

AGENCY OF EDUCATION  
Barre, Vermont

**TEAM:** School Governance Team

**ACTION ITEM:** Will the State Board of Education find that the proposed unified union school district formed by all current member districts of the **FRANKLIN NORTHEAST SUPERVISORY UNION (FNESU)**, which would be its own supervisory district, or, alternatively, that the proposed unified union school district formed by all member districts identified as “necessary” and either one or none of those identified as “advisable” is “in the best interests of the State, the students, and the school districts,” and will the State Board therefore vote to approve the attached report of the FNESU Study Committee?

**SECRETARY’S RECOMMENDED ACTION:**

**That the State Board of Education finds:**

- (1) that the proposed formation of a new unified union school district by all member districts of the Franklin Northeast Supervisory Union, which will be its own supervisory district, is “in the best interests of the State, the students, and the school districts” pursuant to 16 V.S.A. § 706c(b); and alternatively**
- (2) that the proposed formation of a new unified union school district by all member districts identified as “necessary” and either one or none of those identified as “advisable” is “in the best interests of the State, the students, and the school districts” pursuant to 16 V.S.A. § 706c(b).**

**That the State Board of Education votes to approve the temporary assignment of the new unified union school district to the Franklin Northeast Supervisory Union for the purpose of receiving administrative and other transitional assistance. Assignment would be for the interim period beginning on the date on which the unified union school district becomes a legal entity pursuant to 16 V.S.A. § 706g and ending on July 1, 2017, and would not modify the governing structure of the existing system.**

**That the State Board of Education votes to approve the attached report of the Franklin Northeast Supervisory Union Study Committee.**

**STATUTORY AUTHORITY:** 16 V.S.A. § 706c; Act 46 of 2015, Sec. 6 (Accelerated Merger; Phase 1); Act 153 of 2010 as amended (“RED;” Phase 2); Act 46 of 2015, Sec. 7 (Conventional Merger; Phase 3)

**BACKGROUND INFORMATION:** The FNESU consists of five towns, each of which is its own school district governed by its own board. The Enosburg and Richford School Districts both operate schools for their respective elementary and secondary students. The Bakersfield, Berkshire, and Montgomery School Districts each operate an elementary/middle school and pay tuition for students in grades 9-12.

The FNESU Study Committee recommends creation of a unified union school district (New Unified District) that would be its own supervisory district pursuant to the Accelerated Merger process and timeline created by Act 46, Sec. 6 (2015) or that would either be a Regional Education District (RED) under the Phase 2 voluntary merger process (Act 153 (2010)) or a Conventional Merger under Phase 3 (Act 46, Sec. 7 (2015)).<sup>1</sup>

The Berkshire, Enosburg, and Richford School Districts are identified as “necessary” districts pursuant to 16 V.S.A. § 706b(b)(1). The Bakersfield and Montgomery School Districts are identified as “advisable” districts pursuant to § 706b(b)(2).

The average daily membership (ADM) of the districts within the FNESU for FY2016 is as follows: Berkshire, Enosburg, and Richford (1,193.67); Bakersfield (214.07); and Montgomery (184.74).

The New Unified District, to be known as the Cold Hollow Unified Union School District, would provide for the education of all resident PK-12 students by operating one or more schools for each grade. If approved by all districts, the proposal would unify all existing school districts and the supervisory union into a single supervisory district responsible for operating five elementary/middle schools and two high schools. It would replace the six current governing bodies with one unified union board.

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<sup>1</sup> If all five districts vote in favor of merger, then the new district would satisfy all criteria of an Accelerated Merger and would be a unified union school district that is its own supervisory district. If four districts vote in favor, then the new district would satisfy the requirements of a RED and would be a unified union school district either that is its own SD or that is a member of a supervisory union. If only the three “necessary” districts vote in favor, then the new district would have a combined ADM in excess of 900 and would satisfy the requirements of a Phase 3 Conventional Merger if it were its own supervisory district. Because the proposal does not ask that a district formed through the Conventional Merger process be its own supervisory district, because there could be other potential mergers in the region, and because in the future the State Board may determine that it is in the best interests of the State for a three member unified union school district to be a member of a supervisory union rather than its own supervisory district, the Secretary of Education recommends that the State Board wait until after the merger vote is final to decide whether a three member district should be a supervisory district or a member of a supervisory union, if circumstances require such a decision to be made.

The New Unified District would be governed by a 9, 11, or 13 member school board depending upon the number of advisable districts that approve formation of the New Unified District. The board would include at least one member from each town. Board members would be nominated by and from among the electorate of the individual towns, with the number to be nominated by a single town being closely proportional to the fraction the town population bears to the total population of the New Unified District as determined by the 2010 federal census. Election of board members would be by the electorate of the town to which the board seat was apportioned. The Articles require the Board to recalculate board membership following the release of each decennial census.

A currently operating school building could be closed during the first ten years of the New Unified District's existence only if approved by a majority of the electorate of the municipality in which the building is located. Thereafter, a two-thirds majority vote of the Unified Board would be required to close a school. If the building were closed and would no longer be used for public education purposes, then the town in which the school building is located would have the right of first refusal and could purchase the property for \$1.00, provided that the town agreed to use the property for public and community purposes for a minimum of five years. The proposal includes provisions addressing use by the town for fewer than five years.

The proposal includes a "grandfathering" clause for those Bakersfield, Berkshire, and Montgomery students for whom the respective merging district pays tuition during the 2016-2017 academic year.

The electorate of each potentially merging district will vote on June 7, 2016 whether to approve creation of the New Unified District. If the voters in each of the three "necessary" districts vote in favor of the proposal and voters in one, two, or none of the "advisable" districts vote in favor, then the New Unified District will begin operation on July 1, 2017.

**POLICY IMPLICATIONS:** By enacting Act 46, the General Assembly declared the intention to move the State toward sustainable models of education governance designed to meet the goals set forth in Section 2 of the Act. It was primarily through the lens of those goals that the Secretary has considered whether the FNESU Study Committee's proposal is "in the best interests of the State, the students, and the school districts" pursuant to 16 V.S.A. § 706c.

**EDUCATION IMPLICATIONS:**

The FNESU Study Committee identified and discussed potential educational benefits of a merged system, including:

1. More effective allocation of resources to priorities, and fewer communication and coordination challenges between schools;
2. Sharing resources and students in ways that free up resources and avoid budget increases, so that programs are not cut.

**FISCAL IMPLICATIONS:**

The FNESU already has centralized services and operations for special education, transportation, and other functions. The FNESU Study Committee was able to identify an additional \$1,525,000 in potential annual cost reductions related to audits, staffing reductions, board stipends, legal fees, food service, out-of-district tuitions, and special education. In addition, the Study Committee's report anticipates other potential cost reductions resulting from the formation of a unified union through, for example, sharing staff among schools and class size management. *See also* Act 46, Sec. 6 (2015), or alternatively Act 153 (2010) as amended or Act 46, Sec. 7 (2015), for cost implications to the State.

*See* the Study Committee's Worksheet (Appendix D) for an overview of those elements in the proposal that address the goals identified by Act 46, Section 2 and the potential for geographic isolation. In addition, a more detailed discussion of these elements appears in Appendices A, B and C to the Report.

The Study Committee's proposal is aligned with the goals of the General Assembly as set forth in Act 46 of 2015 and with the policy underlying the union school district formation statutes as articulated in 16 V.S.A. § 701.

**STAFF AVAILABLE:** Donna Russo-Savage, Principal Assistant to the Secretary,  
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