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Summary: Unmerged Districts and Alternative Governance Structures

Districts That Do Not Voluntarily Merge into a Preferred Structure

A unified union school district that is responsible for the education of at least 900 resident students may not be possible or the best model to achieve Vermont’s education goals in all regions of the State. As a result, Act 46 recognizes the need in some regions to create or continue sustainable “alternative structures,” which are supervisory unions with multiple member districts each of which has its own independent school board. (Note that it is possible for voluntary mergers under Phase 2 to create or be within an “alternative structure.”)

Providing guidance regarding “alternative structures,” Act 46 states in Section 5 that:

- a supervisory union composed of multiple member districts, each with its separate school board, can meet the State’s [education] goals, *particularly* if:
- (1) the member districts consider themselves to be collectively responsible for the education of all prekindergarten through grade 12 students residing in the supervisory union;
 - (2) the supervisory union operates in a manner that maximizes efficiencies through economies of scale and the flexible management, transfer, and sharing of nonfinancial resources among the member districts;
 - (3) the supervisory union has the smallest number of member school districts practicable, achieved wherever possible by the merger of districts with similar operating and tuitioning patterns; and
 - (4) the combined average daily membership of all member districts is not less than 1,100.

When evaluating an “alternative structure,” the State Board must conclude that the proposal is the *best* means of meeting the goals of quality and equity in the region and ensuring fiscal transparency and accountability. The State Board must also be mindful that a proposal doesn’t geographically isolate a district that has no other obvious partners, especially if the district has low fiscal capacity or high poverty rates.

In regions where an “alternative structure” is necessary or where districts will not merge voluntarily before July 1, 2019, Act 46 requires the board of each district to:

- evaluate its current ability to meet or exceed the goals set forth in Act 46, Sec. 2;
- meet with the boards of one or more other districts to discuss ways to promote improvement in meeting the goals throughout the region; and
- submit a proposal, individually or jointly with other district boards, to the Secretary and the State Board of Education in which it:
 - proposes to keep the current governance structure(s), *or* to change the current governance structure(s), *or* to change the manner of operation in some other way (*e.g.*, contractually);
 - demonstrates, through reference to detailed data, that its proposal supports its ability to meet or exceed the Sec. 2 goals; and
 - identifies specific actions it will take to continue to improve its performance in connection with the Sec. 2 goals.

These tasks must be completed prior to November 30, 2017. The proposals are considered in connection with creation of the final statewide education plan that the State Board must issue on or before November 30, 2018.

Alternative governance structures are a necessary element in the overall Act 46 framework, because Act 46 does *not*:

- 1) require that all school districts merge into larger governance units;
- 2) establish any required minimum average daily membership (ADM) for all school districts;
- 3) restrict or repeal (or allow restriction or repeal of) the current authority of school districts to continue to pay tuition or to operate a school; or
- 4) change the amount or manner in which a district pays tuition.

Note: This document is provided for guidance only and does not have the force of law. See the underlying statutes and/or Acts for more detail.