienced regular principal turnover prior to merger noted that principals have left only “for cause” since transitioning to the new governance. Some UUSDs attributed their principals' desire to remain in the district to a shift in their duties; specifically, that principals in the unified districts are better able to focus on being



educational leaders in their buildings because less of their time is spent building proposed budgets and responding to requests of the local school board.

Fewer total board seats means that it is somewhat easier for the unified districts to find candidates interested in serving on the school board than it was prior to merger. In general, the number of contested seats has increased with merger, although it is still sometimes necessary to appoint a member to fill a vacancy. As mentioned later in this report, the seven responding UUSDs reported that the formation of a single board has supported development of a unified strategic vision and the desire to ensure that all students in the district have equitable access to educational opportunities.

The districts asserted that the ability to transform part-time positions into a full-time position shared among several buildings, to take advantage of retirements and changing needs among the schools, and to assign teaching staff in a more flexible manner helped to attract and retain young but experienced teachers and “resulted in better cohesion, continuity, and staff morale.” One UUSD reported that the flexibility of the unified structure has allowed it to provide guidance services at one elementary school that had historically been unable to find a qualified individual willing to accept a part-time position. Several UUSDs noted that merger seems to have had little effect on the ability to attract math and science teachers.

### **Goal 3: Maximize Operational Efficiencies**

A multi-town district operating multiple school buildings has an inherent structural ability to share resources that is absent in a single-town district that operates one small school. Many examples of operational efficiencies and the increased flexibility to manage, share, and transfer resources appear under the Goal #1 and Goal #2 headings. Additional examples and responses to specific questions are given below.

#### **Licensed Staff**

In response to the Agency’s questionnaire, all seven districts stated that since merger they have shared staff among buildings, re-assigned staff to a different building, and used retirement (sometimes incentivized) to make staffing changes.

Six of the seven responding UUSDs created full-time positions shared among several school buildings to replace one or more part-time positions, either by “adding up” all of the part-time, pre-merger contracts or by turning a part-time position into a shared full-time position. Six of the seven reported making staffing changes specifically to address extremely small class sizes. Six reported creating new positions – all or almost all for educators providing academic and social-emotional supports. Three of the seven districts used reduction in force provisions (“RIF”) to address extremely small class sizes, while five of the seven reported avoiding the need to “RIF” an experienced staff member by repurposing or sharing the position among buildings.



Not only did this flexible use of staff allow districts to provide services where they had been absent, reduced, or eliminated or to reduce staffing and improve student-to-staff ratios, but it also enabled the district to keep a known and valued educator and to retain the investment in the teacher, including job advertising costs and professional development expenses.

## **Transportation**

Five of the seven UUSDs reported that they re-designed their bus routes after merger. Several noted that the new, multi-town routes had reduced riding times for its students, and at least two indicated they are now able to provide transportation to previously unserved areas.

Regardless of whether the district operates its own transportation system or contracts for the services, almost all of the districts cited a chronic shortage of bus-drivers as contributing to the need to re-design routes. Some districts found that post-merger transportation changes have resulted in financial savings; others have not.

Prior to merger, several of the town districts in one UUSD stopped to collect students at each driveway. A combination of the driver shortage and the flexibility of a single system enabled the UUSD to alter its routes to encompass more than one town and to establish common pick-up locations for the students of more than one family, saving both time and money.

Another UUSD merged its bus routes and adjusted school schedules as a result of a post-merger transportation study. The savings from these changes have enabled the district to offer transportation to high school students in several nearby tuitioning districts, resulting in an increase in the number of tuition-paying students enrolled in the UUSD's high school.<sup>8</sup> The district noted that its biggest remaining transportation-related challenge is that there is only one bus company in the region, which limits the district's ability to negotiate lower rates.

Several UUSDs are in the midst of transportation studies, sometimes in connection with ongoing facilities master plan studies, while others are less formally discussing possibilities for the future. For example, one UUSD is looking at ways in which its already redesigned, unified transportation system can be adjusted to allow it to transport students accessing its intra-district elementary / middle school choice options.

## **Centralizing Other Functions**

All or almost all of the seven responding districts have made post-merger changes to centralize functions or their supervision, such as facilities management, food services, security, and technology. Several districts specifically cited a decision to provide

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<sup>8</sup> Other UUSDs have similarly begun to send buses to tuitioning districts in the region, post-merger, or expanded transportation previously available.

common professional development programs, as well as development of a unified system for recruitment, induction, and mentoring new teachers and paraprofessionals.

Another district reported that, in fiscal year 2019, it began to administer its food service program collaboratively with another newly-merged UUSD, sharing the cost of a centralized director of food services and some of the programmatic costs. The district stated that the collaboration has not resulted in additional revenue but that the program would be operating “in the black” if it were not for unpaid accounts of many students.

Although many of these changes could have been effected – at least in part – [prior to merger](#), most of the UUSDs stated that centralization had not been possible until the unified board, and the community at large, began to think of the multi-town district as a single unit.

The UUSDs repeatedly pointed to examples where the unified board has evaluated needs throughout the district, prioritized the work necessary to address those needs, created a multi-year plan to accomplish the prioritized work, and then shared resources to begin implementing the plan. For example, a merging town district in one UUSD had an asbestos-filled structure on its property but had repeatedly determined that its budget could not support the building’s removal. The building is now gone from the site because the unified board, as part of the UUSD’s overall five-year facilities plan, determined that removal was a high priority.

In many cases financial savings realized from centralization were invested back in the unified district, usually to ensure that the deficiencies of the smallest or least-maintained facilities were addressed. Even if savings haven’t immediately resulted from centralization, the unified districts have gained a better understanding of the current systems, whether food service or maintenance, and the potential for change. As one UUSD stated, central office staff had limited “attention units” to devote to each area when developing budgets for multiple districts.

Centralization of services has provided them with “more focused strategic energy around each budget area.”

### **Consolidation, Reconfiguration and Closure**

Six of the seven districts have discussed or are planning for some level of building reconfiguration, both to address shrinking student populations and also to create more robust peer groups. For purposes of the questionnaire, the Agency defined as shifting

grades among buildings so that, e.g., one PreK-8 school would operate PreK-4 and a second PreK-8 building would operate grades 5-8.<sup>9</sup>

As to combining classrooms, one of the seven UUSDs has already done so, while three others report that they are discussing or planning to combine classrooms in this way in the future. The Agency defined combining classrooms as, e.g., the grade 7-8 students in one school that operates PreK-8 would be enrolled in the PreK-8 school located in another town.

At least three of the UUSDs are discussing closing a small school building attended by a very small and declining number of students.

### **Out of District Placements**

Although there have been many legislatively-mandated or initiated changes to the provision of special education during the last several years, including the requirement that supervisory unions provide special education services on behalf of their member districts per 16 V.S.A. § 261a, the Agency considered whether merger had effected the number of students accessing special education services in an out-of-district placement. Although it is not clear that merger is the only – or even the primary – factor, one district reported that out-of-district placements have increased since merger, two reported that they have decreased, and the remaining four reported that they have stayed the same.

One UUSD is discussing with other unified and town districts in the region the creation of a publicly-operated alternative program to serve the needs of all students in the county. In the meantime, the UUSD plans to add staff to address all special education needs in-house, stating that costs of special education services are by far the biggest cost-driver in the district.

### **Goal 4: Promote Transparency and Accountability**

Supervisory union expenses are allocated to member districts. The allocated expenses are then added to the local budgets presented to the member districts' voters – and are a line-item that neither the school boards nor the voters can change. Prior to merger, an increasingly large percentage of each elementary school district's

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<sup>9</sup> One of the early-merging UUSDs that remains a member district of a larger SU reconfigured three small elementary schools, all of which had been operating prekindergarten through grade 6, each with 7 or 8 students per grade. Now one school provides prekindergarten with a private child care partner sharing the space; another school operates kindergarten through grade 4, with class sizes that are close to 15 students; and the third school operates grades 5 and 6. This plan, which would not have been possible prior to merger, allowed for the reduction of both teaching and paraprofessional positions, as well as a significant related budget decrease.

budget was attributable to supervisory union expenses, particularly to the supervisory union's cost of providing special education services in the district.

In identifying a UUSD that is its own SD (a single-district SU) as the “preferred structure,” the Legislature acknowledged that this governance structure has the immediate effect of enabling the voters to approve or reject all expenses of the district and to know precisely which school board to approach regarding both budgetary and policy issues.

## **Policies**

All seven responding districts stated that merger and creation of a single governing board has led to a more unified strategic vision and district-wide efforts, which have resulted in both the identification of inequities and inefficiencies and in the resolve and the ability to address them. Several unified districts reported that it was not until unification that some school communities realized the inequities present at their school when compared to other schools in the region.

The ability to develop and then act on a shared vision depends on establishing a solid groundwork of trust. Many of seven UUSDs had developed a sense of community in the years before presenting a merger proposal, which enabled them to move quickly to a successful vote. It is likely that this also made it somewhat easier to address inequities and move forward as a single unit after merger as well.

## **Salary and Benefits**

Prior to merger, each district made its own hiring decisions and, especially for principals and office staff, negotiated employment terms on an individualized basis. As a result, the salary and benefits provided varied greatly from town to town in the newly unified districts, with little equity among individuals with the same level of training or years of experience. The inequities were less pronounced among teaching staff due to the statutory requirement that collective bargaining negotiations occur at the supervisory-union level in [a multi-district SU](#). Nevertheless, because the statute also allows each district's contract in a multi-district SU to contain different provisions, inconsistencies existed among the terms of employment for teachers and other unionized staff as well.<sup>10</sup>

Many of the unified districts have begun work to equalize the salary and benefits, especially of its non-unionized staff. For example, one UUSD is gradually equalizing its administrators' salaries by providing one-time payments annually, rather than

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<sup>10</sup> Prior to merger, one UUSD reports that there were 15 different master agreements for teachers and staff. Now there are two.

salary raises, to individuals whose salaries exceed a certain percentage above the median.

### **Goal 5: Cost of Delivery to Communities and Taxpayers**

Given that each of the seven UUSDs was in a different situation pre-merger (structurally, financially, etc.), the Agency was unable to determine a reliable, uniform metric by which it could determine if the cost of centralized services previously performed by the former SU have increased or decreased since creation of the UUSD.

For similar reasons it is difficult to quantify whether the communities have “saved money” by creating unified districts. Certainly, there are specific areas of identified savings (e.g., re-designed bus routes, centralized maintenance of food services, elimination of teaching positions by reconfiguring grades offered at two or more schools, etc.), but often the UUSDs used existing resources differently to ensure that all students had access to educational opportunities and academic and social-emotional supports.

As discussed above, frequently those changes were cost neutral – but would have cost money if the same opportunities and services had been provided by each town school district in its independent, pre-merged state. One UUSD noted, however, that some voters have taken more time coming to terms with the concept of a single district and find it hard to recognize (i) what the cost would have been if they had continued to operate as a single-town district and (ii) what opportunities have been made available as a result of merger.

Several UUSDs note that there can also be an erroneous perception that they have added to their central office staff. The districts explain that they have eliminated redundant positions by centralizing certain functions, such as technology or maintenance, and then have repurposed an eliminated position to serve as the centralized director of the particular service. This change has resulted both in a more effective and efficient use of resources, and very often has led to net savings as well. Similarly, another UUSD reports that the savings realized from centralizing maintenance staff and eliminating contractors has more than paid for the newly-created position of director of buildings and grounds.

Finally, it should be noted that spending has increased post-merger throughout the state in order to address years of deferred maintenance, particularly in small elementary schools, and the absence of state construction aid. In addition, in some UUSDs tax rates continue to rise far more precipitously than budgets because the number of resident students continues to decline, sometimes even while the number of tuition-paying students and/or incoming public high school choice students has increased since merger. At least three of the UUSDs are in the midst of difficult conversations with their communities regarding the potential closure or reconfiguration of very small schools.

## **Tuition Payments Made and Received**

Several of the UUSDs include at least one former school district that paid tuition to attend the elementary school operated by another of the merging districts. As a result, although the unified district no longer pays tuition for those students to attend school, the unified district also does not receive tuition payments.

Under the terms of their respective articles of agreement, three of the seven UUSDs have continued to pay tuition on behalf of some students to attend schools outside the district. In each case this period of “grandfathered” tuition payments ends on June 30, 2020.

As mentioned above, the number of tuition-paying students has increased in at least two districts that have begun to offer transportation for students living in nearby tuitioning districts, or increased the districts for which it offers transportation. Most of the seven UUSDs, however, are surrounded by districts that operate their own schools and do not have many realistic opportunities to increase the number of tuition-paying students they can enroll.

## **Ongoing and One Time Savings**

Merger proposals were conservative in projecting savings in initial years. Proposals looked at immediately quantifiable annual cost reductions – such as the need for fewer audits, payment of fewer board member stipends, reduced legal costs, bulk purchasing, and other miscellaneous savings. Projections in this category varied from a potential annual cost reduction of less than \$20,000 to a potential annual cost reduction of \$300,000, with most in the \$100,000-200,000 range. Proposals with lower projections were generally from SUs that included an existing union high school district and that already had a high level of coordinated services, bulk purchasing, etc. throughout the SU. In these situations, large initial savings from consolidation of services and operations were not expected because many of the savings in this category had already been realized.

The seven UUSDs identified ongoing savings arising from a variety of sources, such as sharing staff among schools, staff attrition, grade-reconfiguration, facility repurposing, and centralized maintenance services and training. As mentioned above, however, many of these savings are being reinvested to restore or begin educational programming or provide needed maintenance or other building improvements.

## **Maintenance and Capital Improvements**

All of the seven districts reported that they acquired buildings for which the merging districts had deferred maintenance, which was often exacerbated by the absence of

state construction aid during the last decade. Several UUSDs have had to fix earlier “improvements” performed or overseen by the local district.

Most of the UUSDs have reorganized maintenance in some manner, from creating a single facilities management position who oversees the maintenance and repair of buildings throughout the district, to reviewing and prioritizing the immediate needs of the entire district, to developing a long-term master plan for the major maintenance needs of all facilities.

The UUSDs have also created, or are developing, unified short- and long-term facilities plans that prioritize and schedules the work that needs to be done for each of the buildings and often include a timetable for future bonded work. The unified structure insulates the smallest or poorest communities from the tax increases they would have seen if they had bonded as small, independent districts. Being part of a larger budget also means that smaller or poorer districts have access to funds the UUSD regularly includes in its unified maintenance and maintenance reserve budgets.

One UUSD developed and has begun implementing a five-year maintenance plan, focusing in part on energy efficiencies that can be found in new roofs and boilers, and in the installation of solar panels, accomplished through performance-based contracts with guaranteed savings.

Another UUSD has added solar panels to one school. The energy generated powers multiple schools, resulting in a net financial savings to the district. Several other districts also mentioned energy efficiency improvements made to all buildings since merger.

A third UUSD is in the midst of developing a facilities use and maintenance master plan to address the issues of declining enrollment, crumbling buildings, and the need to issue bonds to address infrastructure needs. The district observes that finalizing the plan is taking longer than it otherwise might because potential building closure is on table. Two other UUSDs expressed similar sentiments.

In summary, one unified district observed:

*We found slowed [budget] growth in having shared centralized IT and Facilities for a while. However, with centralization of these services/functions the true extent of deferred maintenance and upgrades at some schools has driven a district-wide initiative to “catch up” on areas where extending deferral could put the district at risk for large, unplanned expenditures.*



## Achievements, Opportunities and Challenges

The Agency asked the UUSDs to identify their primary achievements, opportunities, and challenges since becoming operational. See [Appendix A](#) for the responses provided in the nine questionnaires returned by UUSDs that operate all grades.

## Recommendations for Legislative Action

Act 46, Sec. 6(d) directs the Agency's annual report to provide recommendations for legislative action.

Act 46 and the related legislation from 2010-2017 relied upon a statutory process for creating new union school districts that was written and enacted in the late 1960s (16 V.S.A. §§ 701-724 – "Chapter 11"). Chapter 11 also governs many of the ongoing governance activities of established union school districts to the extent it is structurally necessary to address them differently than in a single-town school district – for example, the issuance of warnings for district meetings, the election of school board members, and the filling of vacancies.

While assisting districts to create and operate the new voter-approved and State Board-created union school districts during the last four years, the Agency discovered that the decades-old statutes in Chapter 11 are confusingly drafted, are at times inconsistent, and do not address many issues that are essential both to the potential creation and the successful operation of union school districts. Perhaps most problematic, the statutes were drafted with union high school and union elementary school districts in mind, and so usually do not make sense in the context of a unified union school district. This is significant because, as a result of Act 46, there are now 48 UUSDs, while the number of union high school districts has decreased substantially, with only five remaining in the State (plus four newly created union elementary or union elementary middle school districts).

Throughout 2019, the Agency worked with the Elections Division of the Secretary of State's Office, plus a few private attorneys who assisted the new union districts in their creation and operation, to draft an entirely new proposed Chapter 11 that addresses the identified deficiencies.

To the extent possible, all proposed changes are technical and not substantive. The Agency also created a list of potential additional changes that would require policy decisions before they could be drafted.

Because the Agency intends to ensure that the draft is as comprehensive, error-free, and non-controversial as possible, it plans to share it more broadly with town clerks, superintendents, and legislators. Although the Agency has discussed this project with

several Legislators who have expressed an interest, it is our understanding that a draft should not be finalized for potential introduction and consideration until after the Supreme Court has issued its decision in the *Athens* case.

## **Conclusion**

As in prior years, the primary conclusion from post-Act 46 governance changes continues to be that successful system transformation takes time and is challenging work. In communities that have taken the time to build trust and common cause, the subsequent work of collaborating to improve quality and equity and to realize efficiencies comes easier.

Despite the many documented advantages of larger, more flexible governance units, governance change on its own does not automatically translate into more equity, excellence, or efficiency. School leaders must be prepared to take advantage of the flexibility provided by governance change.

This year's more comprehensive review of UUSDs that have been operational for at least two fiscal years reinforces earlier observations that it is still too early, and the issues are too complex to reach broad general conclusions about the success of meeting or exceeding the goals of Act 46. This is particularly true given the differences in size, pre-merger structure, and other unique factors and problems that each UUSD has been working to address since merger.

Nevertheless, it is apparent that after two years of operation each of the early-merging UUSDs is moving toward a system where all students can more equitably access a broader range of educational opportunities and where the flexibilities inherent in the merged entity are being used creatively both to provide those opportunities and to do so in a cost-efficient and financially responsible manner. In addition, although many of the unified districts continue to face issues arising from declining student populations and increasing costs, particularly related to infrastructure, the UUSDs have more options available to address these challenges as a unified system than they had as individual, single-town entities.

## Appendix A: Achievements, Opportunities, and Challenges

The nine responding UUSDs that operate all grades, PreK-12, identified the following as their primary achievements, opportunities, and challenges:

### Achievements

#### Programming / Equity

- “Voting as a district to become an International Baccalaureate World District”
- “Decision to include 6<sup>th</sup> grade in our middle school”
- “Coordinated efforts for social/emotional training”
- “Equity / Autonomy Matrix - mechanism for ensuring equity of resources and opportunities in all schools while maintaining autonomy at individual schools to be innovative and progressive”
- “Breaking down the walls between special education, grant-funded programs and regular education”
- “Increased equitable programming for students in all schools”
- “Aligned curriculum – consistent professional Development (PD)”
- “Leveraging the best of individual community schools while keeping them viable”
- “Some ‘school choice’ movement allowed between elementaries”
- “Creation of pre-school at each elementary”
- “Creation of therapeutic program”
- “Development of a PreK/Child Care partnership to serve our families”

#### Mission / Vision / Governance

- “Board Work Process: board meetings, committee meetings, retreats - all connected to mission/vision, board goals, and initiatives (coherence)”
- “Better and more consistent governance”
- “Cohesive/shared mission and vision”
- “Long term district goals translate to short term actions with purpose”

#### Flexibility / Financial Efficiencies

- “Increasing efficiency across all operational systems”
- “School construction project to improve energy efficiencies”
- “Centralized operations and maintenance”
- “Maintenance reserve fund for all schools”
- “Financial efficiencies”
- “Shared staff across schools”
- “Increased savings”
- “Better flexibility to make staffing decisions”
- “Hiring a facilities director”

- “Reconfiguring 3 small schools into a PreK, K-4 and 5-6 model”

**Transparency / Other**

- “Uniform communication to our communities”

**Opportunities**

**Programming / Equity**

- “Multi-tiered system of supports across district – ‘no more lone rangers”
- “EPIC Academy developed” [opportunity for students in grades 9-12 to research and engage in hands-on experiences in an area of particular interest – full semester or shorter time-period]
- “In district PK-8 choice”
- “Increased equity in programming”
- “More opportunities for collaboration across schools”
- “Increased consistency and continuity”
- “Increased equity of student learning experiences”

**Mission / Vision / Governance**

- “Enabling us to work together as a district to plan proactively”
- “Increased clarity in role of principal, superintendent, board member”
- “Development of district wide approaches to operations”
- “Unified Board”
- “Shared Budget”
- “Leadership Team truly collaborative and working as a single team”
- “Consistency around hiring processes, teacher evaluation, policies, etc.”

**Flexibility / Financial Efficiencies**

- “One budget”
- “District Maintenance Director”
- “No deficits”
- “Working on PreK-12 Plan with bond and possible school closure”
- “Facilities [management] centralized”
- “Food services centralized”
- “Fewer board meetings”
- “Ability to offer retirement incentive and move staff around to meet needs”
- “Long term facilities needs planning and cost savings with facilities director”
- “3 school reconfiguration”

**Transparency / Other**

- “All E-911 phone systems”

## **Challenges**

### **Programming / Equity**

- “Much work still needs to be done around common curriculum development”
- “Designing transportation systems that support internal choice opportunities”

### **Mission / Vision / Governance**

- “Bringing siloed operations that included special arrangements into one policy-based model”
- “14 member board from 6 towns”
- “Creating a consistent master agreement”
- “Creating consistent policies”
- “Need to continue talking about when buildings need to be aligned and when they can have autonomy”
- “Getting principals to agree on the big issues”
- “Articulating and negotiating consistent practices across the district”
- “Budget consolidation is complete but was difficult”

### **Flexibility / Financial Efficiencies**

- “Misconception of Central Office budget growing, when only cost shifting”
- “What to do with very small schools still in operation”
- “Transitioning from 7 budgets to one and figuring out what would stay at the local school level and what would be at the district level was a BIG project. I think we're there now but can't underscore enough the time and focus this took.”
- “Centralizing services and access to all resources for staff”

### **Transparency / Other**

- “Culture takes time”
- “Building a sense of district identity and belonging”
- “Community mentality of towns v. District”
- “Communications (we hired a .5 Communications Director in FY20)”
- “Changing the culture to be one community”
- “Managing to go forward with one school district that did not merge (Cambridge)”
- “Filling board seats in small town”
- “Could not pass a needed bond due to towns not wanting to spend on other towns”
- “Budget passage is trickier with closer results than before”