

Addison Northeast Supervisory Union Act 46 Study Committee
Minority Report
August 3, 2016

Executive Summary

This minority report is submitted by three members of the ANESU Act 46 Study Committee (Nancy Cornell, Michael Fisher, and Herb Olson), who were appointed to the Committee by their respective boards of school directors. We want to acknowledge the hard work of the ANESU Act 46 Study Committee over the past nine months. We have no doubt as to the sincerity and good intentions of the members of the Committee. They have done the best they believed they could do, with the information that was provided to them.

Over the course of nine months of committee meetings we suggested a variety of steps for the Committee to take, and language to include in the Articles of Agreement, that would meet the following goals:

- Help ANESU schools to continue to progress toward meeting the goals of the legislation (greater equity and quality, increased cost-effectiveness, and increased transparency/accountability);
- Create a better work environment for the Superintendent: (streamlined decision-making, fewer board meetings, and more time for educational leadership) so that we can attract and retain the highest quality leaders for our schools; and
- Ensure that community members from our five towns continue to be engaged in, feel a strong connection to, and feel genuine responsibility for, their children's schools.

Because the decisions of the Committee have led to a proposal that falls far short of most of these goals, we regret that we cannot support the proposal at this time. In addition, we feel compelled to explain why we do not support the proposal that will be put before voters in November. It is important for us to be clear up front, on some key beliefs that the three of us share:

We do believe that improvements to our systems are needed and possible (we are not advocating for keeping things exactly as they are).

We do believe that the necessary improvements are possible within the current governance structure; and we also believe that it would be possible to devise an alternative governance structure that would also meet the goals bulleted above.

We do believe that there are some benefits to unifying into one school district, but, in the proposal described in the Committee's report, we don't believe that those benefits outweigh the disadvantages for our schools and our communities.

We don't believe that the proposal that will be put before voters of our 5 towns should receive approval.

In addition, we do believe that changes are needed to the school district consolidation legislation (Act 46) – changes that would make it more likely that communities such as ours can come to well-reasoned decisions about how best to proceed.

The proposal for a change in governance structure being put forward by the ANESU Act 46 Study Committee has serious flaws. The Minority Report that follows addresses:

- Problems inherent in the process the Committee used in reaching its conclusions;
- Problems with specific details of the Report;
- The value of "local control"
- An Alternative Vision for Education in the 5 Towns
- Recommendations for changes to Act 46

Problems with the Process

- Act 46 – Timelines and misinformation
 - As a result of pervasive misinformation in the press, and the failure (on the part of state education leaders) to provide and widely publicize correct information, the majority of the Committee came to believe the following about its possible options:
 - maintaining our current structure, and showing what steps we could take to better meet the goals of Equity and Quality; Transparency and Accountability – was not a real option because it would be rejected at the state level, so there was no point in conducting that analysis;
 - proposing an alternative governance structure in which local school boards or councils retain substantive responsibility, but which streamlines decision-making, was not an option because it would be rejected at the state level;
 - the only real, safe option was to propose a unified union governance structure, OR the VTAOE would impose it;
 - The ANESU Act 46 Study Committee might have chosen to conduct more detailed analysis, and to collect more community input, before deciding on a course of action, but the short-term tax incentives that are offered for merging school districts decrease over time, and this, combined with misinformation about available options, discouraged the Committee from taking the time to thoroughly explore all possible options.
- The Committee has not adequately engaged the community.
 - The Study Committee conducted an electronic survey as its primary method of understanding how the five town communities felt about changes to school governance before making the decision to pursue the preferred unification model. That survey did not solicit community input concerning an alternative structure option.
 - The Committee made the decision not to have a community engagement meeting before deciding which model of unification to pursue.
 - While the Committee has since held two public engagement meetings, one in Bristol and one in Lincoln, the Committee has held no forums that were specifically designed to bring students into the process and has not done the necessary outreach to the five town communities to understand the various perspectives on this topic.
- Consulting Services
 - The Committee chose a consultant after reviewing two resumes provided by the VSBA. The consultant, who was trained by the VSBA, had a clear bias toward unification;
 - Without any systematic analysis of our current governance structure by the Committee, the consultant advised that if we proposed keeping our current structure, this would be rejected by the VTAOE and the State Board, even though the legislation guidance posted by the VTAOE, indicates otherwise. (<http://education.vermont.gov/laws/2015/act-46> see “Unmerged Districts/Summary of Unmerged Districts”).
 - A committee member suggested that it would be important to review each of the goals of Act 46, asking these questions in relation to each goal:
 - To what degree does this exist now?
 - What could we do to improve this within our current governance structure?
 - In what ways would merging make improvements more/less possible than they are now?

The Committee decided not to conduct this analysis.

The consultant told the Committee that our answers to these questions are a required part of the Committee's report, but the answers to the first two questions do not appear in the final draft of the Committee's Report.

- Throughout his work with the committee, the consultant's advice to the committee was "Don't tie the hands of the new board." This led the Committee to reject many suggestions for Articles of Agreement that were intended to address the concerns that citizens have expressed about the possible disadvantages of consolidation.
- Throughout his work with the committee, the consultant repeatedly discouraged the committee from considering any alternative governance structure.

Problems with the Proposal being Recommended for Voter Approval

- Equity and Quality
 - The Report claims benefits of merging (such as more access to Expanded Learning Programs, more fine arts programming in our elementary schools) that would likely only be possible with additional resources,
 - The Report seems to indicate that merging would lead to the extension of Expanded Learning Programs (summer and after school) across all schools, yet no specific evidence is provided that indicates how the change in governance would, in itself, lead to more equity in this area.
 - The Report does not adequately acknowledge the important programs and activities underway right now, within the current governance structure, that are designed to lead to greater equity and improve the quality of education.
 - Although the Report claims that unification will enable greater equity and quality, in the course of its deliberations, the Committee decided not to examine this question "to what extent could greater equity and quality be achieved within the current governance structure."
 - The Report claims equity and quality benefits of merging that can also be realized within the current governance structure e.g.:
 - "bringing custodial staff together to tackle a particular short-term project";
 - "assemble a team of skilled practitioners currently spread out across different buildings...to help coordinate the integration of technology";
 - The Report claims equity and quality benefits of merging that already exist within the current governance structure, i.e.:
 - "one mission, vision, and an articulated continuous improvement plan";
 - "build upon the best practices already happening in our schools and to work on making them more accessible to all of our learners in all of our schools";
 - "coordinate technology support personnel to fix issues, maintain equipment and save money through bulk purchasing";
 - The Report fails to address a critical component of "statewide equity", as promised in Act 46: how to lift sometimes less affluent, rural schools to be on par, in terms of educational equity and quality, with sometimes more affluent, urban and suburban schools?
- Efficiency and Sustainability
 - There is no question that managing costs across a larger organization will produce some efficiencies. However, the savings (\$140,237) projected in the report are modest – only .058% of the combined FY '17 budgets for ANESU and its member school districts. This may be due to the fact that ANESU has already consolidated services in the areas of Special Education, Transportation, Information Technology and Food Service (and has been able to accomplish this under its current governance structure).

- The report notes that merging would enable the transfer of staff from one school to another. However, the report does not address the possible disadvantages of current Reduction in Force and Recall Rights rules becoming applicable across schools within the unified district. The disadvantages include the possibility that the superintendent's and the principals' authority to hire the best teachers will be somewhat diminished. While there might have been ways for the committee to address this disadvantage in Articles of Agreement, or at least to call attention to concern about this issue, the Committee chose not to do so in this Report.
- The Report claims efficiency and sustainability benefits that would enable Supervisory Union leadership to focus more on teaching and learning. These are real benefits, but the Committee did not analyze the extent to which steps could be taken within the current governance structure to achieve the same result.
- The Report claims efficiency benefits that already exist within the existing governance structure, e.g.:
 - “a teacher fluent in the use of a particular teaching strategy in one school can be a resource to a teacher in another school.”
- Transparency and Accountability
 - The Report fails to acknowledge that ANESU's Policy Governance model, which is currently applied across the supervisory union, already helps to streamline decision making, establishes clear expectations for the superintendent, establishes clear lines of authority, and clear roles and responsibilities for boards. The ANESU Policy and Governance Committee, established by the ANESU Board, has been working tirelessly, with facilitator Val Gardner, to further refine and streamline our Policy Governance procedures. Although this model is still being perfected, it is designed to achieve many of the benefits to merging that are claimed in the report.
 - The Report claims that one budget will help our school system be more transparent and accountable to taxpayers. That point is arguable. The Committee decided against a proposed Article of Agreement that would promote transparency by portraying the budget in two ways: as one budget for the Supervisory District; and as one budget for each of the schools plus the budget for the Superintendent's office.
 - The Committee rejected a proposed Article of Agreement that would have required the Supervisory District Board to report to taxpayers on the degree to which the savings projected in the report are actually realized.
 - The Report does not make clear that the new Supervisory District Board can, without a vote in our communities change any article that is not addressed in the warning described in Article 10.
 - The Report claims transparency and accountability benefits that would enable Supervisory District leadership to focus more on teaching and learning. These are real benefits but the Committee did not analyze the extent to which steps, such as changes to the administrative structure, could be taken within the current governance structure to achieve the same result.
- Tax impact – Appendix F
 - Any discussion of what are the positive and negative aspects of consolidating our school districts needs to include consideration of the impact of consolidation on property taxes. Unfortunately, the information provided to the Committee is missing important components.
 - The Report's tax impact information shows, for each town, the estimated tax savings on homestead property in several valuation increments: \$100,000, \$150,000, \$200,000, \$250,000, and \$300,000. For example, in Starksboro during the first year of consolidation,

a homestead valued at \$200,000 would see a tax savings from state incentives of \$129, thereafter lowering to a tax savings of \$38 for the final year of state tax incentives. The authors of this Minority Report believe that these meager tax savings are not worth the cost of what will be lost with consolidation.

- The Report fails to answer the following important tax impact questions:
 - What is the tax impact for residents whose taxes are calculated with a household income factor? While it may not be possible to show tax impact information for each possible income and property tax variation, it should be possible to see some “typical” income and property tax scenarios. According to an Agency of Education “fact sheet” issued in June, 2016, tax savings for income-based property taxes will be lower than tax savings for assessment-based property taxes (even though savings on a percentage basis is about the same).
 - Different towns have higher and lower levels of debt. Some town school districts are anticipated to have significant bonded debt on July 1, 2017, while others are anticipated to have no debt. What are the tax impacts on taxpayers in each town, positive and negative, resulting from the fact that after consolidation all towns will be responsible for aggregated debt of all former districts?
 - Different towns also have different levels of education spending. For example, the highest level of education spending per equalized pupil in FY 2017 is estimated at \$15,137, versus \$14,201 for the lowest level of education spending. What are the tax impacts, positive and negative, resulting from the fact that after consolidation all towns will be responsible for the aggregated education spending of all of the former districts?
 - These incentives are not “free”, because they are supported by statewide taxes. What is the tax burden required to raise state funds for these incentives? What is the net tax savings for residents when the additional tax burden is subtracted from tax incentives?
 - What is the tax impact after incentives end? Unless real education spending is significantly reduced, which appears unlikely in light of the meager projected cost saving, tax rates will rise back to approximately their pre-incentive levels.

The Value of “Local Control”

In the statewide discussions concerning Act 46 and whether to consolidate our schools, the proponents of consolidation typically talk about the virtues of a modern, centralized school system versus an archaic system of “local control”. We see the issue rather as a question of what system of school governance will be best for our students: (1) a larger, centralized system conferring greater authority and control to a Superintendent and a single board; or (2) the current system, with specific improvements, where local boards have a direct and close relationship with the community; or (3) an alternative governance structure that addresses areas that need improvement without jettisoning what is good about the current system.

Our personal belief is that the local community relationship with its school is a unique and extremely valuable feature of the Vermont community that will be diminished if school consolidation were to happen. These strong community relationships support schools and students and families at a personal level, and also support schools when budgets are considered. But don’t take our word for it! Listen to our neighbors who offered comments on the Committee’s Survey:

“I do not believe in a ‘one size fits all’ mentality and I think that centralization, unification would likely lead to a lack of responsiveness to individual students and communities.”

“I am very much against taking school control out of the local setting and putting it in the hands of people far removed from our local community.”

“Act 46 threatens both our schools and the vitality of each ANESU community. To respond to the goals of each student, each school has to design programs that fit the purposes students discover through experience in their schools, not the general aims adopted by a large district or agency that may not actually help any individual move toward adult independence. Large-scale education policy, created by people with no common vision, often overlooks the powerful resources within the community, as well as the energetic drive that each of us feels when we are developing skills and talents that take us where we want to go, not where some administrative group tells us to go.”

“Larger school and single board mean less accountability and transparency and less connection between schools and the community.”

“Not clear to me that a simplified governance is a good thing. The governance model used in the past led to disastrous results for the whole 5-town community.”

“While I understand there are potential benefits, I do not see many of them coming to fruition in the ways our legislators want. I am much more concerned with the losses on the local level than with any possible benefits.”

“I would be concerned about the funds from all the schools being controlled by one Board and making sure that each school gets the correct share and amounts needed to support their school.”

“I used to feel that people clamoring for local control were just unprogressive and afraid of change. After watching the miasma that has developed in Montpelier in the last 30 years, I have zero interest in giving them more control.”

“I'm not only a District taxpayer, but also an employee of one of the town school districts. My personal experience is that communication pathways suffer when operations are "centralized." Decisions are made at the District level, but are not clearly communicated to staff at the individual schools. I've seen this happen in the areas of technology and special education.”

“Highest concern is that the needs of the students will become even more lost. Unification seems to serve the needs of the town, governing bodies, taxpayers, and losses sight of the fact that children, more than ever before, need an enriching and positive, calm and small family like community in which to learn and grow.”

“The essential and historical character of Vermont is centered around each individual Town, and it seems that there are ways to protect and cherish that heritage and legacy, rather than trying to impose a ‘New York City’ perspective.”

“Given that community ownership, pride and involvement in its local school is the most important determining factor in a school’s success every effort should be made to maintain that!”

“I understand the need/desire to simplify decision making, but when this united structure comes at a cost to personal students' growth and education, it is concerning.”

“I would like to see a proposal that seriously addresses cost and equity issues, but hopefully does retain some autonomy at the town level.”

“I’m not convinced this move will actually be beneficial. Schools need to be accountable for results. Moving authority further away from individual schools does not give schools the decision making authority they need to execute policies that are efficacious at the student teacher level.”

Of course, not all people feel this way. Many people agree with the sentiments expressed in the Study Committee’s Report, and feel that the potential benefits of centralization outweigh the cost in terms of the loss of a strong community-school relationship. The important point, however, as articulated in the above comments, is that we lose something valuable with consolidation, even if we might disagree as to how valuable it is. Before we jump in we need to be sure that the trade-off is worth it.

We Can Do Better: An Alternative Vision for Education in the 5 Towns

For the reasons outlined above, we recommend that the Vermont Board of Education reject the proposal from the ANESU Act 46 Study Committee. We recommend that the Committee reconvene and pursue both of the following options simultaneously:

- Analyze how we can meet the goals of Act 46 by making specific improvements within our current governance structure
 - From listening to others, and based on our own observations, right now decision-making in our Supervisory Union seems to be more difficult and cumbersome, at times, than it needs to be. We can envision making improvements to our current governance structure (in addition to those already in progress) by delegating many decisions from local boards to the Supervisory Union Board or its Executive Committee. We can also envision more clearly delineating roles and responsibilities between the Superintendent and the local boards; increasing Policy Governance expertise and understanding on the part of board members and our communities; and considering changes in management structure so that more time and energy can be focused on implementing useful educational policies and programs.
- Develop a proposal for an alternative governance structure
 - It is possible to envision a unified governance structure, with one supervisory board, that establishes elected local school councils, or boards, that have substantive advisory responsibility, and perhaps collective veto authority, in some key areas. As to what should be retained at the local level, there must be a meaningful role for the local community. Without a meaningful role in governance the community-school relationship will be significantly diminished. We want to hear from our friends and neighbors about just what that “meaningful role” should be. In all likelihood, we would want the local boards, or school councils, in collaboration with the Superintendent, and with school-based search committees that include community members, to retain responsibility for hiring school principals. Surely the local community should retain some voting role in establishing the budget for the elementary school. We’d recommend a structure in which the two towns in our SU that vote their elementary school budgets on the floor of town meeting (Lincoln and Starksboro) are still able to do so, at least to provide advice to a supervisory board. We may also learn that our communities wish to establish new structures that preserve and further improve communications and responsiveness to families and students.

Recommendations to the Vermont Legislature, the VTAOE, and the VT Board of Education

- Extend the timelines of Act 46; consider establishing a hiatus in implementation of Act 46 in order to sort through problems and confusion related to this legislation.

- Clarify and widely publicize what choices and what flexibility Act 46 study committees, and the communities that they represent, actually have.
- To assist communities in understanding and weighing options, and in developing proposals in response to Act 46, hire and train a cadre of objective, unbiased consultants who are skilled facilitators.
- Make sure that all districts conduct a robust evaluation of all options before coming to the State Board with any proposal – regardless of whether it is a merger proposal under 16 V.S.A. Chapter 11 or is a proposal by a non-merging district or a group of districts for an “alternative structure”. In reviewing proposals to determine whether they will be approved, hold them all to the same standards.
- Offer tax incentives for any approved proposal, regardless of whether it is a merger proposal under 16 V.S.A. Chapter 11 or is a proposal by a non-merging district or a group of districts for an “alternative structure”.
- Provide clear, public information about how the funds to pay for Act 46 tax incentives are being raised, and how this affects projected tax rate savings for districts that choose to consolidate, and how it affects tax rates for districts that choose not to consolidate.
- Change the law so that it is not required that voters elect Supervisory District Board Members at the same time that they decide whether to create a unified district.
- Require a thorough evaluation to determine the extent to which Act 46 achieves its stated goals.
- Address the issue of equity across schools statewide, not just within supervisory unions. Providing “substantial equity in the quality and variety of educational opportunities statewide” is a critical goal of Act 46. We applaud Act 46 for setting this goal by speaking of *statewide* equity and quality as the appropriate reference point.

Respectfully Submitted,

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