

AGENCY OF EDUCATION

Barre, Vermont

TEAM: School Governance Team

ITEM: Will the State Board of Education find that the proposed unified union school district formed by two member districts of the **WINDHAM SOUTHWEST SUPERVISORY UNION** (WSWSU) 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 **Twin Valley Act 46 Study Committee** and to assign the new district, if created, to the WSWSU?

RECOMMENDED ACTION:

- 1. That the State Board of Education finds that the proposed formation of a new unified union school district by two member districts of the WSWSU, to be named the TWIN VALLEY UNIFIED UNION DISTRICT, is “in the best interests of the State, the students, and the school districts” pursuant to 16 V.S.A. § 706c(b).**
- 2. That the State Board of Education votes to approve the attached report of the Twin Valley Act 46 Study Committee.**
- 3. That the State Board of Education votes to approve the assignment of the new unified union school district, if created, to the WSWSU for administrative, supervisory, and transitional services pursuant to 16 V.S.A. § 706h beginning on the date on which the district becomes a legal entity pursuant to 16 V.S.A. § 706g.**

STATUTORY AUTHORITY: 16 V.S.A. § 706c; Act 46 of 2015; Act 153 of 2010, Secs. 2-4, as amended; Act 156 (2012), Sec. 15, as amended.

BACKGROUND INFORMATION:

I. General

The WSWSU consists of six town school districts with three distinct models of governance:

- Three town school districts, each of which operates a school offering education through Grade 8 and pays tuition for Grades 9-12 (Halifax; Readsboro; Stamford)
- Two town school districts that have entered into a contract to operate two schools – one offering PK-5 and the other offering Grades 6-12 (Whitingham; Wilmington)
- One town school district that pays tuition for all grades (Searsburg)

The unorganized town of Somerset is assigned to the WSWSU for education services when needed.

The WSWSU is bordered to the south by Massachusetts, where many students in the SU’s tuition-paying districts attend school. It is bordered to the west by the Southwest VT SU and to the east

by the Windham Southeast SU – each of which contains a union high school district that includes all of that SU’s town school districts as members. The WSWSU is bordered to the north by the Windham Central SU, which includes districts representing a wide variety of operating / tuitioning structures, including one bordering the WSWSU that operates a school offering education through Grade 8 and pays tuition for Grades 9-12 (Marlboro) and one bordering the WSWSU that pays tuition for all PK-12 students (Stratton).

In October 2012, the State Board of Education required the WSWU to complete a study regarding its SU boundaries. The study, issued in April 2014, offered proposals for alternative boundary configurations that both the WSWSU districts and the surrounding SUs declined to pursue. The WSWSU and the Windham Central SU continued to discuss forms of cooperation during the fall of 2015 but were unable to identify significant educational or taxpayer benefits from collaboration, beyond savings associated with merging SU services. Discussions are on-hold pending activity connected to the enactment of Act 46 of 2015.

Approximately 18 months ago, the Whitingham and Wilmington School Districts created the Twin Valley Act 46 Study Committee under 16 V.S.A. § 706 to consider the advisability of formalizing their contractual arrangements through creation of a unified union school district that operates all grades. The districts of Halifax, Readsboro, and Stamford similarly formed the Southern Valley Act 46 Study Committee to consider the advisability of creating a single, unified district that operates multiple schools through Grade 8 and pays tuition for Grades 9-12.

If the voters approve the proposals of both study committees, the two new unified districts will jointly be eligible for tax rate reductions and other transitional assistance under the “Side-by-Side” program established in Act 156 of 2012, Sec. 15. Neither merger is independently eligible for tax rate reductions etc. under any of the voluntary merger programs currently in law.

The unification proposals of both study committees are before the State Board of Education for review at its April 18, 2017 meeting. Also included for the Board’s eventual consideration in connection with creating the statewide plan is the self-study of the Searsburg School District (PK-12 tuitioning), which proposes that it remain as an unmerged district within the boundaries of the WSWSU.

II. The Twin Valley Unified Union District

The Twin Valley Act 46 Study Committee (Study Committee) proposes the creation of a new unified union school district (UUSD) that would provide for the PK-12 education of resident students by operating a school or schools offering all grades (New Unified District) beginning on July 1, 2018.

The Study Committee identifies the following school districts as “necessary” to the proposal pursuant to 16 V.S.A. § 706b(b)(1): Whitingham; Wilmington.

The Study Committee does not identify any school districts as “advisable” to the proposal pursuant to 16 V.S.A. § 701b(b)(2).

In FY2016, the combined PK-12 average daily membership (ADM) of the two “necessary” districts was 407.50 (Whitingham: 190.30; Wilmington: 217.20) and the combined ADM of all six WWSU districts was 671.40.

The electorate of each “necessary” district will vote on May 23, 2017 whether to approve creation of the New Unified District.

Creation of the New Unified District is *not* contingent on approval by the Halifax, Readsboro, and Stamford voters to create a UUSD that operates through Grade 8 and tuitions Grades 9-12.

The New Unified District, which would be known as the Twin Valley Unified Union District, would unify two existing PK-12 school districts (which currently contract to operate all schools jointly) into a single district responsible for operating the schools within the district. It would replace all current governing bodies with one unified union school board.

The New Unified District would be governed by a unified school board of seven members. Membership would be closely proportional to the towns’ relative populations and would be adjusted if necessary to reflect each decennial census. Each member would be elected by the voters of the town in which the member resides.

A school could not be closed during the first four years of operation without approval by the voters residing in the town in which the building is located. In subsequent years, building closure would require both (1) a supermajority vote (greater than 75%) of the Unified District School Board and (2) an affirmative vote of the voters residing in the town in which the building is located.

If a school building is closed and would no longer be used for the direct delivery of student education programs, 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 for these purposes for fewer than five years.

All future votes on the budget and Board membership would be by Australian ballot.

POLICY IMPLICATIONS: By enacting Act 46, which incorporated the provisions of Act 153 (2010), 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 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.

The Whitingham and Wilmington school boards currently contract to operate two schools jointly pursuant to 16 V.S.A. § 572: a PK-5 school located in Wilmington and a Grade 6-12 school located in Whitingham. A single “joint-contract” board, created by combining the two district boards, is responsible for the education provided in both schools. Because the two school districts continue to exist as distinct municipal entities, however, each district is independently responsible for payment of special education services and has a separate budget. Similarly, calculation of tax rates in each district is determined by the number of equalized pupils residing in that district.

The Study Committee recognizes that the merger of two districts that operate all schools jointly into a single UUSD will not increase the level of structural flexibility in a significant way, as it will when two entirely distinct school districts unify. For example, the opportunity for sharing of staff or other resources in a UUSD is not any greater than in a PK-12 system that two districts operate jointly by contract.

As a result, creation of a UUSD under this proposal serves primarily to formalize – and confirm the commitment to – a longstanding contractual relationship. The Study Committee sees formal unification of their governance as an opportunity for their current relationship to continue to grow.

The principal, tangible result of unification in this instance will be to merge the budget, combine the total number of equalized pupils, share responsibility for payment of special education services regardless of where the student resides, and provide more stability to the tax rate. The Study Committee provides the example of the New Unified District’s ability to share financial responsibility for the current high number of Whitingham students who receive special education services, while noting that the situation could be reversed in a different year.

In the preamble, both study committees acknowledge that unification “may not solve the fiscal challenges caused by decreasing enrollments.” In fact, given the existing contractual relationship of the two districts, their small combined ADM, and the prospect of a continuing decline in enrollment at the jointly operated schools, it is essential that the communities view the proposed unification as an important first step in moving toward being a sustainable governance structure that is able to meet or exceed the educational and fiscal goals of Act 46. Next steps do not necessarily include additional merger of governance structure, but will involve, e.g., looking beyond the boundaries of the New Unified District for ways to increase enrollment and to share resources with other districts in the region.

With this in mind, the Secretary believes that 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.

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