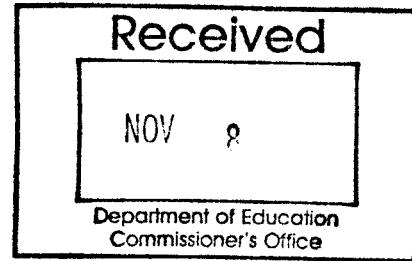


# Vermont School Boards Association

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November 5, 2007

Richard Cate, Commissioner  
Vermont Department of Education  
120 State Street  
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Dear Richard:

This is in response to your invitation, pursuant to Act 82 of 2007, to provide the VSBA's perspective on your White Paper on School Governance and to make recommendations for inclusion in your report to the General Assembly on this subject. In preparing this response, I have consulted with the VSBA Board of Directors to the extent possible given the deadline you have understandably imposed of November 5<sup>th</sup>. I should make it clear, however, that we have not been able to subject this document to a formal review by our members or our Board of Directors. The recommendations made in this paper are consistent with the VSBA's formal positions on school governance.

### VSBA Governance Reform Positions and Activities.

Beginning 2000, this Association made its participation in governance reform activities one of its stated priorities. Since 2000, we have worked on-site with 88 school districts in 19 supervisory unions as they have engaged in community processes to study the question of whether school district consolidation would be beneficial to those communities. In most cases, the work has focused on the formation of new union or unified union school districts through the processes required by Chapter 11 of Title 16 of the Vermont Statutes Annotated.

It is important to note that in each instance the driving force behind the initiative to study consolidation has been one or more local school boards. School board members understand the complexities of our present governance system and are generally open to ideas that might bring efficiencies to their own operations, whether those efficiencies are seen in financial savings or increased administrative productivity. As you know, few of the initiatives that have been launched in the past seven years have resulted in community acceptance of proposals to consolidate school districts. Our experience has been that communities value their school districts and are willing to tolerate certain "inefficiencies" in order to retain the authority to make fundamental decisions about their schools.

The recommendations we will make in this document will take our considerable experience in this area into account. We know of no organization that has had as much direct experience with the dynamics of school district consolidation as we have. This experience has guided us as we have developed formal advocacy positions on school governance reform. The following positions have been adopted by our membership in the form of Resolutions, intended to guide our advocacy activities at the state level.

**Role of School Boards.** “The Vermont Legislature should review and revise existing statutory roles prescribed for school boards, superintendents and principals. Overlapping duties should be reviewed and simplified if possible. Duties that are time-consuming but not essential to core board duties—define vision, establish structure, provide for accountability and advocate for students and public schools in an ethical manner—should be optional. School boards should be permitted by law to delegate duties as they see fit to administrators, subcommittees and other panels that are accountable to school boards.”

**Local Decision Making.** “Local school boards have been given responsibilities by state statute to oversee public education in their districts and to make important decisions necessary to assure the provision of high quality education in an efficient and effective manner. As local boards are accountable, they must be assured that there is no state interference in their decision-making responsibilities.”

**Consolidation.** “The VSBA encourages the Vermont Department of Education and the General Assembly to provide technical assistance to local school districts that wish to pursue issues of consolidation of schools and/or school districts. Financial incentives should also be considered where appropriate to offset related costs.

“The VSBA also encourages the General Assembly to amend Section 706a of Title 16 of the Vermont Statutes Annotated to allow school boards to appoint planning committees and conduct union district formation studies without prior approval from school district voters when doing so will not require an additional appropriation of school district funds. The VSBA supports any further statutory changes that will expedite the school district consolidation process locally while maintaining the ultimate authority of the voters to accept or reject school district consolidation proposals.”

#### **What research tells us about school district consolidation.**

Even without the capacity to do extensive research, we have had little trouble finding research studies that call into question the often-assumed benefits of school district consolidation. Among the findings of studies on the effects of school district consolidation are the following.

A **Pennsylvania** study sponsored by the Fordham Foundation arrived at this conclusion. “If the history of public education tells us anything, district consolidations, and the inevitable school consolidations that follow, are generally both bad ideas. In the short run, consolidation promises lower costs and taxes and better student performance. But neither happens. Over the longer haul, consolidation sucks power upward, and away from parents, students and local conditions, to centralized political arrangements where unions and other special interests have more political clout.”<sup>1</sup>

A study looking at the impact of school district consolidation in **Arkansas** found that merger of districts and associated school consolidation often leads to destruction of the sense of community. The report further indicated that school building closure in Arkansas tended to lead to a period of economic decline in those areas that lost buildings. The Arkansas law in question required school districts with fewer than 350 students to merge administrations with another district. About one-third of the buildings in the merged districts were closed.<sup>2</sup>

An analysis of the results of **school district consolidation in several states** arrived at this conclusion. “In summary: the educational and financial results of state mandated school district consolidations do not meet legislated expectations; there is no ‘ideal’ size for school districts; smaller districts have higher

achievement, affective and social outcomes; the larger a district becomes, the more resources are devoted to secondary or non-essential activities; there is no solid foundation for the belief that eliminating school districts will improve education, enhance cost-effectiveness or promote equality; and students from low income areas have better achievement in small schools.”<sup>3</sup>

A **Pennsylvania** School Board Association study looked at the long term affects of school district merger or consolidation on local schools. “Merger/consolidation ultimately results in building closure. While merger/consolidation is proposed based on the potential to save money, there has not been a follow-up study providing evidence to confirm that savings do, in fact, occur. In fact, the literature is void of any substantial analysis of the changes required, the costs incurred and expenditures avoided as a result of merger or consolidation.

“Also, public debate on merger that cites benefit from increased access to educational resources is not supported. Several studies referenced a decline in available educational resources as a result of merger.

“The literature does analyze the impact of merger on student achievement and discloses a potential for adverse effect on student achievement. A number of studies show a decline in achievement for some demographic groups as a result of merger. Some of the reasons offered for the adverse impact on student achievement include; less opportunity for extra curricular participation, less personal recognition of students by staff, increased discipline problems and greater potential for student dropout.

“Where voluntary mergers of school districts have been successful in other states, there have been some types of financial incentive from the state to encourage merger.”<sup>4</sup>

A very recent analysis of school district consolidation proposals in **Indiana** focused on student achievement and school performance. “The research suggests that the factors which affect student achievement to the greatest extent appear to include the following characteristics: smaller school size; smaller class size, primarily at elementary schools; a challenging curriculum; and highly qualified teachers in every classroom. It has also been shown that states with larger schools and school districts tend to have lower student achievement and social outcomes.

“Studies indicate that there are no significant effects on school performance after consolidation. In fact, about half of the student achievement research indicates that there is no difference between the achievement levels of students in large and small schools, including small alternative schools, and the other half of the research indicates that that student achievement in small schools tends to be superior to that of students attending large schools.”<sup>5</sup>

Finally, in response to questions I posed to the **Arkansas** School Board Association, a policy analyst sent this reply. “You have asked for district consolidation information rather than school consolidation. I will state unequivocally that the two go hand in hand with time being the only thing that separates the two. In our consolidation legislation of 2003/2004 there was specific language that forbid the closure for one year of what we deem ‘truly isolated’ schools. There are very few schools from annexed districts that remain open today. Given the rationale for consolidation that it improves economic efficiency, the receiving districts quickly discover that they are not able to improve efficiency of their adopted districts and close down the schools and bus the kids. Many of our bus routes have gotten incredibly long.

“One of the biggest problems we have found with the effects of consolidation is the loss of local representation. The bigger the district, the more remote the board is from the district’s parents. In

shear numbers, there are more electors per board member. The districts involved in consolidation that were the smallest, have the least representation in the resulting district and can both feel powerless and actually be powerless to stop actions by the board as a whole that adversely affect their electors (such as the closure of a school).

“As a final note, let me quote Allen Odden, ‘In the history of civilization, consolidation has never saved money.’”<sup>6</sup>

### **VSBA Recommendations.**

Given our experience in this area and the research findings noted above, the VSBA makes the following recommendations for inclusion in your report.

**1. Decisions to consolidate school districts should be made locally, by the voters in the school districts to be affected by the consolidation.**

All of our experience, and indeed all of the experience in Vermont with school governance proposals, leads us to conclude that school district consolidation, if it is to come, must be the product of local decision making. Bruce Richardson’s doctoral dissertation of 1994 is still recognized as the most comprehensive look at the history of governance reform efforts in Vermont. Richardson concludes his dissertation with one clear recommendation: governance changes must be preceded by the involvement of local citizens and can not succeed if mandated from the top down.

Richardson reminds us of Governor Snelling’s observation in 1980 that “(H)istory should tell us that recommendations in the field of education take on flesh only to the extent that people in local communities see them as having significance in their lives.”<sup>7</sup> In testimony before the Legislative Governance Council in 2006, Richardson again referred to his dissertation by emphasizing his conclusion that “(E)xperts defining and solving problems on behalf of the people is evidently not the Vermont way. The role of leadership in a democracy must involve either eliciting problems from the people, educating the people about a perceived problem or both.”

At the annual conference of the Vermont Superintendents Association and the VSBA last Friday, Dr. Jerry Johnson summarized his research on this issue by saying, “(I)t is absolutely essential that any consolidation of school districts be the product of local democratic processes. If it isn’t, my observation, drawn from my research in several states, is that it will do considerable harm.”<sup>8</sup>

**2. Make the processes for forming union and unified union school districts more accessible by clarifying and simplifying the statutory requirements for the formation and dissolution of joint contract schools and union or unified union school districts.**

As you no doubt know, legislation has been drafted to accomplish at least some of this. The VSBA was a participant in the development of that legislation, along with representatives of other education associations, the legal office at the Department of Education, the Legislative Council on Education Governance and other education law and policy experts. Now that we have had significant experience helping communities work through these processes, we are well-prepared to add context to the need for changes. The State Board and Department of Education should support moving forward with this initiative

### **3. Provide Incentives to Encourage Local Consideration of Governance Change Proposals.**

In preparation for submitting these recommendations, we asked our counterparts at school boards associations in other states to let us know what incentives for school district consolidation have been successful in their states. We received a number of responses, and a few common themes emerged.

The first common element is the use of state money to ease the transition to a consolidated district for those districts that will “lose” financially from the consolidation. In general, the response to this problem has been to phase-in changes to tax burdens over a period of years. In Kansas, the phase-in is three years, while Idaho is considering a seven year “post consolidation funding protection period” followed by a mechanism to allow the new district to “keep” a portion of the savings realized through consolidation.

As we have worked with this issue in Vermont, it is clear that in any consolidation proposal there will be districts that will see their tax rates go up after consolidation. We have yet to see a district vote in favor of consolidation when this is the case. We believe that a phase-in period whereby new tax rates are adjusted gradually, over a three to five year period, would be a meaningful incentive for those districts.

Some states have provided increased state aid on a per pupil basis to newly consolidated districts. In Minnesota, the newly consolidated districts have received an additional \$600 per pupil over a four year period after consolidation. We should recall that increased state aid was a meaningful incentive for the formation of union high school districts in Vermont in the 1960’s and 1970’s.

Other states have commonly used state money to support construction projects in newly consolidated districts. Certainly in Vermont, we should reinstate or increase the 50% construction aid incentive for consolidated districts.

In Minnesota and Idaho (where incentives are still under consideration) the state provided funds to school districts to support early retirement and severance packages for teachers in newly consolidated districts.

Any of the above incentives, or variations thereon, might work in Vermont. The most significant concern of communities in Vermont with small schools, however, is the prospect of losing their school. Moreover, parents in school districts that do not operate schools for some or all grades generally do not want to be forced into a consolidation that limits the options they have when selecting schools for their children. We believe that it is vitally important to address these concerns in Vermont. They constitute perhaps the biggest stumbling blocks when consolidation proposals are being considered in this state.

The bottom line on this issue is that no community should be required to close its school, or to change from a non-operating to an operating school district, without an affirmative vote of the electorate in that community.

### **4. Address the Clarification of School Board/Administrator/Electorate Roles and Responsibilities to Distinguish Between Management and Policy Functions.**

As indicated by the VSBA resolutions discussed earlier in this document, we have long felt that the clarification of the roles and responsibilities of school boards, the electorate and school administrators as needed. We have shown our commitment to this priority by co-sponsoring the Vermont Education Leadership Alliance (VELA) and have helped to train nine facilitators who are currently available to lead boards and administrators in the role clarification process. Seven school districts have implemented the VELA process, and four others have incorporated VELA concepts through workshops we have conducted with them.

We have also just completed a review of our model policies, and have made significant changes to many of them by distinguishing the policy role of boards from the management role of administrators. This distinction is made in the model policies by limiting the policies themselves to the essential issues of philosophy and accountability and assigning administrative and management responsibilities to district or building administrators.

I have often said that the real governance issue in Vermont is not "how many are there?" The real issue is "what are they doing?" The examples of vague or conflicting statutory assignments of duties to boards and administrators are too numerous to list here. Several studies, including the 1998 State Board of Education study and the 1994 "Think Tank" study, have emphasized role confusion as a primary obstacle to efficient school district governance.

We believe that this recommendation can be achieved in part by action on the part of the legislature and in part by local activities. We therefore recommend that the State Board and your office support a thorough review of relevant statutes in the next legislative session with the objective being to eliminate vague or conflicting sections of the law. Some of the issues that should be examined are the assignment of authority to supervisory unions in areas including curriculum coordination and the provision of special education services, the ability of boards to delegate quasi-judicial functions to hearing officers and the role of boards and administrators in the employee hiring process.

We also recommend that the State Board and your office support an appropriation by the Legislature to fund the implementation of the VELA process in more school districts. The VELA process requires a commitment of time on the part of both boards and administrators, and is successful only when facilitated by a trained facilitator. The cost of this is generally around \$5500. In the present fiscal climate, it is unreasonable to expect districts to devote substantial funds to a VELA project. At the very least, matching funds should be made available to districts seeking to engage in the VELA process.

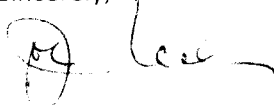
### **Conclusion.**

Although we believe that any attempt to mandate school district consolidation will and should ultimately fail, we also believe that the assumed problems associated with our governance system can be alleviated by taking the steps suggested in these recommendations.

The real value of schools to communities is impossible to quantify, but it is nevertheless very real to Vermonters. We have built a public school system in this state that is among the most successful systems in the country when measured by student outcomes. We should not underestimate how much of that success is due to the closeness of our schools to our communities and the democratic nature of our system of school governance. At a time when increased public engagement and parental

involvement are seen as important, if not essential, to the success of schools all over the country, we should not take any steps that would distance our communities and parents from their schools.

Sincerely,



John A. Nelson, Executive Director

Cc: Sen. Don Collins, Senate Education Committee Chair  
Rep. Janet Ancel, House Education Committee Chair  
VSBA Board of Directors

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<sup>1</sup>Wenders, John T. Why School Consolidation is a Bad Idea for Pennsylvania, The Thomas B. Fordham Foundation, April 10, 2003.

<sup>2</sup>Johnson, Jerry Ed.D et al, Small Works in Arkansas: How Poverty and the Size of Schools and School Districts Affect Student Achievement in Arkansas, The Rural School and Community Trust, 2002.

<sup>3</sup>Bard, Joe et al, Rural School Consolidation Report, Research Summary for National Rural Education Association, April 2005.

<sup>4</sup>Davare, Dave Ed.D Merger/Consolidation, unpublished report for the Pennsylvania School Board Association, 2007.

<sup>5</sup>Plucker, Jonathan A. et al, Assessing the Policy Environment for School Corporation Collaboration, Cooperation and Consolidation in Indiana, Center for Evaluation and Education Policy, Indiana University, Summer 2007.

<sup>6</sup>Email message from Ron Harder, Advocacy and Policy Director, Arkansas School Board Association, August 30, 2007.

<sup>7</sup>Richardson, Bruce, Education Governance Studies in Vermont: The Search for the Ever-elusive Silver Bullet of School Reform, March 1994, page 167.

<sup>8</sup>“Rural Education Research and the Vermont Policy Context: What Does Consolidation Really Bring?” presented by Dr. Jerry Johnson, Eastern Kentucky University and The Rural School and Community Trust, at VSA/VSBA Annual Conference, November 2, 2007, Montpelier Vt.