

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 three, four, or five current member districts of the **GRAND ISLE SUPERVISORY UNION (GISU)** 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 GISU Study Committee?

SECRETARY’S RECOMMENDED ACTION:

That the State Board of Education finds that the proposed formation of a new unified union school district by 3, 4, or 5 member districts of the GISU 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 votes to approve the attached report of the GISU Study Committee.

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

BACKGROUND INFORMATION: The GISU consists of five town school districts, each governed by its own board. The Isle La Motte and North Hero School Districts each operate an elementary school serving resident students through grade 6. The Alburgh, Grand Isle, and South Hero School Districts each operate an elementary school serving resident students through grade 8. All five town school districts provide for the education of students in the remaining grades (7-12 and 9-12, respectively) by paying tuition.

The GISU Study Committee recommends creation of a unified union school district (New Unified District) that would operate schools for resident students through grade 6 and would pay tuition for students in grades 7-12.

The Study Committee identifies three of the districts as “necessary” to its proposal: Isle La Motte, North Hero, and Grand Isle. It identifies two districts as “advisable:” Alburgh and South Hero.

The New Unified District would be formed by consolidating the governance structures of three, four, or five of the districts. The potential configurations of a New Unified District are as follows:

1. Five Districts:

- “Lake Champlain Islands Unified Union School District”
- Combined FY16 ADM = 927.59

2. Four Districts (the three “necessary” districts plus one “advisable” district):

- Isle La Motte, North Hero, Grand Isle, and either Alburgh or South Hero
- “Lake Champlain Islands Unified Union School District”
- Combined FY16 ADM, if Alburgh = 725.55
- Combined FY16 ADM, if South Hero = 640.89

3. Three Districts (the three “necessary” districts):

- Isle La Motte, North Hero, and Grand Isle
- “Central Islands Unified Union School District”
- Combined FY16 ADM = 438.85

Article 16 of the proposal provides that if the New Unified District is formed but the voters of the Alburgh School District and/or the South Hero School District do not approve the merger, then the voters in the non-approving district(s) may reconsider their decision and vote before November 30, 2017 to join the New Unified District. Under Article 16, admission would be granted until this date without the need for subsequent approval pursuant to 16 V.S.A. § 721.

If a four- or five-district merger is approved by the State Board and by the voters of each merging district, then the New Unified District would be eligible for incentives and protections under Act 153, Secs. 2-5, because it would be a unified union district formed by the merger of four or more existing districts.¹

The proposal would unify three, four or five existing school districts responsible for operating elementary schools in the towns included in the New Unified District. It would replace the current governing bodies with one unified union school board.

¹ If the New Unified District is formed solely by the three necessary districts, then the subsequent admission of one or both of the non-approving district pursuant to Article 16 would not make the enlarged union district eligible for incentives under Act 153 (“RED” incentives) – because (1) the New Unified District would have become a single district when the Secretary of Education certified the final vote in December, even though New Unified District would not be fully operational until July 1, 2019; and (2) the combined ADM would be less than 1,250.

If both of the non-approving districts were admitted pursuant to Article 16, however, then the enlarged district may be eligible for incentives per Act 46, Sec. 7 (incentives for “Later Conventional Mergers”).

The New Unified District would be governed by an 11, 8, 6, or 5 member school board, depending upon which of the current town districts approved merger. See Article 8 and pages 28-31 of the Report for more details. 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. Election of board members would be by the electorate of the town to which the board seat was apportioned.

A currently operating elementary school building could not be closed during the first four years of the New Unified District's existence. After the initial four years, closure of an elementary school building would require approval of both the New Unified District's school board and the electorate of the municipality in which the building is located.

If a building is 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 for these purposes for fewer than five years.

The proposal addresses the manner in which the New Unified District will apply (1) funds from trusts created for specific uses and (2) town payments for improvements related to community use of New Unified District property.

The electorate of each potentially merging district will vote on November 8, 2016 whether to approve creation of the New Unified District. If the voters in each of the "necessary" districts and two, one, or none of the "advisable" districts vote in favor of the proposal, then the New Unified District will begin operation on July 1, 2019.

Creation of the New Unified District, whether formed by three, four, or five districts, would require one or more districts to cease operating grades 7 and 8. The Study Committee evaluated the potential benefits and challenges of this aspect of the proposal by, among other things, (1) comparing curricular and co-curricular programs offered by schools in the region (in and outside the GISU); (2) comparing tuition costs; (3) visiting middle schools in Colchester and South Burlington; and (4) providing opportunities for community input. The Study Committee determined that even if all five town districts merged to create the New Unified District, the combined student numbers in the middle level grades would result in "less than adequate scale" to achieve full compliance with State Education Quality Standards.

The GISU report and its appendices include tables and charts that informed the Committee's analysis and proposal concerning issues such as population projections, enrollment trends, student-teacher ratios, school program comparisons, school assets

and debts, tax rate comparisons and projections, and other financial data. The report also describes in detail the Study Committee's community outreach efforts.

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 Act 46. It was primarily through the lens of those goals that the Secretary has considered whether the GISU 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:

Upon evaluating a wide-range of issues, the Committee identified potential educational benefits of merger, including:

1. "Increased program quality, variety and equity ... (e.g. foreign languages, technology integration)" in the elementary grades.
2. "Narrowed focus on age-appropriate learning opportunities" in the elementary grades.
3. The opportunity to reconfigure grades or consider intra-district choice options among the elementary schools operated by the New Unified District.
4. "Greatly expanded academic learning opportunities" and "personal growth opportunities" for students in grades 7-8.
5. Increased availability of "shared resources related to curricular or operational expertise, technology, training, assessment planning, instructional coaching and other professional development activities."
6. The elimination of bureaucratic redundancies and centralization of supports enabling administrators to focus on their roles as educational leaders.

FISCAL IMPLICATIONS:

The GISU Study Committee's report anticipates potential cost savings and other fiscal implications resulting from the formation of a unified union school district through, for example:

1. Discontinued operation of grades 7-8 at the Grand Isle Elementary School might provide space to house superintendent or curriculum administration services, reducing the need to lease space for one or both of these functions.
2. Elimination of unnecessary expenditures by increased ability to share educational resources.
3. Moderation of the effects that population changes have on tax rates.
4. "Probable reduction in personnel expenses."
5. Continuation of Small School Support Grants in the form of perpetual Merger Support Grants (the Isle La Motte, North Hero, and South Hero

School Districts received Small School Support Grants from at least FY13 through FY17 – see page 42 of the Report for more details).

6. Continuation of the 3.5% hold-harmless provision (Isle La Motte had 1.49 “phantom pupils” in FY15; South Hero had 16.54 – see pages 11-12 of the Report for more details)

See also Act 153, as amended, for potential cost implications to the State.

See the Study Committee’s Worksheet 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 the Study Committee’s Report and Appendices.

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.

If the voters of all five districts approve the proposal, then the State Board might decide to designate the New Unified District as its own supervisory district. The Secretary believes that it is premature to decide this issue in the abstract and recommends that the State Board revisit the matter in the future if it becomes necessary to do so.

STAFF AVAILABLE: Donna Russo-Savage, Principal Assistant to the Secretary,
School Governance
Brad James, Education Finance Manager
Bill Talbott, Chief Financial Officer

Study Committee Worksheet for All Phases of Voluntary Merger

Please submit this to the Agency with the Study Committee Report

| Current Supervisory Union or Unions (list each) | Potentially Merging Districts Pursuant to 16 V.S.A. § 706b(b)(1)-(2) (list each) | Is the District: | |
|---|---|------------------|-----------|
| | | Necessary | Advisable |
| Grand Isle Supervisory Union | Alburgh | | X |
| Grand Isle Supervisory Union | Grand Isle | X | |
| Grand Isle Supervisory Union | Isle La Motte | X | |
| Grand Isle Supervisory Union | North Hero | X | |
| Grand Isle Supervisory Union | South Hero | | X |
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| Type of Merger | |
|---|---|
| <i>Please refer to the related eligibility worksheets to determine baseline eligibility for each merger type.</i> | (column reserved for agency use) |
| <input type="checkbox"/> Accelerated Merger (Act 46, Section 6) | |
| A Regional Education District (RED) or one of its variations (Act 153 (2010) and Act 156 (2012)) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> RED (Act 153, Secs. 2-3, as amended by Act 156 , Sec. 1 and Act 46, Sec. 16) <input type="checkbox"/> Side by Side Merger (Act 156 , Sec. 15) Districts involved in the related merger: <ul style="list-style-type: none"> <input type="checkbox"/> Layered Merger (Union Elementary School District) (Act 156, Sec. 16) <input type="checkbox"/> Modified Unified Union School District (MUUSD) (Act 156, Sec. 17, as amended by Act 56 (2013), Sec. 3) | |
| <input checked="" type="checkbox"/> Conventional Merger – merger into a preferred structure after deadline for an Accelerated Merger (Act 46, Section 7) | |

| Dates, ADM, and Name | |
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| Date on which the proposal will be submitted to the voters of each district (16 V.S.A. § 706b(b)(11)): <i>November 8, 2016</i> | |
| Date on which the new district, if approved, will begin operating (16 V.S.A. § 706b(b)(12)): <i>July 1, 2019</i> | |
| Combined ADM of all “necessary” districts in the current fiscal year: <i>Grand Isle, Isle La Motte & North Hero</i> <i>(elementary, secondary and state placed students): 441.71</i> | |
| Proposed name of new district: <i>Champlain Islands Unified Union School District</i> | |

Please complete the following tables with **brief, specific** statements of how the proposed union school district will comply with the each of the listed items. Bulleted statements are acceptable.

| The Proposed School District is in the Best Interest of the State, Students, and School Districts – as required by 16 V.S.A. § 706c | | |
|--|---|--|
| <p><u>Goal #1:</u> The proposed union school district will provide substantial equity in the quality and variety of educational opportunities.</p> <p><i>Act 46, Sec. 2(1)</i></p> | <p>Opportunities inherent with larger scale systems presently challenge the districts of GISU. Substantial improvements in equity and the quality and variety of educational opportunities are made more possible through (a) merger and (b) tuitioning all students in grades 7 and 8.</p> <p>POTENTIAL BENEFITS FOR PK-6 STUDENTS & FAMILIES</p> <ul style="list-style-type: none"> • Increased program quality, variety and equity across a unified district (e.g. foreign languages, technology integration) • Narrowed focus on age-appropriate learning opportunities • Simplified sharing of personnel and physical resources • Increased opportunities for shared experiences between students in different towns • Opportunity for extended transition plan from Elementary to Middle and High Schools • Improved consistency through reduced teacher turnover • Flexibility for student placement across district • Increased equity in transportation availability • Improved curriculum consistency across district • Creates larger community inclusive of multiple towns <p>POTENTIAL BENEFITS FOR GR 7-8 STUDENTS & FAMILIES</p> <ul style="list-style-type: none"> • Greatly expanded academic learning opportunities • Increased access to advanced academics • Expanded access to student support services • Greatly expanded personal growth opportunities (e.g. clubs and activities) | |

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| | <ul style="list-style-type: none"> • Earlier access to a wider variety of athletic opportunities • Wider exposure to different peer groups • Heightened sense of identity and belonging with their secondary school • Similar transition time as other elementary students • Expanded opportunities for technology integration experiences | |
| <p><u>Goal #2:</u> The proposed union school district will 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.</p> <p><i>Act 46, Sec. 2(2)</i></p> | <p>The districts face immediate pressures to address and comply with the significant requirements of the Education Quality Standards, especially at the middle-grades level. Merging, coupled with tuitioning all students in grades 7 and 8 are two means of addressing current deficiencies.</p> <p>A. GISU Priorities in Meeting the Education Quality Standards (State Board Rule 2000): The GISU reviewed the EQS and current student learning opportunities and identified 5 top priorities:</p> <ul style="list-style-type: none"> i. World Language ii. Tiered System of Support MTSS iii. Transferable Skills iv. Technology Integration v. Science, Technology, Engineering and Mathematics Instruction <p>B. Additional Areas for EQS Improvement included:</p> <ul style="list-style-type: none"> i. Physical Education Staffing ii. Health Service and Health Education iii. Library Media Services iv. Guidance v. Music Education | |

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| | <p>vi. Performing Arts</p> | |
| <p><u>Goal #3:</u> The proposed union school district will 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.</p> <p><i>Act 46, Sec. 2(3)</i></p> | <ul style="list-style-type: none"> i. There is less than adequate scale even if all GISU middle level grades were combined. ii. Consolidated governance structure would allow the districts to consolidate some bussing routes and allow students on Isle La Motte to benefit from bussing (now not present.) iii. With fewer students attending Grand Isle Elementary School, space may become available for superintendent and/or curriculum administrative services. iv. Elimination of redundancies and centralizing supports can shift principals' time from some bureaucratic functions to instructional leadership functions. v. GISU districts, on the basis of limited size, have a history of recruitment and retention challenges, notably with less than full-time positions. Upon unification, the potential for sharing part-time personnel across schools (yielding higher f.t.e.'s, up to the potential for full time positions) will help address current recruitment and retention challenges. vi. The GISU office, in serving multiple districts often finds itself understaffed. Reduced bureaucratic redundancy is made possible with fewer districts. vii. Teachers are often underserved in their current professional development activities. Existing districts' sizes are often too small | |

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| | <p>for teachers to share professional development. With districts unifying, more shared resources related to curricular or operational expertise, technology, training, assessment planning, instructional coaching and other professional development activities are available.</p> <p>viii. Exit interviews among some former teachers reflect one reason for their leaving is a limited opportunity for professional growth. With a unified system, expanded opportunities for professional development is more possible.</p> <p>ix. By expanding deployment opportunities of personnel, most notably specialized staff, programmatic quality and enhanced equity across a unified district are realistic expectations.</p> <p>x. Situational or planned opportunities for a unified board to reconfigure grades or consider intra-town choice options can serve to maximize schoolhouses as resources. In capitalizing on such new opportunities, more robust class sizes per policy are more viable, student options (school “fit” for disaffected students, families living more proximate to a school outside of their town boundary, placement of twins, etc.) become new and legitimate opportunities for learners.</p> | |
| <p><u>Goal #4:</u> The proposed union school district will promote transparency and accountability.</p> <p><i>Act 46, Sec. 2(4)</i></p> | <p>The Union School District Board of School Directors shall propose annual budgets in accordance with 16 VSA Chapter 11. The annual budget vote shall be conducted by Australian ballot pursuant to 17 VSA Chapter 55 and votes will be commingled.</p> <p>The Union School District school board shall provide opportunity for</p> | |

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| | <p>local input on policy development, budget development and employment of administrators. Structures to support and encourage public participation within the Union School District will be established by the Union School District Board of School Directors on or before June 30, 2019.</p> | |
| <p><u>Goal #5:</u> The proposed union school district will deliver education at a cost that parents, voters, and taxpayers value.</p> <p><i>Act 46, Sec. 2(5)</i></p> | <p>FY'17 per student tuition expenses among GISU "receiving schools" average \$1,010 less than the three GISU schools' tuition rates.</p> <p>Merger Models 1, 2 and 3 offer continued protection of state grants for three districts. (FY'17 percentage of revenue budgets are: Isle La Motte [4.02%]; North Hero [5.51%]; and South Hero [2.34%].</p> <p>In modeling the 5 district merger (Model 4), for the period FY'20 – FY'24, \$ 5,152,978 less in local revenue may be required from local taxes.</p> | |
| <p><u>Regional Effects:</u></p> <p>What would be the regional effects of the proposed union school district, including: would the proposed union school district leave one or more other districts geographically isolated?</p> <p><i>Act 46, Section 8(a)(2)</i></p> | <p>The proposal does not leave any school district geographically isolated. However, Alburgh (Grand Isle County's northernmost district) and South Hero (Grand Isle County's southernmost district) each have "advisable" status. Should a merger occur without either of these districts (either by the decision of the respective electorates or if the matter is not presented by the school board(s) for vote), options for either district are markedly reduced.</p> | |

Articles of Agreement – as required by 16 V.S.A. § 706b(b)(3) - (10), (13)

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| <p>(3) The grades to be operated by the proposed union school district</p> <p>The grades, if any, for which the proposed union school district shall pay tuition</p> | <p>Grades Pre-Kindergarten through Grade 6 will be operated by the proposed union school district.</p> <p>Grades 7 - 12 will be tuitioned.</p> | |
| <p>(4) The cost and general location of any proposed new schools to be constructed</p> <p>The cost and general description of any proposed renovations</p> | <p>No new schools are proposed.</p> | |
| <p>(5) A plan for the first year of the proposed union school district's operation for:</p> <p>(A) the transportation of students</p> <p>(B) the assignment of staff</p> <p>(C) curriculum</p> <p>The plan must be consistent with existing contracts, collective bargaining agreements, and other provisions of law, including 16 V.S.A. chapter 53, subchapter 3 (transition of employees)</p> | <p>The Union School District School Board shall determine, in accordance with state and federal law, the transportation services to be provided to students in the Union School District.</p> <p>Upon an affirmative vote of the electorates of the school districts, and upon compliance with 16 VSA §706g, the Union School District shall have and exercise all of the authority which is necessary in order for it to prepare for full educational operations beginning on July 1, 2019.</p> <p>The Union School District shall, between the date of its organizational meeting under 16 VSA §706j and June 30, 2019, develop school district policies, adopt curriculum, educational programs, assessment measures and reporting procedures in order to fulfill the Education Quality Standards (State Board Rule 2000), prepare for and negotiate contractual agreements, set the school calendar for Fiscal Year 2020, prepare and present the budget for Fiscal Year 2020, prepare for Union School District Annual Meeting(s) and transact any other lawful business that comes</p> | |

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| | <p>before the Board, provided, however, that the exercise of such authority by the Union School District shall not be construed to limit or alter the authority and/or responsibilities of the School Districts of the forming districts and Grand Isle Supervisory Union. The Union School District shall commence full educational operations on July 1, 2019.</p> <p>The forming districts of the Union School District recognize the benefits to be gained from establishing district-wide curricula as well as their obligation to do so, and to otherwise standardize their operations on or before July 1, 2019.</p> | |
| <p>(6) The indebtedness of the proposed merging districts that the proposed union school district shall assume.</p> | <p>In FY'20, there will modest indebtedness (\$ 112,167) held exclusively by the South Hero School District. In Merger Models 1 and 2, the Union School District will assume the associated capital debt.</p> | |
| <p>(7) The specific pieces of real property owned by the proposed merging districts that the proposed union school district shall acquire, including:</p> <ul style="list-style-type: none"> * their valuation * how the proposed union school district shall pay for them | <p>The specific pieces of real property are itemized with the Report (Table X). The 2016 aggregate value is assessed at \$21,758,075.</p> <p>No later than June 30, 2019, the forming districts will convey and transfer to the Union School District all of their school-related real and personal property, for One Dollar.</p> | |
| <p>(8) <i>[repealed 2004 Acts and Resolves No. 130, Sec. 15]</i></p> | | |

(9) Consistent with the proportional representation requirements of the Equal Protection Clause, the method of apportioning the representation that each proposed member town shall have on the proposed union school board

* no more than 18 members total

* each member town is entitled to at least one representative

* *see also* 16 V.S.A. § 706k(c):
one or more at-large directors

* *see also* 16 V.S.A. § 707(c):
weighted voting

The methodology for determining board representation will be by direct proportional representation. There are different configurations for each model:

Model 1: An All Five Districts Merger Will Have an 11 Member Board

| Board = 11 | Town | Population | % of Population | Member Share | # of Bd Members | % of Board |
|---------------------------------|---------------|-------------------|------------------------|---------------------|------------------------|-------------------|
| <i>Citizens per member: 634</i> | Alburgh | 1998 | 29% | 3.2 | 3 | 27% |
| | Grand Isle | 2067 | 30% | 3.3 | 3 | 27% |
| | Isle La Motte | 471 | 7% | 0.7 | 1 | 9% |
| | North Hero | 803 | 11% | 1.3 | 1 | 9% |
| | South Hero | <u>1631</u> | <u>23%</u> | <u>2.6</u> | <u>3</u> | <u>27%</u> |
| | | 6970 | 100% | 11.1 | 11 | 100% |

Model 2: A Four Districts Merger (Grand Isle, Isle La Motte, North Hero and South Hero) Will Have an 8 Member Board

| Board = 8 | Town | Population | % of Population | Member Share | # of Bd Members | % of Board |
|---------------------------------|---------------|-------------------|------------------------|---------------------|------------------------|-------------------|
| <i>Citizens per member: 621</i> | Grand Isle | 2067 | 42% | 3.4 | 3 | 38% |
| | Isle La Motte | 471 | 9% | 0.7 | 1 | 13% |
| | North Hero | 803 | 16% | 1.3 | 1 | 13% |
| | South Hero | <u>1631</u> | <u>33%</u> | <u>2.6</u> | <u>3</u> | <u>38%</u> |
| | | 4972 | 100% | 8.0 | 8 | 100% |

Model 3: A Four Districts Merger (Alburgh, Grand Isle, Isle La Motte and North Hero) Will Have a 6 Member Board

| Board = 6 | Town | Population | % of Population | Member Share | # of Bd Members | % of Board |
|---------------------------------|---------------|-------------------|------------------------|---------------------|------------------------|-------------------|
| Citizens per member: 890 | Alburgh | 1998 | 37% | 2.2 | 2 | 33% |
| | Grand Isle | 2067 | 39% | 2.3 | 2 | 33% |
| | Isle La Motte | 471 | 9% | 0.5 | 1 | 17% |
| | North Hero | <u>803</u> | <u>15%</u> | <u>0.9</u> | <u>1</u> | <u>17%</u> |
| | | 5339 | 100% | 6.0 | 6 | 100% |

Model 4: A Three Districts Merger (Grand Isle, Isle La Motte and North Hero) Will Have a 5 Member Board

| Board = 5 | Town | Population | % of Population | Member Share | # of Bd Members | % of Board |
|---------------------------------|---------------|-------------------|------------------------|---------------------|------------------------|-------------------|
| Citizens per member: 668 | Grand Isle | 2067 | 62% | 3.1 | 3 | 60% |
| | Isle La Motte | 471 | 14% | 0.7 | 1 | 20% |
| | North Hero | 803 | 24% | 1.2 | 1 | 20% |
| | | 3341 | 100% | 5.0 | 5 | 100% |

(10) The term of office of directors initially elected, to be arranged so that one-third expire on the day of each annual meeting of the proposed union school district, beginning on the second annual meeting, or as near to that proportion as possible

Model 1: Initial Terms of Office for a Five Districts / 11 Member Board

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Alburgh | 1 | 1 | 1 |
| Grand Isle | 1 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 0 | 0 | 1 |
| South Hero | 1 | 1 | 1 |

Model 2: Initial Terms of Office for a Four Districts (Grand Isle, Isle La Motte, North Hero and South Hero) / 8 Member Board

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Grand Isle | 1 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 0 | 0 | 1 |
| South Hero | 1 | 1 | 1 |

Model 3: Initial Terms of Office for a Four Districts (Alburgh, Grand Isle, Isle La Motte and North Hero) / 6 Member Board

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Alburgh | 1 | 0 | 1 |
| Grand Isle | 0 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 1 | 0 | 0 |

Model 4: Initial Terms of Office for a Three Districts (Grand Isle, Isle La Motte and North Hero) / 5 Member Board

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Grand Isle | 1 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 0 | 0 | 1 |

(13) Any other matters that the study committee considers pertinent, including whether votes on the union school district budget or public questions shall be by Australian ballot

(please list each matter separately)

- **Conditional conveyance of properties (Article 7).**
- **Commingled votes (Article 12).**
- **Dissolution of Grand Isle Supervisory Union (Model 1: Article 13).**
- **Standard for school closure (Article 17).**

GRAND ISLE SUPERVISORY UNION



ACT 46 STUDY COMMITTEE REPORT

&

ARTICLES OF AGREEMENT

Report v. 4.1

TABLE OF CONTENTS

| | |
|--|----|
| <u>TABLE OF CONTENTS</u> | 2 |
| <u>GRAND ISLE SUPERVISORY UNION</u> | 3 |
| <u>MEMBERSHIP OF THE GISU ACT 46 STUDY COMMITTEE</u> | 4 |
| <u>AN OVERVIEW: ACT 46 OF 2015</u> | 5 |
| <u>EXECUTIVE SUMMARY</u> | 5 |
| <u>COMMITTEE CHARGE</u> | 9 |
| <u>GRAND ISLE SUPERVISORY UNION: CURRENT STATE</u> | 10 |
| GISU SCHOOLS CURRENTLY OPERATED | 10 |
| GRAND ISLE COUNTY GEOGRAPHY | 10 |
| DEMOGRAPHICS OF GRAND ISLE COUNTY..... | 11 |
| GRAND ISLE SUPERVISORY UNION MEMBER DISTRICTS’ EDUCATION SPENDING PER EQUALIZED PUPIL | 12 |
| GRAND ISLE COUNTY POPULATION PROJECTIONS | 12 |
| GRAND ISLE COUNTY CULTURAL NORMS | 16 |
| CURRENT EDUCATIONAL OFFERINGS | 17 |
| <u>GISU STUDY COMMITTEE PROCESS</u> | 20 |
| <u>THE COMMITTEE’S FINDINGS</u> | 22 |
| 1. CURRENT ISSUES POTENTIALLY ADDRESSED BY UNIFYING GISU SCHOOLS | 22 |
| 2. GRADES TO BE OPERATED UPON MERGING | 26 |
| 3. ITERATIONS OF A UNIFIED DISTRICT IN GRAND ISLE COUNTY | 26 |
| 4. SHIFT OF OPERATING GRADES CURRENTLY OPERATING pK-8 SCHOOLS | 27 |
| 5. NEW DISTRICT DATE OF OPERATION | 27 |
| 6. UNIFIED BOARD COMPOSITION | 28 |
| 7. SCHOOL CLOSINGS | 31 |
| 8. DISPOSITION OF SCHOOLHOUSES NO LONGER USED FOR SCHOOL OR DISTRICT PURPOSES | 31 |
| 9. SPECIAL CONDITIONS | 32 |
| 10. AFFORDABILITY / SUSTAINABILITY | 33 |
| 11. AVAILABLE TAXPAYER INCENTIVES AND FINANCIAL PROTECTIONS | 40 |
| 12. IMPACT OF SMALL SCHOOLS GRANTS | 41 |
| 13. IMPACT OF HOLD HARMLESS PROVISION (PHANTOM STUDENTS) | 42 |
| 14. ASSETS & LIABILITIES | 43 |
| 15. GISU DISTRICTS’ DEBTS | 43 |
| <u>APPENDICES</u> | |
| A. Vermont Agency of Education: Act 46 of 2015 Fact Sheet | 44 |
| B. GISU Tuition Students: June 1, 2016 | 46 |
| C. Vermont Agency of Education: Introduction to the Education Quality Standards | 48 |
| D. Big Picture GISU: Professional Learning Plan, 2015 – 2017 | 52 |
| E. Case Example of the Three-District Merger (Grand Isle, Isle La Motte & North Hero) | 54 |
| F. Robinson Trust | 58 |
| G. King Trust | 59 |
| H. Model 1: Tax Savings Due to Unification..... | 61 |
| <u>ARTICLES OF AGREEMENT</u> | 69 |

GRAND ISLE SUPERVISORY UNION

Figure 1. Location of Grand Isle Supervisory Union.

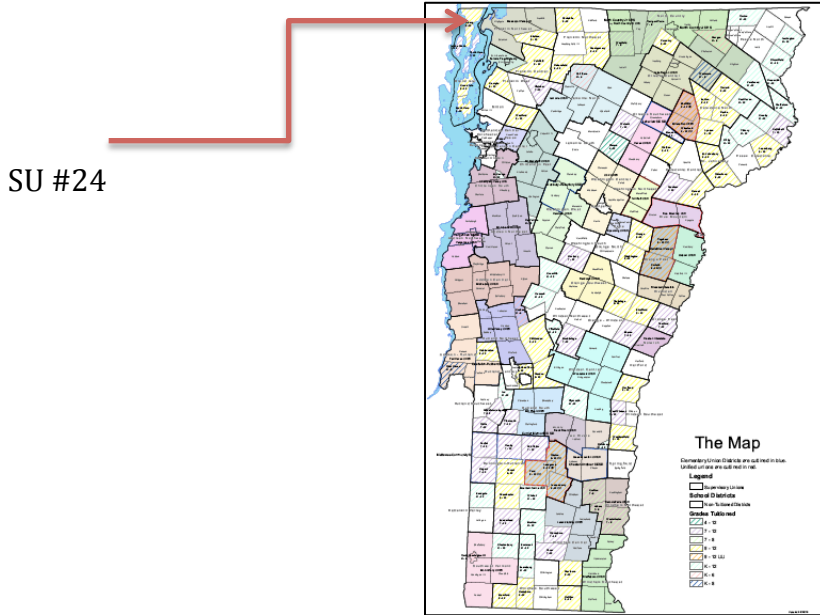
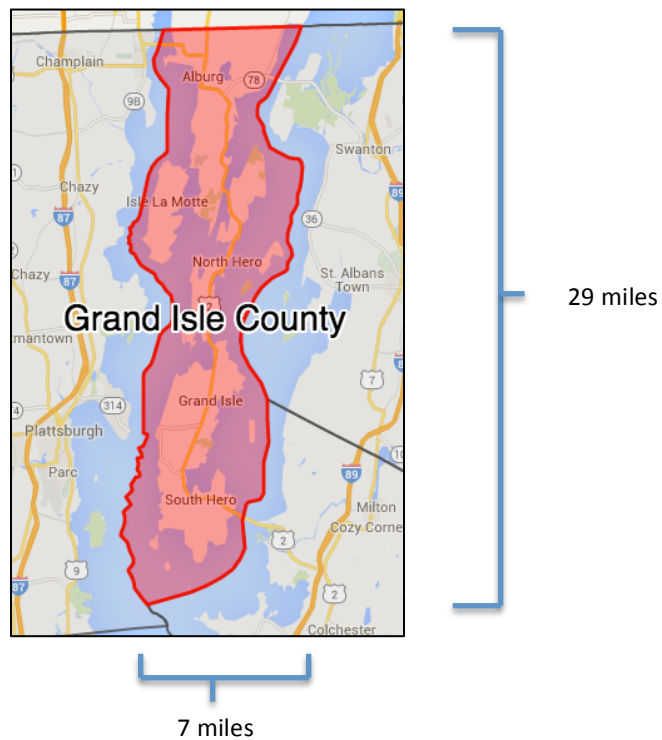


Figure 2. Grand Isle County.



MEMBERSHIP OF THE GISU ACT 46 STUDY COMMITTEE

| | |
|--|---------------|
| Andrew Julow, Chair | North Hero |
| Dave Davis | North Hero |
| Bridget Timms, Alternate | North Hero |
| Teri Geney / Gary Marckres [^] | Grand Isle |
| Carol Miller | Grand Isle |
| Lauren Bartlett | Grand Isle |
| Mike Talbot | Grand Isle |
| Char Kennedy | Grand Isle |
| Don Bartlett, Alternate | Grand Isle |
| Barbara Callahan / Jane Zera [^] | Isle La Motte |
| Jen Rafferty, Alternate | Isle La Motte |
| Kris Bowser | South Hero |
| R. J. Sweeney / Dave Cain [^] | South Hero |
| Mike Bishop / Bentley Vaughan [^] | South Hero |
| Tim Maxham, Alternate | South Hero |
| Mike Savage | Alburgh |
| Claudine Bedell, Alternate | Alburgh |
| Jennie Lund | Alburgh |
| Skip Prairie / Mallory Ovitt [^] | Alburgh |
| John Goodrich | Alburgh |
| Trevor Creller | Alburgh |

[^] = *originally seated member / replacement member*

Supporting the Committee:

- Barbara Burrington GISU Superintendent
- Lynne Carpenter GISU Business Manager
- Beth Hemingway GISU Director of Student Services
- Ellen Norris GISU Executive Assistant
- Michael Deweese Lead Consultant
- Andrew Pond Supporting Consultant
- Pietro Lynn Attorney

AN OVERVIEW: ACT 46 OF 2015

Vermont's Act 46 of 2015 is an opportunity for districts and supervisory unions to unify existing disparate governance structures into sustainable systems of education delivery that are designed to meet identified State goals, while recognizing and reflecting local priorities. Act 46 creates a multi-year process that provides three phases of incentives for communities that voluntarily merge into the most common governance models.

Districts that do not pursue or achieve a voluntary merger must evaluate their ability to meet or exceed State goals and make proposals to the State Board. In 2018 the Secretary will develop a proposal and the State Board will issue a final statewide design that realigns unmerged districts into more sustainable models of governance that meet State goals - to the extent realignment is necessary, possible, and practicable for the region. See Appendix A for the Vermont Agency of Education's "Fact Sheet" on Act 46.

EXECUTIVE SUMMARY

In August 2015, an Act 46 Study Committee was formed by all member school districts of Grand Isle Supervisory Union (GISU). Its membership was comprised of members of each town's school board, as well as the public at large. The full charge of the Committee is detailed in the Report; however, a core expectation was:

In accordance with Title 16 §706b, Act 46, and Acts 153/156, study the benefits and challenges of forming a union district comprising the towns of Alburgh, Grand Isle, Isle La Motte, North Hero and South Hero.

The current condition of five small to very small GISU school districts continues to challenge the communities and their respective school boards. Declining enrollment, compounded by escalating education costs-per-pupil are increasingly stressing both the quality of educational offerings and fiscal sustainability of GISU schools. Budget passage each year is becoming increasingly difficult. The GISU motto, "*Five great schools, one great community!*" suggests rethinking partnerships as a constructive alternative.

The Committee recognized that GISU schools are centerpieces for each community. Adjusting GISU school governance structures can serve as a means to further the continued operations of its schools. Expanding student opportunities while reorganizing into more financially sustainable governance structure(s) underscored the Committee's focus.

Through increased scale and supported by the fiscal incentives and protections of Act 46, the Committee found there are adjustments that can be made through adjusting the governance of GISU school districts to address the goals of Act 46:

- Provide substantial equity in the quality and variety of educational opportunities for GISU pk-8 students;
- Help lead students to achieve or exceed the State's Education Quality Standards;
- 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.

Specifically, the Committee anticipates that the proposed unified union school district has the potential to provide the following:

Potential Benefits for PK-6 Students & Families

- Increased program quality, variety and equity across a unified district (e.g. foreign languages, technology integration)
- Narrowed focus on age-appropriate learning opportunities
- Simplified sharing of personnel and physical resources
- Increased opportunities for shared experiences between students in different towns
- Opportunity for extended transition plan from Elementary to Middle and High Schools
- Improved consistency through reduced teacher turnover
- Flexibility for student placement across district
- Increased equity in transportation availability
- Improved curriculum consistency across district
- Creates larger community inclusive of multiple towns

Potential Benefits for Gr. 7-8 Students & Families

- Greatly expanded academic learning opportunities
- Increased access to advanced academics
- Expanded access to student support services
- Greatly expanded personal growth opportunities (e.g. clubs and activities)
- Earlier access to a wider variety of athletic opportunities
- Wider exposure to different peer groups
- Heightened sense of identity and belonging with their secondary school
- Similar transition time as other elementary students
- Expanded opportunities for technology integration experiences

Potential Benefits for Teaching Staff

- Increased professional development opportunities
- Improved resource availability through sharing across district
- Increased peer interaction, collaboration and planning opportunities
- Better administrative support
- More opportunities for full-time career path within district
- Increased job security
- Improved curriculum consistency across district

Potential Benefits for Administrators

- Decreased administrative and bureaucratic redundancies
- Increased principals' availability for instructional leadership
- Flexibility for classroom configurations and student placement across district
- Flexibility for faculty placement across district
- Ability to offer competitive full time positions to prospective staff
- Larger data samples for meaningful student learning assessments
- Facilitates property and operations management
- In-school administrative offices allows for improved student/staff observation and interaction

Potential Benefits for Taxpayers & Residents

- Moderates effects of year-to-year population changes
- Shared educational resources across unified district eliminates unnecessary expenditures
- Better utilization of owned buildings
- May reduce need to pay for rented space
- Probable reduction in personnel expenses
- Availability of tax incentives depending on Merger Model

Two principal challenges are addressed within the Committee's findings: (a) grades to be commonly operated, and (b) districts to be considered if a unified union school district is formed.

- (a) In general, two different operating structures currently exist in GISU school districts: districts operate schools through grade 6 or 8. (Presently some schools operate pre-kindergarten, while all schools offer pre-kindergarten services.) All districts tuition students in grades 9-12. The Committee concluded a pK-6 structure could best serve GISU communities and students. Upon unifying, the effect of this structure is some students (Grand Isle and Alburgh and/or South Hero) will become newly tuitioned students in grades 7 and 8 beginning with the 2019-20 school year.
- (b) Alburgh and South Hero present with unique conditions as the two communities most distant from one another within the county. Each is designated as "advisable" to the formation of a unified union school

district; the middle islands communities (Grand Isle, Isle La Motte and North Hero) will be “necessary” to the formation of a unified union school district.

With the presence of three “necessary” and two “advisable” districts, a successful formation of a unified union school district in Grand Isle County can take one of four different structures:

- 5 districts unify (to be known as the “Lake Champlain Islands Unified Union School District.”). This would involve the forming districts of Alburgh, Grand Isle, Isle La Motte, North Hero and South Hero. This is referenced in the Report as Model 1.
- 4 districts unify (to be known as the “Lake Champlain Islands Unified Union School District.”). This would involve the forming districts of Grand Isle, Isle La Motte, North Hero and either Alburgh or South Hero. These are referenced in the Report as Model 2 and Model 3.
- 3 districts unify (to be known as the “Central Islands Unified Union School District.”). This would involve the forming districts of Grand Isle, Isle La Motte and North Hero. While educational and fiscal benefits are foreseen, this merger would not qualify the forming districts for financial incentives or fiscal protections under the law. This is referenced in the Report as Model 4.

This Report and Articles of Agreement detail the rationale and decisions of the Committee. Some details include:

- The vote will take place on Tuesday, November 8, 2016 (Federal Election Day). This vote date satisfies a deadline of June 30, 2017 for communities electing to merge and access incentives and protections.
- A limited window for re-voting exists for Alburgh and South Hero in the event either community wishes to reconsider joining a unified union school district if formed by Grand Isle, Isle La Motte and North Hero.
- The effective date of the new district commencing its operations will be July 1, 2019.
- Each forming community of a new unified union school district will have school board member(s) from that town on a proportional share of the new district’s overall population.

This Report and Articles of Agreement completes a year of work by the Committee. We encourage residents to take time with the information, ask questions and become

informed voters on this important issue. We respectfully encourage voters to become informed on the consequences of forming or not forming a unified union school district. We close in asking our citizens to consider the possibilities suggested in the GISU motto, *"Five great schools, one great community."*

September 7, 2016
GISU Act 46 Committee Members

COMMITTEE CHARGE

The GISU Act #46 Committee commenced its work in August, 2015. Its adopted charge follows:

- I. In accordance with Title 16 §706b, Act 46, and Acts 153/156, study the benefits and challenges of forming a union district comprising the towns of Alburgh, Grand Isle, Isle la Motte, North Hero and South Hero.
- II. Contract with outside person(s) to support the work of the committee within the established budget. This may include but is not limited to: process facilitation, data analysis, facilitation of committee discussions, legal counsel and community forum support.
- III. Consider if there is a benefit to our communities to invite other districts as advisable members of the committee. As outlined in Title 16 §706b(2) the committee has the final determination of what districts, if any, are deemed advisable.
- IV. Make a determination as to whether the formation of a union district is advisable and should be taken to the voters.
- V. If determined advisable, prepare a report for the State Board of Education including all elements required by Title 16 §706b and Act 46 in the formation of a union district. The report should be submitted in a timely fashion to allow for a community vote (if held) to occur during FY'17.
- VI. The Articles of Agreement required in Title 16 §706b should be written to provide maximum flexibility for the newly created Board to govern the district to best represent the community and serve educational needs of the students into the future.
- VII. Keep the SU Board and member District Boards regularly apprised of the committee's progress.

GRAND ISLE SUPERVISORY UNION: CURRENT STATE

GISU SCHOOLS CURRENTLY OPERATED

Listed in Table 1 are the school districts of Grand Isle Supervisory Union (GISU). All five public school districts in the county are member districts of GISU.

Table 1. Member Districts of GISU, Grades Operated and Tuitioned, and Enrollments.

| District | Grades Currently Operated | 2015-16 Enrollment Among Operating Grades | Grades Tuitioned | 2015-16 Enrollment Among Tuitioned Grades |
|---------------|---------------------------|---|------------------|---|
| Alburgh | pK - 8 | 201 | 9 - 12 | 94 |
| Grand Isle | K - 8 | 175 | 9 - 12 | 89 |
| Isle La Motte | K - 6 | 40 | 7 - 12 | 28 |
| North Hero | pK - 6 | 65 | 7 - 12 | 40 |
| South Hero | K - 8 | 135 | 9 - 12 | 56 |

The school boards currently serving each district have a proud tradition of providing the best education possible for its resident students at costs that are sustainable. Passing school budgets has often been difficult. All five school districts have historically elected to provide grades 9 – 12 education to its students “off-islands” on a tuition basis. The majority of students in grades 9 – 12 elect Vermont high schools, while a minority has elected to attend a school in northern New York State. Additionally, the communities of Isle La Motte and North Hero have each chosen to cease operating grades 7 and 8; those students are now tuition students at other schools, the vast majority of which are outside of Grand Isle County.

GRAND ISLE COUNTY GEOGRAPHY

Grand Isle County encompasses approximately 195 square miles, 82 square miles of which are land. The county is “long and narrow” with a north-and-south orientation spanning nearly 29 miles from northern-most to southern-most points. Its widest distance is approximately 7 miles.

With one operating school in each of the counties’ five town school districts, the schoolhouses are spread out across the county. The two most distant schools (Folsom School in South Hero and Alburgh Community School in Alburgh) are separated by a geographic distance of nearly 23 miles. While direct door-to-door driving entails 26

miles requiring approximately 36 minutes, other traffic variables (i.e., farm vehicles, drawbridge conditions, tourist volume and construction activities) often result in an hour-long trip.

DEMOGRAPHICS OF GRAND ISLE COUNTY

Current law limits the annual decline in equalized pupils to 3.5%. This calculation is done at the town level. Equalized pupil counts are inflated if the calculated count is less than the allowable minimum. Those additional counts are known as the “phantom students.”¹

Grand Isle County, like much of Vermont, has seen its student population decline in recent years. The GISU office reports the following trends in Equalized Pupils² for the period FY’10 – FY’15. For the supervisory union as a whole, the loss of Equalized Pupils for the period (not taking into account phantom students) was 10.9%.

Chart 1. Alburgh: Equalized Pupils (actual calculation down 9.42% for the period).

| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actual calculation | 335.08 | 316.81 | 313.23 | 304.85 | 297.56 | 303.53 |
| Phantoms | 0.19 | 6.73 | - | - | - | - |
| Hold-harmless calculation | 335.27 | 323.54 | 313.23 | 304.85 | 297.56 | 303.53 |

Chart 2. Grand Isle: Equalized Pupils (actual calculation down 4.19% for the period).

| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actual calculation | 316.40 | 314.00 | 313.63 | 316.06 | 309.64 | 303.15 |
| Phantoms | - | - | - | - | - | - |
| Hold-harmless calculation | 316.40 | 314.00 | 313.63 | 316.06 | 309.64 | 303.15 |

Chart 3. Isle La Motte: Equalized Pupils (actual calculation down 14.9% for the period).

| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actual calculation | 68.29 | 65.82 | 62.76 | 62.51 | 61.76 | 58.11 |
| Phantoms | 1.07 | 1.11 | 1.83 | - | - | 1.49 |
| Hold-harmless calculation | 69.36 | 66.93 | 64.59 | 62.51 | 61.76 | 59.60 |

¹ Phantom students are non-existing students. It represents an artificial inflator to cushion a district from the financial impact of declining enrollment.

² When calculating spending per student, Vermont uses “equalized pupils” rather than the actual head count in each school. While based on a straight student count, the formula for “equalized pupils” gives less weight to pre-kindergarten pupils and extra weight to students in secondary school, those from economically deprived backgrounds, and those whose first language is not English. The principle behind the weighting is that it costs more to educate students in certain categories. [Public Assets Institute: <http://publicassets.org/library/publications/vermont-school-enrollment-equalized-pupils-2003-2013/>]

Chart 4. North Hero: Equalized Pupils (actual calculation down 11.2% for the period).

| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|---------------------------|--------|--------|--------|-------|-------|-------|
| Actual calculation | 105.70 | 104.28 | 101.57 | 97.02 | 96.99 | 93.87 |
| Phantoms | - | - | - | 1.00 | - | - |
| Hold-harmless calculation | 105.70 | 104.28 | 101.57 | 98.02 | 96.99 | 93.87 |

Chart 5. South Hero: Equalized Pupils (actual calculation down 20.2% for the period).

| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|---------------------------|--------|--------|--------|--------|--------|--------|
| Actual calculation | 241.62 | 229.26 | 215.56 | 204.50 | 198.30 | 192.77 |
| Phantoms | 8.50 | 12.11 | 17.36 | 20.27 | 18.60 | 16.54 |
| Hold-harmless calculation | 250.12 | 241.37 | 232.92 | 224.77 | 216.90 | 209.31 |

**GRAND ISLE SUPERVISORY UNION MEMBER DISTRICTS’
EDUCATION SPENDING PER EQUALIZED PUPIL**

For FY’17 the projected education spending per equalized pupil (not including phantom student counts) is shown in the chart below.

Table 2. FY’17 Projected Education Spending.

| | Ed Spending Revenue | Equalized Pupils | Ed Spending per Equalized Pupil |
|---------------|---------------------|------------------|---------------------------------|
| Alburgh | \$ 4,589,758 | 306.36 | \$ 14,982 |
| Grand Isle | \$ 4,447,840 | 288.73 | \$ 15,405 |
| Isle La Motte | \$ 883,627 | 56.22 | \$ 15,717 |
| North Hero | \$ 1,320,516 | 94.67 | \$ 13,949 |
| South Hero | \$ 2,905,460 | 194.91 | \$ 14,907 |

GRAND ISLE COUNTY POPULATION PROJECTIONS

The State of Vermont’s “*Vermont Population Projections: 2010-2030*” illustrate two projective community population models, based on the migration patterns of each Vermont county and its towns. Scenario A reflects the migration pattern of the 1990’s, while Scenario B reflects the migration pattern of the 2000’s. Below are charts reflecting the two models at the county level by town.

Table 3. Scenario A (using 1990’s migration pattern) projects a population increase of 53% from 2010 to 2030.

| Vermont 2010 Census Count Projections by Town, 2020, 2030 - Scenario A | | | | | |
|--|----------------|-------|----------------------|--------|----------------------|
| Town | 2010 Census | 2020 | %change from 2010 | 2030 | %change from 2010 |
| Grand Isle County | | | | | |
| ALBURGH | 1,998 | 2,595 | 29.9% | 3,224 | 61.4% |
| GRAND ISLE | 2,067 | 2,585 | 25.1% | 3,145 | 52.2% |
| ISLE LA MOTTE | 471 | 566 | 20.2% | 670 | 42.3% |
| NORTH HERO | 803 | 1,069 | 33.1% | 1,345 | 67.5% |
| SOUTH HERO | 1,631 | 1,962 | 20.3% | 2,324 | 42.5% |
| County Total | 6,970 | 8,777 | 25.9% | 10,708 | 53.6% |

Table 4. Scenario B (using 2000’s migration pattern) projects a population decrease of (8.1%) from 2010 – 2030.

| Vermont 2010 Census Count Projections by Town, 2020, 2030 - Scenario B | | | | | |
|--|----------------|-------|----------------------|-------|----------------------|
| Town | 2010 Census | 2020 | %change from 2010 | 2030 | %change from 2010 |
| Grand Isle County | | | | | |
| ALBURGH | 1,998 | 2,007 | 0.5% | 1,937 | -3.1% |
| GRAND ISLE | 2,067 | 1,994 | -3.5% | 1,879 | -9.1% |
| ISLE LA MOTTE | 471 | 435 | -7.6% | 398 | -15.5% |
| NORTH HERO | 803 | 827 | 3.0% | 811 | 1.0% |
| SOUTH HERO | 1,631 | 1,510 | -7.4% | 1,380 | -15.4% |
| County Total | 6,970 | 6,773 | -2.8% | 6,405 | -8.1% |

Table 5. Grand Isle County: Scenario A (using 1990's migration pattern) Population Projection by Age Groups.

| Vermont Population Projections by Age and County, 2020, 2030 - Scenario A | | | | | |
|--|--------------------|--------------|--------------------------|---------------|--------------------------|
| Ages | 2010 Census | 2020 | %change from 2010 | 2030 | %change from 2010 |
| Grand Isle County | | | | | |
| <5 | 319 | 435 | 36.4% | 569 | 78.4% |
| 5-9 | 370 | 447 | 20.8% | 603 | 63.0% |
| 10-14 | 441 | 423 | -4.1% | 577 | 30.8% |
| 15-19 | 420 | 381 | -9.3% | 459 | 9.3% |
| 20-24 | 300 | 307 | 2.3% | 294 | -2.0% |
| 25-29 | 307 | 408 | 32.9% | 369 | 20.2% |
| 30-34 | 366 | 476 | 30.1% | 488 | 33.3% |
| 35-39 | 408 | 449 | 10.0% | 598 | 46.6% |
| 40-44 | 497 | 463 | -6.8% | 604 | 21.5% |
| 45-49 | 628 | 506 | -19.4% | 559 | -11.0% |
| 50-54 | 667 | 645 | -3.3% | 602 | -9.7% |
| 55-59 | 691 | 848 | 22.7% | 687 | -0.6% |
| 60-64 | 577 | 944 | 63.6% | 917 | 58.9% |
| 65-69 | 378 | 876 | 131.7% | 1,085 | 187.0% |
| 70-74 | 252 | 534 | 111.9% | 885 | 251.2% |
| 75-79 | 159 | 347 | 118.2% | 812 | 410.7% |
| 80-84 | 111 | 160 | 44.1% | 343 | 209.0% |
| 85+ | 79 | 128 | 62.0% | 257 | 225.3% |
| Total | 6,970 | 8,777 | 25.9% | 10,708 | 53.6% |

In examining Scenario A (projecting population growth over the period from 2010 – 2030), it is noteworthy that the largest projected percentage increases by age group occur in the 65-69, 70-74, 75-79, 80-84, and 85+ age bands. These age groups are less likely to be parents of school-aged children and are less likely to be part of the active work force. While most age groups do reflect growth, the oldest age bands eclipse the growth projected among children in school age-bands.

Table 6. Grand Isle County: Scenario B (using 2000's migration pattern) Population Projection by Age Groups.

| Vermont Population Projections by Age and County, 2020, 2030 - Scenario B | | | | | |
|--|--------------------|--------------|--------------------------|--------------|--------------------------|
| Ages | 2010 Census | 2020 | %change from 2010 | 2030 | %change from 2010 |
| Grand Isle County | | | | | |
| <5 | 319 | 241 | -24.5% | 264 | -17.2% |
| 5-9 | 370 | 247 | -33.2% | 280 | -24.3% |
| 10-14 | 441 | 366 | -17.0% | 289 | -34.5% |
| 15-19 | 420 | 344 | -18.1% | 228 | -45.7% |
| 20-24 | 300 | 231 | -23.0% | 193 | -35.7% |
| 25-29 | 307 | 289 | -5.9% | 236 | -23.1% |
| 30-34 | 366 | 414 | 13.1% | 321 | -12.3% |
| 35-39 | 408 | 406 | -0.5% | 386 | -5.4% |
| 40-44 | 497 | 413 | -16.9% | 469 | -5.6% |
| 45-49 | 628 | 435 | -30.7% | 433 | -31.1% |
| 50-54 | 667 | 514 | -22.9% | 428 | -35.8% |
| 55-59 | 691 | 684 | -1.0% | 475 | -31.3% |
| 60-64 | 577 | 722 | 25.1% | 560 | -2.9% |
| 65-69 | 378 | 592 | 56.6% | 593 | 56.9% |
| 70-74 | 252 | 434 | 72.2% | 552 | 119.0% |
| 75-79 | 159 | 214 | 34.6% | 339 | 113.2% |
| 80-84 | 111 | 135 | 21.6% | 235 | 111.7% |
| 85+ | 79 | 92 | 16.5% | 124 | 57.0% |
| Total | 6,970 | 6,773 | -2.8% | 6,405 | -8.1% |

Scenario B (projecting population decline over the period from 2010 – 2030) reflects a stark contrast in the changes between older and younger population groups. Specifically, while senior populations (65-69, 70-74, 75-79, 80-84, and 85+) are projected to grow over the period, the cohorts of children (<5, 6-9, 10-14, and 15-19) are projected to decline over the period. Furthermore, the numbers of women of typical child-bearing ages (20-24, 25-29, 30-34, 35-39 and 40-44) also show declines.

A generalization from these data, regardless of whether Scenario A or Scenario B is considered, a pattern of “population graying” is projected for Grand Isle County over the period 2010-2030. Such a condition will result in fewer households with school-aged children and an increasing percentage of the adult population having left the work force (and beyond their top earning years), resulting in further pressures on the sustainability of five annual local school budgets.

GRAND ISLE COUNTY CULTURAL NORMS

The topography of Grand Isle County directly affects and limits relations between and among some communities; distance and proximity affect current norms.

- A youth sports organization, Youth Organization of Grand Isle (YOGI) serves children in the four southern-most towns.
- A weekly newspaper, The Islander, is distributed in all five towns. A daily newspaper, The St. Albans Messenger, serves Alburgh.
- Lake Champlain Cable Access serves the communities of South Hero, North Hero and Grand Isle.
- C.I.D.E.R. (Champlain Islanders Developing Essential Resources, Inc.) has the mission of develop[ing] and foster[ing] resources that enable the people of Grand Isle County, Vermont to live in their community with dignity. C.I.D.E.R. accomplishes this by providing direct services and collaborating with other individuals and groups. C.I.D.E.R. feels a special responsibility to elders and persons with disabilities.³ The organization's board of directors comes from all five Grand Isle towns.
- Some local volunteer fire departments join together for training purposes.
- [Front Porch Forum](#) is a community-based electronic bulletin board for each Grand Isle town. Forum postings are shared and viewed by members in neighboring island towns.
- [Great Ice in Grand Isle](#) is a series of events held each February in North Hero. The Frozen Chosen Regatta (human-powered vehicles race across the ice), dogsled rides, ice skating and bonfires are widely attended by families of all island towns. Proceeds are pooled and shared equally by the North Hero Volunteer Fire Department, Grand Isle Rescue and by The North Hero Historical Society.
- Island Arts fosters and promotes artistic creativity in the rural communities of the Lake Champlain Islands and beyond through celebration of the Arts, stewardship of the environment, and education for the enrichment of all. They offer a variety of events and classes throughout the year, and sponsor scholarships for island students.

³ Source: www.cidervt.org

- The Champlain Islands Farmers' Market is a rotating market which connects our community to the great farms, specialty food businesses, and artisan studios in the Champlain Islands. It is a vibrant market that provides island towns with a gathering place for residents and visitors alike, while acting as a marketplace for local businesses.
- Independence Day Parades – long held traditions in Alburgh and South Hero, the parades are attended by many island residents.
- Boy Scouts – Troop 617 serves all Grand Isle County towns.
- The annual Duct Tape Regatta is held each summer in North Hero. Residents from all towns enter boats made from cardboard and duct tape.

US Route 2 is the main roadway in Grand Isle County, directly connecting all towns except Isle La Motte. However, it is not necessarily the primary route taken by all citizens when traveling outside of Grand Isle County. US Route 2 connects travelers to northern New York while the proximity US Interstate Highway 89 (Swanton access) via Vermont Route 78 makes it a preferred travel route for northern Grand Isle County citizens traveling southward in Vermont.

This “tugging and pulling” of the Grand Isle county communities is reflected in part by the high schools chosen by Grand Isle county students and their parents. Most students elect high schools in Chittenden County, Franklin County and Clinton County (New York). See Appendix B.

CURRENT EDUCATIONAL OFFERINGS

The current educational offerings across Grand Isle Supervisory Union are highly valued by stakeholders but come at a cost, primarily exacerbated by challenges of limited scale. The breadth of educational offerings within Grand Isle Supervisory Union varies, and school board members report increased challenges to maintain desirable educational programs in this era of declining enrollment and increased taxes.

With each district currently having its own school, and each district’s school board responsible for providing comprehensive educational offerings (to its operating grades) at each school, some GISU schools’ programs have been reduced in recent years. One parent noted a troubling trend with educational programming, *“The scope of educational programming is in decline. My first child enjoyed good offerings, my second child had less offerings and my third child even less yet.”*

Superintendent Barbara Burrington surveyed various 2015-16 curricular and co-curricular programs in the region, noting the following differences among opportunities for middle school students. Of the 27 curricular and co-curricular offerings, 19 were not universally available to current GISU students in grades 7 and 8 attending Alburgh, Grand Isle and Folsom schools this year.

“The scope of educational programming is in decline. My first child enjoyed good offerings, my second child had less offerings and my third child even less yet.”

- Grand Isle parent

Table 7. 2015-16 Regional Middle School Programs Survey.

2015-16 School Year

| Middle School Opportunity | Colchester | So. Burlington | Essex ADL | St. Albans City | St. Albans Town | INU | Milton | Alburgh | Grand Isle | Folsom |
|---------------------------|------------|----------------|-----------|-----------------|-----------------|-----|--------|---------|------------|--------|
| Fine Arts | | | | | | | | | | |
| Music | | | | | | | | | | |
| Chorus | | | | | | | | | | |
| Band | | | | | | | | | | |
| Theater/Performing Arts | | | | | | | | | | |
| Physical Education | | | | | | | | | | |
| Family & Consumer Arts | | | | | | | | | | |
| Health | | | | | | | | | | |
| Library/Media | | | | | | | | | | |
| Computer Applications | | | | | | | | | | |
| STEM or STEAM | | | | | | | | | | |
| Design Technology | | | | | | | | | | |
| French | | | | | | | | | | |
| Spanish | | | | | | | | | | |
| Soccer | | | | | | | | | | |
| Field Hockey | | | | | | | | | | |
| Cross Country | | | | | | | | | | |
| Basketball | | | | | | | | | | |
| Nordic Skiing | | | | | | | | | | |
| Wrestling | | | | | | | | | | |
| Cheerleading | | | | | | | | | | |
| Gymnastics | | | | | | | | | | |
| Baseball | | | | | | | | | | |
| Softball | | | | | | | | | | |
| Track | | | | | | | | | | |
| Club Football | | | | | | | | | | |
| MS Tech Center Options | | | | | | | | | | |

| | |
|--|---------------------|
| | Program offered |
| | Program not offered |

The Committee sponsored a “field trip” for itself to middle schools in Colchester and South Burlington to better understand how programs compared at those schools with GISU middle schools’ offerings. Members were impressed with the breadth and depth of middle level offerings at the off-island schools.

Vermont’s Educational Quality Standards (EQS) present examples of the challenges currently faced by the governing boards of the GISU school communities. All Vermont school boards will be challenged to provide programming and student outcomes that meets the EQS; small school districts will be especially challenged to comply due to issues of scale.

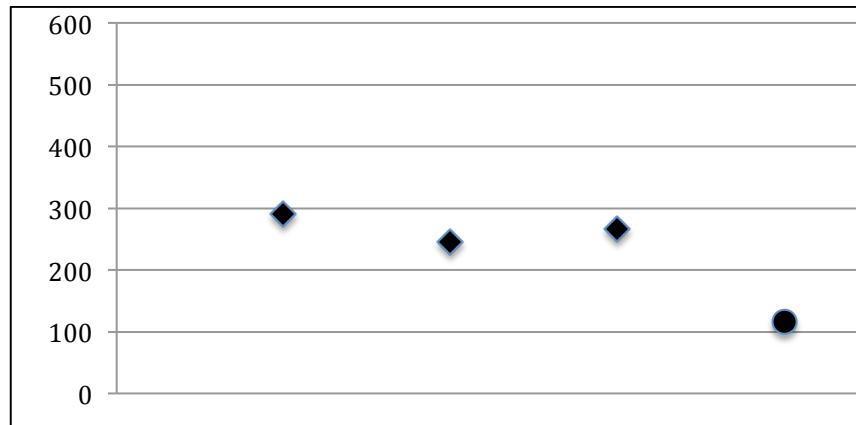
Per Appendix C, EQS sets forth progressive rules in the areas of:

- Curriculum and Instruction;
- Professional Resources;
- Learning Environments;
- State and Local Comprehensive Assessment System;
- Reporting of Results; and,
- Continuous Improvement Planning.

Committee members acknowledged current EQS shortcomings across GISU member school districts, and furthermore concluded that full compliance with EQS standards, especially for middle-level students and educators may be unreachable under the districts' current structures. Appendix D offers an excerpt from "Big Picture GISU: Professional Learning Plan, 2015 – 2017," illustrating present planning and directions across the supervisory union.

In a prior 2015 study⁴, a hypothetical question was approached: if all GISU schools were to pool students and commonly operate a single middle school (defined as grades 5-8, grades 6-8 or grades 7-8), could an adequate scale be achieved (in both expanded educational opportunity and sustainable costs)? The question was addressed in the context of school size as contrasted with other like-graded schools in Vermont. The three following charts demonstrate the sizes of Vermont middle schools (2014-15), and in each case the final data point illustrates where GISU's enrollment fits within each profile.

Chart 6. Vermont Middle School Populations for Grades 7 & 8 in AY'15 (GISU is the last data point.)



⁴ Grand Isle Supervisory Union Report: "Joint Services Study Committee." February, 2015.

Chart 7. Vermont Middle School Populations for Grades 6 – 8 in AY'15 (GISU is last data point.)

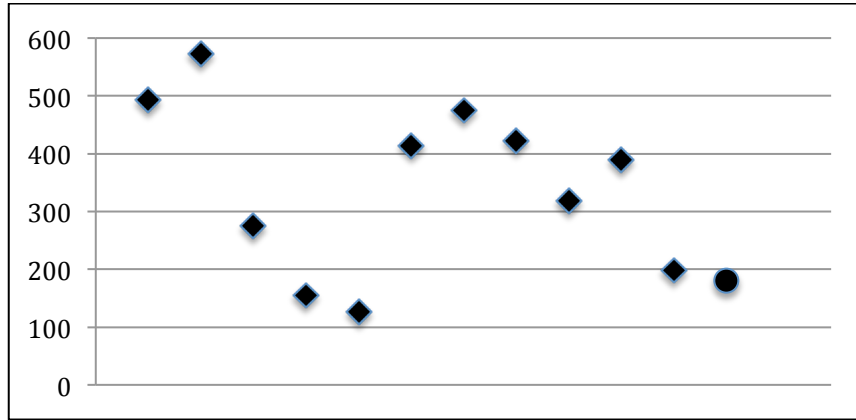
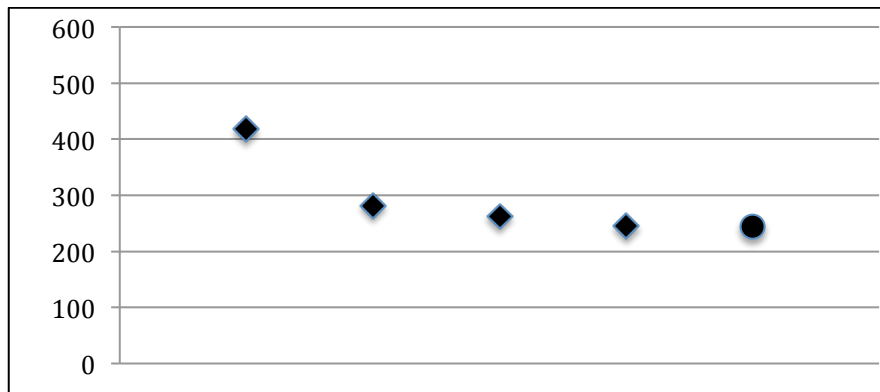


Chart 8. Vermont Middle School Populations for Grades 5 – 8 in AY'15 (GISU is the last data point).



In each example, even if all GISU’s middle level students were combined at a single school location, the school would be the smallest 5-8 and 7-8 middle schools in Vermont, and the state’s third smallest 6-8 middle school. Combining students may not achieve adequate scale; maintaining the three current separate schools with grades 7 and 8 (Alburgh, Grand Isle and South Hero) does not approach the scales of discrete middle schools.

GISU ACT 46 STUDY COMMITTEE PROCESS

Upon forming in August, 2015, the GISU Act 46 Committee recognized the importance of community engagement in support of an open, inclusive and transparent process. As such, it incorporated numerous public communication and engagement opportunities from the outset. Characteristic of the Committee’s approach was its adopted tenet, “LISTEN. UNDERSTAND. ACT.”

- COMMITTEE REPRESENTATION: Each town was proportionately represented on the Committee.
- COMMITTEE MEETINGS: Each of the Committee's meetings included opportunity for public comments and questions. (8/27/15, 9/22/15, 10/20/15, 10/27/15, 11/17/15, 12/15/15, 1/26/16, 2/16/16, 2/23/16, 3/15/16, 3/22/16, 4/26/16, 5/17/17, 5/24/16, 5/31/16, 6/14/16, 7/12/16, 7/26/16, 8/10/16, & 9/7/16).
- SCHOOL BOARD MEETINGS: Committee representatives provided Act 46 Updates at local district School Board meetings, answering questions and gathering community feedback. Each district held 1-2 board meetings each month.
- WEBSITE: www.islandschools.org was created and kept current with Act 46 background information, including Committee meeting agendas and minutes, study documents and presentations, calendar and blog.
- PUBLIC PRESENTATIONS & FORUMS: In addition to twenty Committee meetings, the Committee also supported (including coordinating, publicizing, cooperating, presenting or moderating) fourteen well-attended community forums throughout the county: 7/7/15 (GISU: Steve Dale presentation), 10/20/15 (GISU), 11/14/15 (GISU), 1/12/16 (South Hero), 1/16/16 (Alburgh), 1/25/16 (Grand Isle), 2/27/16 (Isle LaMotte), 2/29/16 (North Hero), 3/19/16 (GISU), 5/9/16 (Grand Isle), 5/16/16 (South Hero), 5/22/16 (North Hero), 7/14/16 (South Hero) & 8/6/16 (South Hero).
- SURVEYS. Three surveys helped inform the Committee: November 2015 GISU Survey ("We're All Ears"); February 2016 (GISU Student Survey) & July 2016 (Alburgh Community Survey).
- MEDIA. Media coverage of the Committee's work included The Islander Newspaper, Front Porch Forum, VtDigger.org, Lake Champlain Access Television, and the Burlington Free Press.
- The Committee used all available media to keep the community engaged, beginning with school newsletters. LCATV filmed several meetings and forums, VTDigger.org featured the GISU Committee in a June 12 article, Front Porch Forum was used to share information and answer questions, and The Islander newspaper featured articles on the Committee's work.

THE COMMITTEE’S FINDINGS

1. CURRENT ISSUES POTENTIALLY ADDRESSED BY UNIFYING GISU SCHOOL DISTRICTS

In addition to engaging the community as much as possible, the GISU Committee conducted numerous analyses of the educational and financial implications of our recommendation.

- A. GISU Priorities in Meeting the Education Quality Standards (State Board Rule 2000): The GISU reviewed the EQS and current student learning opportunities and identified 5 top priorities:
 - i. World Language
 - ii. Tiered System of Support MTSS
 - iii. Transferable Skills
 - iv. Technology Integration
 - v. Science, Technology, Engineering and Mathematics Instruction

- B. Additional Areas for EQS Improvement included:
 - i. Physical Education Staffing
 - ii. Health Service and Health Education
 - iii. Library Media Services
 - iv. Guidance
 - v. Music Education
 - vi. Performing Arts

- C. While anticipating and forecasting the financial implications of Merger Options proved difficult, the GISU provided budgeting estimates of potential costs associated with meeting EQS for PK-8 Students vs PK-6 Students with Tuitioned 7-8 Students. While meeting the minimum EQS for middle school students on-islands is possible by adding personnel, the Committee concluded that the high level of existing student opportunity for 7th and 8th graders at off-island schools was a preferable model. Additional prospective benefits to PK-6 students, faculty, administrators and taxpayers supported their decision.

- D. Additional factors included:
 - i. There is general dissatisfaction with the current trend of declining educational opportunities for districts operating grades 7 & 8 students “on island.”

- ii. Elimination of redundancies and centralizing supports can shift principals' time from some bureaucratic functions to instructional leadership functions.
- iii. GISU districts, on the basis of limited size, have a history of recruitment and retention challenges, notably with less than full-time positions. Upon unification, the potential for sharing part-time personnel across schools (yielding higher f.t.e.'s, up to the potential for full time positions) will help address current recruitment and retention challenges.
- iv. The GISU office, in serving multiple districts often finds itself understaffed. Reduced bureaucratic redundancy is made possible with fewer districts.
- v. Teachers are often underserved in their current professional development activities. Existing districts' sizes are often too small for teachers to share professional development. With districts unifying, more shared resources related to curricular or operational expertise, technology, training, assessment planning, instructional coaching and other professional development activities are available.
- vi. Exit interviews among some former teachers reflect one reason for their leaving is a limited opportunity for professional growth. With a unified system, expanded opportunities for professional development is more possible.
- vii. By expanding deployment opportunities of personnel, most notably specialized staff, programmatic quality and enhanced equity across a unified district are realistic expectations.
- viii. Situational or planned opportunities for a unified board to reconfigure grades or consider intra-town choice options can serve to maximize schoolhouses as resources. In capitalizing on such new opportunities, more robust class sizes per policy are more viable, student options (school "fit" for disaffected students, families living more proximate to a school outside of their town boundary, placement of twins, etc.) become new and legitimate opportunities for learners.
- ix. The districts face immediate pressures to address and comply with the significant requirements of the Education Quality Standards, especially at the middle-grades level.

- x. There is overall competitiveness of external tuition rates for grades 7 & 8 when contrasted with GISU grades 7 & 8 tuition.
- xi. There is less than adequate scale even if all GISU middle level grades were combined.
- xii. Consolidated governance structure would allow the districts to consolidate some bussing routes and allow students on Isle La Motte to benefit from bussing (now not present.)
- xiii. With fewer students attending Grand Isle Elementary School, space may become available for superintendent and/or curriculum administrative services.

Grouped categorically, the Committee found the following to be potential benefits of merging as a pK-6 district:

POTENTIAL BENEFITS FOR PK-6 STUDENTS & FAMILIES

- Increased program quality, variety and equity across a unified district (e.g. foreign languages, technology integration)
- Narrowed focus on age-appropriate learning opportunities
- Simplified sharing of personnel and physical resources
- Increased opportunities for shared experiences between students in different towns
- Opportunity for extended transition plan from Elementary to Middle and High Schools
- Improved consistency through reduced teacher turnover
- Flexibility for student placement across district
- Increased equity in transportation availability
- Improved curriculum consistency across district
- Creates larger community inclusive of multiple towns

POTENTIAL BENEFITS FOR GR 7-8 STUDENTS & FAMILIES

- Greatly expanded academic learning opportunities
- Increased access to advanced academics
- Expanded access to student support services
- Greatly expanded personal growth opportunities (e.g. clubs and activities)
- Earlier access to a wider variety of athletic opportunities
- Wider exposure to different peer groups
- Heightened sense of identity and belonging with their secondary school
- Similar transition time as other elementary students
- Expanded opportunities for technology integration experiences

POTENTIAL BENEFITS FOR TEACHING STAFF

- Increased professional development opportunities
- Improved resource availability through sharing across district
- Increased peer interaction, collaboration and planning opportunities
- Better administrative support
- More opportunities for full-time career path within district
- Increased job security
- Improved curriculum consistency across district

POTENTIAL BENEFITS FOR ADMINISTRATORS

- Decreased administrative and bureaucratic redundancies
- Increased principals' availability for instructional leadership
- Flexibility for classroom configurations and student placement across district
- Flexibility for faculty placement across district
- Ability to offer competitive full time positions to prospective staff
- Larger data samples for meaningful student learning assessments
- Facilitates property and operations management
- In-school administrative offices allows for improved student/staff observation and interaction

POTENTIAL BENEFITS FOR TAXPAYERS & RESIDENTS

- Moderates effects of year-to-year population changes
- Shared educational resources across unified district eliminates unnecessary expenditures
- Better utilization of owned buildings
- May reduce need to pay for rented space
- Probable reduction in personnel expenses
- Availability of tax incentives depending on Merger Model

The Committee honors parents' and citizens' concerns voiced during the study. Most notably, the following challenges inherent in a merger are recognized:

- Resistance to changing some schools configurations from grades pK (or K) through 8 to pK through 6.
- Concerns over a changing sense of community with all seventh and eighth grade students being tuitioned.
- Whether parents' participation in their children's middle level education may be disaffected if tuitioned "off-island."
- Whether travel distances to off-island middle-schools may be problematic.

2. GRADES TO BE OPERATED UPON MERGING

As noted, a challenge for the Committee was determining what common school-operating norm was most prudent should the GISU school districts merge into a single district. Either operating structure currently found in GISU (pK-6 and pK-8 with remaining grades tuitioned) could fit the state’s “preferred models,” but if districts were to be combined, only one unifying form could emerge.

The Committee concluded no additional grades would be operated beyond Grade 8. This is consistent with the will of Grand Isle county’s for the past number of decades. The Committee addressed a threshold question: what grades should a single merged school district operate upon incorporating the five member communities of GISU?

An examination of needed educational opportunities not currently provided in the current schools operating seventh and eighth grades, paired with a review of (internal) announced tuition rates for the grades and (external) tuition costs provided the foundational analysis.

Based on the two key variables of providing the most educational offerings for students, coupled with the more cost-effective means of doing so, the Committee’s conclusions recommend that a five town school district merger should operate grades pK-6 and commence tuitioning the remaining students in grades 7 and 8.

3) ITERATIONS OF A UNIFIED DISTRICT IN GRAND ISLE COUNTY

The Committee concluded that three districts (Grand Isle, Isle La Motte and North Hero) are designated “necessary” for the creation of a unified district and two districts (Alburgh and South Hero) are designated as “advisable.” For any successful merger to occur, the majority of voters in every “necessary” district must approve a merger.

Therefore, four possible combinations of districts choosing to form a unified district are possible with the Committee’s proposal. Those with an asterisk (*) would qualify for state incentives and protections (provided a merger vote occurs in a timely fashion and the new district is operational not later than July 1, 2019). They are:

- * “Model 1.” Five district merger (three necessary districts and two advisable districts). The following communities would approve a merger.
ALBURGH ~ GRAND ISLE ~ ISLE LA MOTTE ~ NORTH HERO ~ SOUTH HERO

- * “Model 2.” Four district merger (three necessary districts and one advisable district). The following communities would approve a merger:
GRAND ISLE ~ ISLE LA MOTTE ~ NORTH HERO ~ SOUTH HERO

- * “Model 3.” Four district merger (three necessary districts and one advisable district), The following communities would approve a merger:
ALBURGH ~ GRAND ISLE ~ ISLE LA MOTTE ~ NORTH HERO
- “Model 4.” Three district merger (of the necessary districts). The following communities would approve a merger:
GRAND ISLE ~ ISLE LA MOTTE ~ NORTH HERO

See Appendix E for a case example of a three district merger (“Model 4”).

4) SHIFT OF OPERATING GRADES FOR DISTRICTS CURRENTLY OPERATING pK-8 SCHOOLS

The three districts of Alburgh, Grand Isle and South Hero currently operate schools through grade 8 while the two districts of Isle La Motte and North Hero currently operate schools through grade 6. Upon merging with other districts in becoming a pK-6 operating district, students from those districts in the graduating classes of 2023 – 2025 would be affected as follows:

Table 8. Chronology of Grades Operated (Upon Merging: Alburgh, Grand Isle and South Hero).

| Students | School Year | Class of 2023 | Class of 2024 | Class of 2025 |
|-------------------------------|-------------|---------------|---------------|---------------|
| - Educated at Alb, GI or SH | 2016-17 | Grade 6 | Grade 5 | Grade 4 |
| - Educated at Alb, GI or SH | 2017-18 | Grade 7 | Grade 6 | Grade 5 |
| - Educated at Alb, GI or SH | 2018-19 | Grade 8 | Grade 7 | Grade 6 |
| - Tuitioned to another school | 2019-20 | Grade 9 | Grade 8 | Grade 7 |

5. NEW DISTRICT DATE OF OPERATION

The Committee concluded that the best date for a newly formed unified district to commence operations is July 1, 2019. The rationale for this date is:

- July 1 is the normal start of a new fiscal year for school districts;
- July 1, 2019 satisfies the requirements of Act 46 as an acceptable date of new operation;
- The new district’s transitional board and central office can maximize the many complex orientation, planning, induction, training and organizational functions necessary for the new district’s early success; and,
- The time between successful vote and first operation gives teachers time for expanding their training and professional license options.

6. UNIFIED BOARD COMPOSITION

Proportional representation serves as the foundation for determining the towns' representation on a unified board. The chart below reflects the official (2010) U.S. Census for Vermont's Grand Isle County.

Chart 9. 2010 U.S. Census: Grand Isle County

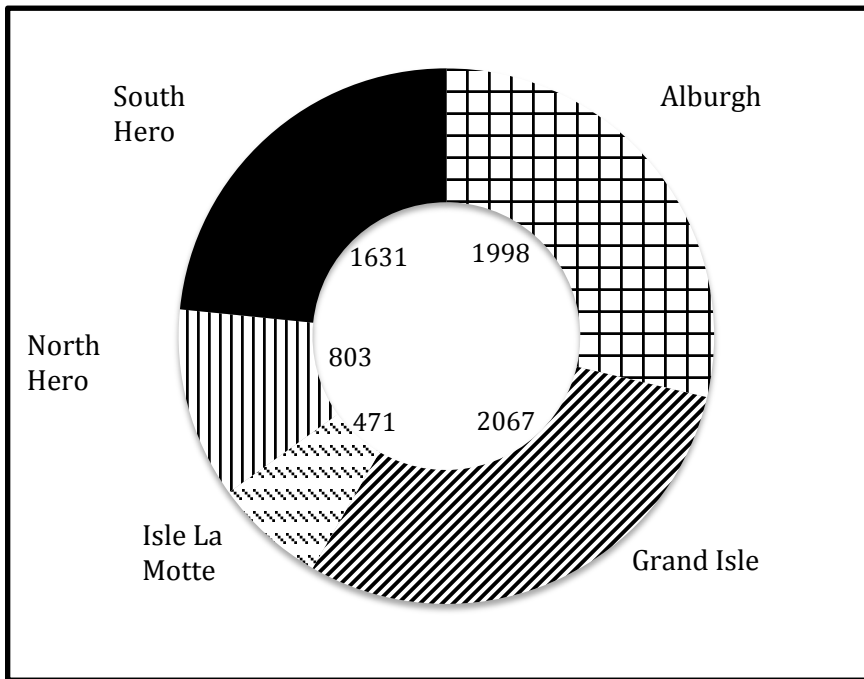


Table 9. Model 1: An All Five Districts Merger Will Have an 11 Member Board.

| Board = 11 | Town | Population | % of Population | Member Share | # of Bd Members | % of Board |
|--------------------------|---------------|------------|-----------------|--------------|-----------------|------------|
| Citizens per member: 634 | Alburgh | 1998 | 29% | 3.2 | 3 | 27% |
| | Grand Isle | 2067 | 30% | 3.3 | 3 | 27% |
| | Isle La Motte | 471 | 7% | 0.7 | 1 | 9% |
| | North Hero | 803 | 11% | 1.3 | 1 | 9% |
| | South Hero | 1631 | 23% | 2.6 | 3 | 27% |
| | | 6970 | 100% | 11.1 | 11 | 100% |

Table 10. Model 1: Initial Terms of Office for a Five Districts / 11 Member Board.

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Alburgh | 1 | 1 | 1 |
| Grand Isle | 1 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 0 | 0 | 1 |
| South Hero | 1 | 1 | 1 |

.....

Table 11. Model 2: A Four Districts Merger (Grand Isle, Isle La Motte, North Hero and South Hero) Will Have an 8 Member Board.

| Board = 8 | Town | Population | % of Population | Member Share | # of Bd Members | % of Board |
|--------------------------|---------------|-------------------|------------------------|---------------------|------------------------|-------------------|
| Citizens per member: 621 | Grand Isle | 2067 | 42% | 3.4 | 3 | 38% |
| | Isle La Motte | 471 | 9% | 0.7 | 1 | 13% |
| | North Hero | 803 | 16% | 1.3 | 1 | 13% |
| | South Hero | 1631 | 33% | 2.6 | 3 | 38% |
| | | 4972 | 100% | 8.0 | 8 | 100% |

Table 12. Model 2: Initial Terms of Office for a Four Districts (Grand Isle, Isle La Motte, North Hero and South Hero) / 8 Member Board.

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Grand Isle | 1 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 0 | 0 | 1 |
| South Hero | 1 | 1 | 1 |

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Table 13. Model 3: A Four Districts Merger (Alburgh, Grand Isle, Isle La Motte and North Hero) Will Have a 6 Member Board.

| Board = 6 | Town | Population | % of Population | Member Share | # of Bd Members | % of Board |
|---------------------------------|---------------|-------------------|------------------------|---------------------|------------------------|-------------------|
| Citizens per member: 890 | Alburgh | 1998 | 37% | 2.2 | 2 | 33% |
| | Grand Isle | 2067 | 39% | 2.3 | 2 | 33% |
| | Isle La Motte | 471 | 9% | 0.5 | 1 | 17% |
| | North Hero | <u>803</u> | <u>15%</u> | <u>0.9</u> | <u>1</u> | <u>17%</u> |
| | | 5339 | 100% | 6.0 | 6 | 100% |

Table 14. Model 3: Initial Terms of Office for a Four Districts (Alburgh, Grand Isle, Isle La Motte and North Hero) / 6 Member Board.

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Alburgh | 1 | 0 | 1 |
| Grand Isle | 0 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 1 | 0 | 0 |

.....

Table 15. Model 4: A Three Districts Merger (Grand Isle, Isle La Motte and North Hero) Will Have a 5 Member Board.

| Board = 5 | Town | Population | % of Population | Member Share | # of Bd Members | % of Board |
|---------------------------------|---------------|-------------------|------------------------|---------------------|------------------------|-------------------|
| Citizens per member: 668 | Grand Isle | 2067 | 62% | 3.1 | 3 | 60% |
| | Isle La Motte | 471 | 14% | 0.7 | 1 | 20% |
| | North Hero | 803 | 24% | 1.2 | 1 | 20% |
| | | 3341 | 100% | 5.0 | 5 | 100% |

Table 16. Model 4: Initial Terms of Office for a Three Districts (Grand Isle, Isle La Motte and North Hero) / 5 Member Board.

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Grand Isle | 1 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 0 | 0 | 1 |

7. SCHOOL CLOSINGS

The Committee does not recommend any of the potential forming districts’ schools be closed.

Regardless of whether a union district is formed of three, four, or all five Grand Isle county school districts no school within its boundaries will be closed during the first four years after the effective date of the merger.

Should future conditions warrant such consideration, the Committee concludes that the following standard be applied when determining a schoolhouse cease operations for school purposes or the operation of the district: a majority decision of the board and the voted consent of the town in which the schoolhouse is located.

8. DISPOSITION OF SCHOOLHOUSES NO LONGER USED FOR SCHOOL OR DISTRICT PURPOSES

In the event that it is determined (per above), that any of the real property, including land and buildings, conveyed to it by one or more of the forming districts is or are unnecessary to the continued operation of the Unified Union District and its educational programs, the District shall convey such real property, for the sum of One Dollar, and subject to all encumbrances of record, the assumption or payment of all outstanding bonds and notes and the repayment of any school construction aid or grants as required by Vermont law, to its local municipality as follows:

- Alburgh Community Education Center is conveyed to the Town of Alburgh
- Grand Isle School is conveyed to the Town of Grand Isle
- Isle La Motte School is conveyed to the Town of Isle La Motte
- North Hero School is conveyed to the Town of North Hero
- Folsom Education and Community Center is conveyed to the Town of South Hero.

The conveyance of any of the above school properties shall be conditioned upon the town owning and utilizing the real property for community and public purposes for a minimum of five years. In the event a town elects to sell the real property prior to five

years of ownership, the town shall compensate the Unified Union School District for all capital improvements and renovations completed after the formation of the Unified Union School District and prior to the sale to the town. In the event a town elects not to acquire ownership of such real property, the Unified Union School District shall, pursuant to Vermont statutes, sell the property upon such terms and conditions as established by the Unified Union School District Board.

9. SPECIAL CONDITIONS

- (1) The Donald B. Robinson Memorial Scholarship (Appendix F) fund (circa 1993), currently administered by the South Hero School District, is valued at \$68,291.03 (June 14, 2016). Its express purpose is to support a scholarship fund. The South Hero School District board created a rubric for annually choosing the recipient. As the Robinson Trust's intent was to benefit South Hero children, in the event South Hero joins the unified school district, this fund shall be retained in a special account by the new school district with restrictions that South Hero children will exclusively be beneficiaries of this scholarship.
- (2) Folsom Education and Community Center benefits from a long and meaningful relationship between the Town of South Hero and the South Hero Town School District, most notably around supporting a philosophy of community use of the facility. Two current provisions are intended to remain in place:
 - a. As per the current relationship, the Unified Union School District welcomes the continuation of \$115,000 per annum from the Town of South Hero; said funds will be used exclusively for improvements to Folsom Education and Community Center in support of community use.
 - b. As per the current relationship, the Unified Union School District may request further funds of the Town of South Hero to be used for the operation of Folsom Education and Community Center in support of community use.
 - c. The Unified Union School District's policy on community use of its facilities will document these understandings.
- (3) The Levert E. King Revocable Trust (circa 1975) (see Appendix G), in part, names the North Hero Elementary School as a beneficiary. It is structured to disperse the interest only, so the district is still receiving revenue from it and will in perpetuity (or until the school closes). It offers a modest revenue stream annually to the North Hero School District and has historically been used for North Hero Elementary School improvements such as purchasing lockers, funding foreign language software, helping class trip funds, repairs, computers, and playground equipment. As the King Trust's intent was to

benefit the North Hero Elementary School, in the event North Hero joins the unified school district, this fund shall be retained in a special account by the new school district with restrictions that expenditures will be directed exclusively at North Hero Elementary School.

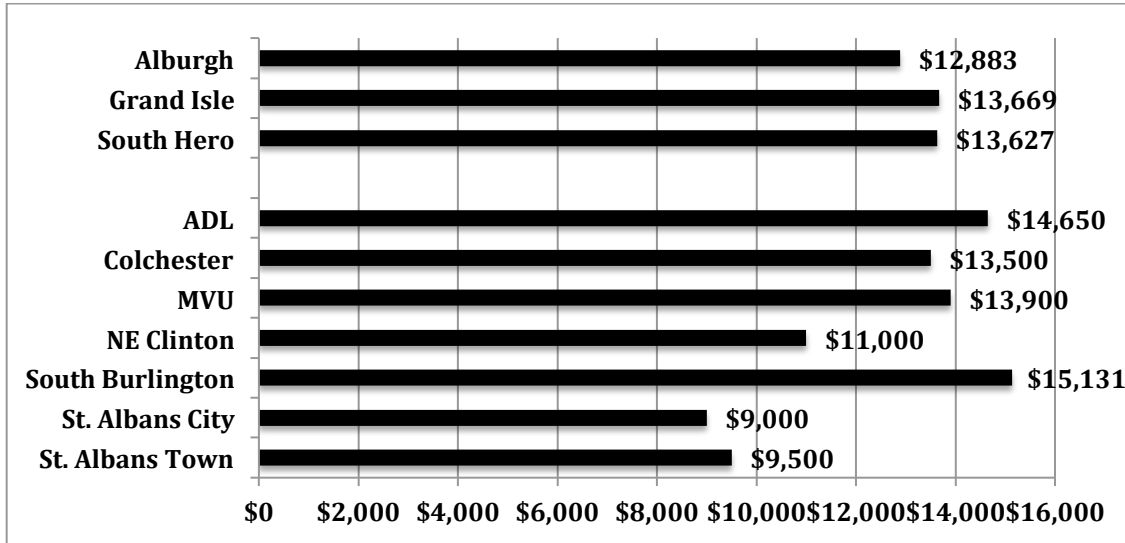
- (4) Isle La Motte School benefits from a long and meaningful relationship between the Town of Isle La Motte and the Isle La Motte Town School District, most notably around supporting a philosophy of community use of the facility. The current provision is intended to remain in place:
As per the current relationship, the Unified Union School District welcomes the continuation of \$14,500 per annum from the Town of Isle La Motte; said funds will be used exclusively for improvements to Isle La Motte School in support of community use.
- (5) North Hero School benefits from a long and meaningful relationship between the Town of North Hero and the North Hero School District, most notably around supporting a philosophy of community use of the facility. The current provisions are intended to remain in place:
 - a. As per the current relationship, the Unified Union School District welcomes the continuation of \$31,000 per annum from the Town of North Hero; said funds will be used exclusively for operations of the North Hero School in support of community use.
 - b. As per the current lease, the Unified Union School District welcomes the continued use of two classrooms in the North Hero School building as office space for the Town of North Hero at the current rate of \$37,800 per annum until the expiration of the lease on July 1, 2020. The Unified Union School District and the Town of North Hero may negotiate an extension or replacement of the current lease at any time after the formation of the Unified Union School board.

10. AFFORDABILITY / SUSTAINABILITY

The Committee acknowledges its FY'17 announced tuition rates for its schools operating grades 7 and 8 are less than some and more than others in the region (see Chart 10.) The average of Grand Isle Supervisory Union's middle schools' tuitions is \$13,393. The average for the off-islands middle schools shown below in Chart 10 is \$12,383 (a difference of \$1,010).

In recommending a unified union school district operating grades pK-6, a simple comparison of tuition costs is inadequate as a sole decision point in otherwise continuing to operate grades 7 and 8. Educational programming and offerings (noted earlier) vary significantly between current on-island and off-island middle level offerings.

Chart 10. FY'17 Announced Tuition for GISU and Regional Middle Schools.⁵



A melded Equalized Homestead Tax Rate among unifying districts would replace pre-existing (former) districts' Equalized Homestead Tax Rates. A "what if" modeling of FY'16 Equalized Homestead Tax Rates offers how such would be applied.

Table 17. FY'16 Equalized Homestead Tax Rates.

| District | FY'16 Equalized Homestead Tax Rate |
|---------------|------------------------------------|
| Alburgh | \$ 1.5487 |
| Grand Isle | \$ 1.6331 |
| Isle La Motte | \$ 1.6275 |
| North Hero | \$ 1.5207 |
| South Hero | \$ 1.5315 |

⁵ Unlike Vermont schools which announce their tuition rates months in advance of each academic year, Northeastern Clinton (New York) reserves the right to change its rate in-year.

Table 18. Hypothetical FY'16 Equalized Homestead Tax Rates (Without Incentives, if Merged).⁶

| GISU Merger Model | Involved Districts | Melded Homestead Tax Rate |
|-------------------|---|---------------------------|
| Model 1 | Alburgh, Grand Isle, Isle La Motte, North Hero & South Hero | \$ 1.4932 |
| Model 2 | Grand Isle, Isle La Motte, North Hero & South Hero | \$ 1.5050 |
| Model 3 | Alburgh, Grand Isle, Isle La Motte & North Hero | \$ 1.5043 |
| Model 4 | Grand Isle, Isle La Motte & North Hero | \$ 1.5292 |

For purposes of considering *potential* financial scenarios (in the example of GISU, for qualifying RED mergers versus not merging), superintendents and business managers have accessed a fiscal model fashioned after the Act 46 Implementation Project's DMC version.

The disclaimers for this model follow:

DISCLAIMER

This model is being made available by for use by superintendents and school business managers in supporting school district merger study committees.

The model relies on a set of inputs that are not adjustable by the user and a set of inputs that the user can manipulate. Any specific assumptions and judgments made by the user in their selection of inputs could cause actual results to differ materially from those projected.

The model was created for purposes of comparative illustrations, and under no circumstances should be utilized to forecast future actual tax rates resulting if and when a merger occurs or does not occur.

The model does not account for, nor is it intended to account for, policy decisions, management decisions and/or changes in any factor reflected in the model, now or over time.

There are no representations or warranties, express or implied, as to the accuracy or completeness of the information presented and nothing herein shall be relied upon as a promise or representation.

We disclaim all liability whatsoever for any direct, indirect, incidental, consequential, or special damages arising out of or in any way connected with access to or use of the financial model.

⁶ The formula used in these calculations was graciously provided by B. James, VT AoE.

Factors within the model can be manipulated to reflect local conditions, generalized at the supervisory union level. These include:

- Average homestead value was input at \$150,000
- The % change in equalized pupil per year was set at 2%
- The % change in district education spending per year was set at 3%
- The % town home education grand list (EGL) change per year was set at 2%.

Upon merging, the model suggests an approximated melded tax rate for the new district becomes established. Per the model, the following table reflects (for merger Model 1, Model 2 and Model 3) potential effects of tax rate changes. Years FY'17, FY'18 and FY'19 reflect the pre-merger period. Years FY'20, FY'21, FY'22 and FY'23 reflect the four years of applied homestead tax rate incentives. FY'24 becomes the first year of the new district operating without the incentives applied. (It deserves to be noted that FY'24 is presently seven years away.) The section of the chart labeled "No Change" models the five district's isolated tax rates in the event no merger occurs.

Table 16. Tax rate changes as modeled.⁷

Equalized Homestead Tax Rates

| | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|
| RED 5, effective FY20; Model 1 | | | | | | | | |
| Alburgh | 1.5443 | 1.5595 | 1.5748 | 1.5213 | 1.5570 | 1.5929 | 1.6289 | 1.6650 |
| Grand Isle | 1.5880 | 1.6161 | 1.6320 | 1.5504 | 1.5570 | 1.5929 | 1.6289 | 1.6650 |
| Isle La Motte | 1.6202 | 1.6361 | 1.6521 | 1.5695 | 1.5570 | 1.5929 | 1.6289 | 1.6650 |
| North Hero | 1.4379 | 1.4520 | 1.4662 | 1.5213 | 1.5570 | 1.5929 | 1.6289 | 1.6650 |
| South Hero | 1.5366 | 1.5587 | 1.5740 | 1.5213 | 1.5570 | 1.5929 | 1.6289 | 1.6650 |
| RED no Alburgh, effective FY20; Model 2 | | | | | | | | |
| Grand Isle | 1.5880 | 1.6161 | 1.6320 | 1.5504 | 1.5624 | 1.5983 | 1.6344 | 1.6706 |
| Isle La Motte | 1.6202 | 1.6361 | 1.6521 | 1.5695 | 1.5624 | 1.5983 | 1.6344 | 1.6706 |
| North Hero | 1.4379 | 1.4520 | 1.4662 | 1.5267 | 1.5624 | 1.5983 | 1.6344 | 1.6706 |
| South Hero | 1.5366 | 1.5587 | 1.5740 | 1.5267 | 1.5624 | 1.5983 | 1.6344 | 1.6706 |
| RED no South Hero, effective FY20; Model 3 | | | | | | | | |
| Alburgh | 1.5443 | 1.5595 | 1.5748 | 1.5244 | 1.5601 | 1.5960 | 1.6321 | 1.6683 |
| Grand Isle | 1.5880 | 1.6161 | 1.6320 | 1.5504 | 1.5601 | 1.5960 | 1.6321 | 1.6683 |
| Isle La Motte | 1.6202 | 1.6361 | 1.6521 | 1.5695 | 1.5601 | 1.5960 | 1.6321 | 1.6683 |
| North Hero | 1.4379 | 1.4520 | 1.4662 | 1.5244 | 1.5601 | 1.5960 | 1.6321 | 1.6683 |

⁷ Districts in a new RED can't move more than 5% toward the new rate in any year, until they actually reach the RED rate.

| No Alburgh or South Hero, effective FY'20; Model 4 | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| Grand Isle | 1.5880 | 1.6161 | 1.6320 | 1.5504 | 1.5702 | 1.6062 | 1.6423 | 1.6786 |
| Isle La Motte | 1.6202 | 1.6361 | 1.6521 | 1.5695 | 1.5702 | 1.6062 | 1.6423 | 1.6786 |
| North Hero | 1.4379 | 1.4520 | 1.4662 | 1.5344 | 1.5702 | 1.6062 | 1.6423 | 1.6786 |

| No Change | | | | | | | | |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Alburgh | 1.5443 | 1.5595 | 1.5748 | 1.5902 | 1.6058 | 1.6215 | 1.6374 | 1.6535 |
| Grand Isle | 1.5880 | 1.6161 | 1.6320 | 1.6480 | 1.6641 | 1.6804 | 1.6969 | 1.7136 |
| Isle La Motte | 1.6202 | 1.6361 | 1.6521 | 1.7521 | 1.7693 | 1.7866 | 1.8042 | 1.8218 |
| North Hero | 1.4379 | 1.4520 | 1.4662 | 1.5730 | 1.5884 | 1.6040 | 1.6197 | 1.6356 |
| South Hero | 1.5366 | 1.5587 | 1.5740 | 1.6303 | 1.6463 | 1.6624 | 1.6787 | 1.6952 |

Charts 11 – 15 (below) reflect the equalized tax rate implications of the RED models for each school district, as contrasted with not making any change (“no change”). FY’17-FY’19 reflect pre-merger years, FY’20-’23 reflect years in which the descending 8¢, 6¢, 4¢ & 2¢ reductions in homestead tax rates are applied, and FY’24 reflects the first year post-incentives.

Chart 11. Alburgh As Modeled: Comparison of Equalized Tax Rates in Models vs. No Change.

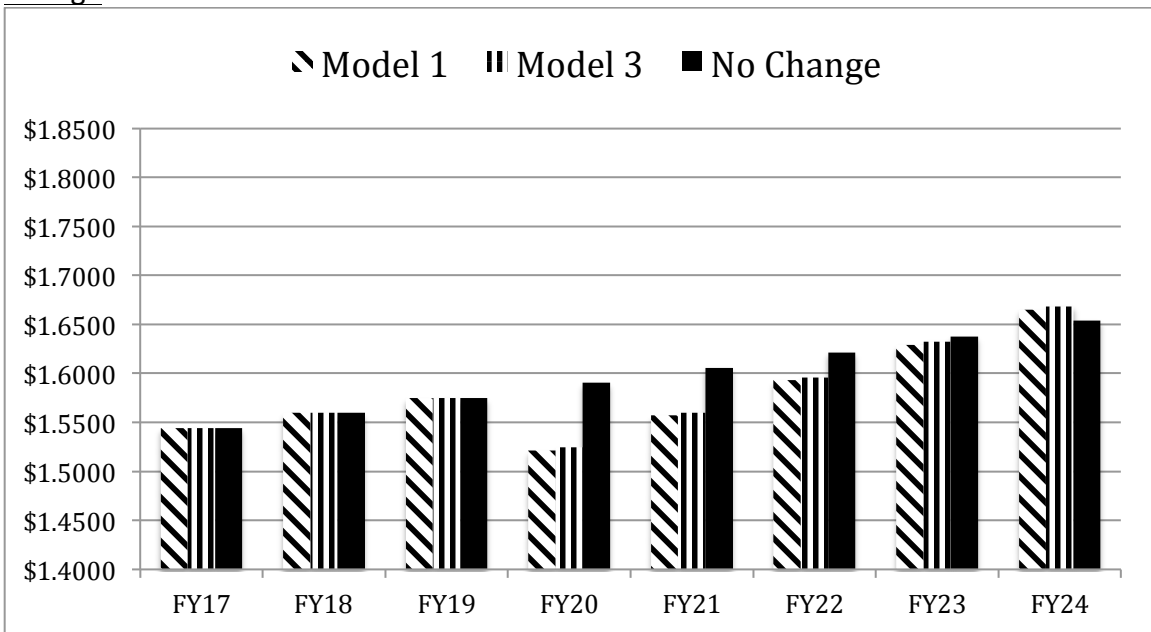


Chart 12. Grand Isle As Modeled: Comparison of Equalized Tax Rates in Models vs. No Change.

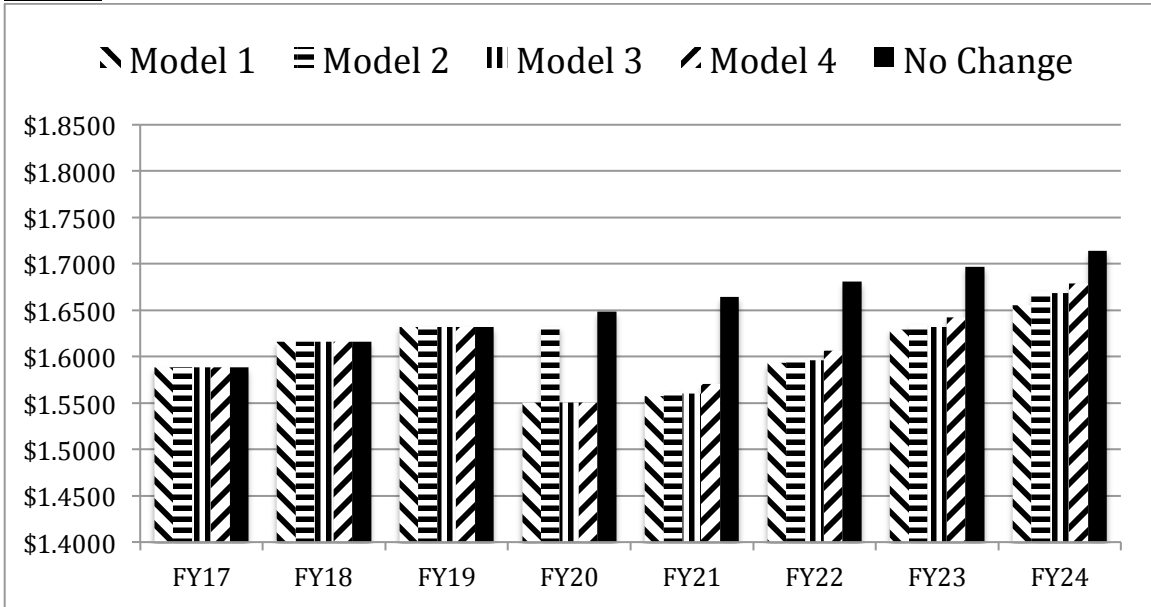


Chart 13. Isle La Motte As Modeled: Comparison of Equalized Tax Rates in Models vs. No Change.

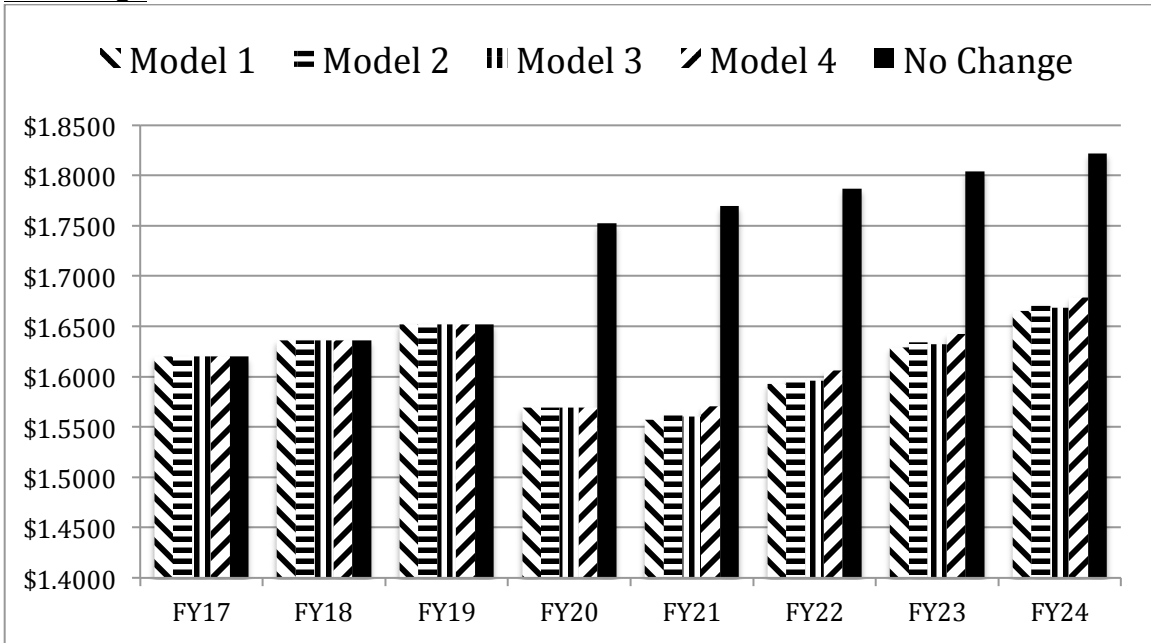


Chart 14. North Hero As Modeled: Comparison of Equalized Tax Rates in Models vs. No Change.

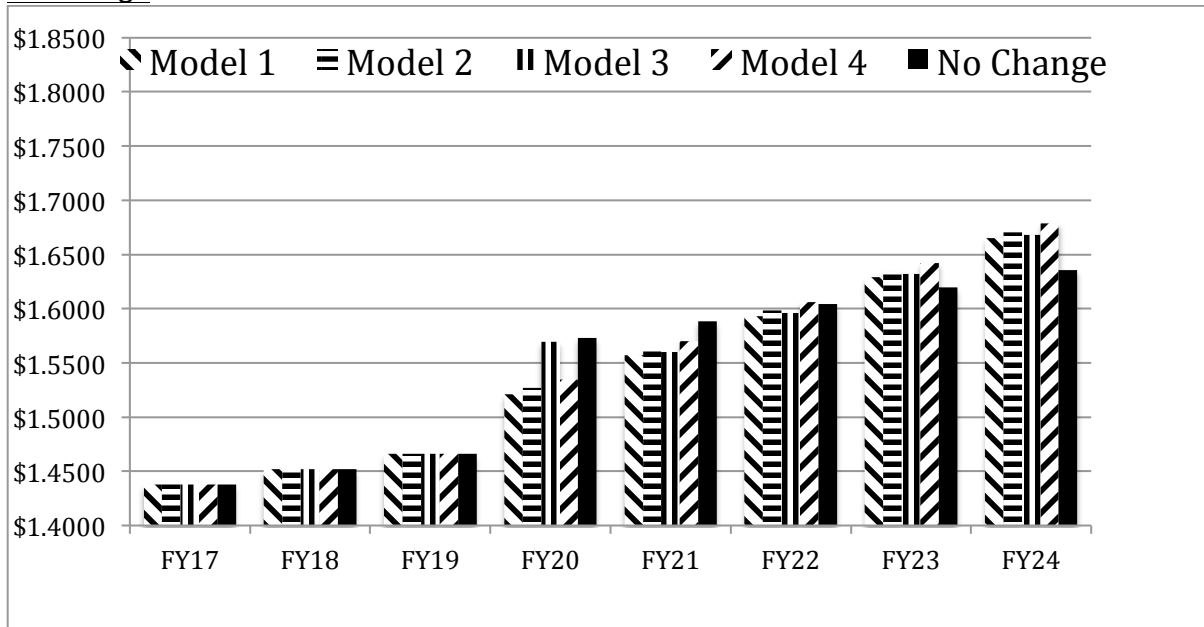
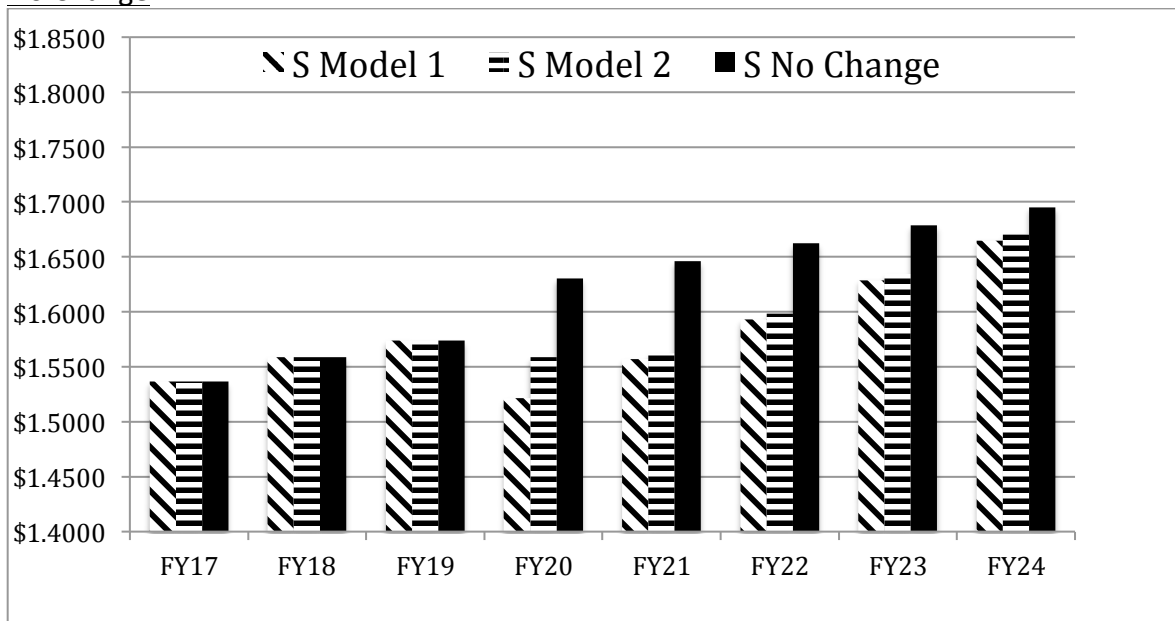


Chart 15. South Hero As Modeled: Comparison of Equalized Tax Rates in Models vs. No Change.



11. AVAILABLE TAXPAYER INCENTIVES AND FINANCIAL PROTECTIONS

Financial incentives and protections are available to the three potential Regional Education District forms of merger (the five district merger or either of the four district mergers). None are available for the three-district merger.

- ✓ Option of homestead property tax rate reduction during the first four year of operation (FY'20 – FY'23) (with income-payers percentage adjusted accordingly) and the rate in any former district not increasing or decreasing by more than 5% OR \$400 multiplied by the new district's ADM in the first year of operation;
- ✓ Existing Small Schools Grants transformed into Merger Support Grant to be paid annually unless and until a small school is closed
- ✓ A Transition Facilitation Grant in the first year of operation equal to the lesser of \$150,000 or 5% of the base education amount multiplied by the new District's ADM (reduced by any amount received through the Consulting Services Grant)
- ✓ Exempted from paying back a percentage of state construction aid in the event a building is closed
- ✓ Continued eligibility for 3.5% hold harmless when protection becomes otherwise repealed in FY'21
- ✓ Not subject to any reorganization by the State Board of Education starting in 2019.

The effect of the tax incentives is significant for qualifying mergers across Vermont. In the example of the Model 1 GISU merger (a RED with all five districts), it can be modeled how much may be necessary to be raised in local taxes versus local taxes necessary in the absence of a merger. Using the financial model with the variables previously noted, over an eight-year period (FY'17 – FY'24), \$5,152,978 is the difference in homestead taxes raised locally in the five communities.

Table 19. Modeled differences for local taxes raised (5 towns) if merged or not merged (Model 1).

| | No Merger | Merger | Difference |
|--------------|----------------------|----------------------|--------------------|
| FY'17 | \$23,546,468 | \$23,546,468 | \$0 |
| FY'18 | \$24,336,091 | \$24,336,091 | \$0 |
| FY'19 | \$25,066,370 | \$25,066,370 | \$0 |
| FY'20 | \$26,400,234 | \$24,893,723 | \$1,506,511 |
| FY'21 | \$27,192,072 | \$25,807,471 | \$1,384,601 |
| FY'22 | \$28,007,468 | \$26,930,568 | \$1,076,900 |
| FY'23 | \$28,847,836 | \$28,089,991 | \$757,845 |
| FY'24 | \$29,713,898 | \$29,286,777 | \$427,121 |
| Total | \$213,110,437 | \$207,957,459 | \$5,152,978 |

Per the model, below is a disaggregation of the (local) Homestead Tax reduction total (\$5,152,978) by town. This is predicated on an effective merger date of July 1, 2019 of all five towns.

Table 20. Source of Homestead Tax differential (per Table 16) in a five member RED over the period FY'17-FY'24.

| | |
|---------------|---------------------|
| Alburgh | \$431,466 |
| Grand Isle | \$1,740,135 |
| Isle La Motte | \$1,043,701 |
| North Hero | \$167,546 |
| South Hero | \$1,770,130 |
| | \$ 5,152,978 |

12. IMPACT OF SMALL SCHOOLS GRANTS

The present availability of Small Schools grants is important to a majority of GISU districts. Small school districts operating at least one school are eligible for a small schools support grant if the two-year average enrollment is less than 100 or if the average grade size is 20 or fewer. Districts receiving a support grant are also eligible for a small school financial stability grant (16 VSA § 4015) if there is a 10% decrease in the two-year average enrollment in any one-year. For FY'17, Isle La Motte, North Hero and South Hero receive grants.

Table 21. Recent history of GISU Small Schools Grants.

| | FY'13 | FY'14 | FY'15 | FY'16 | FY'17 |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| Alburgh | 0 | 0 | 0 | 0 | 0 |
| Grand Isle | 0 | 0 | 0 | 0 | 0 |
| Isle La Motte | \$ 47,583 | \$ 46,890 | \$ 46,045 | \$ 46,124 | \$ 48,510 |
| North Hero | \$ 77,028 | \$ 76,625 | \$ 74,923 | \$ 79,204 | \$ 90,081 |
| South Hero | \$ 99,492 | \$106,657 | \$101,379 | \$ 93,029 | \$ 81,578 |

Two things occur on July 1, 2018 and apply to grants made in FY'20 and thereafter: (1) Financial Stability Grants are repealed; and (2) criteria for awarding Small Schools grants becomes more restrictive. However, voluntary mergers that are eligible for incentives and protections (Models 1, 2 and 3) will retain the grants (converted to “Merger Support Grants”). The table below illustrates the affected GISU districts’ FY'17 Small School grants revenues, shown as a percentage of FY'17 budgets. Districts that do not merge into a unified district eligible to receive incentives could potentially lose Small Schools Grants. (Alburgh and Grand Isle do not receive FY'17 Small Schools Grants.)

Table 22. Effect of FY'17 Small Schools Grants on FY'17 District Budgets.

| | Small Schools Grants | Grant as % of Total FY'17 Budget |
|---------------|----------------------|----------------------------------|
| Isle La Motte | \$ 48,510 | 4.02% |
| North Hero | \$ 90,081 | 5.51% |
| South Hero | \$ 81,578 | 2.34% |

13. IMPACT OF HOLD HARMLESS PROVISION (PHANTOM STUDENTS)

Two of GISU’s districts currently benefit from the state’s “hold harmless” provision. Current law limits the annual decline in Equalized Pupils to 3.5%. Equalized pupil counts are inflated if the calculated count is less than the allowable minimum. Those additional counts are known as the phantom students.

This financial support artificially inflates some Vermont school districts’ Equalized Pupil counts. The purpose of the provision is to insulate those districts in a shock-absorber fashion that have recently experienced particularly rapid declines in student populations. Meaningful is that a district’s Education Spending is divided by its Equalized Pupils as part of calculating each district’s Homestead Tax Rate.

Two districts, Isle La Motte and South Hero have phantom students factored into their FY'17 Homestead Tax Rates. This provision sunsets in FY'21 for districts that merge into a unified district eligible for incentives (four or five GISU districts); these are Models 1, 2 and 3.

14. ASSETS & LIABILITIES

The 2016 aggregated value of GISU school districts’ properties is \$21,758,075 as detailed below.

Table 23. VSBIT: GISU Property Valuations for Insurance Purposes.

| Property Type | Address 1 | City | Building Value | Business Personal Property | Site Improvements Insurable | Total Insured Value |
|--------------------------------|-------------------|---------------|------------------------|----------------------------|-----------------------------|------------------------|
| School | 75 South Street | South Hero | \$3,218,100.00 | \$410,000.00 | \$39,200.00 | \$4,237,300.00 |
| Yard Fixtures | 75 So Street | South Hero | \$35,875.00 | \$0.00 | \$0.00 | \$35,875.00 |
| School | 224 US 2 | Grand Isle | \$5,901,800.00 | \$630,000.00 | \$57,800.00 | \$6,664,600.00 |
| Equipment | 224 US 2 | Grand Isle | \$57,800.00 | \$0.00 | \$0.00 | \$57,800.00 |
| Yard Fixtures | 224 US 2 | Grand Isle | \$46,125.00 | \$0.00 | \$0.00 | \$46,125.00 |
| School | 6441 US Route 2 | North Hero | \$1,933,900.00 | \$264,450.00 | \$54,200.00 | \$2,262,550.00 |
| Storage | 6441 US 2 | North Hero | \$45,000.00 | \$22,950.00 | \$0.00 | \$67,950.00 |
| Yard Fixtures | 6441 US 2 | North Hero | \$0.00 | \$15,375.00 | \$0.00 | \$15,375.00 |
| School | 534 School Street | Isle La Motte | \$1,237,200.00 | \$236,400.00 | \$39,300.00 | \$1,522,900.00 |
| Yard Fixtures | 534 School Street | Isle La Motte | \$10,250.00 | \$0.00 | \$0.00 | \$10,250.00 |
| School | 14 N Main Street | Alburgh | \$4,606,400.00 | \$551,600.00 | \$61,000.00 | \$5,294,000.00 |
| Yard Fixtures | 14 N Main Street | Alburgh | \$20,500.00 | \$0.00 | \$0.00 | \$20,500.00 |
| Modular Building | 14 N Main Street | Alburgh | \$229,600.00 | \$35,000.00 | \$0.00 | \$264,600.00 |
| Storage | 14 N Main Street | Alburgh | \$45,000.00 | \$20,000.00 | \$0.00 | \$65,000.00 |
| Dugout | 14 N Main Street | Alburgh | \$10,250.00 | \$5,125.00 | \$0.00 | \$15,375.00 |
| Dugout | 14 N Main Street | Alburgh | \$10,250.00 | \$5,125.00 | \$0.00 | \$15,375.00 |
| Equipment | | | \$50,000.00 | \$0.00 | \$0.00 | \$55,000.00 |
| Equipment | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Admin/Office | 5038 US 2 | North Hero | \$0.00 | \$52,500.00 | \$0.00 | \$1,102,500.00 |
| Leased Space - Owned by Others | 3035 US 2 | North Hero | \$0.00 | \$0.00 | \$0.00 | \$5,000.00 |
| | | | \$17,458,050.00 | \$2,248,525.00 | \$251,500.00 | \$21,758,075.00 |

15. GISU DISTRICTS’ DEBT

The GISU member districts either have no long-term debt or are rapidly closing out existing bond obligations. The following chart reflects the existing long-term debt schedules (FY’20 and FY’21) for each district.

Table 24. GISU Districts’ Debts.

| | FY’20 | FY’20 | FY’21 | FY’22 | Total |
|---------------|------------|--------|--------|--------|------------|
| Alburgh | (None) | (None) | (None) | (None) | (None) |
| Grand Isle | (None) | (None) | (None) | (None) | (None) |
| Isle La Motte | (None) | (None) | (None) | (None) | (None) |
| North Hero | (None) | (None) | (None) | (None) | (None) |
| South Hero | \$ 112,167 | (None) | (None) | (None) | \$ 112,167 |

For a five-district merger, the above long term South Hero debt represents less than one tenth of one percent of the five district’s aggregate budgets for FY’20.

- END -

Fact Sheet

Goals:

Act 46 is designed to encourage and support local decisions and actions that:

- 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.

In addition, Act 46 cautions that governance changes should "be mindful of any other district in the region that may become geographically isolated."

Although the State intends that all school boards will continually work toward achieving the stated goals, Act 46 acknowledges that the means to achieve the goals will vary depending on the specific circumstances of districts or regions.

Three Phases of Voluntary Merger Incentives:

Act 46 creates a multi-year process that provides three phases of incentives for school districts that voluntarily merge into the most common governance models, including a supervisory union with multiple merged member districts. 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 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) and its three variations, including a Side-by-Side Merger (Act 156 of 2012). 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, 2109. (Act 46, Sec. 7)

What Act 46 Does:

- Provides tools boards can use to better align shared resources behind core goals.
- Provide some protection to small districts that currently are unable to control costs or shield themselves from fluctuations in ADM.
- Gives systems that need to make changes some tools to do so. If you are a small district, this is a great opportunity to partner with other small districts to achieve some scale.
- By moving some systems quickly, provides Vermont with a group of mergers we can study to determine what works, what doesn't, where savings and program improvements can be found. We can then share this knowledge with other systems that are thinking about partnering.
- Leaves systems that are already working well alone.
- For districts that are unsure, provides more time to review their situation and review the better data we will make available through Education Quality Reviews before committing to a course of action.
- Gives the State Board of Education the tools to help very small districts that are not viable on their own and risk losing any local control, but can't find anyone with whom to partner.
- Puts pressure on systems to control their growth in per pupil spending, without forcing automatic cuts of the kind that can damage schools and hurt students.

Schools are encouraged to measure quality and equity in the realms of academic achievement, personalization, safe school climate, high quality staffing, fiscal efficiency, and other components of the Education Quality Standards rules of the State Board of Education.

What Act 46 Does Not Do:

- Encourage or require closure of schools – including small schools.
- Restrict or repeal the authority of school districts to continue to pay tuition.
- Change the amount or manner in which a district pays tuition for its students, or the manner in which voters decide whether their district will pay tuition.

APPENDIX B

| Grand Isle Supervisory Union School Districts' Tuition Students-June 1, 2016 | | | | | | | | | | |
|--|------------|-----------|------------|-----------|----------------------------------|-----------|-------------------------------|-------|-----------------------------------|-----------|
| School District | South Hero | Total | Grand Isle | Total | North Hero | Total | Isle La Motte | Total | Alburgh | Total |
| In State Public | | | | | | | | | | |
| AD Lawton Middle School | | | | | 0 1-7th | 1 | | | 0 | 0 |
| Bellows Free Academy St. A | | | | | 0 | 0 | 0 1-11th | | 1 5-12th, 14-11th, 12-10th, 9-9th | 38 |
| Burlington High School | | | | | 0 | 0 | | | 0 | 0 |
| Champlain Valley Union HS | | | | | 0 | 0 | | | 0 | 0 |
| Colchester High School | | | | | 30 2-12th, 6-11th, 1-10th, 1-9th | 10 | 1 1-12, 2-10th | | 3 1-10th | 1 |
| Colchester Middle School | | | | | 0 | 0 | 0 1-8th | | 1 | 0 |
| Enosburgh High School | | | | | 0 | 0 | | | 0 | 0 |
| Essex High School | | | | | 22 2-12th, 3-11th, 2-10th, 6-9th | 7 | 1-12th, 2-11th, 1-10th, 2-9th | | 6 1-11th, 1-10th, 2-9th | 4 |
| Frederick Tuttle Middle School | | | | | 0 6-7th | 6 | 1-7th | | 1 | 0 |
| Milton High School | | | | | 1 | 0 | | | 0 | 0 |
| Missisquoi Valley Union HS/Middle School | | | | | 0 | 0 | 0 1-12th, 1-10th, 1-7th | | 3 8-12th, 7-11th, 3-10th, 12-9th | 30 |
| South Burlington High School | | | | | 23 5-12th, 2-11th, 2-10th, 2-9th | 11 | 4-11th | | 4 1-10th, 1-9th | 2 |
| Grand Isle Elementary School | | | | | 0 1-8th | 1 | | | 0 | 0 |
| Total | | 51 | | 76 | | 36 | | | 19 | 75 |
| In State Private | | | | | | | | | | |
| Compass School | | | | | 0 | 0 | | | 0 1-10th | 1 |
| Green Mountain Valley School | | | | | 1 | 0 | | | 0 | 0 |
| Lyndon Institute | | | | | 0 2-12th | 2 | 0 1-12th | | 1 1-9th, 1-11th | 2 |
| St. Johnsbury Academy | | | | | 0 1-11th | 1 | | | 0 | 0 |
| Vermont Commons | | | | | 4 3-12th, 1-11th, 1-10th, 1-9th | 6 | | | 0 1-10th, 1-9th | 2 |
| Total | | 5 | | 9 | | 0 | | | 1 | 5 |
| Out of State Private | | | | | | | | | | |
| Berkshire Academy | | | | | 1 | 0 | | | 0 | 0 |
| Exeter Academy | | | | | 1 | 0 | | | 0 | 0 |
| Ethal Walker | | | | | 1 | 0 | | | 0 | 0 |
| Fishburne Military School | | | | | 0 1-10th, 1-8th | 2 | | | 0 | 0 |
| Northfield Mount Hermon | | | | | 1 | 0 | | | 0 | 0 |
| Total | | 0 | | 4 | | 2 | | | 0 | 0 |
| Out of State Public | | | | | | | | | | |
| Northeast Clinton HS | | | | | 0 1-12th | 1 | 1-11th, 1-10th, 2-9th | | 4 4-12th, 8-11th, 2-9th | 14 |
| Northeast Clinton Ms | | | | | 0 | 0 | 0 2-8th, 2-7th | | 4 | 0 |
| Total | | 0 | | 0 | | 1 | | | 8 | 14 |



Introduction to the Education Quality Standards

Historical Context

The 2014 Education Quality Standards (EQS) replace the former School Quality Standards (SQS). These are State Board of Education rules, the purpose of which “is to ensure that all students in Vermont public schools are afforded educational opportunities that are substantially equal in quality, and enable them to achieve or exceed the standards approved by the State Board of Education... These rules are designed to ensure continuous improvement in student performance, instruction and leadership to enable students to attain rigorous standards in high-quality programs.” Those purpose statements are very similar in EQS and the earlier SQS. So, what’s changed, why the need for a new version of the rules?

Essentially, this revised document articulates the intentional shift from inputs to outcomes; from a focus on courses and Carnegie units to a focus on proficiency. There is also intentional alignment between EQS and Act 77. It could be argued that while Act 77 is primarily about the shift to personalization in the educational experience, EQS is primarily about the shift to the demonstration of proficiency in the educational experience. The intentional alignment between the two implies the expectation that personalization and proficiency will complement and reinforce each other.

A closer examination of the various sections of EQS follows.

Curriculum and Instruction (2120)

This section of EQS is at the heart of the shifts referenced above. “Instructional practices shall promote personalization for each student, and enable each student to successfully engage in the curriculum and meet the graduation requirements... Schools must provide students the opportunity to experience learning through flexible and multiple pathways, including but not limited to career and technical education, virtual learning, work-based learning, service learning, dual enrollment and early college.” As required by EQS, “schools shall ensure all students in grades seven through 12 shall have a Personalized Learning Plan...” This language mirrors that in Act 77, and reinforces the expectation for personalization. Schools are now required to take a personalized approach to planning, instruction, and assessment with every student. While this has been occurring on a small scale in some schools, taking this approach in every secondary school, school-wide, with every student, represents a significant shift in practice. This shift will be phased in over several years, with technical and financial assistance from the AOE. Policy and practice environment at the local level will have to adjust. Where SQS placed responsibility for curriculum development and delivery at the school level, EQS places that responsibility with the supervisory union (SU) board. “Each supervisory union board shall ensure the written and delivered curriculum within their supervisory union is aligned with the standards approved by the State Board of Education.” The intention is to see greater alignment of curriculum across all schools within a district. Boards will not be writing curriculum, but they will be responsible for assuring alignment with common standards and across the SU.

Also in section 2120.5 (Curriculum Content), is the statement of what students are expected to know and be able to do. "Each school shall enable students to engage annually in rigorous, relevant and comprehensive learning opportunities that allows them to demonstrate proficiency in: literacy (including critical thinking, language, reading, speaking and listening, and writing); mathematical content and practices (including numbers, operations, and the concepts of algebra and geometry by the end of grade 10); scientific inquiry and content knowledge (including the concepts of life sciences, physical sciences, earth and space sciences and engineering design); global citizenship (including the concepts of civics, economics, geography, world language, cultural studies and history); physical education and health education as defined in 16 V.S.A. §131; artistic expression (including visual, media and performing arts); and transferable skills (including communication, collaboration, creativity, innovation, inquiry, problem solving and the use of technology)."

As compared to SQS, this list of content areas is intended to be broader, and with the exception of math, is not based on a prescribed number of years. Rather, students are expected to demonstrate their proficiency against the standards related to these broad content categories. While SQS allowed for the use of Carnegie units to determine graduation decisions, EQS requires that progression and graduation decisions be based on the demonstration of proficiency.

As has previously been true, EQS places responsibility for establishing graduation requirements with the local school board. However, while under SQS graduation requirements could be based on proficiency, seat time, or a combination of those, proficiency is now the sole means for determining progress and graduation.

The students entering grade seven in 2014, with an anticipated graduation date of 2020, will be the first students whose secondary progression and graduation must be based on demonstrated proficiency. This transition to a proficiency-based system parallels the phase-in of the Personalized Learning Plan (PLP) requirement.

This transition may require policy revision at the local level. "Local graduation policy must define proficiency-based graduation requirements based on standards adopted by the State Board of Education." Currently, those standards are Common Core State Standards for English Language Arts and Mathematics, Next Generation Science Standards for science, and the pre-existing Vermont Framework of Standards for the other content areas. That encompasses a large number of standards and it is unrealistic to expect that graduation requirements will include them all. Therefore, it will be necessary for local policy to identify the key standards that will serve as the basis for graduation decisions.

The Agency of Education will assist in that process by providing a sample framework and sample standards which may be used for this purpose. That sample framework will be organized with the transferable skills as the overarching context, and content standards aligned with each of the transferable skills.

Section 2120.8 (Local Graduation Requirements) also expresses the intention that "students may receive credit for learning that takes place outside of the school, the school day, or the classroom". In other words, learning may take place in any setting, at any time, provided that it is under the "supervision of an appropriately licensed educator".

Professional Resources (2121)

Section 2121.1 (School Leadership) is much more explicit regarding the working relationship between superintendent and principal than was true in SQS. The purpose is to provide school leaders “sufficient time to carry out their responsibilities in order to focus on improving student learning”. This phrase existed in SQS also, but without guidance about how to accomplish that goal. EQS provides that guidance.

The “superintendent or his or her designee must:

- supervise a licensed principal who shall be responsible for the day-to-day leadership of the school;
- create a school leadership team consisting of administrators and teachers (and students as appropriate) with compensation either in time or financial reimbursement or a combination of both for all teachers;
- create professional learning groups for all teachers that meet during school time at least two hours per month and are facilitated by trained teachers;
- coordinate the principal’s schedule to enable him/her to engage in student learning, such as: teaching a course or hosting an advisory with students; mentoring a group of students in developing their Personalized Learning Plans; providing support for students through support services; or other methods of student engagement as approved by the superintendent.
- provide teacher support and evaluation aligned with the guidelines approved by the State Board of Education;
- and minimize, as much as possible, supervision of non-teaching staff by the principal.”

Section 2121.3 (Needs-Based Professional Learning) moves responsibility for staff development from the school to the supervisory union. “Each supervisory union shall develop and implement a system of appropriate needs-based professional learning for all professional staff, including administrators and other staff involved in student instruction, as required in 16 V.S.A. §261a(a)(5). Time for professional learning should be embedded into the school day.” While professional learning may be carried out at the school level, it must be in alignment with district goals.

The language of section 2121.5 (Tiered System of Support) reflects the intention that every student’s experience be personalized and documented in a PLP. The “Tiered System of Support” replaces the Educational Support System and is applicable to every student, not just for the purpose of preventing the need for special education services.

Learning Environment (2122)

This section of EQS provides expanded guidance on access to instructional materials, including technology. But section 2122 is essentially a consolidation of several sections in SQS.

State and Local Comprehensive Assessment System (2123)

This represents a significant shift from SQS with regard to “Local Comprehensive Assessment”. The following language reflects the transition to personalization and proficiency.

“Each supervisory union shall develop, and each school shall implement, a local comprehensive assessment system that

- assesses the standards approved by the State Board of Education;
- employs a balance of assessment types, including but not limited to, teacher- or student-designed assessments, portfolios, performances, exhibitions, and projects;
- includes both formative and summative assessments;
- enables decisions to be made about student progression and graduation, including measuring proficiency-based learning;
- informs the development of Personalized Learning Plans and student support;
- provides data that informs decisions regarding instruction, professional learning, and educational resources and curriculum; and
- reflects strategies and goals outlined in the district's Continuous Improvement Plan."

Reporting of Results (2124)

The major distinction between this and the comparable section in SQS is that EQS refers to statute (16 V.S.A. 165a(2)(A-K)) to describe the minimal elements to be included in the required reporting.

Continuous Improvement Plan (2125)

The "Continuous Improvement Plan" referred to above is described in this section, replacing the SQS requirement for Action Plans. This reflects the intention that improvement planning will in fact be the result of a continuous process. This section also expresses the intention to consolidate various planning processes "into a single planning document..."

In addition, this section acknowledges the fact that the federally-mandated accountability system fails to recognize discernable growth and success that should be considered in Agency decisions regarding intervention and support. The Agency is engaged in an effort to build a balanced accountability model capable of recognizing and appropriately responding to more subtle differences in student and school performance.

System for Determining Compliance with Education Quality Standards (2126)

There are essentially two means for determining compliance with EQS: Agency review of the school's Continuous Improvement Plan, and an "Education Quality Standards Review" to be conducted by the Agency. The requirement regarding the former is that each school files a copy of the Plan for the current year on a two-year cycle. In practice, if schools are engaged in a continuous planning process and using the state-approved platform for that purpose, schools will always have a current Plan on file with the Agency.

The latter, Education Quality Standards Review, is not explicitly defined in EQS. Rather, the Secretary of Education is charged with determining "the requirements and outcomes of this review, including a peer review system between schools..."The Agency is engaged in the development of this review system.

*** END ***

District Capacity Assessment (DCA) priorities for the Grand Isle

Supervisory Union: (December, 2015, Facilitated by Dr. Michael McSheehan, SWIFT Team, UNH)

OUTCOMES-

- MTSS implementation (SWIFT / SU Continuous Improvement Plan, CIP, Goals 1, 2,3)
- Developing a Coaching Service Delivery Plan (CIP Goal 1 and 3)
- Creating processes for Data-Based Decision Making (CIP Goal 3)

SU Continuous Improvement Plan Goals:

1. **Administrative Team will provide oversight of the universal implementation of multi-level instructional strategies for all students with various needs in the general education curriculum so that all students will progress in meeting the standard.**

Vision - We believe that our Multi-Tiered System of Supports will:

- Support and challenge all students to reach their full potential
- Provide and develop multiple means for representation, expression, and engagement of learning.
- Provide common and consistent language for academic and behavioral expectations.

Work in progress towards implementation:

- Installation of 3 Hattie Principles Chosen: Relationships, High Expectations and Feedback
- 3 Hattie Principles aligned to Danielson model for evaluation
- Consultants incorporate in their training
- Prioritization of Standards
- Proficiency Scale work
- Principals training on UDL
- Coaching training for Curriculum Director and Administrators
- Coaching training for Interventionists
- Develop common language/definitions (from MTSS Practice Profile)
- Individual schools developing processes for determining interventions
- BEST Summer Institute (MTSS Strand)
- SWIFT PLI, July, 10 SU Participants

2. **Administrative Team will develop district wide capacity, and provide oversight of the universal implementation of meaningful family and community partnership practices with schools.**

Vision - We believe that Family and Community Engagement and Partnerships will result in:

- Positive student outcomes
- Improved first instruction
- Better communication with families and community members
- Increased parental involvement with the community
- Trusting family partnerships
- Trusting community partnerships

Work being implemented:

- Community Forums: preferred structures and goals of Act 46 including: improved student opportunities,
- Parent Surveys
- Superintendent's Report
- Board and community updates on SWIFT Partnership Work

3. Administrative Team will provide oversight of the use of data to inform best instructional practices and reflect on outcomes of student learning.

Vision - We believe that our Data Cycles will:

- Support and challenge all students to reach their full potential
- Provide and develop best practices and instructional models to enhance learning
- Provide common and consistent data points to elicit meaningful collaborative conversations among staff

Work in progress towards implementation:

- SWIFT Trainings, AoE with Kerry Sewell trainings-Most School Leaders, some teachers
- Assessment Calendar created
- All assessments built in the Vermont Common Assessment Tool (VCAT)
- All student data from each of the 5 districts is entered into VCAT

APPENDIX E

Case Example of the Three-District Merger (Grand Isle, Isle La Motte & North Hero)

Current state of Grand Isle, Isle La Motte and North Hero.

| Grade | GI | ILM | NH | |
|---------------------------------------|----|-------------|-------------|--------------------------------|
| Kindergarten | | 20 | 4 | 7 |
| Grade 1 | | 18 | 5 | 7 |
| Grade 2 | | 23 | 4 | 8 |
| Grade 3 | | 13 | 4 | 8 |
| Grade 4 | | 11 | 6 | 9 |
| Grade 5 | | 22 | 3 | 6 |
| Grade 6 | | 21 | 5 | 2 |
| Grade 7 | | 20 | 1 | 10 |
| Grade 8 | | 27 | 0 | 7 |
| Grade 9 | | 17 | 2 | 2 >>> current tuition students |
| Grade 10 | | 20 | 6 | 3 |
| Grade 11 | | 19 | 6 | 8 |
| Grade 12 | | 27 | 9 | 11 |
| Total | | 258 | 55 | 88 401 |
| Tuition | | 83 | 24 | 41 148 |
| Non Tuition | | 175 | 31 | 47 253 |
| FTE Classroom Teachers | | 13 | 3 | 4.45 20.45 |
| Student/Teacher Ratio | | 13.4 | 10.4 | 10.5 12.4 |
| FTE Art | | 1.00 | 0.2 | 0.2 1.40 |
| Art Student Teacher Ratio | | 175 | 156 | 234 181 |
| FTE Music | | 1 | 0.2 | 0.3 1.50 |
| Music Student Teacher Ratio | | 175 | 156 | 156 169 |
| FTE PE | | 1 | 0.4 | 0.4 1.80 |
| PE Student Teacher Ratio | | 175 | 78 | 117 140 |
| FTE Guidance | | 1 | 0.1 | 0.2 1.30 |
| Guidance Student Teacher Ratio | | 175 | 313 | 234 194 |
| FTE Library | | 1 | 0 | 0.2 1.20 |
| Library Student Teacher Ratio | | 175 | | 234 211 |
| FTE Admin | | 1 | 0.55 | 0.55 2.1 |
| Admin Student Ratio | | 175 | 57 | 85 120 |

Case Example of the Three-District Merger (Grand Isle, Isle La Motte & North Hero)

If Grand Isle, Isle La Motte and North Hero merged.

| Grade | GI | ILM | NH | |
|---------------------------------------|----|-------------|----------------|------------------------|
| Kindergarten | | 20 | 4 | 7 |
| Grade 1 | | 18 | 5 | 7 |
| Grade 2 | | 23 | 4 | 8 |
| Grade 3 | | 13 | 4 | 8 |
| Grade 4 | | 11 | 6 | 9 |
| Grade 5 | | 22 | 3 | 6 |
| Grade 6 | | 21 | 5 | 2 |
| Grade 7 | | 20 | 1 | 10 |
| Grade 8 | | 27 | 0 | 7 |
| Grade 9 | | 17 | 2 | 2 >>> Tuition Students |
| Grade 10 | | 20 | 6 | 3 |
| Grade 11 | | 19 | 6 | 8 |
| Grade 12 | | 27 | 9 | 11 Total |
| Total | | 258 | 55 | 88 401 |
| Tuition | | 130 | 24 | 41 195 |
| Non Tuition | | 128 | 31 | 47 206 |
| FTE Classroom Teachers | | 8 | 2.5 | 3.5 14 |
| Student/Teacher Ratio | | 16.0 | 12.5 | 13.4 14.7 |
| FTE Art | | 0.80 | 0.2 | 0.2 1.20 |
| Art Student Teacher Ratio | | 160 | 156 | 234 172 |
| FTE Music | | 0.8 | 0.2 | 0.3 1.30 |
| Music Student Teacher Ratio | | 160 | 156 | 156 158 |
| FTE PE | | 0.8 | 0.4 | 0.4 1.60 |
| PE Student Teacher Ratio | | 160 | 78 | 117 129 |
| FTE Guidance | | 0.8 | 0.1 | 0.2 1.10 |
| Guidance Student Teacher Ratio | | 160 | 313 | 234 187 |
| FTE Library | | 0.8 | 0 | 0.2 1.00 |
| Library Student Teacher Ratio | | 160 | #DIV/0! | 234 206 |
| FTE Admin | | 1 | 0.4 | 0.4 1.8 |
| Admin Student Ratio | | 128 | 78 | 117 114 |
| Equalized Pupils | | 288.73 | 56.22 | 94.67 439.62 |

Examples of expense changes if Grand Isle, Isle La Motte and North Hero merged.

| New Expenditures | | Students | Unassigned Rate | Stud* Rate |
|---|----------|-------------------------|-----------------|---------------|
| 47 GI Tuition Students at Unassigned FY17 Rate | | 47 | \$ 13,585.00 | \$ 638,495.00 |
| Extra Bus Line to cover ILM (w/ revenue) | | | 20000 | \$ 20,000.00 |
| | | | | \$ 658,495.00 |
| Reductions | | | | |
| Staff Changes | | | | |
| | FTE Red. | Avg cost | FTE* cost | |
| Remove 5 teachers from GI | 5 | \$ 70,552.00 | \$ 352,760.00 | |
| Remove .5 teachers from ILM (k-1, 2-4, share 5-6 with NH) | 0.5 | \$ 70,552.00 | \$ 35,276.00 | |
| Remove 1.15 teachers from NH (k, 1-2, 3-4, share 5-6 with ILM) no more .45 math teacher | 1.15 | \$ 70,552.00 | \$ 81,134.80 | |
| Remove .2 Art from GI | 0.2 | \$ 70,552.00 | \$ 14,110.40 | |
| Remove .2 Music from GI | 0.2 | \$ 70,552.00 | \$ 14,110.40 | |
| Remove .2 PE from GI | 0.2 | \$ 70,552.00 | \$ 14,110.40 | |
| Remove .2 Guidance from GI | 0.2 | \$ 70,552.00 | \$ 14,110.40 | |
| Remove .2 Library from GI | 0.2 | \$ 70,552.00 | \$ 14,110.40 | |
| Remove .15 Admin From NH (split .8 admin with ILM) | 0.15 | \$ 115,000.00 | \$ 17,250.00 | |
| Remove .15 admin from ILM (split .8 admin with NH) | 0.15 | \$ 115,000.00 | \$ 17,250.00 | |
| Total Teacher/Admin Savings | | | \$ 574,222.80 | |
| Space Use | | | | |
| | % eq pup | Cost | | |
| Move SU , no longer paying rent | 0.47 | \$ 20,570.00 | \$ 9,667.90 | |
| Rent Space back to SH and Alburgh | 0.53 | \$ 20,570.00 | \$ 10,902.10 | |
| | | | \$ 20,570.00 | |
| 26% Reduction to correspond with 26% reduction in Students | | | | |
| 001-1100-5112-000-00 Instructional-substitutes | 0.26 | \$35,000.00 | \$9,100.00 | |
| 001-1100-5115-000-00 Instructional-aides Salaries | 0.26 | \$67,503.75 | \$17,550.98 | |
| 001-1100-5610-000-00 Instructional-general Supplies | 0.26 | \$42,000.00 | \$10,920.00 | |
| 001-1100-5734-000-00 Instructional-computer Equipment | 0.26 | \$20,000 | \$5,200.00 | |
| TOTAL 1410 Student Body Activities | 0.26 | \$34,649.06 | \$9,008.76 | |
| 2410 Principal Services NON-Personel Costs | 0.26 | \$ 18,942.00 | \$4,924.92 | |
| Health Assistant (cut back to 3.75 hrs per day) | 0.26 | \$ 16,550.00 | \$4,303.00 | |
| Office Assistant (cut back to 2.25 hrs per day) | 0.26 | \$ 15,012.00 | \$3,903.12 | |
| | | | \$64,910.77 | |
| | | New Expenditures | \$ 658,495.00 | |
| | | Reductions | \$ 659,703.57 | |
| | | Diff | \$ (1,208.57) | |

Case Example of the Three-District Merger (Grand Isle, Isle La Motte & North Hero)

Sample lists of new programs and activities available to students if Grand Isle, Isle La Motte and North Hero merged:

Grand Isle (all grades 7 and 8 unless noted):

- French
- Spanish
- Advanced laboratory sciences
- Nordic skiing
- Dance team
- Lower student to administrator ratio (K-6)
- Life skills (wood working, sewing, cooking, etc.)
- Tech and media labs (music composition, television production, sound studio, graphic arts)
- Cheerleading
- Orchestra
- Lower student to teacher ratios Art/PE/Guidance/Music/Library
- Education management software
- Cross country running
- Track and field
- Baseball / softball
- Gymnastics
- After school academic / social clubs

Isle La Motte new programs and activities:

- Bus transportation
- 5/6 sports teams

North Hero new programs and activities:

- 5/6 sports teams

Note: the above examples address a three-district merger. Even further opportunities become evident with a four or five district merger.

KELLY, PRICE, SIKET & HEUBERMAN

File - Scholarship

PAUL K. HEUBERMAN *
CHARLES M. KELLY, JR.
BOARD CERTIFIED TAX LAWYER
BOARD CERTIFIED ESTATE
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ANDREW G. SIKET *
JOSEPH D. ZAKS *
MASTERS OF LAW IN TAXATION

October 22, 1993

TELECOPIER
(813) 261-3711

Received
10/25-93
delivered to
Sharon Roy
jlm

COPY

* ALSO ADMITTED IN OHIO
† ALSO ADMITTED IN MAINE
‡ ALSO ADMITTED IN MASSACHUSETTS

Folsom Educational and Community Center
75 South Street
South Hero, Vermont 05486

Re: Donald B. Robinson Trust dtd 04/29/88

Dear Sir or Madam:

As you know, Donald B. Robinson passed away on November 14, 1992. Under Article III, Section (2)(a), of Mr. Robinson's Trust, Folsom Educational and Community Center is named as a beneficiary to receive the sum of \$50,000.00, to establish a scholarship fund to be known as "The Donald B. Robinson Memorial Scholarship." Accordingly, I have enclosed a check payable to Folsom Educational and Community Center in this amount in accordance with Mr. Robinson's instructions for the distribution of the Trust Estate upon his death. Please note that these funds are to be used solely for the purpose of establishing the aforementioned scholarship fund.

I am also enclosing a Receipt for signature by an appropriate officer or director. Please complete the Receipt with Folsom Educational and Community Center's tax identification number, fill in the date and return it to me. An addressed, stamped envelope is enclosed for your convenience.

Should you have any questions, please don't hesitate to contact me.

Sincerely yours,

Charles M. Kelly, Jr.

Charles M. Kelly, Jr.

CMK/jgf
Enclosures
cc: Mrs. Helen L. Robinson

lhr:jo

as of 6-14-16 there is \$68,291.03

APPENDIX G

WHEREAS, the Settlor desires to create a trust of the property hereinafter specified for the purposes hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the Settlor does hereby assign, convey, transfer, and deliver to the Trustee the property set forth in Schedule "A" attached hereto,

TO HAVE AND TO HOLD the same and any other property which the Trustee may hereafter at any time hold or acquire hereunder (the "Trust Estate") in trust, nevertheless, for the following uses and purposes and subject to the terms and conditions hereinafter set forth:

ARTICLE I

The Trustee shall hold, manage, invest, and reinvest the Trust Estate and shall collect the income therefrom.

A. The Trustee shall pay over the net income of the Trust Estate to or for the direct or indirect benefit of the Settlor, LEVERT E. KING, quarterly, or more often if requested by Settlor in writing, but not more often than monthly.

B. In addition to the payment of income as set forth in Paragraph A above, the Trustee shall pay over to the Settlor, LEVERT E. KING, whatever part or parts of the principal of the Trust Estate that he shall direct from time to time in writing.

C. In the event of the disability of adjudicated incompetency of the Settlor, LEVERT E. KING, the Trustee shall pay to or for the benefit of the Settlor and his wife, JENNIE M. KING, whatever part or parts or all of the income and principal, or both of the Trust Estate that the Trustee may deem proper, in its discretion, for the welfare, comfort, health, and support of the Settlor and his said wife.

D. After the death of the Settlor, LEVERT E. KING, should the Settlor's wife, JENNIE M. KING, survive him, then the Trustee shall allocate the trust principal into two separate trusts. The Trustee shall place an amount of principal assets of the trust into a separate trust known as the LEVERT E. KING IRREVOCABLE TRUST.

The amount to be placed in this Irrevocable Trust shall be an estate tax value of trust assets equal to ONE HUNDRED THIRTY THOUSAND DOLLARS (\$130,000.00) should the death of the Settlor occur in 1979 or ONE HUNDRED FORTY THOUSAND DOLLARS (\$140,000.00) should the death of the Settlor occur at any time after December 31, 1979. The Trustee is to place, after payment of any expenses of the Settlor's last illness and funeral, the remaining assets of the trust into an Irrevocable Trust known as the LEVERT AND BESSIE KING TRUST. If the Settlor's wife, JENNIE M. KING, should predecease the Settlor, then the entire assets of this trust, after payment of the Settlor's last illness and funeral expenses, shall be placed into the LEVERT AND BESSIE KING TRUST. It is intended that no interest between the LEVERT E. KING IRREVOCABLE TRUST and the LEVERT AND BESSIE KING TRUST be commingled or considered as creating split interests in the LEVERT AND BESSIE KING TRUST.

The Trustee in allocating assets to the LEVERT E. KING IRREVOCABLE TRUST and to the LEVERT AND BESSIE KING TRUST, after the death of the Settlor, shall allocate assets to each trust fairly representative of the appreciation or the depreciation in total assets that has occurred between the time of the evaluation of the assets for estate tax purposes and their distribution to the individual trusts.

E. The Trustee shall hold the LEVERT E. KING IRREVOCABLE TRUST estate in trust and shall pay over to the Settlor's wife, JENNIE M. KING, or for her direct or indirect benefit the sum of THREE HUNDRED DOLLARS (\$300.00) per month as long as she shall remain the widow of the Settlor, the said payments to be made from income so far as possible and then from principal.

In addition to the above monthly payments, the Trustee, in its sole discretion, shall pay to the Settlor's wife, JENNIE M. KING, or for her direct or indirect benefit, so long as she shall remain the widow of the Settlor, such portion of the accumulated income or

principal of the trust as may be determined by the Trustee to be necessary for her hospital and/or medical care. In addition to the above payments, upon the death of Settlor's wife, JENNIE M. KING, if she shall not have remarried, the Trustee shall pay any and all of her funeral expenses out of the Trust Estate, if her individual estate shall not be sufficient therefor.

Upon the death or remarriage of the Settlor's wife, JENNIE M. KING, which ever event shall first occur, the Settlor being dead, the remaining Trust Estate of the LEVERT E. KING IRREVOCABLE TRUST shall be combined with and paid into the LEVERT AND BESSIE KING TRUST to be held and administered under the uses and purposes of the LEVERT AND BESSIE KING TRUST.

ARTICLE II

The LEVERT AND BESSIE KING TRUST which will be funded by the property remaining in the LEVERT E. KING REVOCABLE after the creation of the LEVERT E. KING IRREVOCABLE TRUST and by the addition of the assets of the LEVERT E. KING IRREVOCABLE TRUST upon its termination is created to devote and apply the Trust Fund exclusively for religious and educational purposes, either directly or by contributions to organizations duly authorized to carry on such activities and which have established their tax exempt status under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954 and its regulations as they now exist or may hereafter be amended and the property, assets, profits, and net income of this trust are to be irrevocably dedicated to such purposes.

A. The LEVERT AND BESSIE KING TRUST shall be divided into two equal parts and each such part shall be held by the Trustee in trust for the following uses and purposes:

1. One such trust shall be held for the benefit of the North Hero Methodist Church of North Hero, Vermont. The Trustee shall pay over the net income from said trust to North Hero Methodist Church, North Hero, Vermont, to be used for the

general purposes of said church. The said payments are to be made quarterly, or more often if requested by the North Hero Methodist Church in writing, but not more often than monthly. In the event that the North Hero Methodist Church shall have ceased its functions as a church at the time of the death of the Settlor or the wife of the Settlor, whichever is later, or shall, during the operation of this trust, cease its functions as a church, then the net income of this trust shall be paid over by the Trustee to the Troy Conference of the Methodist Church, for the use and benefit of the Methodist Churches in the State of Vermont,

2. The other such trust shall be held for the benefit of the North Hero Elementary School, North Hero, Vermont. The Trustee shall pay over the net income from said trust to the North Hero Elementary School to be used for the general purposes of said school. The said payments are to be made quarterly, or more often if requested by the North Hero Elementary School in writing, but not more often than monthly. In the event that the North Hero Elementary School shall have ceased its functions as a school at the time of the death of the Settlor or the wife of the Settlor, whichever is later, or shall, during the operation of this trust, cease its functions as a school, then this trust shall be held by the Trustee under the terms and conditions of this Trust Agreement but used to establish a scholarship fund or funds for the use and benefit of students who reside in Grand Isle County, Vermont, with preference being given to students who reside in North Hero, Vermont, who, in the opinion of the Trustee, are needy and deserving, to aid them in securing an education at any Vermont college. These scholarships shall be known as the Levert and Bessie King Scholarships. The Trustee shall have the right to use all of the income of this trust for said scholarship purposes.

3. Any other provisions of this instrument notwithstanding,

the Trustee of the LEVERT AND BESSIE KING TRUST shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

4. Any other provisions of this instrument notwithstanding, the Trustee of the LEVERT AND BESSIE KING TRUST shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws; nor retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws; nor make any investments in such manner as to incur tax liability under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws; nor make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal tax laws.

ARTICLE III

In addition to, and not by way of limitation of, the powers conferred by law upon trustees, the Settlor does hereby expressly grant to the Trustee the powers hereinafter enumerated, except that any of the powers so conferred may not be exercised by the Trustee with regard to the charitable trusts created hereunder in any manner that may prejudice the charitable tax status of the LEVERT AND BESSIE KING TRUST:

A. To retain any part or all of the property described in Schedule "A" and any property added to or lawfully acquired in the Trust Estate,

B. To sell or exchange any property comprising the Trust Estate, and without being restricted to property authorized by the

laws of the State of Florida, or any other jurisdiction for trust investment, to invest in any kind of property whatsoever, real or personal, whether or not productive of income, and without regard to the proportion that such property or property of a similar character held, may bear to the entire Trust Estate, and specifically any common trust fund maintained by Trustee.

C. To sell, exchange, lease, mortgage, partition, or improve any real estate comprising the Trust Estate, upon such terms as it may deem proper, and to execute and deliver deeds, leases, mortgages, or other instruments relating thereto. Any lease may be made for such period of time as it may deem proper without regard to the duration of the trust or any statutory restrictions on leasing and without the approval of any court.

D. To vote in person, or by proxy, upon securities held by it, and in such connection to delegate its discretionary powers.

E. To exercise options, conversion privileges or rights to subscribed for additional securities and to make payments therefor.

F. To consent to, or participate in, dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers or other changes affecting securities held by it and in such connection to delegate its discretionary powers and to pay assessments, subscriptions, and other charges.

G. To extend or modify the terms of any bond or mortgages; to foreclose any mortgage or take title by deed in lieu of foreclosure for non-payment of taxes or other liens; and generally to exercise as to such bond and mortgage or other property all powers that an absolute owner might exercise.

H. To make any division or distribution required by this agreement in cash or in other property, real or personal, or undivided interests therein, or partly in cash and partly in property.

I. To use, in its discretion, any part of the income from securities purchased or received at a premium, to amortize, or restore, to principal such premium, but shall not be required to

do so.

J. To employ and compensate counsel, agents or other representatives and reimburse itself therefor from principal and income or either, and the Trustee shall be entitled to reimbursement for such other expenses as it may deem necessary or proper to incur in connection with its duties, including a reasonable compensation for itself and its services hereunder.

K. To settle, collect, and compound or sell claims or demands belonging to this trust and to settle, adjust, compromise, pay or discharge any claim which may be made against this trust, all upon such terms and conditions and in such manner as the Trustee in its discretion may deem advisable.

L. To be entitled to indemnity out of principal and income, or either, for all payments made or personal liability incurred because of any act or omission occurring in good faith or in the exercise of its honest judgment.

M. To do all other acts and things which it, in its discretion, may deem needful, desirable, or expedient for the proper and advantageous management of the Trust Estate to the same extent and with like effect as might be done in the exercise of ordinary prudence by an individual in absolute ownership and control of the property at any time comprising said Trust Estate.

ARTICLE IV

To the extent that any such requirement can legally be waived, the Trustee shall not be required to give any bond as Trustee, or qualify before any court, or obtain the order or approval of any court in the exercise of any power or discretion herein given.

ARTICLE V

During Settlor's life, except during any period of adjudicated incompetency, Settlor shall have the right, to be exercised from time to time by a writing or writings signed and acknowledged by him, to be effective when delivered to Trustee:

A. To revoke this instrument in whole or in part, and to

receive from Trustee all or part of the trust property remaining after making payment or provision for payment of all expenses connected with the administration of this trust;

B. From time to time to alter or amend this instrument in any and every particular;

C. From time to time to withdraw from the operation of this trust any part or all of the trust property.

ARTICLE VI

Settlor may, at any time and from time to time, transfer and deliver to Trustee additional property acceptable to it which shall thereupon become a part of the Trust Estate and shall be held and disposed of by Trustee in all respects subject to the provisions of this agreement.

ARTICLE VII

Trustee acknowledges the receipt from the Settlor of the property described in Schedule "A" and accepts the trust hereby created upon the terms set forth herein.

ARTICLE VIII

No principal or income distributable under this trust shall be subject to anticipation, assignment, mortgage, or pledge in any manner by the beneficiary thereof, or to the interference or control of any creditor of the beneficiary thereof, and shall not be reached by any legal or equitable or other process, including bankruptcy proceedings, in satisfaction of any debt or liability of the beneficiary prior to receipt by the beneficiary.

ARTICLE IX

Each year during the life of the Settlor, the Trustee will render a written account of the administration of this trust to the Settlor. After the death of the Settlor, the Trustee will each year render a written account of the administration of this trust to those persons who are then the income beneficiaries under the provisions hereof, except that no such written accounts of the

administration of this trust need be furnished to individual students receiving Levert and Bessie King Scholarships.

ARTICLE X

This instrument has been prepared and executed in the State of Florida, and the Settlor and Trustee are residents of Florida. All questions concerning the meaning, intention and validity of the terms of this instrument and the validity of construction and administration of the trusts created by this instrument shall be judged, governed, and resolved in accordance with laws of Florida.

ARTICLE XI

All pronouns used herein shall include all genders, and words used herein in the singular shall include the plural, and words used in the plural shall include the singular.

IN WITNESS WHEREOF, the Settlor has hereunto set his hand and seal on this 12 day of Jan, 1979, and the PALMETTO BANK AND TRUST CO. has executed this amendment in acceptance of its terms.

Witnesses as to Settlor:

John A. King
Barbara J. Barrett

Levert E. King
Levert E. King

Attest:

(Corporate Seal)

THE PALMETTO BANK AND TRUST CO.

By Joseph P. Strong

AMENDMENT OF LIVING TRUST

TO: THE PALMETTO BANK AND TRUST CO., AS TRUSTEE UNDER A TRUST AGREEMENT DATED FEBRUARY 7, 1975, BETWEEN LEVERT E. KING, SETTLOR, AND THE PALMETTO BANK AND TRUST CO., TRUSTEE

Pursuant to the right reserved to me in Paragraph 4(b) of the subject trust agreement dated February 7, 1975, I hereby amend said trust agreement by deleting all of the provisions of that agreement and replacing them with the following which incorporates the reconstituted agreement in its entirety:

LEVERT E. KING REVOCABLE TRUST

THIS TRUST AGREEMENT, made the 7th day of February, 1975, between LEVERT E. KING, of Palmetto, Florida, as the Settlor, and the PALMETTO BANK AND TRUST CO., a banking corporation incorporated under the laws of the State of Florida, as Trustee.

W I T N E S S E T H:

APPENDIX H

Champlain Islands Unified Union School District

| ID 5, effective FY20; Model 1 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | Total |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Alburgh | | | | | | | | | |
| Homestead Tax Rate | \$1,4606 | \$1,4750 | \$1,4895 | \$1,4389 | \$1,4726 | \$1,5066 | \$1,5406 | \$1,5748 | |
| Tax \$(homestead) | \$4,330,108 | \$4,460,182 | \$4,594,019 | \$4,526,707 | \$4,725,593 | \$4,931,243 | \$5,143,544 | \$5,362,687 | |
| Tax savings due to unification | \$0 | \$0 | \$0 | \$205,016 | \$148,111 | \$88,539 | \$26,840 | \$0 | \$431,466 |
| Tax \$ on \$150K home | \$1,544 | \$1,560 | \$1,575 | \$1,521 | \$1,557 | \$1,593 | \$1,629 | \$1,665 | |
| Tax savings on \$150K home | \$0 | \$0 | \$0 | \$69 | \$49 | \$29 | \$9 | \$0 | \$143 |
| Grand Isle | | | | | | | | | |
| Homestead Tax Rate | \$1,5518 | \$1,5793 | \$1,5948 | \$1,5151 | \$1,5215 | \$1,5566 | \$1,5918 | \$1,6271 | |
| Tax \$(homestead) | \$6,161,081 | \$6,395,505 | \$6,587,596 | \$6,383,380 | \$6,538,765 | \$6,823,321 | \$7,117,081 | \$7,420,307 | |
| Tax savings due to unification | \$0 | \$0 | \$0 | \$401,843 | \$449,776 | \$374,814 | \$297,109 | \$216,593 | \$1,740,135 |
| Tax \$ on \$150K home | \$1,588 | \$1,616 | \$1,632 | \$1,550 | \$1,557 | \$1,593 | \$1,629 | \$1,665 | |
| Tax savings on \$150K home | \$0 | \$0 | \$0 | \$98 | \$107 | \$88 | \$68 | \$49 | \$409 |
| Isle La Motte | | | | | | | | | |
| Homestead Tax Rate | \$1,6674 | \$1,6838 | \$1,7002 | \$1,6152 | \$1,6023 | \$1,6393 | \$1,6763 | \$1,7135 | |
| Tax \$(homestead) | \$1,666,068 | \$1,716,066 | \$1,767,505 | \$1,712,718 | \$1,733,059 | \$1,808,479 | \$1,886,338 | \$1,966,706 | |
| Tax savings due to unification | \$0 | \$0 | \$0 | \$199,262 | \$236,306 | \$219,915 | \$203,005 | \$185,213 | \$1,043,701 |
| Tax \$ on \$150K home | \$1,620 | \$1,636 | \$1,652 | \$1,570 | \$1,557 | \$1,593 | \$1,629 | \$1,665 | |
| Tax savings on \$150K home | \$0 | \$0 | \$0 | \$183 | \$212 | \$194 | \$175 | \$157 | \$921 |
| North Hero | | | | | | | | | |
| Homestead Tax Rate | \$1,4646 | \$1,4789 | \$1,4934 | \$1,5495 | \$1,5859 | \$1,6224 | \$1,6591 | \$1,6959 | |
| Tax \$(homestead) | \$4,228,345 | \$4,355,204 | \$4,485,752 | \$4,747,414 | \$4,955,997 | \$5,171,673 | \$5,394,326 | \$5,624,153 | |
| Tax savings due to unification | \$0 | \$0 | \$0 | \$161,337 | \$99,948 | \$36,038 | \$0 | \$0 | \$167,546 |
| Tax \$ on \$150K home | \$1,438 | \$1,452 | \$1,466 | \$1,521 | \$1,557 | \$1,593 | \$1,629 | \$1,665 | |
| Tax savings on \$150K home | \$0 | \$0 | \$0 | \$52 | \$31 | \$11 | \$0 | \$0 | \$56 |
| South Hero | | | | | | | | | |
| Homestead Tax Rate | \$1,5209 | \$1,5428 | \$1,5580 | \$1,5058 | \$1,5411 | \$1,5767 | \$1,6123 | \$1,6480 | |
| Tax \$(homestead) | \$7,160,866 | \$7,409,134 | \$7,631,498 | \$7,523,503 | \$7,854,057 | \$8,195,852 | \$8,548,702 | \$8,912,924 | |
| Tax savings due to unification | \$0 | \$0 | \$0 | \$539,053 | \$450,461 | \$357,594 | \$261,358 | \$161,664 | \$1,770,130 |
| Tax \$ on \$150K home | \$1,537 | \$1,559 | \$1,574 | \$1,521 | \$1,557 | \$1,593 | \$1,629 | \$1,665 | |
| Tax savings on \$150K home | \$0 | \$0 | \$0 | \$109 | \$89 | \$70 | \$50 | \$30 | \$348 |
| TOTALS | | | | | | | | | |
| Tax \$ Raised in Town | \$23,546,468 | \$24,336,091 | \$25,066,370 | \$24,893,723 | \$25,807,471 | \$26,930,568 | \$28,089,991 | \$29,286,777 | \$207,957,458 |
| Tax savings due to unification | \$0 | \$0 | \$0 | \$1,506,511 | \$1,384,602 | \$1,076,900 | \$757,845 | \$427,121 | \$5,152,978 |
| Change | | | | | | | | | |
| Alburgh | | | | | | | | | |
| Homestead Tax Rate | \$1,4606 | \$1,4750 | \$1,4895 | \$1,5040 | \$1,5188 | \$1,5336 | \$1,5487 | \$1,5639 | |
| Tax \$(homestead) | \$4,330,108 | \$4,460,182 | \$4,594,019 | \$4,731,723 | \$4,873,704 | \$5,019,782 | \$5,170,384 | \$5,325,647 | \$38,505,548 |
| Tax \$ on \$150K home | \$1,544 | \$1,560 | \$1,575 | \$1,590 | \$1,606 | \$1,622 | \$1,637 | \$1,654 | |
| Grand Isle | | | | | | | | | |
| Homestead Tax Rate | \$1,5518 | \$1,5793 | \$1,5948 | \$1,6105 | \$1,6262 | \$1,6421 | \$1,6583 | \$1,6746 | |
| Tax \$(homestead) | \$6,161,081 | \$6,395,505 | \$6,587,596 | \$6,785,223 | \$6,988,541 | \$7,198,135 | \$7,414,190 | \$7,636,900 | \$55,167,170 |
| Tax \$ on \$150K home | \$1,588 | \$1,616 | \$1,632 | \$1,648 | \$1,664 | \$1,680 | \$1,697 | \$1,714 | |
| Isle La Motte | | | | | | | | | |
| Homestead Tax Rate | \$1,6674 | \$1,6838 | \$1,7002 | \$1,8031 | \$1,8208 | \$1,8386 | \$1,8567 | \$1,8749 | |
| Tax \$(homestead) | \$1,666,068 | \$1,716,066 | \$1,767,505 | \$1,911,981 | \$1,969,365 | \$2,028,394 | \$2,089,343 | \$2,151,919 | \$15,300,641 |
| Tax \$ on \$150K home | \$1,620 | \$1,636 | \$1,652 | \$1,752 | \$1,769 | \$1,787 | \$1,804 | \$1,822 | |
| North Hero | | | | | | | | | |
| Homestead Tax Rate | \$1,4646 | \$1,4789 | \$1,4934 | \$1,6022 | \$1,6178 | \$1,6337 | \$1,6497 | \$1,6659 | |
| Tax \$(homestead) | \$4,228,345 | \$4,355,204 | \$4,485,752 | \$4,908,750 | \$5,055,944 | \$5,207,712 | \$5,363,859 | \$5,524,844 | \$39,130,410 |
| Tax \$ on \$150K home | \$1,438 | \$1,452 | \$1,466 | \$1,573 | \$1,588 | \$1,604 | \$1,620 | \$1,636 | |
| South Hero | | | | | | | | | |
| Homestead Tax Rate | \$1,5209 | \$1,5428 | \$1,5580 | \$1,6137 | \$1,6295 | \$1,6455 | \$1,6616 | \$1,6779 | |
| Tax \$(homestead) | \$7,160,866 | \$7,409,134 | \$7,631,498 | \$8,062,557 | \$8,304,518 | \$8,553,446 | \$8,810,060 | \$9,074,587 | \$65,006,667 |
| Tax \$ on \$150K home | \$1,537 | \$1,559 | \$1,574 | \$1,630 | \$1,646 | \$1,662 | \$1,679 | \$1,695 | |
| TOTALS | | | | | | | | | |
| Tax \$ Raised in Town | \$23,546,468 | \$24,336,091 | \$25,066,370 | \$26,400,234 | \$27,192,072 | \$28,007,468 | \$28,847,836 | \$29,713,898 | \$213,110,436 |

ARTICLES OF AGREEMENT

The Grand Isle Supervisory Union Act 46 Study Committee recommends that the following Articles of Agreement be adopted by each necessary and advisable school district for the creation of a pre-Kindergarten through Grade 12 unified union school district (operating grades Pre-K through Grade 6) to be named, "Champlain Islands Unified Union School District," hereinafter referred to as the "Unified Union School District" or "Union School District."

Article 1

The School Districts of Grand Isle, Isle La Motte, and North Hero are necessary for the establishment of the Champlain Islands Unified Union School District. The Alburgh and South Hero School Districts are advisable to include in the formation of the Union School District. There are no additional school districts being recommended at this time.

The successful formation of any version of a Unified Union District shall be named "Champlain Islands Unified Union School District."

Merger Model 1: If the electorates of Alburgh, Grand Isle, Isle La Motte, North Hero and South Hero school districts vote to approve the merger, the Champlain Islands Unified Union School District will commence full educational operations and services on July 1, 2019.

Merger Model 2: If the electorates of Grand Isle, Isle La Motte, North Hero and South Hero approve the merger and the electorate in Alburgh rejects merger, the Champlain Islands Unified Union School District comprised of the approving districts will commence full educational operations and services on July 1, 2019.

Merger Model 3: If the electorates of Alburgh, Grand Isle, Isle La Motte and North Hero approve the merger and the electorate in South Hero rejects merger, the Champlain Islands Unified Union School District comprised of the approving districts will commence full educational operations and services on July 1, 2019.

Merger Model 4: If the electorates of the three necessary districts of Grand Isle, Isle La Motte and North Hero approve the merger and the electorate in Alburgh and South Hero reject merger, the Champlain Islands Unified Union School District comprised of the approving districts will commence full educational operations and services on July 1, 2019.

If a union school district is formed under any of these four scenarios, then the districts that voted to approve the formation shall be referred to as the "forming districts."

Article 2

Upon being formed, the Union School District will provide pre-kindergarten through grade six education to all students in the Union School District beginning with the 2019-2020 school year. All Union School District students in grades 7-12, consistent with state law, will attend out-of-district schools on a tuition basis beginning with the 2019-2020 school year.

Article 3

No new school buildings are necessary to, or proposed for the formation of, the Union School District. The Union School District School Board will assume ownership and operate existing school facilities currently owned by the forming districts commencing July 1, 2019.

Article 4

The Union School District School Board shall determine, in accordance with state and federal law, the transportation services to be provided to students in the Union School District.

Article 5

The forming districts of the Union School District recognize the benefits to be gained from establishing district-wide curricula as well as their obligation to do so, and to otherwise standardize their operations on or before July 1, 2019.

Article 6

Any and all operating surpluses and/or deficits of any of the combining/forming districts shall become the property, and/or the obligation of the Union School District, effective July 1, 2019. Those forming districts with surpluses or remaining reserve funds as of the close of business on June 30, 2019, will transfer all such funds to the Union School District. Likewise, all debts or obligations of the forming districts shall be transferred to and assumed by the Union School District.

Article 7

No later than June 30, 2019, the forming districts will convey and transfer to the Union School District all of their school-related real and personal property, for One Dollar, and the Union School District will assume all capital debt associated therewith. The Union School District recognizes the long term financial investments and community relationships that each town has with its school building(s). The Union School District will encourage appropriate use of the building by the students and community according to the policies and procedures of the Union School District as overseen by the building administrator.

In the event that, and at such subsequent time as, the Union School District Board of School Directors determines, in its discretion, that any of the real property, including land and buildings, conveyed to it by one or more of the forming districts is or are unnecessary to the continued operation of the Union School District and its educational programs, the Union School District shall convey such real property, for the sum of One Dollar, and subject to all encumbrances of record, the assumption or payment of all outstanding bonds and notes and the repayment of any school construction aid or grants as required by Vermont law, to the town in which it is located.

The conveyance of any of the above school properties shall be conditioned upon the town owning and utilizing the real property for community and public purposes for a minimum of five years. In the event a town elects to sell the real property prior to five years of ownership, the town shall compensate the Union School District for all capital improvements and renovations completed after the formation of the Union School District and prior to the sale to the town. In the event a town elects not to acquire ownership of such real property, the Union School District shall, pursuant to Vermont statutes, sell the property upon such terms and conditions as established by the Union School District Board of School Directors.

Article 8

A forming district's representation on the Union School District Board of School Directors will be closely proportional to the fraction that its population bears to the aggregate population of all forming school districts in the Union School District. Initial Union School District School Board composition is based upon the 2010 Federal Census, and shall be recalculated promptly following the release of each subsequent decennial census. At such time the Union School District School Board shall also evaluate and consider the advisability of implementing a system of at-large voting for school directors. As used in this Article 8, the "forming districts" shall also mean the member towns of the Union School District or for any subsequent board. At no time will a town have less than one board member.

Subject to the previous sentence, each proportionality calculation shall be rounded to the nearest whole number. The initial membership on the Union School District Board of School Directors will be as follows:

Merger Model 1. Alburgh, Grand Isle, Isle La Motte, North Hero and South Hero: 11 member board.

| | |
|---------------|-----------|
| Alburgh | 3 |
| Grand Isle | 3 |
| Isle La Motte | 1 |
| North Hero | 1 |
| South Hero | <u>3</u> |
| Total | 11 |

Merger Model 2. Grand Isle, Isle La Motte, North Hero and South Hero: 8 member board.

| | |
|---------------|----------|
| Grand Isle | 3 |
| Isle La Motte | 1 |
| North Hero | 1 |
| South Hero | <u>3</u> |
| Total | 8 |

Merger Model 3. Alburgh, Grand Isle, Isle La Motte, and North Hero: 6 member board.

| | |
|---------------|----------|
| Alburgh | 2 |
| Grand Isle | 2 |
| Isle La Motte | 1 |
| North Hero | <u>1</u> |
| Total | 6 |

Merger Model 4. Grand Isle, Isle La Motte, and North Hero: 5 member board.

| | |
|---------------|----------|
| Grand Isle | 3 |
| Isle La Motte | 1 |
| North Hero | <u>1</u> |
| Total | 5 |

Article 9

The Union School District Board of School Directors will be elected for three-year terms, except that some of those Directors initially elected at the time of the formation of the Union School District will have shorter terms as shown below for each merger configuration:

Distribution of Board Members' Initial Terms of Office for Merger Model 1. Alburgh, Grand Isle, Isle La Motte, North Hero and South Hero: 11 member board.

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Alburgh | 1 | 1 | 1 |
| Grand Isle | 1 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 0 | 0 | 1 |
| South Hero | 1 | 1 | 1 |

Distribution of Board Members' Initial Terms of Office for Merger Model 2. Grand Isle, Isle La Motte, North Hero and South Hero: 8 member board.

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Grand Isle | 1 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 0 | 0 | 1 |
| South Hero | 1 | 1 | 1 |

Distribution of Board Members' Initial Terms of Office for Merger Model 3. Alburgh, Grand Isle, Isle La Motte, and North Hero: 6 member board.

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Alburgh | 1 | 0 | 1 |
| Grand Isle | 0 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 1 | 0 | 0 |

Distribution of Board Members' Initial Terms of Office for Merger Model 4. Grand Isle, Isle La Motte, and North Hero: 5 member board.

| Initial Term > | 1 Year | 2 Year | 3 Year |
|---------------------------|---------------|---------------|---------------|
| Next Election > | 2018 | 2019 | 2020 |
| Grand Isle | 1 | 1 | 1 |
| Isle La Motte | 0 | 1 | 0 |
| North Hero | 0 | 0 | 1 |

Pursuant to the provisions of 16 VSA §706j(b), elected school directors shall be sworn in and assume the duties of their office. The term of office for School Directors elected at the November 8, 2016 election shall be one, two, or three years respectively, plus the additional months between the date of the Organizational Meeting of the Union School District (16 VSA §706j), when the initial school directors will begin their term of office, and the date of the Union School District's annual meeting in the winter or spring of 2018, as established under 16 VSA §706j. Beginning with the 2018 Annual School District Meeting, terms of office shall begin and expire on the date of the Union School District's annual meeting.

Article 10

The proposal forming this Union School District will be presented to the voters of each forming school district on November 8, 2016. The candidates for the new Union School District Board of School Directors will be elected on the same date, as required by law. Nominations for the office of union school director representing any district shall be made by filing with the clerk of that school district proposed as a member of the union, a statement of nomination signed by at least 30 voters in that district or one percent of the legal voters in the district, whichever is less, and accepted in writing by the nominee. A statement shall be filed not less than 30 nor more than 40 days prior to the date of the vote.

Article 11

Upon an affirmative vote of the electorates of the school districts, and upon compliance with 16 VSA §706g, the Union School District shall have and exercise all of the authority which is necessary in order for it to prepare for full educational operations beginning on July 1, 2019.

The Union School District shall, between the date of its organizational meeting under 16 VSA §706j and June 30, 2019, develop school district policies, adopt curriculum, educational programs, assessment measures and reporting procedures in order to fulfill the Education Quality Standards (State Board Rule 2000), prepare for and negotiate contractual agreements, set the school calendar for Fiscal Year 2020, prepare and present the budget for Fiscal Year 2020, prepare for Union School District Annual Meeting(s) and transact any other lawful business that comes before the Board, provided, however, that the exercise of such authority by the Union School District shall not be construed to limit or alter the authority and/or responsibilities of the School Districts of the forming districts and Grand Isle Supervisory Union. The Union School District shall commence full educational operations on July 1, 2019.

Article 12

The Union School District Board of School Directors shall propose annual budgets in accordance with 16 VSA Chapter 11. The annual budget vote shall be conducted by Australian ballot pursuant to 17 VSA Chapter 55 and votes will be commingled.

Article 13

On July 1, 2019, when the Union School District becomes fully operational and begins to provide educational services to students, the forming districts of an approved Champlain Islands Unified Union School District shall cease all educational operations and shall remain in existence for the sole purpose of completing any outstanding business not given to the Union School District under these articles and state law. Such business shall be completed as soon as practicable, but in no event any later than December 31, 2019. In the event of a 5-town merger (Model 1: Alburgh, Grand Isle, Isle La Motte, North Hero and South Hero) the Grand Isle Supervisory Union shall cease all operations within a reasonable timeframe of the completion of all outstanding business of its member school districts, but in no event any later than January 31, 2020.

Article 14

For at least the first year that the Union School District is fully operational and providing educational services, students will attend elementary schools according to their town of residence; provided however, with parental consent, the Board of School Directors may adjust student enrollment based upon individual student circumstances and needs of the Union School District. After June 30, 2020, the Board of School Directors will have the authority to adjust school attendance boundary lines and school configurations within the Union School District.

Article 15

The Union School District school board shall provide opportunity for local input on policy development, budget development and employment of administrators. Structures to support and encourage public participation within the Union School District will be established by the Union School District Board of School Directors on or before June 30, 2019.

Article 16

In the event that Alburgh and/or South Hero School District votes not to join the Union School District as minimally formed by Grand Isle, Isle La Motte and North Hero, each will independently have until November 30, 2017 to reconsider and join the Union School District with admission granted in advance by the Union School District. For the purpose of compliance with 16 VSA §721, the Union School District consents to Alburgh's and/or South Hero's admission. Thereafter, admission will be determined by Vermont statutes requiring favorable votes by Alburgh and/or South Hero and the Union School District.

Article 17

The Committee does not recommend any of potential forming districts' schools be closed.

Regardless of whether a union district is formed of three, four, or all five Grand Isle county school districts, consistent with Act 153 of 2010 (Sec. 3 (d)), no school within its boundaries will be closed during the first four years after the effective date of the merger.

After four years, the standard for determining that a schoolhouse shall cease operations for school purposes or the operation of the district shall require a majority decision of the board and the voted consent of the electorate in which the schoolhouse is located.

LYNN, LYNN, BLACKMAN & MANITSKY, P.C.

September 13, 2016

Superintendent Barbara Burrington
Grand Isle Supervisory Union
5038 US Rte 2
North Hero, VT 05474-9401

Re: Proposed New Unified School District Board Membership

Dear Ms. Burrington:

I am writing to discuss the current proposal set forth by Grand Isle Supervisory Union (GISU) pertaining to Board membership of the New Unified School District and whether it meets the requirements of the Equal Protection Clause of the United States Constitution.

The GISU Act 46 Study Committee members have drafted Articles of Agreement, as required by the Vermont Agency of Education, proposing creation of a Supervisory District pursuant to Act 46. Article 8 establishes the initial membership of each town on the Unified School District Board of Directors, depending on the outcome of the Act 46 vote by the electorate. The initial Board pursuant to Vermont law will have a minimum of one member from each Town District.

The Equal Protection Clause of the Fourteenth Amendment requires equal voting strength, and protects against dilution of the right to vote by disproportionate representation. This guarantee extends to the election of a local school official who exercises general governmental powers. *Hadley v. Junior Coll. Dist.*, 397 U.S. 50, 53 (1970). Mathematical precision, however, is not necessary; rather “the overriding objective must be substantial equality of population among the various districts.” *Reynolds v. Sims*, 377 U.S. 533, 569, 579 (1964). The Supreme Court has held that, generally, an apportionment plan with a maximum population deviation under 10% is considered a minor deviation. *Brown v. Thomson*, 462 U.S. 835, 842 (1983). A plan with larger disparities, however, remains Constitutional if there is a rational basis for the larger deviation. *Reynolds*, 377 U.S. at 579.

The current apportionment plan set forth in Article 8 includes a deviation in excess of 10% in only one outcome. If there is a three district merger, with only Grand Isle, Isle La Motte and North Hero deciding to merge, Isle La Motte will constitute 9% of the population, but will have 20% of the votes, with one full member on the merged Board. While this may depart from the 10% discussed above for proportional representation, it should be permissible. The Supreme Court has held that affording representation to political subdivisions is a “rational state policy” justifying a larger deviation. *Brown v. Thomson*, 462 U.S. at 847; *Manahan v. Howell*, 410 U.S. 315, 325-330 (1973).

Superintendent Barbara Burrington
September 13, 2016
Page 2

Under 16 V.S.A. Section 706b(9), it is specifically contemplated that every town of the newly formed Supervisory District will have at least one member on the Unified District Board. Although the statute does not address voting rights, it can be argued that membership under the statute ought to correspond to voting rights so that each municipal member of the Board has at least one vote. That argument would be that there is a strong public policy interest in providing at least one vote to each municipality. That is a rational approach to proportionality of voting rights on the Board.

Further, it is both rational and sensible to permit each municipality to have at least one vote. An effort to diminish Isle La Motte's vote to .5 would only create greater complexity in apportionment of voting shares and actual voting by the Board. Likewise, the actual impact of the disparity between a .5 voting right and a 1.0 voting right in connection with the vote of a five person Board is minimal. Additionally, a strong argument can be made for providing Isle La Motte with a full vote for simplicity in electing members to the Board. The concept that each town votes for a specific number of members is easy to understand and administrate.

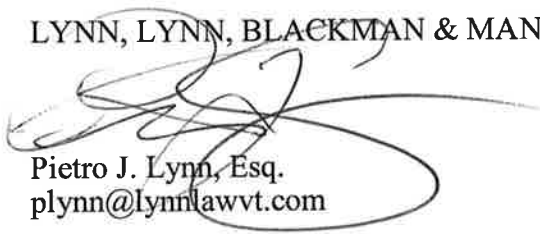
Furthermore, there is no indication that any specific group of people are being discriminated against based on the current apportionment plan. Nor is there evidence of gerrymandering to support some political party or belief. A comparison of the Board member apportionment shows that there is rough equivalence in the distribution of members. Under the GISU scheme, the small towns, Isle La Motte and North Hero, have a low number of votes. The largest town, Grand Isle has a greater number of votes, three, with a rough equivalence given the low population numbers. There is a rational diminution in the number of members given population. In short, there is no indication that towns are being discriminated against.

Lacking any evidence of a bias tending to favor particular political interest or geographic areas and considering the rational basis for the proposed Board member apportionment scheme, it is our opinion that your apportionment plan would likely pass Constitutional muster.

Please feel free to contact me with any questions.

Sincerely,

LYNN, LYNN, BLACKMAN & MANITSKY, P.C.



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