

**Vermont Association of School Business Officials**  
**Statement on the Future Governance of Public School Districts in Vermont**

Approved by VASBO Membership ó February 12, 2010

The Vermont Association of School Business Officials (VASBO) supports the position of the Vermont Superintendents Association that "the future structure of Vermont school districts provides for single PK-12 governing boards, each with the authority and responsibility to develop and maintain policy that ensures a structure for management and accountability." VASBO believes that such PK-12 alignment, contained generally within existing supervisory union boundaries, is an attainable goal. Some mergers of smaller supervisory unions may also be achievable. We do not support the formation of "mega-districts" as such is not likely, desirable, nor attainable for Vermont.

Further, VASBO believes that such a governance structure would have a favorable effect on education quality and cost effectiveness. Our belief is informed by our analysis of data and our collection of specific cases where such has already occurred. Much of that analysis compared Vermont's current 14 single district Supervisory Unions (hereafter referred to as Supervisory Districts) with the remaining multi-district Supervisory Unions. With respect to our data analysis, we do understand that Vermont's educational structure is varied and diverse. There are innumerable variables and factors that make a rigid link between data and root causes difficult at best. Cost savings are not, therefore, to be taken as guaranteed amounts and in some cases are overlapping. However, we believe that the data presented is compelling enough to lead us to pursue governance restructuring.

This document provides examples of cost savings initiatives noted as cases. With respect to these cases, the names of some towns or Supervisory Unions involved have been intentionally not listed.

***Budgets and Inequity of Education Quality***

The current governance structure provides for 288, mostly small, independent school districts; each school district then sets its own budget resulting in pockets of high spending and low spending districts. Grouping multiple town districts into larger PK-12 entities allows for standardization and flexibility of spending creating educational equity for students and cost effectiveness for taxpayers. Cost control in general tends to be best implemented fairly and consistently when decision-making is moved to that level.

The average per pupil expenditure within Vermont Supervisory Districts is \$13,302. The average per pupil expenditure for students served within Supervisory Union systems is \$13,774. If the Supervisory Unions (69,000 students) achieved this cost savings of \$472/pupil, the total savings across the state would approach \$32 million.

An analysis of student outcomes revealed that students in Supervisory Districts performed better than students in Supervisory Unions. Despite Supervisory Districts spending \$472 less per student than Supervisory Unions, Supervisory Districts' NECAP performance outcomes adjusted for socioeconomic conditions were not compromised. The favorable Supervisory District results may be explained by the greater opportunity to coordinate PK-12 curriculum and professional development programs, consistent decision-making, supervision and evaluation procedures, and effective employment practices.

*Case: The Southwest VT SU closed the Catamount Elementary School and the children were placed in other elementary schools or the Mount Anthony Union District Middle School. Children benefitted academically from access to expanded music, technology integration, accelerated programs for the gifted and talented learner and after school programs driven by student interest. This change netted savings of \$1.2 million per year and probably would have happened sooner had all the schools been part of an integrated k-12 district.*

*Case: A superintendent of a Supervisory Union presented its districts with budget plans which called for reducing staff based on declining enrollment. Three of the districts overruled the recommendations of the superintendent and did not take the cost saving measures for reasons that were not based on education quality or student outcomes.*

### ***Special Education Expenditures***

Special education expenditures contribute to Vermont's high education costs. Larger education districts would help to standardize the decision-making and delivery of the very complex and costly services schools must provide. Alternative, lower cost methods of delivering special education services need to be developed. Making decisions at the supervisory level rather than at the "local" level would promote standardization and offer greater potential for cost effectiveness.

Data show no real statistical difference in per pupil spending in Supervisory Districts and Supervisory Unions. Our understanding is that, to a large extent, decision making on Special Education expenditures is one area that is already more centralized than other expenditures.

*Case: Rutland City Schools, a Supervisory District, regularly experiences transfers of students from nearby towns who would otherwise attend out of district private schools offering special needs services that the town's school district could not provide. These schools typically cost \$50,000 to \$75,000 per year and more if they are residential. The IEP evaluation at Rutland City frequently determines that the same services can be offered locally at the school district's SUCCESS program for an average cost of \$20,000 per year achieving considerable savings.*

### ***Small Class Size***

Small class size is the primary determinant of Vermont's higher costs of education compared to other states. School building closures save money but the emotional challenge of combining schools is formidable. A regionalized single PK-12 board managing a portfolio of schools would make decisions with a broader and more inclusive perspective about when and how to combine schools; in part, in whole, or not at all. The present legal structure inhibits employment practices that enable superintendents to create educational systems with student teacher ratios closer to 15 to 1, for academic and cost effectiveness.

Supervisory Districts in Vermont average 11.4 students per teacher. Supervisory Unions, on the other hand, average 10.7 students per teacher. If that 11.4 average was maintained as schools shifted to a Supervisory District structure, the savings are estimated to be \$29 million statewide.

*Case: Two K-8 schools, one mile apart, each in a different district, could have saved over \$200,000 per year if they became one K-4 school and the other a 5-8 school. The savings would have been in administration and teaching staff. The two schools thought they were too different from each other to make this change. It also meant they would have needed to adopt the same curriculum for each grade.*

*Case: Sudbury, Whiting and Leicester repeatedly failed to come together to form a community school for a variety of reasons despite cost savings potential and declining enrollments. There are many statewide failed attempts to combine schools based on local politics adding to the cost burdens for all taxpayers.*

### **General Leadership**

Creating successful schools starts with offering the best experience possible in the classroom with motivated and well trained teachers. We are more likely to achieve that success by having local building principals focused on education and improving teaching and learning. A Superintendent responsible for school boards and Business Manager responsible for business issues will allow that focus to occur in each of our schools. A principal, as an educator, needs to be evaluated, motivated and compensated by another professional educator, a superintendent, and have regular access to peer principals as coordinated and led by a superintendent.

Superintendents in Supervisory Districts have more latitude in financial decision-making, and financial control, than superintendents in Supervisory Unions because the former report to a single board. Financial leadership, and cost control, is more limited at Supervisory Unions because the individual town based boards have the ultimate spending authority.

*Case: In 2006 Southwest VT SU studied the financial savings of consolidating all underlying school districts into what could have become one district with one board, a unified district, by current definition. This consolidation was one of ten different scenarios studied. This scenario saved the most money and was the equivalent of an integrated K-12 district with one managing board from multiple towns. The money saved in FY07 dollars would have been \$2.7 million. That scenario was never chosen because none of the local districts was willing to give up its local control.*

*Case: A small school district's high school has experienced hiring 7 principals and 5 interim principals in the past 17 years. This level of employment turnover makes continuity of programs, evaluation of teachers, and multi-year school quality improvement highly unlikely. Causes for the premature departures were complex, but included the local board politics, the local board's inability to professionally manage and mentor the principals, and the board's final legal authority over decisions. All these factors can be identified as substantially contributing to the employment turmoil.*

### **Supervisory Union Services**

Supervisory Unions exist as consolidating entities serving the beneficial purpose of sharing resources and expenses among school districts. The amount of centralized and shared services among Supervisory Unions varies widely. However, school districts are not required legally to collaborate or to share expenses. They frequently choose to provide their own independent services to their schools at substantially more cost than a shared resource might provide. Because of the large number of small reporting entities there are greater overhead costs related to building multiple budgets, supporting multiple school boards, and reporting routine data to the State and Federal government.

Supervisory Districts spend \$241 per child on general administration as compared to Supervisory Unions spending \$373, based on FY08 data. If the 69,000 children of Supervisory Unions reflected this \$132 cost difference, total savings would be \$9 million per year.

*Case: At Bennington Rutland Supervisory Union, in 2008 the Mettawee School District transitioned their accounting services out of the district and into the central office. The Manchester School District did the same in 2009 for a savings of \$37,000 per year. These improvements in operational efficiency enhance reporting capability, streamline auditing procedures and provide greater oversight to board members and the public.*

*Case: Lamoille North saved roughly \$35,000 by coordinating bus routes between Waterville and Belvidere secondary runs rather than run a separate bus for Belvidere. Although initially met with extraordinary opposition, it was finally accomplished. Savings of \$100,000 in special education transportation costs have been achieved at the secondary level by using the same coordination arguments.*

*Case: Blue Mountain joined with New Hampshire's SAU#23, across the Connecticut River, in a joint venture sharing buses provided by First Student. The sharing required staggered start and end times by about 30 minutes, but saved \$50,000 to \$75,000 per year. There are known situations where savings in transportation costs are obvious but fail to be gained due to individual board autonomy.*