

## **Vermont School Board of Education Approves WWSU Plans for School Merger**

By; Brigid Scheffert Nease, Superintendent

On April 19, 2016 at the Capital Plaza in Montpelier, the State Board of Education approved the plan submitted by the WWSU Study Committee to merge our existing seven school boards into one. As most taxpayers know by now, the WWSU Study Committee, Executive Board, and administration have been meeting twice a month for almost nine months studying this law and its ramifications. Act 46 requires supervisory unions to merge into one board with one budget in what Act 46 calls a "preferred structure" that serves grades Pre K-12. We can do this now, with some local choice along the way, and receive incentives, or we can sit back and wait until the Agency of Education(AOE) and State Board of Education(SBE) merge us anyway by 2019. Doing it later means doing it their way, without incentives and enduring other serious negative financial consequences for several years.

Voters in each of our six towns will be voting by Australian ballot on June 7<sup>th</sup>. They will not be voting on Act 46. It is law and not likely to be changed any more than Act 68. They will be voting whether or not to merge our boards into one, based on the information they have been provided by their local school board representatives about the pros and cons.

The [wwsu.org](http://wwsu.org) website continues to provide the best source for up to date information. The Articles of Agreement, which spell out the specifics particular to our WWSU schools, and the narrative Study Committee Report with appendices, including financial calculations and projections, and a summary of all the individual schools' assets, debts, surpluses, and deficits, will provide very specific details. A Story Card for each town that identifies specific town details has now been posted. All of our meetings have been recorded by Mad River TV Channel 44 - who deserves our thanks - and can be viewed by anyone via computer. The WWSU Study Committee and Executive Board have held three public forums to present their findings and to engage the public in a Q & A. A fourth will be held on Monday, May 23rd at the Big Picture in Waitsfield at 6:30.

The future communication plan includes a full page ad in our local papers, expected to run 5/26 and 6/2. A Public Hearing will be held in each town within 10 days prior to the vote. A flyer will be sent digitally and be on hand at the hearings.

I encourage every taxpayer to become informed, get his/her questions answered, attend the forum and Public Hearings and come out to vote. In my opinion, Act 46 is not a perfect law, but it is law. It is not going away, any more than Act 60 or 68 is. There is no doubt in my mind that if we do not take advantage of the incentives and merge now, we will be merged by the state in 2019, having lost significant savings. Our reports provide pages and pages of pros, cons, predictions, calculations and the like.

We could spend many hours discussing the law based on student opportunities and equity, efficiencies and operational capacity, and what sharing students could mean for our towns in what will continue to be years of declining enrollment. The board teams have spent countless hours discussing what could be possible in the future, from combining middle schools, to reconfiguring the elementary grades. We may

do none of these things, but without one board and one budget we cannot even have the conversation. In the end, I believe the upcoming vote will likely be decided on the issue of reducing or slowing the growth of property taxes.

Act 46 will not solve the larger, very significant issues with the education funding formula, serious declining enrollment, and economic development problems in our state. But, it will provide some tax incentives and some significant safety nets for us to offset whatever lies ahead while Montpelier decides what they will do about these larger issues over the next five years.

Our schools are hit harder than many by the way the funding formula works. We have little allowable weighting in our numbers. This, along with our continuing declining enrollment, is a recipe for disaster. We simply cannot afford ourselves now. Over the course of the next FY 18 budget cycle without this merger, there will be no status quo to hang onto. Merging now and taking advantage of these incentives is the best chance we have to reduce and/or slow the growth of property taxes without deep cuts to core programs and the arts.

The bottom line is without a merger, taxpayers will pay more. With a merger, taxpayers will pay less. We could spend hours debating how much more or less. That is because it is difficult to predict the decisions a new unified board will make, other spending across the state and what the Common Level of Appraisal (CLA) will be. Many of these variables are out of the control of local boards. That's how the crazy formula works.

We do know though that not merging means walking away from 1) approximately 5.7 million dollars in just the reduction of the tax rate over 5 years. In the first year it is 10 cents, in the second, 8, in the third, 6, in the fourth 4 and in the fifth, 2; 2) Approximately one third of the benefit occurs in the first year, an equivalent of approximately \$1,816,000 based on last year's numbers; 3) \$130K in grant transition money; 4) \$100K in efficiency savings for things that are duplicated now in all seven districts (e.g. seven audits are reduced to one); 5) keeping the small schools grant money indefinitely (about 110K annually); and whatever financial savings can be generated from a waiver against the spending target thresholds.

In September 2015 when those threshold targets were published, our schools collectively would have needed to cut approximately \$1,179,000 to avoid the double tax penalty, with \$800K at HUHS alone. We do not yet know what the not to exceed targets will be for next year, but the picture doesn't look pretty. Out of the gate, the state will be short an estimated 35.8 million: \$18.8 million in surplus from the education fund and \$17 million in reserve rainy day funds ponied up by local boards to meet the targets this year, both of which artificially soften the tax blow this year. But if we are merged, these targets are waived for at least next year.

Further savings come from being held harmless from declining enrollment, and not having taxes rise above 5% regardless of spending. This is of real benefit to our communities, given the bond we will need to bring Harwood up to code and complete necessary repairs to this 1960's facility. Other, more complex elements also save money on the incentives side.

Everyone should be aware that merging could bring negative consequences, as well. Change is hard and sometimes uncomfortable. There is a sense of loss of local control and town identity. Some are afraid of taking on others' indebtedness, though our calculations show that it all ends up pretty even. The committee addressed many of these challenges in the Articles. It can be unsettling to not have a complete picture of what decisions will be made by the new unified board in the future.

Act 46 is here to stay. The bottom line is, Vermont has chosen to pay for all schools out of one check book. As such, it doesn't matter what the tax rate is in any given town. If we merge, our towns will pay less. If we don't, our towns will pay more. Even though many may have concerns about consolidation, the tax incentives offered appear too great to ignore. It is my hope that on June 7th, informed voters will have weighed the pros and cons and made the difficult decision as to what is best for our six WWSU districts. Regardless of the outcome, I ask that you take a minute to sincerely thank your local school board members for the countless hours of meetings and study that they have put into this work. They are a tremendous bunch of people, and I feel honored to work with them.