

AGENCY OF EDUCATION  
Barre, Vermont

**TEAM:** School Governance Team

**ITEM:** Will the State Board of Education find that the proposed unified union school district formed by the Montpelier School District, which is its own **SUPERVISORY DISTRICT (MSD)**, and the Roxbury School District, located in the **WASHINGTON SOUTH SUPERVISORY UNION (WSSU)** 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 **Montpelier-Roxbury Act 46 Study Committee (Study Committee)**?

**RECOMMENDED ACTION:**

- 1. That the State Board of Education finds that the proposed formation of a new unified union school district by the Montpelier School District and the Roxbury School District, to be named the MONTPELIER-ROXBURY SCHOOL DISTRICT, is “in the best interests of the State, the students, and the school districts” pursuant to 16 V.S.A. § 706c(b).**
- 2. That the State Board of Education votes to approve the attached report of the Study Committee.**
- 3. That the State Board of Education votes to approve the temporary assignment of the new unified union school district, if approved, to the MSD for administrative and other transitional assistance. Assignment would be for the interim period beginning on the date on which the unified union school district becomes a legal entity pursuant to 16 V.S.A. § 706g and ending on July 1, 2018, and would not modify the governing structure of the existing systems.**

**STATUTORY AUTHORITY:** 16 V.S.A. § 706c; Act 46 of 2015, Sec. 7, as amended

**BACKGROUND INFORMATION:**

**I. General**

The Montpelier School District is a PK-12 district that operates schools for all grades. It is its own supervisory district.

The Roxbury School District is a PK-12 district that operates a school offering PK-6 and pays tuition for students in all other grades. Together with the Northfield School District, it forms the Washington South SU.<sup>1</sup>

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<sup>1</sup> On May 2, 2017, the Northfield electorate voted to merge the district with the Williamstown School District to become the Central VT UUSD, a unified PK-12 district that operates all grades. The Central VT UUSD will be part of a larger SU with the newly merged Orange and Washington School Districts (PK-8 operating / 9-12 tuitioning), which – together with Williamstown – are the current member districts of the Orange North SU.

## II. The Montpelier-Roxbury School District

The Montpelier-Roxbury Act 46 Study Committee proposes the creation of a UUSD that would provide for the PK-12 education of resident students by operating schools offering all grades (New Unified District) beginning on July 1, 2018.

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

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

In FY2017, the combined PK-12 average daily membership (ADM) of the two “necessary” districts is 1,122.82 (Montpelier: 1,036.32; Roxbury: 86.5).

If approved by the State Board, the electorate of each “necessary” district will vote on June 20, 2017 whether to approve creation of the New Unified District.

The New Unified District, which would be known as the Montpelier-Roxbury School District, would unify two existing PK-12 school districts into a single district responsible for operating all schools within the district and would replace two current governing bodies with one unified union school board.

Except as provided in Article 4(d), Roxbury students in Grades 5-8 will enroll in the middle school program operated in Montpelier, and high school students will enroll in the Montpelier High School. Article 4(d) provides “grandfathering” provisions for students whose tuition was paid by the Roxbury School District as of May 1, 2017.

The Study Committee’s report anticipates that New Unified District “will provide transportation for Roxbury students, grades 5-12, to and from Montpelier, both at regular commuting times and in a manner that provides reasonable access to after-school activities.”

The New Unified District would be governed by a unified school board of nine members who would have a total of 16 weighted votes, with seven members initially allocated to Montpelier (with 2 weighted votes each) and two members to Roxbury (with one vote each). Membership would be closely proportional to the towns’ relative populations and would be adjusted if necessary to reflect each decennial census. Each member would be elected by the voters of the town in which the member resides.

A school could be closed during the first four years of operation only if approved by the voters residing in the town in which it is located. In years five and after, a school could be closed upon a majority vote of the Unified District School Board.

If a school building is closed and would no longer be used for the direct delivery of student education programs, then the town in which the school building is located would have the right of first refusal and could purchase the property for \$1.00, provided that the town agreed to use

the property for public and community purposes for a minimum of five years. The proposal includes provisions addressing use for these purposes for fewer than five years.

All future votes on the budget, Board membership, and other public questions would be by Australian ballot.

**POLICY IMPLICATIONS:** By enacting Act 46, which incorporated the provisions of Act 153 (2010), the General Assembly declared the intention to move the State toward sustainable models of education governance designed to meet the goals set forth in Section 2 of the Act. It was primarily through the lens of those goals that the Secretary has considered whether the Study Committee’s proposal is “in the best interests of the State, the students, and the school districts” pursuant to 16 V.S.A. § 706c.

The Study Committee recognized that the

proposed merger involves two current districts that seem, at first glance, to be unlikely partners. The two districts are not contiguous. It is 17 miles between the centers of the two towns. Montpelier is large, by Vermont standards, serving 1,036 students and Roxbury is very small, even in Vermont, serving 86 students. One operates schools for all students PK-12. The other operates a school for students in grades PK-6 and tuitions all secondary students to other schools. Montpelier has been a free-standing “supervisory district” for most of its history. Roxbury has long been a member of the Washington South Supervisory Union, sharing a superintendent and support services with Northfield.

The Study Committee acknowledged the wide difference in socioeconomic levels in the two communities (e.g., 25.62% of Montpelier’s elementary-aged students are eligible for free-and-reduced-price lunch (FRL) compared to 57.14% of students in the Roxbury Village School). Due to Roxbury’s small size, however, the Committee was unable to comment on the students’ relative performance on standardized tests as a whole or disaggregated for students receiving FRL or special education services.

After a detailed review of elementary school programs, the Committee concluded that similar opportunities are available in both communities, with the largest areas of difference involving prekindergarten and after-school programs. Nevertheless, the Committee noted that due to Roxbury’s “lack of control” over tuitioning costs, “pressure continues to be applied to reduce the quality and quantity of education that can be delivered at the elementary level.”

Although the report indicated that most educational and financial benefits would accrue to the students and taxpayers of Roxbury, the Study Committee listed a number of ways in which unification benefits the Montpelier School District. For example, additional students “will help stabilize the overall cost-per-student over the long-run” and Montpelier students will benefit both from being with students from a more rural area of the State and from “explor[ing] different types of learning in a more rural setting.” See pages 7-8 of the report.

The Study Committee stated that:

Both districts understand that the issues that have driven Act 46 are statewide in

nature and will continue to pose challenges for our neighboring districts. Neither district is afraid of fully exploring additional options. What this unification will do is allow the new Montpelier-Roxbury district to engage in future discussions with other districts on its own terms rather than being required to react to a plan imposed by the State Board.<sup>2</sup>

### EDUCATION IMPLICATIONS:

The Study Committee identified a range of potential educational benefits associated with merger, including (the following bullets are quoted from page 11 of the report):

- Provides greater diversity of student experience—Unification will provide some greater diversity in student experience for students in grades 5-12. Roxbury is very small with limited opportunity for varied relationships. Montpelier is more “town” or “city”-- Roxbury is more “country.”
- Creates the opportunity for sharing current programs and resources—Montpelier has some specific offerings not available to Roxbury students. Roxbury brings a rural setting, a small school, and farm-to-school connections.
- Provides an opportunity to create distinctly different models between locations in Montpelier and Roxbury.
- Provides an opportunity to re-think the transition to middle school for all students—the introduction of Roxbury students at grade 5 will necessitate rethinking the entire process to assure that all middle school students get off to a smooth start and are well supported in the transition.

For a list of educational benefits specific to Roxbury students, *see* pages 11-12 of the Committee’s report; for Montpelier students, *see* page 12.

### FISCAL IMPLICATIONS:

The Montpelier School District has excess capacity in its middle and high schools that will allow it to educate the additional Roxbury students “with little investment of new resources.” Financial benefits of eliminating tuition payments will be realized in the future, however, due to the “grandfathering” of Roxbury’s students in Grades 7-12.

The Study Committee estimated cost reductions of approximately \$75,000 due to support services and infrastructure that Montpelier’s current system can assume.

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<sup>2</sup> Montpelier: As originally enacted, Act 46 did not exempt pre-existing supervisory districts from potential merger by the State Board under the final Statewide Plan. Both Chambers of the Legislature recently approved an amendment to Act 46, Section 10 that exempts supervisory districts if they have an ADM in excess of 900. As a result, if the Montpelier School District chooses not to merge voluntarily in this or another proposal, the State Board cannot require it to do so.

Roxbury: The State Board does not and has never had authority to require two dissimilar districts to merge their governance structures. If this merger proposal is not successful, there are no other districts in the region that have the same operating / tuitioning structure as Roxbury. Therefore, the State Board would likely assign the Roxbury District (with its current structure) it to a supervisory union for “administrative, planning, and educational services.”

The Study Committee notes that a larger district will help stabilize tax rates for Roxbury residents, which has experienced great fluctuations due to its small size and tuitioning and which has benefited from the 3.5% hold-harmless calculation that is now being eliminated.

*See* pages 12-15 and Appendix A of the report for more details. *See also* Act 46, as amended, for cost implications to the State.

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.

**STAFF AVAILABLE:** Donna Russo-Savage, Principal Assistant to the Secretary,  
School Governance  
Brad James, Education Finance Manager



<b>Type of Merger</b>	
<i><b>Please refer to the related eligibility worksheets to determine baseline eligibility for each merger type.</b></i>	<b>(column reserved for agency use)</b>
<b>Accelerated Merger</b> (Act 46, Section 6)	
<b>A Regional Education District (RED) or one of its variations</b> (Act 153 (2010) and Act 156 (2012))  <input type="checkbox"/> <b>RED</b> (Act 153, Secs. 2-3, as amended by Act 156 , Sec. 1 and Act 46, Sec. 16) <input type="checkbox"/> <b>Side by Side Merger</b> (Act 156 , Sec. 15) Districts involved in the related merger: <input type="checkbox"/> <b>Layered Merger (Union Elementary School District)</b> (Act 156, Sec. 16) <input type="checkbox"/> <b>Modified Unified Union School District (MUUSD)</b> (Act 156, Sec. 17, as amended by Act 56 (2013), Sec. 3)	
<b>X Conventional Merger – merger into a preferred structure after deadline for an Accelerated Merger</b> (Act 46, Section 7)	

<b>Dates, ADM, and Name</b>	
<b>Date on which the proposal will be submitted to the voters of each district</b> (16 V.S.A. § 706b(b)(11)):	<b>6/20/17</b>
<b>Date on which the new district, if approved, will begin operating</b> (16 V.S.A. § 706b(b)(12)):	<b>7/1/18</b>
<b>Combined ADM of all “necessary” districts in the current fiscal year:</b>	<b>1122.82</b>
<b>Proposed name of new district:</b>	<b>Montpelier-Roxbury School District</b>

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.

<b>The Proposed School District is in the Best Interest of the State - as required by 16 V.S.A. § 706c</b>		
<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>	<ul style="list-style-type: none"> <li>• Strengthens the Roxbury program in all grades.</li> <li>• Provides a stronger support structure for the Roxbury Village School as part of a single district, consistent with the goals of Act 46.</li> <li>• Provides greater socio-economic diversity for students and families.</li> <li>• Provides public school transportation for secondary students in Roxbury.</li> <li>• As some Roxbury residents have testified to-- the plan allows families to live in a town with lower property costs and receive a Montpelier education.</li> </ul> <p><b>Explained on page 4, 10-12 of report.</b></p>	
<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>	<ul style="list-style-type: none"> <li>• Creates a larger student count for Montpelier students, potentially providing the basis for more program offerings over time.</li> <li>• Provides PK-12 continuity of program and relationships for Roxbury students.</li> <li>• Relieves secondary tuition pressure from Roxbury which threatens elementary school quality.</li> </ul> <p><b>Explained on page 4, 10-12 of report.</b></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>	<ul style="list-style-type: none"> <li>• Net decrease to the Ed Fund is projected to be \$542,000 by FY’23.</li> <li>• Provides for the efficient use of under-used capacity in Montpelier Schools.</li> <li>• Administrative savings from transfer of Roxbury from Washington South to Montpelier.</li> </ul> <p><b>Explained on pages 12-15 of report.</b></p>	



<p><i>Act 46, Sec. 2(3)</i></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>	<ul style="list-style-type: none"> <li>• New district will have a Supervisory District structure with one board, one superintendent, one budget. <b>Explained on page 15 of report.</b></li> </ul>	
<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>	<ul style="list-style-type: none"> <li>• Four years of tax incentives for all homestead taxpayers in both towns, beginning in the summer of 2018 (FY2019).</li> <li>• Large tax savings for Roxbury homeowners over the long-run. Small tax savings for Montpelier homeowners following incentives.</li> <li>• Larger number of students will help moderate “per-pupil” costs over time.</li> <li>• Ability to have the “hold harmless provision” as a protection from sudden and substantial reductions in student count.</li> </ul> <p><b>Explained on pages 14, 21, and 22 of report.</b></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>Not only does this proposal not leave a district isolated, it is the answer for a potentially isolated district. Roxbury is the only PK-6 operating school district in the region. It is surrounded by districts that have voted successfully to create union districts. The Roxbury School Board cannot be ordered by the State Board to join together with any of its contiguous neighbors. However, it has chosen to give up secondary choice if the merger with Montpelier can be achieved.</p>	

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

<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><b>The new district will operate grades PreK-12 for all students.</b></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><b>No new construction or renovations are proposed as part of this governance change.</b></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 (B) the assignment of staff (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><b>Explained on page 16-17 of the report.</b></p>	
<p>(6) The indebtedness of the proposed merging districts that the proposed union school district shall assume.</p>	<p><b>See pages 17-18 and 23 of the report.</b></p>	
<p>(7) The specific pieces of real property owned by the proposed merging</p>	<p><b>Described on pages 18-19 and on page 24 of the report.</b></p>	

<p>districts that the proposed union school district shall acquire, including:</p> <ul style="list-style-type: none"> <li>* their valuation</li> <li>* how the proposed union school district shall pay for them</li> </ul>		
<p>(8) The allocation of capital and operating expenses of the proposed union school district among the proposed member</p>	<p><b>Repealed</b></p>	
<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</p> <ul style="list-style-type: none"> <li>* no more than 18 members total</li> <li>* each member town is entitled to at least one representative</li> <li>* <i>see also</i> 16 V.S.A. § 706k(c): one or more at-large directors</li> <li>* <i>see also</i> 16 V.S.A. § 707(c): weighted voting</li> </ul>	<p><b>Described on page 19 of the report.</b></p>	
<p>(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</p>	<p><b>Described on page 19 of the report.</b></p>	
<p>Any other matters that the study committee considers pertinent,</p>	<p><b>Other matters are covered on pages 20.</b></p>	

including whether votes on the union school district budget or public questions shall be by Australian ballot  <i>(please list each matter separately)</i>		
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**REPORT OF  
MONTPELIER-ROXBURY  
ACT 46 STUDY COMMITTEE**

**May 4, 2017**

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# **MONTPELIER-ROXBURY ACT 46 STUDY COMMITTEE**

**c/o Montpelier School District  
5 High School Drive, Unit 1  
Montpelier, VT 05602**

**April 30, 2017**

Dear Chairman Huling and Members of the State Board of Education,

On behalf of the Montpelier-Roxbury Act 46 Study Committee, we are pleased to present to you this report relative to the creation of a new unified union school district, the Montpelier-Roxbury School District.

We may seem like an unlikely pair of districts for unification, but have found this to be a very advisable action for our two communities. We believe that this unification is sound educationally, financially, and practically. It carries many educational benefits for the students of Roxbury including a more strongly supported elementary school, more rich experiences at the middle school level, and transportation to secondary school. It carries substantial tax benefits for Roxbury citizens. The plan provides Montpelier an opportunity to contribute to quality, stable education for Roxbury students. It provides some increase in student numbers for a city with unused capacity in its system. This can only be good for students and ultimately, for taxpayers. And for Montpelier, a city with many possible future mergers on the horizon, it creates the ability for the new district to forge its own direction on its own terms. Overall, the savings to the Education Fund, following the grandfathering of Roxbury students currently enrolled outside of the district, will be in the neighborhood of \$550,000 per year.

We look forward to discussing this proposal with you on May 16.

Sincerely,

Jon Guiffre, Roxbury, Committee Chair

## Committee Report

### Introduction

Act 46 was passed in response to concerns about education quality, opportunity, and equity, and concerns about growing cost per student at a time of declining enrollment. The communities of Montpelier and Roxbury have addressed this challenge and have developed this report and articles of agreement in response. We believe that the proposal contained in this document is good for students, taxpayers, and citizens of both communities and that it is in the interest of the State of Vermont.

We entered into this study committee as two very different entities. Montpelier is a larger, more cosmopolitan community. Roxbury is small and extremely rural. Montpelier operates a PK-12 education system. Roxbury operates grades PK-6 and tuitions students thereafter. Montpelier has a fairly stable tax rate. Roxbury's rate has been very volatile with changes in the count of equalized pupils. Roxbury has had frequent changes in education leadership and a number of families have expressed concern about the overall quality by deciding to home-school their children. Montpelier has one of the better school systems in the state based on most measures.

Over the past few months, the study committee has come to the decision that it supports the creation of a Montpelier-Roxbury School District comprised of the Montpelier and Roxbury School Districts. The new district will have a single school board, a single superintendent, a single budget, and a single pre-CLA tax rate. The new district will serve all students in the City of Montpelier and the Town of Roxbury.

We propose this unification for the following reasons:

#### ***The proposal is good educationally.***

- Becoming part of a unified district makes it more likely that the small Roxbury Village School can survive and thrive for grades PK-4, consistent with stated goals of Act 46 to better support small schools.
- Montpelier has excess capacity in its middle and high schools, currently educating far fewer students than was the case in the late '90s. That underutilized capacity reduces efficiency and, at times, restricts the district in offering programs that may require more students. More middle and high school students in the district will benefit all.
- Montpelier has a strong and stable array of education opportunities at both the middle and high school levels that will be available to Roxbury students.



- Roxbury students are not currently assured school district transportation. That will change under this proposal with students being bussed to and from Montpelier at the start and end of school, and having a late activities bus to assure equal access.

***The proposal is good financially.***

- Roxbury is facing a soaring tax rate increase that will impact budget approvals. With the current pressure of rising tuition bills, the Roxbury School Board has no options for managing costs except to reduce offerings at the Roxbury Village School. The unification will substantially stabilize and reduce Roxbury tax rates.
- Montpelier will see a small benefit from the plan with a few cents relief on tax rates.
- On the heels of many years of declining enrollment, the structure of the new district will allow for increased numbers of students in middle and high school, helping to lower the per-pupil cost over time.

***The proposal is good from the viewpoint of transparency, accountability, and self-determination.***

- Montpelier is pleased to be a supervisory district, with one board, one superintendent, and one budget. This plan allows for the continuation of that structure, albeit as a slightly larger entity.
- Unification allows for a single district structure to be accountable for the education of all students throughout their school experience, PK-12.
- Both districts understand that the issues that have driven Act 46 are statewide in nature and will continue to pose challenges for our neighboring districts. Neither district is afraid of fully exploring additional options. What this unification will do is allow the new Montpelier-Roxbury district to engage in future discussions with other districts on its own terms rather than being required to react to a plan imposed by the State Board.

***The proposal is good for the State of Vermont.***

- We are concerned about all children in Vermont and believe that this proposal is one that makes good sense for the children and communities of Montpelier and Roxbury.
- Absorbing Roxbury students into the Montpelier system for grades 5-12 will reduce the overall cost of educating these students. Annual savings to the state's Education Fund will reach approximately \$550,000 by FY23.

**Committee Membership and Charge**

This study committee was created by Montpelier and Roxbury Districts "to analyze the advisability of forming a union school district under Act 46." The committee was created as described below:

District	Date	Eq.Pupils	%	Proposed Votes	Method of Representation
Montpelier	11/2/16	992	91.8%	10	5 representatives with 2 votes each
Roxbury	10/12/16	89	8.2%	1	2 representatives with .5 votes each

Membership on the committee is:

Roxbury: Jon Guiffre, Ryan Zajac

Montpelier: Steve Hingtgen, Jim Murphy, Paul Carnahan, Tina Muncy, Nancy Reid

The committee has been supported by Superintendents Laurie Gossens (WSSU), Dr. Brian Ricca (MPS), by Business Managers Grant Geisler (MPS) and Chris Locarno (WSSU) and by Consultant, Steve Dale, and by Attorney, Pietro Lynn.

**Why Unify Montpelier and Roxbury?**

“Odd Couple Mulls Merger” read the headline. This proposed merger involves two current districts that seem, at first glance, to be unlikely partners. The two districts are not contiguous. It is 17 miles between the centers of the two towns. Montpelier is large, by Vermont standards, serving 1036 students and Roxbury is very small, even in Vermont, serving 86 students. One operates schools for all students PK-12. The other operates a school for students in grades PK-6 and tuitions all secondary students to other schools. Montpelier has been a free-standing “supervisory district” for most of its history. Roxbury has long been a member of the Washington South Supervisory Union, sharing a superintendent and support services with Northfield.

Despite these differences, the school boards of Montpelier and Roxbury came to the conclusion that a serious look at this possibility made good sense. Below are some of the reasons articulated for creating a study committee.

***Roxbury***

Roxbury came to this study after months of consideration. Their reasons for pursuing this study were as follows:

Roxbury has a serious tax situation with the loss of “phantom students” and possible loss of a small schools grant. It has also experienced an increase in tuition students at the secondary level which has placed greater pressure on the overall budget. Given the lack of control of these costs, the pressure continues to be applied to reduce the quality and quantity of education that can be delivered at the elementary level. This situation has been building and will become a very large problem over the next several years. The current elementary school, on its own, becomes unsustainable. Action is required to assure quality education of students and to sustain public support over the long-run.

Roxbury is one of a kind in the region. The towns to its south are part of the recently created Orange Southwest District. To the west, over a mountain range, are the towns of the newly created Washington West District. Nearby, Northfield and Williamstown are preparing to vote soon on whether to unify their two PK-12 operating districts. To the North, The Districts of Washington Central have been struggling to find a path forward. Because they are all members of the U-32 Middle/High School District, it is likely that sooner or later they will be ordered by the State Board to merge into a single PK-12 operating district. At the moment, they are not pursuing any type of merger.

Roxbury has the ability to choose its own destiny and has reached out to Montpelier for the following reasons:

- Montpelier has a stable and mature education system with sufficient numbers of students to create a reliable and predictable education experience for a reasonable price.
- Northfield and Williamstown are currently engaged in a merger plan which will take a number of months or years to settle into a new pattern.
- Montpelier’s school system performs well by most standards.
- It is more likely that Roxbury Village School will remain open as part of a district with Montpelier than as part of a district with Northfield.

### ***Montpelier***

Montpelier, on the other hand, has not experienced these kinds of immediate pressures. It is a “supervisory district” with a single board and a single superintendent managing education for all students grades PK-12. Montpelier, like the rest of the state, experienced a dramatic decline in students from 2000 to 2014. Although recently the student count has begun to grow, bringing some relief in per-student costs, that trend is not guaranteed to continue.

Montpelier joined this study for the following reasons:

- Regardless of immediate trends in enrollment, more students will help stabilize the overall cost-per-student over the long-run. Montpelier has unused capacity in its schools.

- Although Vermont is rural by most standards, the life experience of students in Montpelier is less rural than that of students in Roxbury. Montpelier believes that this kind of interaction will benefit students from both schools.
- The Roxbury location opens opportunities to explore different types of learning in a more rural setting.
- The state legislature, through Act 46, is calling on school districts across the state to step up and to help assure that students in all towns are getting a high quality education. Montpelier believes it can be of help in achieving that goal for the students of Roxbury.
- Despite its size, Montpelier is not currently exempt from State Board action relative to district size and configuration when the State Board issues its final plan in November of 2018. If Montpelier and Roxbury merge, both are exempt from district reassignment by the State Board. Proceeding with a unification between these districts in no way prevents a later unification with another district, it simply gives the new district the ability to enter into future arrangements on its own terms, rather than being subjected to a plan of the State Board.

**Baseline Data**

The two towns have dramatically different sizes. Below is the 2017 official ADM count by grade level.

MONTPELIER-ROXBURY ADM BY GRADE 2017																
	EEE	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
<b>Roxbury</b>		10.5	10	7	7	2	5.25	7	3	6	6	9.15	7.7	1	5	86.5
<b>Montpelier</b>	13.7	67.5	77	81.7	81.45	82.07	78.98	81	71	69	74	69	79.45	60	50.47	1036.32
<b>Total</b>	13.7	78	87	89.7	90.45	87.07	88.23	93	80	82	88	87.15	97.15	72	67.47	1122.82

Over a number of years, Roxbury’s cost- per- pupil has varied widely. Montpelier’s has remained fairly stable.

<b>Equalized Pupils/Cost Per Equalized Pupils FY2013-FY2018</b>						
	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
<b>Montpelier</b>						
Equalized Pupils	975.39	997.09	987.95	992.33	1030.46	1075.3
Cost Per Equalized Pupil	\$ 12,800	\$ 13,895	\$ 14,588	\$ 14,863	\$ 15,020	\$ 15,594
<b>Roxbury</b>						
Equalized Pupils	95.72	92.37	89.14	86.02	83.01	83.6
Cost Per Equalized Pupil	\$ 12,128	\$ 10,404	\$ 11,441	\$ 14,350	\$ 16,995	\$ 18,577
<b>If Combined*</b>						
Equalized Pupils	1071.11	1089.46	1077.09	1078.35	1113.47	1158.9
Cost Per Equalized Pupil	\$ 12,486	\$ 13,599	\$ 14,328	\$ 14,822	\$ 15,168	\$ 15,810
<b>* For illustration only. Assumes no savings from unification. No tuition savings.</b>						

Socio-economic levels vary widely between the two towns. The free-and-reduced eligibility rates for students in 2016, by school were as follows—

Union Elementary School (Montpelier)	25.62%
Main Street Middle School (Montpelier)	28.62%
Montpelier High School	25.96%
Roxbury Village School	57.14%

Student performance comparisons between the two districts are difficult, given that Roxbury operates only PK-6 and is too small to report most aggregated data. Montpelier's school system ranks well compared with other districts in Vermont and would promise to offer quality program to students of Roxbury. Below are examples of the data available for students in the Montpelier School District compared with those throughout the state:

<b>Student Assessments--Grade 11</b>	<b>2015-16</b>	<b>Percent Proficient</b>	
	<b>Math--</b>	<b>Language Arts--</b>	<b>Science--</b>
	<b>Smarter Balanced</b>	<b>Smarter Balanced</b>	<b>NECAP</b>
<b>Montpelier High School</b>	50%	73%	39%
<b>Statewide</b>	37%	57%	30%

<b>Montpelier High School Dropout Data</b>			
	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>Montpelier</b>	2.98%	2.46%	2.11%
<b>Statewide</b>	2.68%	2.48%	2.99%

<b>Montpelier High School Post-Secondary Enrollment</b>			
	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>Montpelier</b>	74.40%	71.80%	73.40%
<b>Statewide</b>	59.10%	58.10%	59.90%

**Fulfilling the Goals of Act 46**

*Education Quality, Opportunity, and Equity*

***A Vision for Education in the Unified District***

The Study Committee envisions a unified district where all students, grades 5-12, are educated in the Montpelier schools. This assures maximum opportunity for all middle and high school students. Grades PK-4 will be delivered in each community, keeping youngest students close to home. With both schools being within a single district, increased school choice between the elementary schools could be established by the new board.

The committee received a detailed review of current elementary school offerings which outlined fairly similar opportunities in both communities. The two exceptions are in the areas of Pre-K and after school programs. Although neither of those areas has a material financial impact on this unification, it will be incumbent on the new unified board to address both issues to assure that needs are met and that there is equity for students in both communities.

Transportation policy will need to be established by a new unified board. It is expected that transportation to and from both elementary schools will continue to be provided in a fashion similar to current practice. In addition, the new district will provide transportation for Roxbury students, grades 5-12, to and from Montpelier, both at regular commuting times and in a manner that provides reasonable access to after-school activities.

Roxbury students enrolled in grade 7 or above at a school other than Montpelier as of May 1, 2017, will be “grandfathered” into their current school system to assure continuity in the completion of their public education. The state’s high school choice law will be used whenever possible to achieve that goal, but at the end of the day, “grandfathered” students who cannot be covered by the choice law will be tuitioned by the new district. Financial modeling in this report assumes all “grandfathered students” will be tuitioned by the new district.

The committee has agreed that both during the early years of unification and over the long-run, special attention must be paid to assuring smooth transitions for all Roxbury students transitioning into the Montpelier schools.

### ***The Educational Benefits of Unification***

Early in the committee process, the study committee identified the following benefits of coming together.

For students in both communities:

- Provides greater diversity of student experience—Unification will provide some greater diversity in student experience for students in grades 5-12. Roxbury is very small with limited opportunity for varied relationships. Montpelier is more “town” or “city”—Roxbury is more “country”.
- Creates the opportunity for sharing current programs and resources—Montpelier has some specific offerings not available to Roxbury students. Roxbury brings a rural setting, a small school, and farm-to-school connections.
- Provides an opportunity to create distinctly different models between locations in Montpelier and Roxbury.
- Provides an opportunity to re-think the transition to middle school for all students—The introduction of Roxbury students at grade 5 will necessitate rethinking the entire process to assure that all middle school students get off to a smooth start and are well supported in the transition.

For Roxbury students:

- Provides greater stability and predictability of educational opportunity and quality.

- Continues to provide students in grades PK-4 quality education in a small school environment, close to home.
- Provides a broader and deeper middle school experience for all students, grades 5-8.
- Offers school district transportation for students to middle and high school.
- Stabilizes quality of the Roxbury Elementary School. Currently rising secondary tuitions are requiring a continued squeeze on programs in the elementary grades. Unification will substantially change that dynamic. The school is likely to be much stronger in the context of a larger system.
- Provides a greater ability to stabilize leadership. Roxbury has had significant turnover, including changes in leadership, with 5 principals in 4 years. Being part of a larger district should create additional options for assuring strong on-site leadership.
- Creates the potential for Roxbury students to attend middle and high school together, allowing Roxbury students and parents to maintain a sense of school community and assuring that town children are afforded an equitable and quality education.

For Montpelier students:

- Provides a greater number of students bringing potential for program enhancements for all. Over time, as more students attend Montpelier High School, greater numbers interested in certain courses or programs can create critical mass to provide those offerings.
- Provides another rural location for outdoor and rural programming.
- Creates the need to revisit how Pre-K and after-school programs are offered.

## ***Efficiency and Sustainability***

### ***Increased Efficiencies***

The current Montpelier School District can absorb additional middle and high school students with little investment of new resources. The full integration of all Roxbury middle and high school students will ultimately result in substantial efficiencies.

Because of the “grandfathering” provision described in the previous section of this report, financial benefits will be realized incrementally over the first several years of the unification. The unified district will seek to achieve the “grandfathering” of students by shifting as many students as possible to the high school choice program under 16 V.S.A. §822a., however this cannot be guaranteed. The table below shows the projected phase out of secondary costs over time, and is built on the most conservative assumption that all “grandfathered” students are tuitioned by the unified district for the full period:



Estimated Tuition Costs																	
	K	1	2	3	4	5	6	7	8	9	10	11	12	Total	Tuitioned	Ave Tuition	Est. Total Tuition
2016-17	4	9	6	7	1	4	7	7	8	4	10	8	0	75	37	\$16,400	\$606,800
2017-18	7	4	9	6	7	1	4	7	7	8	4	10	8	82	44	\$16,851	\$741,444
2018-19	5	7	4	9	6	7	1	4	7	7	8	4	10	79	29	\$17,314	\$502,118
2019-20	6	5	7	4	9	6	7	1	4	7	7	8	4	75	19	\$17,791	\$338,020
2020-21	5	6	5	7	4	9	6	7	1	4	7	7	8	76	15	\$18,280	\$274,197
2021-22	6	5	6	5	7	4	9	6	7	1	4	7	7	74	7	\$18,782	\$131,477
2022-23	5	6	5	6	5	7	4	9	6	7	1	4	7	72	0	\$19,299	\$0
2023-24	6	5	6	5	6	5	7	4	9	6	7	1	4	71	0	\$19,830	\$0
<b>Total</b>	<b>44</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>45</b>	<b>43</b>	<b>45</b>	<b>45</b>	<b>49</b>	<b>44</b>	<b>48</b>	<b>49</b>	<b>48</b>				
	RVS						Montpelier Schools				Tuitioned						

In addition, the new district will realize efficiencies in the transition from the Washington South Supervisory Union to support services largely coming from the Montpelier infrastructure. The costs of support services and infrastructure through the Washington South Supervisory Union do not have to be fully replicated when Montpelier assumes much of this responsibility. Savings will be in the neighborhood of \$75,000.

**Direct Financial Benefits**

The homestead taxpayers of the new unified district will receive tax incentives over four years. Act 46 offers tax incentive of cents per hundred off the new unified tax rate in decreasing amounts--.08 in FY 2019, .06 in FY 2020, .04 in FY 2021, and .02 in FY 2023). The new district will also be able to retain the small schools grant currently enjoyed by Roxbury—an amount of \$79, 992 in 2017—as a “merger support grant”.

**Greater Tax Rate Stability for Homestead Tax Payers**

The greatest challenge for small districts is unpredictable changes in student population, tuition costs, and tax rates. There are two major variables that impact the town of Roxbury. First is the very small size. A district with under 100 students is very vulnerable to sudden changes in student count. The larger district will increase tax rate consistency.

The second relates to the “ADM Hold Harmless” provision of the state’s education finance law.

One feature of Act 46 is to phase out the “ADM Hold Harmless” provision of Act 60, but to allow its continuation for districts that unify within certain parameters. It is important for our citizens to understand this potential benefit. In short, homestead property tax rates are determined, in part, on the amount of education spending *per pupil* in a particular district. That figure is driven by education spending and by the number of students counted by the district. Current education finance law provides protection for districts that are rapidly losing students from

their count. The “hold harmless” provision has protected a district from losing more than 3.5% of its student count in a given year. If the number of students continues to decline substantially over time, the 3.5% reduction for subsequent years is applied against the inflated number used in the previous year and, thus, over time, a district could be counting a large number of students who don’t actually exist—thus the term, “phantom students”.

Roxbury has benefitted from this feature over an extended period which has kept down tax rates. The table below shows the number of “phantom students” that have been counted in recent years.

<b>Roxbury</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Equalized Pupils	95.72	92.37	89.14	86.02	83.01
Phantom Pupils	21.48	27.56	22.02	13.26	4.88
Actual Count	74.24	64.81	67.12	72.76	78.13

The new district will be significantly larger and is not likely to need the “hold harmless protection”, at least in the foreseeable future. However, a merged district carries this kind of protection into the future should there be a sudden loss of students at some time.

***Tax Rate Benefits of a New District***

The committee has spent considerable time projecting the savings and costs involved in unification and in projecting the impact on tax rates in both communities. Although no modeling can be precise, we have built thorough projections on conservative assumptions. A detailed analysis can be found in ***Attachment A***.

The key observations from the analysis are as follows:

Unification will impact Roxbury homestead taxpayers fairly dramatically. In each of the first four years following unification, Roxbury’s tax rate will drop 5 percent. (The statutory limit for property tax reduction when receiving incentive payments). At the end of the incentive period, Roxbury’s tax rate is projected to be 48 cents below the projection without unification, a savings of \$960 on a house valued at \$200,000.

The property tax reduction for Montpelier homestead taxpayers is projected to be 4-5 cents during the first few years. Over the long run the projected reduction is 2 cents, a reduction of \$40 on a house valued at \$200,000.

<b><i>Transparency and Accountability</i></b>
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Many school districts in Vermont are part of a supervisory union, a collective structure that, together hires a superintendent and provides various administrative and special education functions. In recent years, in order to achieve greater efficiencies, more and more functions have been moved by statute from local school districts to the supervisory union. The budget for a supervisory union is not directly approved by the electorate, but rather is approved by the board of the supervisory union and then allocated to local budgets. Most school districts in Vermont, prior to Act 46, have been assigned to one of these supervisory unions, including Roxbury which has been part of the Washington South Supervisory Union. There has been growing concern in Vermont that supervisory unions are not designed for accountability. Part of Act 46 has been to encourage the creation of larger districts that can have a single board, hire a single superintendent, and have a single, all-inclusive budget approved by the electorate of the new district.

Montpelier has, historically, been one of twelve communities in Vermont that is big enough to be exempt from a supervisory union and instead is considered a “supervisory district”.

This unification proposal includes the assumption that the new district will continue to be a supervisory district with one board, one superintendent, and one budget, clearly the most accountable structure.

## ARTICLES OF AGREEMENT

The Montpelier-Roxbury Study Committee recommends that the following Articles of Agreement be presented to the electorate of each of the named school districts in order to create a unified union district to be named the Montpelier-Roxbury School District hereinafter referred to as the “Unified District”. Both referenced school districts are hereinafter referred to as the “forming districts.” The Unified District shall be a supervisory district.

### **Article 1 Necessary Districts**

The School Districts of Montpelier and Roxbury are proposing to come together to create the Unified District. Both are necessary for the establishment of the new district.

### **Article 2 Grades to be Operated**

The Unified District will provide education to all students in Pre-K through grade 12. The Unified District is committed to operating schools for all students grades K-12.

### **Article 3 New School Facilities**

No new school facilities are required due to this unification.

### **Article 4 First Year of Operation and Transitional Provision**

- 4 (a) In the first year that the Unified District is fully operational students will attend grades K-4 in the elementary school located in their town of residence, provided, however, at parent request, the Board of School Directors may adjust student enrollment within the new district based on individual student circumstances, and the Superintendent’s determination of capacity to serve the child.
- 4 (b) In the first year that the Unified District is fully operational and providing educational services, middle school education (grades 5-8) will be provided through the middle school program offered in Montpelier.
- 4 (c) In the first year that the Unified District is fully operational and providing educational services, high school education (grades 9-12) will be provided through Montpelier High School, except as described in 4(d).

- 4 (d) Roxbury students who were enrolled as of May 1, 2017, in grades 7-12 in a school system other than Montpelier may choose to complete their education in that school/school district with tuition paid for by the Unified District beginning in the 2018-19 school year.
- 4 (e) The Unified District will comply with 16 VSA Chapter 53, subchapter 3, regarding the recognition of the representatives of employees of the respective forming districts as the representatives of the employees of the Unified District and will commence negotiations pursuant to 16 VSA Chapter 57 for teachers and 21 VSA Chapter 22 for other employees. In the absence of new collective bargaining agreements on July 1, 2018, the board of the Unified District will comply with the pre-existing master agreements pursuant to 16 VSA Chapter 53, subchapter 3. The Board of School Directors shall honor all individual employment contracts that are in place for the forming school districts on June 30, 2018 until their respective termination dates.
- 4 (f) The Unified District will provide for the transportation of students, assignment of staff, and curriculum that is consistent with the contracts, collective bargaining agreements, and provisions of law that are in existence during the first year of the new Unified District's operation.
- 4 (g) The Superintendent of Schools employed by the Montpelier School District as of June 30, 2018, will serve as Superintendent of the Unified District until the expiration of his/her contract. If the Superintendent of the Montpelier School District vacates the position prior to July 1, 2018, the newly elected School Board of the Unified District shall have sole authority to hire a Superintendent for the Unified District, who will assume the position effective July 1, 2018. The superintendents presently serving the "forming districts" shall support the work of the Unified District Board until July 1, 2018.
- 4 (h) The Board of School Directors of the Unified District will make all subsequent decisions relative to the operation of the new district consistent with state and federal laws and these Articles of Agreement.

**Article 5      Surpluses and Debts, Special Funds**

- 5 (a) The Unified District will assume all capital debt of the forming districts including both principal and interest, as may exist at the close of business on June 30, 2018.
- 5 (b) The Unified District will assume any and all general operating surpluses and deficits of the forming districts that may exist as of the close of business on June 30, 2018. In addition, reserve funds identified for specific purposes will be transferred to the Unified

District and will be used for said purpose unless otherwise determined through appropriate legal procedures.

- 5 (c) The forming districts will transfer to the Unified District any pre-existing school district specific endowments or other restricted accounts that may exist on June 30, 2018. Scholarship funds or like accounts held by school districts or the Supervisory Union prior to June 30, 2018 that have specified conditions of use will be used in accordance with said provisions.

Long-term debt and reserve funds are listed in **Attachment B**.

## **Article 6 Existing School Facilities and Real Property**

- 6 (a) No later than June 30, 2018, City of Montpelier, and/or its school district and the Town of Roxbury and/or its school district, will convey to the Unified District all of their school-related real and personal property, for One U.S. Dollar, and the Unified District will assume all capital debt associated therewith. The Unified District recognizes the long-term financial investments and community relationships that each city and town has with its school building(s). The Unified District will encourage appropriate use of the building by the students and community according to the policies and procedures of the Unified District as overseen by the building administrator.
- 6 (b) In the event that, and at such subsequent time as, the Unified District School Board determines, at its discretion, and subject to the school closure provisions of Article 6 (c), that any of the real property, including land and buildings, conveyed to it under the terms of these articles, by the City of Montpelier, and/or its school district and the Town of Roxbury and/or its school district, is or are unnecessary to the continued operation of the Unified District and its educational programs, the Unified District shall offer such real property, for the sum of One U.S. Dollar, and subject to all encumbrances of record, the assumption of a payment of all outstanding bonds and notes and the repayment of any school construction and/or grants as required by Vermont law, to the city or town in which it is located.

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

- 6 (c) The current school buildings will continue to function as education facilities for at least the first four years of the new district (through June 30, 2022), unless a majority vote of the electorate of the municipality agrees with a plan to close a school facility within its border.

Property to be transferred is listed in **Attachment C**.

### **Article 7 Board Composition**

A forming district’s representation on the Unified district Board of School Directors will be closely proportional to the fraction that its population bears to the aggregate population of all forming districts in the Unified District. The Initial Unified District Board of School Directors composition is based upon the 2010 Federal Census, and shall be recalculated by the Board of School Directors promptly following the release of each subsequent decennial census. Each forming school district shall have at least one representative on the board. Subject to the previous sentence, each proportionality calculation shall be rounded to the nearest whole number.

The initial membership of the Unified Board of School Directors will be as follows:

<b>Town/District</b>	<b>Population/Percentage</b>	<b>Board Members</b>
Montpelier	7855/92%	7 with 2 weighted votes each
Roxbury	691/8%	2 with 1 weighted vote each
Total	8546	9 members/16 votes

### **Article 8 Terms of Office of School Directors**

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 June 20, 2017, election shall be one, two, or three years respectively, plus the additional months between the date of the Organizational Meeting of the Unified District (16 VSA §706j), when the initial school directors will begin their term of office, and the date of the Unified District’s annual meeting in the spring of 2018, as established under 16 VSA §706j. Thereafter, terms of office shall be three (3) years and shall begin and expire on the date of the Unified District’s Annual Meeting. The following table establishes the expiration dates of the initial terms:

<b>Town/District</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Montpelier	2	3	2
Roxbury	1		1

TOTAL	3	3	3
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**Article 9 Date of Voter Action**

The proposal to form a Unified District will be presented to the voters of each forming district on June 20. The candidates for the new Unified District Board of School Directors will be elected by Australian ballot on June 20 as required by law. Nominations for the office of School Director representing any district/town shall be made by filing with the clerk of that school district/town a statement of nomination as specified in law.

**Article 10 Unified District Board of School Directors Transition Role**

Upon an affirmative vote of the electorates of the school districts, and upon compliance with 16 V.S.A. § 706g, the Unified District Board of School Directors shall have and exercise all of the authority which is necessary in order for it to prepare for full operation beginning on July 1, 2018. The Unified District Board of School Directors shall, between the date of the affirmative votes and June 30, 2018, develop school district policies, adopt curriculum, educational programs, assessment measures and reporting procedures in order to fulfill the State’s Education Quality Standards (State Board Rule 2000), prepare for contractual agreements, set the school calendar for Fiscal Year 2019, prepare and present a budget for Fiscal Year 2019, prepare for the 2018 Unified District Annual Meeting, and transact any other lawful business that comes before the Unified District Board of School Directors, provided, however, that the exercise of such authority by the Unified District Board of School Directors shall not be construed to limit or alter the authority and/or responsibilities of the school districts of Roxbury and Montpelier. The new Unified District will begin operating schools and providing educational services on July 1, 2018.

On July 1, 2018, when the Unified District becomes fully operational and begins to provide educational services to students, the school districts of Montpelier and Roxbury shall cease all educational operations and shall remain in existence for the sole purpose of completing any outstanding business not given to the Unified 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, 2018.

**Article 11 Annual Budget and Public Questions**



The Unified District Board of School Directors shall propose annual budgets in accordance with 16 VSA Chapter 11. The vote on the annual budget, school board members, and public questions shall be conducted by Australian ballot pursuant to 17 VSA Chapter 5513(b).

# Attachments

## Attachment A

### Montpelier and Roxbury Pre-CLA Homestead Tax Comparisons

The table below models the impact of the Montpelier/Roxbury unification on tax rates over the coming 5 years, based on a number of assumptions. This table is for illustration purposes only. These models are estimates and projections. Actual tax rates will vary depending on state policy decisions, actual changes in equalized pupils, and spending decisions of boards.

**No Merger**

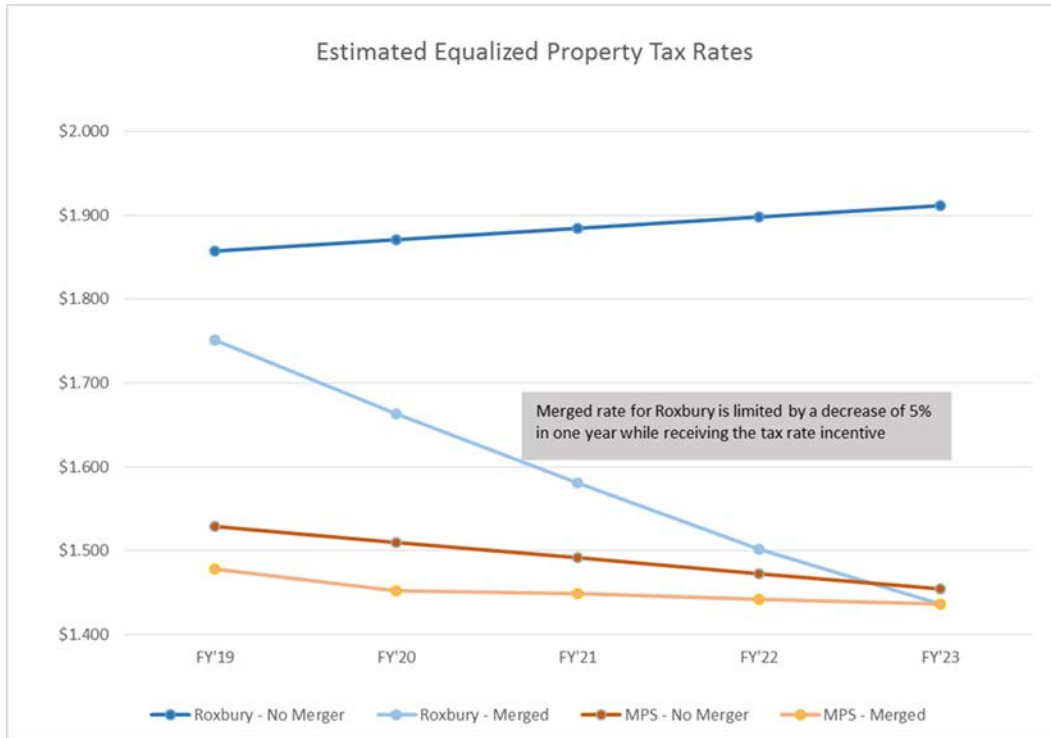
District	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23
Montpelier	\$1.548	\$1.529	\$1.510	\$1.491	\$1.473	\$1.455
Roxbury	\$1.843	\$1.857	\$1.871	\$1.884	\$1.898	\$1.912

**\*With Merger effective FY'19**

District	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23
Montpelier	\$1.548	\$1.478	\$1.453	\$1.449	\$1.442	\$1.436
**Roxbury	\$1.843	\$1.751	\$1.664	\$1.581	\$1.502	\$1.436

\* Factors in the tax rate incentive of a reduction of \$0.08 in FY'19, \$0.06 in FY'20, \$0.04 in FY'21, and \$0.02 in FY'22

\*\* Roxbury's rates are limited to a 5% decrease in FY'19-22 (during incentives).



### Financial Analysis Behind Tax Rate Estimates

The purpose of the table in Attachment A is to compare the projected homestead tax rates in Montpelier and Roxbury if there is unification with those that would occur if there is no unification. Below is a description of the spending and revenue assumptions that are included in the tax rate calculations for each of the years. The assumptions below are not “budgets”, but projections and assumptions based on committee planning.

**Three key assumptions are held constant in both scenarios:**

- Equalized Pupil Counts over the 5-year projection are assumed to track the 5-year growth trend line for Montpelier at 1.99% per year and to remain level in Roxbury.
- Across-the-board Education Spending is projected to increase 2.75% each year, without any of the changes specifically driven by the merger.
- The “Property Yield” in the state’s formula is assumed to increase by 2% annually.

Note: These three variables are best guesses. If they change, they will change for both scenarios shown on page 21 and do not change the fundamental comparison.

**The following specific changes are built into the unification scenario:**

A one-year expense is built into the modeling in FY’19 to pay off a Roxbury deficit of \$195,000.

Beginning in FY’19, all functions of the Washington South Supervisory Union, will be assumed within the existing Montpelier infrastructure with net annual savings of \$174,166.

Beginning in FY'19, the cost of transporting Roxbury Students to Montpelier (3 times/day) will add \$100,000. However, beginning in FY'21, an additional \$56,250 is earned from additional State Transportation Aid as a result of those increased transportation expenditures.

The cost of adding students at the current Main Street Middle School and Montpelier High School include an additional \$93,649 for 1.33 FTE teaching staff to maintain current class sizes, one FTE projected for FY'19 and .33 FTE in FY'21. Additional administrative and nursing support for Roxbury Village School was added at a cost of \$123,475. Decisions on these items will ultimately be made by the new Unified District school board. Both additional costs were built into the model to assure resources needed to maintain Montpelier's current quality and to assure strong support for teachers and students in the Roxbury school.

Tuition for Roxbury students, projected to cost Roxbury \$741,444 in FY'18, the final year pre-merger, will be phased out over the first four years of the merger pursuant to the chart on page 13. Each year, the number of students "grandfathered" declines until there are no tuition costs beginning in FY23.

By the end of the modeling period, the above changes will result in a net reduction in annual costs of \$542,236 below what would be the case without unification.

## Attachment B Long-Term Debt and Reserve Funds

### Long-Term Debt

District	6/30/16	6/30/17 Estimate
Montpelier	\$6,917,974	\$6,368,157
Roxbury	\$0	\$0

### Fund Balance

District	6/30/16	6/30/17 Estimate
*Montpelier	\$2,014,070	\$681,970
**Roxbury	(\$100,201)	(\$163,013)

\* The Montpelier Board committed \$1,222,100 for specific projects and anticipates the need to spend \$110,000 to accommodate FY'17 negotiated agreements.

\*\* Projected deficit would be higher, but this figure includes the Capital Reserve of \$31,746.

**Attachment C**  
**Property to be Transferred**

ITEM O - 2

Property Values (VSBIT Data)											
Description	Property Type	Address 1	City	Sqr Ftg - Above Grnd	Date Built	Building Value	Business Personal Property	Site Improvements Insurable	Mobile Equipment	Business Income & Extra Expense	Total Insured Value
<b>Montpelier School District</b>											
Main St Middle School	School	170 Main St	Montpelier	56,440	1/1/1917	\$9,515,700	\$752,000	\$25,100	\$0	\$1,000,000	\$11,292,800
Property in the Open MS	Property in the Open		Montpelier			\$54,030	\$0	\$0	\$13,960		\$67,990
Montpelier High School	School	5 High School Drive	Montpelier	85,481	1/1/1954	\$14,695,300	\$1,455,300	\$291,000	\$0		\$16,441,600
Bleacher Storage - HS	Storage	5 High School Drive	Montpelier			\$15,040	\$1,050	\$0	\$0		\$16,090
Storage Garage HS	Garage	5 High School Drive	Montpelier			\$16,010	\$0	\$0	\$8,410		\$24,420
Concession Building HS	Concession Stand	5 High School Drive	Montpelier			\$19,580	\$1,910	\$0	\$0		\$21,490
Greenhouse HS	Greenhouse	5 High School Drive	Montpelier	1,375		\$53,800	\$5,000	\$0	\$0		\$58,800
Property in the Open - HS	Property in the Open		Montpelier			\$226,180	\$0	\$0	\$228,010		\$454,190
Utility Shed HS	Storage		Montpelier			\$12,400	\$0	\$0	\$0		\$12,400
Union Elem School	School	1 Park Avenue	Montpelier	60,380	1/1/1939	\$9,894,000	\$661,300	\$127,300	\$0		\$10,682,600
Property in the Open UES	Property in the Open		Montpelier			\$12,150	\$0	\$0	\$78,150		\$90,300
<b>Montpelier Total</b>						<b>\$34,514,190</b>	<b>\$2,876,560</b>	<b>\$443,400</b>	<b>\$328,530</b>	<b>\$1,000,000</b>	<b>\$39,162,680</b>
<b>Roxbury School District</b>											
Main school building	School	1559 Roxbury Road	Roxbury	17,680		\$2,455,900	\$159,100	\$72,300	\$25,000	\$5,500	\$2,717,800
Storage Shed	Storage	1560 Roxbury Road	Roxbury	500		\$1,785	\$750	\$0	\$0	\$0	\$2,535
<b>Roxbury Total</b>						<b>\$2,457,685</b>	<b>\$159,850</b>	<b>\$72,300</b>	<b>\$25,000</b>	<b>\$5,500</b>	<b>\$2,720,335</b>
<b>Grand Total</b>						<b>\$36,971,875</b>	<b>\$3,036,410</b>	<b>\$515,700</b>	<b>\$353,530</b>	<b>\$1,005,500</b>	<b>\$41,883,015</b>

## Attachment D: Attorney Letter Regarding School Board Composition

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

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April 27, 2017

Brian G. Ricca, Superintendent of Schools  
Montpelier School District  
5 High School Dr, Unit 1  
Montpelier, VT 05602

Laurie Gossens, Superintendent of Schools  
Washington South Supervisory Union  
37 Cross St, Until 1  
Northfield, VT 05663

**Re: Proposed Montpelier-Roxbury Unified Union School District Board Membership**

Dear Brian and Laurie:

I am writing to confirm that the current proposal for the pertaining to Board membership of the proposed Montpelier-Roxbury Unified Union School District meets the requirements of the Equal Protection Clause of the United States Constitution and 16 VSA §796(b)(9).

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 local school official who exercise 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.

Article 7 of the Articles of Agreement identify a proportional representation model for the new board. It lays out the initial Board membership of seven members with two (2) votes each from Montpelier and two members with one (1) vote each from Roxbury. With a population for the Unified Union School District of 8546 residents: Montpelier has 92% of the population and board representation equal to 87.5%. Roxbury has 8% of the population and board representation equal to 12.5%. The apportionment plans set forth in Article include a maximum deviation of no more than four and a half (4.5%) percent. This falls well within the parameters of a minor deviation. The Articles of Agreement further ensure compliance by tying future composition and recalculation to the Federal Census on decennial basis.


Superintendents Brian Ricca & Laurie Gossens  
April 27, 2017  
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Under the requirements of 16 VSA § 706(b)(9), the board must have at least one representative from each community. The proposal has at least two members for each community. This requirement is thus satisfied. Further, the statute requires that the board have no more than 18 members. With the proposed nine member board this element is also met.

Based on our analysis, the proposed Articles of Agreement meet the requirements of the Equal Protection Clause of the United States Constitution and 16 VSA §796(b)(9).

Sincerely,

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

  
Pietro J. Lynn, Esq. *for*  
[plynn@lynnlawvt.com](mailto:plynn@lynnlawvt.com)

cc: Stephen Dale, Act 46 Study Committee Consultant  
Donna Russo-Savage, Vermont Agency of Education