

Common Questions & Current Understandings in Act 46

What is Act 46?

Act 46, is a state legislative education initiative placed into law in 2015, which focused on quality and efficiency goals through the preferred structure of a single supervisory district. The Law's stated goals were to:

- Provide substantial equity in the quality and variety of educational opportunities statewide;
- Lead students to achieve or exceed the State's Education Quality Standards, adopted as rules by the State Board of Education at the direction of the General Assembly
- Maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with a goal of increasing the district-level ratio of students to full-time equivalent staff
- Promote transparency and accountability; and
- Are delivered at a cost that parents, voters, and taxpayers value.

Act 46 establishes a multi-year process that provides three phases of incentives for school districts that voluntarily merge into the most common governance models. The three phases are:

- Phase 1 – Accelerated Mergers: Phase 1 provides incentives to a new district that is formed by the merger of all districts within a single supervisory union and that meets certain additional criteria, including becoming operational as a supervisory district (a single-district SU) by July 1, 2017. (Act 46, Sec. 6)
- Phase 2 – REDs and RED Variations: Phase 2 incorporates the processes and incentives for a RED (Act 153 of 2010 as amended) and its three variations, including a Side-by-Side Merger (Act 156 of 2012 as amended). Consequently, Phase 2 provides incentives for governance changes into a supervisory union with multiple merged member districts – an “alternative structure” as envisioned in Act 46 (Sec. 5(c)). Incentives in Phase 2 are nearly identical to those in Phase 1.
- Phase 3 –Conventional Mergers: Phase 3 provides incentives to a new district formed by the merger of two or more districts that meets certain additional criteria, including being operational as a supervisory district by July 1, 2019. (Act 46, Sec. 7)

What does Act 46 say about "alternate structure" to mergers?

Act 46, Sec. 9 requires a district that has not pursued a voluntary merger, or that does not expect to merge voluntarily before July 1, 2019, to complete three tasks:

- Evaluate its current ability to meet or exceed State goals set out in Act 46, Sec. 2;
- Meet with other districts in the area to discuss ways promote improvement in the goals throughout the region; and
- Submit a proposal to the State Board, individually or with other districts, to maintain its current structure, work with other districts in some way other than merger, or merge with other districts to form a different governance structure

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When Reviewing of Alternate Structures, Review of Act 46 alone is NOT enough, We also need to consider other legal initiatives in consolidation such as: Act 153 (2010), Act 156 (2012) and all pre-existing Laws in statute regarding structure, and then, of course...the parameters of Act 46 (2015)

The Law defines the preferred structure as a Single Supervisory District/Single District. Act 46 speaks to an "Alternate Structure" that could be explored if a district proves that the preferred structure is not the best way to meet the stated goals.

What did Lamoille North Supervisory Union do to explore whether they could best meet the stated goals of Act 46 through the preferred structure?

The LNSU created a committee pursuant to Act 46, and that committee recommended moving forward toward formation of a Single Supervisory District as the best structure to meet the goals. They submitted their arguments in support of that plan to the State Board of Education, and the Board accepted and approved the plan. On April 12, 2016, the towns of Belvidere, Eden, Hyde Park and Johnson voted to form a single district inclusive of Lamoille Union Middle and High School, as well as Green Mountain Technology & Career Center. The remaining two towns of Cambridge and Waterville voted no.

Where are Cambridge and Waterville at this point in terms of how they plan to move forward? What options are they considering?

For Cambridge and Waterville, either the Board of School Directors can call a special meeting on its own motion or a petition can be submitted with a signed petition of 5% percent of the voters calling for a special meeting to consider the proposition without getting any additional permissions from the state or other member boards or towns.

Article 21 of the Articles of Agreement allows just a simple majority of those voting. A Positive Revote Prior to July 1, 2017 still allows tax savings for the next 4 years and Maintains Small School Grant of @\$80,000 among other benefits...especially for Income Sensitive Taxpayers!

If either town waits until after April 12, 2017, there must be additional approvals such as: Permission by State Board of Ed for a Vote, a Positive Vote from Citizenry and Must be Accepted by Member Boards. Meanwhile, if no new vote is considered, then the districts must move forward with exploration and justification of an "alternate" structure. The key dates are listed below in determining the future:

1. June 30, 2017 Positive Revote
 - allows tax savings for the 4 years and Maintains Small School Grant of @\$80,000 among other benefits...especially for Income Sensitive Taxpayers!
2. July 1, 2017
 - Must Get Permission by State Board of Ed for a Vote
 - Positive Vote from Citizenry
 - Must be Accepted by Member Boards
3. November 30, 2017
 - Cambridge & Waterville Submits Report to Secretary of Education on Alternate Structure as Exception

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4. June, 2018
 - Secretary of Education Issues Recommendation of Structure of Districts to State Board of Education
5. November 30, 2018
 - State Board of Education Publishes Order of Realignment/Mergers Where Necessary (Rule 3440.8.1)

What happens after November 30, 2017 for those towns that did not join?

Act 46, Sec. 10 requires the Secretary of Education to develop a proposal to realign districts into more sustainable models of governance to meet the goals set out in Act 46, Sec. 2. The Secretary will develop the proposal based on information gleaned from Voluntary Mergers, proposals from Unmerged Districts above, and from other resources. The Secretary will propose changes to the extent necessary and in a manner that is possible and practicable for the region. The Secretary will post the proposal on the Agency's website and present it to the State Board of Education by June 1, 2018. Then, Act 46, Sec. 10 further requires the State Board to issue a final statewide plan by November 30, 2018 that requires the merger and realignment of districts and supervisory unions where necessary -- for the same purposes and under the same criteria that govern the Secretary's proposal. The State Board is directed to review the Secretary's proposal and is authorized to take testimony and request additional information.

What is the status of the new Lamoille North Modified Unified Union board? Who sits on it, how many reps from each town?

The new Lamoille North Modified Unified Union School District (LNMUUSD) has met and is active.

In May, when the Secretary of Education filed the certification of final votes with the Secretary of State, the new district became a "*body politic and corporate with the powers incident to a municipality*" pursuant to 16 VSA § 706g. On July 21, 2016: The LNMUUSD Board was sworn in at the organization meeting pursuant to 16 VSA § 706j – and the newly elected Board members assumed office upon being sworn. Then, this past August 23, there was an informational Act 46 meeting for the public and on September 14, the new Board held a retreat to consider and outline their general work for the year. Currently, they are scheduled to meet on the third Monday of each month.

On July 1, 2017 (FY18) the LNMUUSD becomes fully operational and solely responsible for the education of the students pursuant to our Articles of Agreement.

What was the final decision regarding the composition of the LNMUUSD board? Who is on it and for how long? Do Cambridge and Waterville have representatives on that board?

Article 19 allocates Members to the MUUSD Board as follows:

- Belvidere (1)
- Cambridge (5)
- Eden (2)
- Hyde Park (4)

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- Johnson (5)
- Waterville (1)

* See the attached chart for board composition

What does the high school board look like in all 6 towns in 2017-2018?

After July 1, 2017, there is no high school board (unless to complete necessary business thru December, 2017). There is a MUUSD board. Members of the MUUSD board from town districts voting "no" participate in all votes except those involving issues limited to grades PK-6. The high school board dissolves, and the Modified Unified Union School District Board is created.

How many boards need to exist now and how are they related? Would it be possible to get lists of who is on each board?

There will be four boards: an elected board for each of the three school districts: LNMUUSD, Cambridge Elementary and Waterville Elementary and, since not all districts voted to join, the LNSU board still will exist as a "governing board" and is comprised of those members from the LNMUUSD board PLUS an appointed member from the boards of the 2 Non-Member Elementary Boards (NMED). Votes are prorated for the 2 NMED as shown in the attached chart. NMED districts must recuse themselves on any votes that affect PreK-6 decisions

* See the attached chart for board composition

Will people on the individual elementary school boards have to run for re-election in March if their terms are up then?

Each Dissolving District Board needs to ensure that they have a quorum to continue to act and do whatever they are required to do as a board until at least July 1, 2017, but no later than December 31, 2017. The terms of some Board Members of the Dissolving Districts expire at the Annual Meeting in March 2017, but if the expiration of these terms in March 2017 would prevent the Dissolving District Board from carrying out its FY17 responsibilities, then it will need to ensure that the expiring seats are filled.

Those boards could do that by electing the same or new individuals to fill those seats for the following 4 to 10 months (4 months = if it completes its duties by July 1; and 10 months = if it completes its duties by December 31) or their existing board could appoint someone to fill those seats if no one runs for that office and is elected. School board member terms expire on the day of the next election when their term is up "or until a successor is elected and qualified" per 16 VSA § 423 and § 706k

Who will be preparing the budgets for the upcoming Town Meeting? Will the new board or will each individual school board still do that?

For those schools that have merged, we believe that the most prudent approach would be for each existing board and their administrators to develop the budget for their school. Our plan has been to have each existing board develop their school budget. That is only logical. They know their school best, and the structure to facilitate that is there already. Each existing board will approve their school budget to go

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forward to the new LNMUUSD Board for ultimate approval of those budgets and Ballot Articles for the new district. In the case of Cambridge Elementary and Waterville Elementary, these two schools will still develop and approve their respective elementary budgets. Additionally, since not all town districts merged, it is still necessary to develop separate supervisory union budgets and secondary budgets for assessment and tax rate purposes as depicted below:

1. Cambridge Elementary PreK-6 (Cambridge Board)
 2. Waterville Elementary PreK-6 (Waterville Board)
 3. MUUSD PreK-6 (MUUSD BOARD)
 4. LNSU (LNSU BOARD)
- } Individual existing boards will develop MUUSD 7-12 (MUUSD BOARD) budgets and then they will be presented to the MUUSD board for approval

What has been decided in terms of where Belvidere kids will go to school?

The new LNMUUSD board will be taking up that very question, however it can be interpreted in our Articles that it was the strong desire in our Article 17 that continuity for elementary students was the intent. Act 153 also allows grandfathering in operating schools in "town of residence" if allowed "fewer options" and while this does not seem to apply since they had one option before, and perhaps not the same option as before...but will have at least one option again, there is additional statute that would still allow the LNMUUSD Board to tuition students from Belvidere. State Statute 16 VSA Sec 821(c) allows the LNMUUSD Board authority to tuition students to an adjacent district upon parent request AND, if the parent is not satisfied with the Board's decision, the parent can appeal to the Secretary of Education. The cost to tuition these students is between \$400,000 and \$500,000.

How do we preserve everything in our small schools and feel ok about governance and small representation on a large new Board?

Every citizen is free to attend any of the school board meetings of the consolidated board. Additionally, school-based advisory groups were discussed as one mechanism that the new board would look at to gain insight and give voice to each locale. At our basic roots, the boards throughout Lamoille North have very common, if not identical goals. They have built their budgets and driven their decisions while adhering to the exact same common parameters of:

Maintaining a safe environment conducive to learning.

Insuring new programs or services benefits clearly exceed costs.

Balance existing program with benefits that justify costs.

Supporting the four essential data-driven questions of Professional Learning Communities (PLC's)

What do we expect students to learn?

How do we know when they have it learned?

How do we respond when they don't learn?

How will we respond when it is already known by them?

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Many of our schools have programs that could be replicated in our other schools. The best way to determine effective best programs is by data-driven results. Typically, the first step is to collect the data so educators, administration and the board can evaluate which programs to support. Then, if a program is to be replicated, the district can turn to a "peer-training/coach" model that prepares the instructors to deliver the new program from one school, across various schools.

Is there capacity for other schools to absorb students from other towns? What is that process?

There is capacity for other schools to absorb students from other towns, but that depends on what grade and which towns. Under Article 4, any action to close an existing school would require a 75% majority vote of the school board, in two consecutive votes, with at least 1 year between votes. Additionally, the law itself protects a school that voted "yes" from closing in the first 5 years of consolidation and Article 17 allows students the right to attend their current resident school for the first 3 years unless with parent consent and board approval. Any additional process would have to be explored and defined by the new board

Can non-merged districts break away from Lamoille Union High School?

Districts can't leave a union without the consent of other members. Past legislature made union contracts tight because of the debt unions were taking out to build the original union schools had to be backed by the strength of the contract and commitment of member districts. The responsibility for that debt amount is still the responsibility of the member towns that voted the debt for the union high school district. That debt would have to be proportioned and paid. It took approval by voters of every town district to make one and it takes approval of the voters of every district to let a district out of the contract.

Can individual schools apply for grants?

Yes, many grants allow that. Most of the larger grants already are accessed by all schools to some degree. For instance, while the state is creating a new calculation with poverty as a component, currently, all would still be eligible for Title IIA (professional development funds) and any other federal funds through the Elementary and Secondary Education Act except for Title I. Title I funds are allocated to districts based on student poverty. Unless the state or the federal regulations are waived, the 40% poverty criteria applies to Title I schools who wish to operate as a school-wide program. Title I eligibility rests on school's poverty level which is to be at 35% or at the LEA's average poverty level whichever is lower. Lamoille North towns have a higher poverty level than some other surrounding towns that could trigger an average lower poverty level. My understanding is that even if a district does not merge, they are still in a supervisory union and a SU/SD in Vermont are the entities that are recipients of federal funds for their member schools. The mechanism for that distribution may however, change.

How does one make sure that great ideas come through to a consolidated board?

Every citizen is free to attend any of the school board meetings of the consolidated board. Additionally, school-based advisory groups were discussed as one mechanism that the new board would look at to gain insight and give voice to each locale.

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What funds might be available to stay in individual campuses?

Article 7 allows for reserves for specific purpose, such as capital repairs at an individual school building, to be used at that particular school. Likewise, student activity, trust and agency accounts specific to that school would remain for their intended use.

What are the adverse impacts of not consolidating with our other Lamoille North schools?

Certainly, the most obvious adverse impacts center around the direct loss of tax incentives and other financial benefits such as: the 3.5% Hold harmless provision protection so the cost in the loss of students is softened and mitigates the impact of an increased tax rate, more advantageous income sensitivity percentages for those tax payers that pay based on their income. For Waterville, there would be an immediate lower education spending per equalized pupil that by itself, would decrease taxes. For both Waterville and Cambridge, projected long-term protection against threshold tax penalties, and the imposition of the aspect in the law that positions districts not consolidated to be subject to reorganization by the State Board of Education in 2019 would come into play. There is also potential for lessened grant funds since Waterville and Cambridge both benefit in greater grant dollars through the higher percentage of lower-income levels of the other Lamoille North schools, and the small school grant that Waterville currently benefits from is not promised to continue if districts do not voluntarily merge.

What happens in/to our funding stream in our non-merged schools?

Education is funded by local non-property tax sources, state and federal funds. Those three funding sources influence local property tax amounts that flow into the state education fund and continue to exist regardless of the governance of a district. What changes, is the amount available to the district, specifically the "no" vote districts. Since those districts will receive no tax incentives or protections that help to mitigate the acceleration of increasing taxes, the proportion of local property tax logically will increase while the categorical state grants, such as the small school grant, is projected to be eliminated.

Federal funds will continue to flow through the supervisory union and be sub-granted to the "non-merged" districts. All districts would still be eligible for Title IIA (professional development funds) and some other federal funds through the Elementary and Secondary Education Act. However, the largest of these funds is called Title I, and the use and amount of these funds are allocated to districts based on student poverty. Unless the state or the federal regulations are waived, a 40% poverty criteria applies to Title I schools who wish to operate as a "school-wide" program. Currently, all our elementary schools have operated as "school-wide" programs using Title I funds, allowing greater flexibility in their use. The highest poverty levels for our schools, who qualify to operate "school-wide" programs are held by the towns that elected to merge. A district may still qualify for funds if they have less than a 40% poverty ratio, but to maintain Title I funds, a district has to have a poverty percentage of 35% or more.

Independently, both Cambridge and Waterville are just barely at the 35% poverty level. With our current methodology of distributing funds, we take our highest poverty district, determine a dollar amount per student, and distribute it to the elementary school districts by the October 1 student count. Through that mechanism, the district that gets the most funding is not necessarily the one with the greatest need as defined by the purpose of Title I, but rather, the one with the greatest October 1 count. The methodology that is used to distribute those funds to all our districts will be evaluated at the supervisory union board level and may result in a decrease in federal funding to schools that have low poverty levels.

