

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 three member districts of the **BENNINGTON-RUTLAND SUPERVISORY UNION (BRSU)** 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 **Mettawee School District Merger Study Committee** (Study Committee) and assign the new district to the BRSU?

RECOMMENDED ACTION:

1. That the State Board of Education finds that the proposed formation of a new unified union school district by three member districts of the BRSU is “in the best interests of the State, the students, and the school districts” pursuant to 16 V.S.A. § 706c(b); and alternatively
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 assignment of the new unified union school district, if formed, to the BRSU for administrative, supervisory, and transitional services pursuant to 16 V.S.A. § 706h beginning on the date on which the district becomes a legal entity pursuant to 16 V.S.A. § 706g.

STATUTORY AUTHORITY: 16 V.S.A. § 706c; Act 153 (2010), as amended; Act 156 (2012), as amended; Act 46 (2015), as amended; Act 49 (2017)

BACKGROUND INFORMATION:

I. General

The three BRSU districts at issue in this proposal are:

- Union School District #47 – which is organized to provide for the PK-Grade 6 education of Pawlet and Rupert students and does so by operating the Mettawee Community School
- Pawlet Town School District – which is organized to provide for the Grade 7-12 education of Pawlet students and does so by designating the Granville Jr/Sr High School in New York (Granville)
- Rupert Town School District – which is organized to provide for the Grade 7-12 education of Rupert students and does so by designating the Salem Washington Academy Jr/Sr High School in New York (Salem)

The districts participated in region-wide conversations in 2015. In 2016, the town school districts formed a study committee with the Wells School District – which also designates a New York school but which also has a “special relationship” with Poultney, a PK-12 operating district. The Wells members of the study committee determined that it would be better to relinquish designation. The Pawlet and Rupert members did not agree. The study committee voted that it was inadvisable to create a unified district and disbanded.¹

In a non-binding article presented to them in November 2016, the voters of the Pawlet and Rupert School Districts voted by a relatively small majority to preserve designation of New York schools. The districts conducted public meetings in early 2017 that led to creation of a new study committee. That new committee now proposes to merge the Pawlet, Rupert, and Union #47 districts into a unified union school district (New Unified District) that continues to operate one PK-6 school and designates the Granville and Salem schools in New York for Grades 7-12.

II. Designation

It is important to understand the laws regarding tuitioning and “designation” when considering this merger proposal.

In Vermont, a school district provides for the education of students in the grades for which it is organized by operating a school for those grades, unless the voters have approved closure of the school and authorized payment of tuition for those grades.² A tuitioning district pays tuition to each public and approved independent school in which its resident students enroll. Statutes define the amount of tuition a district pays on behalf of its students as: (1) the full amount of tuition charged (when paying a public school or two special types of approved independent schools) and (2) the average announced tuition of union school district (when paying all other approved independent schools) unless the voters approve a higher amount.³

16 V.S.A. § 827 provides another option for districts that pay tuition for some or all high school grades (7-12). Instead of paying tuition to the schools in which resident students enroll, a tuitioning district can alternatively designate one, two, or three public or approved independent schools located in Vermont – if the voters of the district authorize designation and if the receiving school accepts designation.

Once designated, the public or independent school is considered to be the public high school for all students of the sending district.⁴ The sending district must pay the designated school the full amount of tuition it charges.⁵ In return, the designated school agrees to accept all of the districts children that wish to enroll. If a student wishes to enroll in a school other than the one

¹ The voters of the Wells School District have since approved merger with the Middletown Springs School District (the Wells Springs UUSD). On August 30, 2017, the State Board determined that the Wells Springs UUSD would be a member of a new SU that will also include the Quarry Valley UUSD and the Ira and Rutland Town School Districts.

² 16 V.S.A. §§ 821-822

³ 16 V.S.A. §§ 823-824

⁴ 16 V.S.A. § 827(a)

⁵ 16 V.S.A. § 827(b)

designated, then the sending school board has discretion (but is not obligated) to pay that student's tuition to a non-designated school – provided, however, that statutes prohibit the amount paid to the non-designated school from exceeding the *least* of three amounts:

- (1) the average announced tuition of union high schools;
- (2) the per-pupil tuition paid to the designated school; and
- (3) the tuition charged by the non-designated school in which the student is enrolled.⁶

Subdivision 827(e)(1) provides an exception to the statutory provision that limits designation to Vermont Schools: “the school districts of Pawlet, Rupert, and Wells may designate a public high school located in New York as the public high school of the district pursuant to the provisions of this section.”

Two aspects of the subdivision (e)(1) exception are particularly significant:

A. It explicitly grants the exception to the “school districts of Pawlet, Rupert, and Wells”

All merging school districts cease to exist when a new unified union school district is created.⁷ If the voters approve the New Unified District, then there will no longer be a Pawlet or Rupert school district – and so the language of § 827(e)(1) will no longer provide an exception to those communities.

The New Unified District could designate a New York school *only if*:

- (1) the Legislature amends § 827(e)(1) to grant such authority to the New Unified District *and*
- (2) the voters authorize the New Unified District to designate the New York school(s).

The Study Committee's proposal explicitly conditions creation of the New Unified District on both of these two events.⁸ That is – even if the State Board and the voters approve creation of the New Unified District, the district will not come into existence unless both of the two above events occur.

B. The explicitly-named school districts are subject to all other aspects of the designation law “pursuant to the provisions of this section”

Being subject to the other provisions of § 827 means that if the Pawlet School Board or Rupert School Board approves a request to pay tuition to a non-designated school, then the amount of tuition the Pawlet or Rupert District can pay must be the least of the three amounts as set out above.⁹

⁶ 16 V.S.A. § 827(c)-(d)

⁷ 16 V.S.A. § 724(b)

⁸ See Article 1, paragraph 3 and Article 3, paragraph 2

⁹ Note that 16 V.S.A. § 827(e)(2) authorizes the Wells School District to pay tuition to a non-designated school in an amount not to exceed the base education amount for that year. Subdivision (e)(3) similarly permits the Strafford School District to pay an amount larger than allowed by subsections (c)-(d).

The tuition charged by the two designated New York schools is far lower than the amounts that tuitioning districts pay to public and independent schools in Vermont.¹⁰ The Boards of the Pawlet and Rupert School Districts “have adopted a liberal disposition towards [individual requests that tuition be paid to other schools] over the years.” Pursuant to the provisions of § 827, however, the districts cannot pay tuition in an amount that exceeds the tuition charged by the New York schools.

Because the New York tuitions are so low, even if the Board agrees to pay tuition to a non-designated school, a Pawlet or Rupert student enrolled in that non-designated school must pay the balance of the tuition – regardless of whether the non-designated school is public or independent – unless the school is able to offer the student financial aid.¹¹ Families that have the ability to pay the difference between the tuition in New York and the tuition at another, non-designated school to which their student gains admittance have a greater ability to leverage this option than families with fewer means. This is inequitable, even if it is in compliance with statute.

THE METTAWEE SCHOOL DISTRICT

The Study Committee proposes creation of the New Unified District, a UUSD that that would operate one PK-6 school and designate the Granville, NY and Salem, NY schools for Grades 7-12 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): Pawlet; Rupert. Union District #47 is also necessary but, by statute, its interests are represented by the two town school districts.

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 three “necessary” districts was 357.95 (Union #47: 204.30; Pawlet (7-12): 116.65; Rupert (7-12): 37).

If approved by the State Board, the electorate of each “necessary” district will vote on November 7, 2017 whether to approve creation of the New Unified District.

The New Unified District, which would be known as the Mettawee School District, would unify one union elementary school district and two town high school districts into a single district. It would replace three current governing bodies with one unified union school board and three budgets with one unified budget.

Article 11 provides a “grandfathering” provision for students enrolled in a non-designated school at public expense during the 2017-2018 school year. Specifically, the article states that the New

¹⁰ See the table setting out the FY08-FY17 tuition rates in Granville and Salem appended to the Study Committee’s report

¹¹ This is the crux of the issue raised by the Families for Education in Vermont, an informal organization of parents and others who are advocating for a change to the designation practice in Pawlet and Rupert.

Unified District will pay tuition in an amount equal to the 2017-2018 designated tuition rate for those students for as long as they attend the non-designated school.

The Study Committee's report states that "it is essential to maintain a commitment to providing all resident students access to student transportation in a merged district to ensure equity of educational opportunity" but the Articles make no express provisions in this regard.

The New Unified District would be governed by a unified school board of six members, with four members initially allocated to Pawlet and two members to Rupert. Each member would be elected by the voters of the town in which the member resides.

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 indicated that merger would not impact staffing at the Mettawee School, but that opportunities in Grades 7-12 would increase because students would be able to choose between the two New York schools. The Committee believes that merger would enhance oversight of education spending, increase transparency and accountability by summarizing all education spending in one budget, and support a stronger working relationship with the New York partners. It also believes that one board would be better able to help provide a smooth transitional for students between the local elementary school and the designated middle/high schools and to monitor progress of students in those schools.

The Study Committee stated:

This merger would generate nominal savings through the elimination of redundant activities associated with moving from three school boards to a single school board. The Committee believes a single board will allow the district's leadership to better focus on continuous organizational improvement, and create a better framework to ensure equity of opportunity for all students. The Committee believes a single board will be able to interface with its partner New York districts in a more effective manner.

The proposal technically meets the requirements of the law. In addition, it makes practical sense for a single district to replace three districts – one union elementary school district that operates a single school and two town districts that exist solely to pay tuition for students in Grades 7-12 – particularly when the combined FY2017 ADM of all three districts was 357.95. Similarly, it makes sense for a six-member board to replace the current three boards that have a combined total of 15 members. We therefore recommend that the State Board approve the Study Committee's report and proposed articles of agreement.

We note for the record, however, that the proposal offers no significant long-term educational or financial benefits and no real vision for the expansion of educational opportunities or cost containment (in large part because it will continue to operate an elementary school that already is operated by a union school district and will continue to designate the two New York high schools for Grades 7-12). In addition, as mentioned above, to the extent the New Unified Board allows students to tuition to schools other than the designated schools while capping tuition at the low (subsidized) New York rate, families that have the ability to pay the difference between the tuition in New York and the tuition at another, non-designated school to which their student gains admittance have a greater ability to leverage this option than families with fewer means. As a result, the decision is likely increasing inequity in opportunity for students of greater and lesser means, and is concentrating in the New York schools students who are from disadvantaged backgrounds.

We see this proposal as a step in a journey towards sustainability and opportunity, and hopefully towards equity as well.

STAFF AVAILABLE:

Donna Russo-Savage, Principal Assistant to the Secretary,
School Governance

Brad James, Education Finance Manager

Board Chair Morse and Secretary Holcombe

September 7, 2017

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This results in an average population deviation of 1.65% and a maximum deviation of 3.3%.

The U.S. Supreme Court has recognized that significant deviations from what is ideal may be permissible where allocations are made to preserve representation along historic political boundaries such as, cities, towns, counties and similar entities. Brown v. Thomson, 462 U.S. 835 (1983) addressed the constitutionality of Wyoming's legislative reapportionment in 1981. Under the plan, each county was allocated at least one representative. The "ideal" population per representative was 7,337. Niobrara County with a population of only 2,924 was 60% below the ideal population. The average deviation for the reapportionment was 16% with a maximum deviation of 89%. Despite these deviations, the Court found the apportionment constitutional noting ". . . Wyoming's longstanding and legitimate policy of preserving county boundaries." Id. at 847.

The role of Vermont towns in the organization and governance of public schools finds its roots in Chapter II, Section 68 of the Vermont Constitution which provides that "... a competent number of schools ought to be maintained in each town...." Over the past two centuries and countless statutory changes, public schools have emerged and survived in most towns, forming strong ties with their host communities. The board member allocation proposed in this case preserves Vermont's "longstanding and legitimate policy" of respecting the political boundaries of the towns that have established and long supported their public schools.

That the proposed board member allocation meets the constitutional standards of Brown v. Thomas is obvious. First, the population deviations of 1.65% (average) and 3.3% (maximum) are far smaller than those involved in Brown. Also, the preservation of political boundaries for purposes of representation are no less significant.

To conclude, it is our opinion that the method for allocating the six (6) members of the proposed board satisfies requirements of the Equal Protection Clause of the US Constitution, as such have been articulated by the US Supreme Court.

Sincerely,



Steven F. Stitzel

SFS/gc

cc: Jackie Wilson, BRSU Superintendent

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 type="checkbox"/> RED (Act 153, Secs. 2-3, as amended by Act 156 , Sec. 1 and Act 46, Sec. 16) <input checked="" type="checkbox"/> Side by Side Merger (Act 156 , Sec. 15) Districts involved in the related merger: Taconic and Green Regional School District <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 type="checkbox"/> Conventional Merger – merger into a preferred structure after deadline for an Accelerated Merger (Act 46, Section 7)	

Dates, ADM, and Name	
Date on which the proposal will be submitted to the voters of each district (16 V.S.A. § 706b(b)(11)): November 7, 2017	
Date on which the new district, if approved, will begin operating (16 V.S.A. § 706b(b)(12)): July 1, 2018	
Combined ADM of all “necessary” districts in the current fiscal year: 338.97	
Proposed name of new district: Mettawee School District	

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. *Bulleated 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>	<ul style="list-style-type: none"> • A single board will be better able to establish a unified vision K-12. • This merger would expand options for students in grades 7-12 by designating two schools for all students. 	
<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"> • A single board will be better able to monitor outcomes for all students. • A single board K-12 will provide better oversight of the transition from grade 6 to grade 7. • A single board will support stronger engagement with New York districts to better student outcomes at the high school level. 	
<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"> • A single district will reduce duplicative governance-related activities and allow administration to put a greater focus on instructional leadership. 	

<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"> • Transparency would increase because voters in the region would have a single budget instead of three. • Reducing the number of districts from three to one would allow for the creation of stronger accountability systems. Parents and taxpayers would only have one board to approach to address their questions and concerns. 	
<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"> • This merger would reduce some operational costs such as the costs for financial audits, board member stipends, and transportation coordinator stipends. • This merger would preserve the financial advantages of designating New York schools which have tuition rates approximately 40% less than the Vermont average union tuition rate. 	
<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>	<ul style="list-style-type: none"> • This merger would create a single unified union school district in a regional currently composed of three school districts. This merger would not geographically isolate any district. 	

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

<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>	<ul style="list-style-type: none"> • The Unified Union School District would operate a school for students in grades PreK-6, the Mettawee Community School. • The Unified Union School District would designate two schools in New York for students in grades 7-12, the Salem Washington Academy Jr./Sr. High School in Salem, NY and Granville Jr./Sr. High School in Granville, NY. 	
<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>	<ul style="list-style-type: none"> • No new schools would be constructed or renovated because of this merger. 	
<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>The Unified Union School District will assume operational control of the Mettawee Community School on July 1, 2018. To ensure a smooth transition to unified operations, the Unified Union School District School Board shall:</p> <ul style="list-style-type: none"> • Determine, in accordance with state and federal law, the transportation services to be provided to students in the District; • Develop school district policies; • Assign staff to ensure equitable programming while at the same time preserving continuity and quality of services; • Develop curriculum and related assessment measures necessary to fulfill the Education Quality Standards; and • Prepare for and negotiate collective bargaining agreements consistent with 16 VSA Chapter 53, Subchapter 3 (transition of employees). 	
<p>(6) The indebtedness of the proposed merging districts that the proposed union school district shall assume.</p>	<p>The Unified Union School District will assume all debts from the merging districts. Union District #47, with debt of \$13,058, is the only one of these districts with any 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 Unified Union School District will assume ownership of the Mettawee Community School which has an insured value of \$4,403,585.</p> <p>No later than June 30, 2018, the forming districts will convey and transfer to the Unified Union School District all 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>		
<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"> * no more than 18 members total * each member town is entitled to at least one representative * <i>see also</i> 16 V.S.A. § 706k(c): one or more at-large directors * <i>see also</i> 16 V.S.A. § 707(c): weighted voting 	<p>Apportionment of representation on the Unified Union School District School Board shall be consistent with the proportional representation requirements of the Equal Protection Clause. The Board will be composed of six director positions, four from Pawlet and two from Rupert. This ratio of representation equals the approximate ratio of residents of the two towns: as of the last US Census, Pawlet had 1,477 residents and Rupert had 714.</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>The initial term of office for directors will be as follows:</p> <table border="1" data-bbox="709 175 1665 451"> <thead> <tr> <th>Initial Term</th> <th>1 Year</th> <th>2 Year</th> <th>3 Year</th> </tr> </thead> <tbody> <tr> <td>Next Election</td> <td>2019</td> <td>2020</td> <td>2021</td> </tr> <tr> <td>Pawlet</td> <td>1</td> <td>1</td> <td>2</td> </tr> <tr> <td>Rupert</td> <td>1</td> <td>0</td> <td>1</td> </tr> </tbody> </table>	Initial Term	1 Year	2 Year	3 Year	Next Election	2019	2020	2021	Pawlet	1	1	2	Rupert	1	0	1	
Initial Term	1 Year	2 Year	3 Year															
Next Election	2019	2020	2021															
Pawlet	1	1	2															
Rupert	1	0	1															
<p>(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 <i>(please list each matter separately)</i></p>	<p>All questions, including the Union School District budget, will be voted on by Australian ballot. See Article 10.</p> <p>Tuition rates for students attending schools other than their current designated schools would be grandfathered. See Article 11.</p>																	

METTAWEE SCHOOL DISTRICT

MERGER STUDY REPORT AND ARTICLES OF AGREEMENT

PAWLET ▪ RUPERT ▪ UNION DISTRICT #47

September 1, 2017

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Merger Study Committee Members

Susan Hosley (Pawlet) – Chairperson
William Meyer (Rupert) - Clerk
Eugene Ceglowski (Rupert)
Diane Mach (Pawlet)
John Malcolm (Pawlet)
Scott McChesney (Pawlet)
William Morrissey (Pawlet)

Committee Support Staff

Jacquelyne Wilson, BRSU Superintendent
Susan Wilborn, BRSU Business Manager
Celeste Keel, Administrative Assistant
Daniel French, Consultant
Steven Stitzel, Legal Counsel

Executive Summary

This proposed merger would merge three school districts into a single, unified union school district. The Pawlet and Rupert Town School Districts previously formed a union school district, Union District #47, to operate the Mettawee Community School and to educate their resident students in grades PreK-6. For students in grades 7-12, the town school districts designated New York schools as per 16 VSA § 827(e)(1). Pawlet designated the Granville Jr./Sr. High School and Rupert designated the Salem Washington Academy Jr./Sr. High School. Through this merger, the Mettawee School District would be established as a unified union school district PreK-12, and the new district would operate the Mettawee Community School for students in grades PreK-6 and designate both New York schools for students in grades 7-12. The law (16 VSA 827(e)(1)) would probably need to be amended to include the new unified union district. The new school board would retain the ability, as provided by the law, to allow students in grades 7-12 to attend schools other than the designated schools.

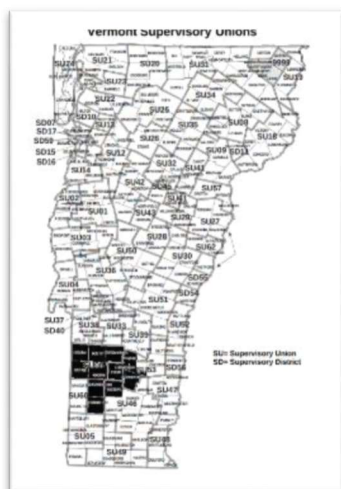
This merger would qualify as a Side-By-Side merger structure with the recently formed Taconic and Green Regional School District. A letter of support from the Chairperson of the Taconic and Green Regional School Board documenting its support of the Side-By-Side structure is included in the appendices of this report. If this merger is approved by the voters in both Pawlet and Rupert, this merger would qualify for the Side-By-Side RED tax incentives provided by the law.

This merger would generate nominal savings through the elimination of redundant administrative activities associated with moving from three school boards to a single school board. The Committee believes a single board will allow the district's leadership to better focus on continuous organizational improvement, and create a better framework to ensure equity of opportunity for all students. The Committee believes a single board will be able to interface with its partner New York districts in a more effective manner.

Governance Study Context and Process

The Bennington-Rutland Supervisory Union and Act 46

The Pawlet, Rupert and Mettawee districts are part of the Bennington-Rutland Supervisory Union (BRSU) in southwestern Vermont. As part of the BRSU, these districts participated in regional conversations pertaining



to Act 46 soon after the legislation was enacted in the spring of 2015. These conversations were largely focused on whether BRSU districts would attempt to form a single supervisory district under the Accelerated Merger Option provided by the law. Since there are a variety of enrollment configurations among BRSU districts, it was concluded that a supervisory district model was unlikely to be successful since it would require many districts to change their operating configuration.

One of the more unique operating configurations among BRSU districts is the configuration of the districts included in this proposed merger. Both Pawlet and Rupert have special dispensation under the law to designate high schools in New York due to their geographic proximity to the New York border. They share this operating configuration with one other Vermont

school district, the Wells Town School District, but Wells is part of the neighboring Rutland Southwest Supervisory Union. The common governance configuration among Pawlet, Rupert, and Wells led these three districts to form a merger study committee in the winter of 2016 to explore the option of merging these districts along with Union District #47 to form a Regional Education District and to qualify for the related merger tax incentives.

The Pawlet-Rupert-Wells Merger Study Committee

The Pawlet-Rupert-Wells merger study committee held several public forums to explore its merger options. Early in the process, the issue of maintaining designation with New York high schools was identified as a major issue of concern in all three communities. All three had designated New York high schools, but Wells also had a special relationship with Poultney, its neighboring district to the north. Poultney, like Wells, is a member of the Rutland Southwest Supervisory Union.

Wells had received special consideration under Vermont law pertaining to the tuition rate it paid to Poultney. This special relationship with Poultney was not shared by Pawlet and Rupert who over the years had sent relatively few students to Poultney

Unless otherwise directed by an affirmative vote of the school district, when the Wells Board approves parental requests to pay tuition to a nondesignated approved independent or public school, the Board shall pay tuition in an amount not to exceed the base education amount as determined under section 4011 of this title for the fiscal year in which tuition is being paid.

16 VSA § 827(e)(2)

High School. As the merger committee focused on this issue, the Wells members of the committee determined it would be better to merge the districts without designation and therefore giving parents school

choice in grades 7-12. A majority of the Committee members did not support this approach, however, so the Committee determined it was not advisable to merge these districts. Wells went on to join a merger study committee with other districts in the Rutland Southwest Supervisory Union, and Pawlet and Rupert reconsidered their merger options knowing that they now lacked the fourth district necessary to form a RED.

The Pawlet-Rupert Merger Study Committee

With the demise of the first merger study committee with Wells, the Pawlet and Rupert school boards agreed to put a non-binding article before their voters at the election held in November 2016 to get input on whether to preserve designation or not. The result of the votes in both communities was in favor of maintaining designation. The Pawlet and Rupert school boards then formed a new merger study committee. The Committee held several public meetings in the spring of 2017 and ultimately decided it was advisable to merge these districts while maintaining designation to the New York schools. Since Act 46 allows for the designation of up to three schools, the Committee concluded it would be advantageous for the new district to designate both the Granville, NY and Salem, NY schools.

Merger Committee Findings

Policy Objectives of Act 46

The Committee concluded this merger would be an effective solution for the region to meet the policy objectives of Act 46. These policy objectives are focused on creating a more sustainable school district governance system to support local decisions that:

1. Provide substantial equity in the quality and variety of educational opportunities;
2. Lead students to achieve or exceed the State's Education Quality Standards;
3. 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;
4. Promote transparency and accountability; and
5. Are delivered at a cost that parents, voters, and taxpayers value.

Equity in the Quality and Variety of Educational Opportunities

This merger strengthens what has been a very successful educational ecosystem comprised of the Mettawee Community School for students in grades PreK-6 and designated New York schools for students in grades 7-12. Under this merger, students will have access to an expanded variety of educational opportunities since both New York schools will be designated schools for the district, and students would have a choice to attend either designated school.

This merger supports the continued success of the Mettawee Community School, a school that was founded on a commitment to equity and academic excellence. The merger would streamline the governance of



Mettawee Community School

Mettawee and broaden the governance focus of the board to PreK-12.

Like any Vermont district that decides not to operate a school or schools, the new district will have limited oversight of the educational experience for students in grades 7-12. The Committee feels confident, however, that the strong public education options afforded by both the Granville and Salem schools will continue to serve students well in the future as they have in the past.

Achieve or Exceed the State's Education Quality Standards

The Committee believes this merger will support all students with achieving or exceeding Vermont's Education Quality Standards. The merger will enhance the governance of the Mettawee Community School to support a PreK-12 perspective when considering student outcomes. Although the designated schools are not specifically aligned to Vermont's Educational Quality Standards, both the Granville and Salem schools are state-approved schools in New York with comprehensive curricula organized around the same national standards as Vermont's including the Common Core and the Next Generation Science Standards. Additionally, both New York schools are members of the Washington-Saratoga-Warren-Hamilton-Essex BOCES in Ft. Edward, NY. The BOCES provides comprehensive career and technical center programming in twenty-one career fields, specialized programs for special needs students, academic enrichment programs in areas such as science, technology, and engineering, and early college and dual enrollment programs through the SUNY college system.

Maximize Operational Efficiencies

This merger will establish one school board with oversight over all the education spending in the region. The new district will only employ staff at the Mettawee Community School. No impact on the staffing structure at the Mettawee Community School is anticipated because of this merger.

Promote Transparency and Accountability

This merger will increase transparency and accountability to voters by summarizing all education spending in one budget instead of three. Tax payers will be able to address their questions about district operations to one board instead of multiple boards.

In the past, there has been limited interaction between the Vermont districts and the New York districts at the governance level. Having three districts on the Vermont side of the relationship has impacted the ability of New York districts to establish positive working relationships with their partners in Vermont. One board and one district on the Vermont side will support a stronger relationship among all the districts, and support

the ability of the new board to provide a smooth instructional transition for students from grade 6 to grade 7. One board will also be better able to monitor student outcomes in high school.

Delivered at a Cost that Parents, Voters, and Taxpayers Value

The merger will reduce the costs of financial audits and some stipends related to governance activities. These savings will be nominal, however. This merger, in conjunction with the formation of the Taconic and Green Regional School District, will qualify for the tax rate reduction merger incentives provided by Act 49. This merger also preserves the financial advantages of designating New York schools which have tuition rates approximately 40% lower than the Vermont union district average tuition rate.

Projected Tax Rate Implications

The best measure of the financial implications of this merger is the impact on the residential education property tax rate. Since this merger would combine two non-operating districts (Pawlet and Rupert Town School Districts) with a union district already comprised of the same two towns (Union District #47), not much would change from a financial perspective other than the tax rate for the merged district will likely move towards the approximate average tax rate for three districts over time.

The tax rate calculations in this section of the report are projections for comparison basis only. Some of these data were developed at different points of time during the 2016-2017 budget cycle. Some variables, such as the Property Yield Value, were determined by the General Assembly later in the year after these projections were finalized.

The projected pre-incentive tax rate for the merged district is shown below in Table 1.

Table 1: Pawlet and Rupert Merged Tax Rate Without Incentives

		Mettawee	Pawlet	Rupert	Merged
A	Education Spending	\$2,835,336	\$1,313,318	\$409,328	\$4,557,982
B	Equalized Pupils	174.90	129.05	37.45	341.40
C	Education Spending Per Pupil (a ÷ b)	\$16,211	\$10,177	\$10,930	\$13,351
D	Property Yield	\$10,077	\$10,077	\$10,077	\$10,077
E	Equalized Tax Rate (c ÷ d)	\$1.609	\$1.010	\$1.085	\$1.325
F	Equalized Tax Rates Including Mettawee Share (Pre-CLA)		\$1.310	\$1.372	\$1.325

These tax rates would be reduced by the tax incentives provided by Act 46/49 as part of a side-by-side merger with the Taconic and Green Regional School District. The tax rate incentive in the first year of the merger is \$0.08. The comparisons between the merged tax rate with incentive to the current district tax rates is shown below in Table 2. The FY19 merged tax rate is modeled from FY18 budget figures. These are not true projections for FY19, but meant to show how incentives would be applied with certain assumptions.

Table 2: Merged FY19 Tax Rate Comparison with Incentive

FY19 Merged Tax Rate (Pre-CLA/based on FY18 figures)	\$1.325
Incentive	-0.08
Adjusted for Incentive	\$1.245
Pawlet	
Pawlet FY18 Projected Tax Rate	\$1.31
Tax Rate Variance (Increase/(Decrease) from FY18)	-5%
FY19 Projected Tax Rate with 5% Limitation Applied	\$1.245
Rupert	
Rupert FY18 Projected Tax Rate	1.372
Tax Rate Variance (Increase/(Decrease) from FY18)	-9.3%
FY19 Projected Tax Rate with 5% Limitation Applied	1.303

The Committee evaluated several tax rate scenarios related to eliminating designation and allowing for school choice. These scenarios were based on the enrollment numbers and costs listed below in Table 3.

Table 3: FY18 Budgeted Tuition Students and Tuition Rates

FY18 Tuition Students Budgeted	Pawlet	Rupert	Merged
Granville	56.00	1.00	57.00
Salem	4.00	25.00	29.00
Other Public/Private Schools	49.00	7.00	56.00
Total Students	109.00	33.00	142.00
Union School State Average	\$15,130	\$15,130	
Tuition Rate (Budgeted)	9,000	8,200	
Variance Between Union School Average and NY Budgeted Rates	\$6,130	\$6,930	

The Committee used these numbers to evaluate the impact on the merged tax rate. Even with full choice, students would still be able to attend the New York schools so the Committee looked at several different scenarios based on probable changes in enrollment caused by eliminating designation. These enrollment scenarios are described below in Table 4. Eliminating designation was projected to increase the merged tax rate somewhere between 10 cents to 26 cents depending on how many students chose to attend a school other than one of the New York schools.

Table 4: Projected Increases to Merged Tax Rate Without Designation

Additional Costs Assuming No Designation	Pawlet	Rupert	Merged
56 Students Attending Other Public/Private Schools	\$300,370	\$48,510	\$348,880
Increase to the Tax Rate			\$0.101
77.5 Students Attending Other Public/Private School (includes 25% of NY Students)	\$392,320	\$93,555	\$485,875
Increase to the Tax Rate			\$0.141
99 Students Attending Other Public/Private School (includes 50% of NY Students)	\$484,270	\$138,600	\$622,870
Increase to the Tax Rate			\$0.181
142 Students Attending Other Public/Private School (includes 100% of NY Students)	\$668,170	\$228,690	\$896,860
Increase to the Tax Rate			\$0.261

The Committee also reviewed the affordability of eliminating designation by looking at how changes in enrollment patterns might affect the costs of residential education property taxes based on income sensitivity. Table 5 below describes the affordability of eliminating designation on a house site valued at \$250,000 with household incomes of \$50,000, \$75,000, and \$100,000.

Table 5: Merged Tax Rate and Income Sensitivity

	With Designation	Without Designation	25% of current NY Students Attend Other Schools	50% of current NY Students Attend Other Schools	100% of current NY Students Attend Other Schools
Education Spending	\$4,557,982	\$4,906,862	\$5,043,857	\$5,180,852	\$5,454,842
Equalized Pupils	341.40	341.40	341.40	341.40	341.40
Education Spending/Equalized Pupil	\$13,351	\$14,373	\$14,774	\$15,175	\$15,978
Income Yield	\$11,851	\$11,851	\$11,851	\$11,851	\$11,851
Income Percentage Cap	2.25%	2.43%	2.49%	2.56%	2.70%
Projected Merged Equalized Education Tax Rate	\$1.325	\$1.426	\$1.466	\$1.506	\$1.586
Education Taxes on a Property with a Housesite Value of \$250,000	\$3,313	\$3,565	\$3,665	\$3,765	\$3,965
Cap on education taxes for an income of \$50,000	\$1,125	\$1,215	\$1,245	\$1,280	\$1,350
Cap on education taxes for an income of \$75,000	\$1,688	\$1,823	\$1,868	\$1,920	\$2,025
Cap on education taxes for an income of \$100,000	\$2,250	\$2,430	\$2,490	\$2,560	\$2,700

The Committee considered a scenario where designation was partially eliminated. In this scenario, the New York schools were designated for grades 7 and 8 only, and students in grades 9-12 would have school choice. Whereas the total elimination of school choice was predicted to cause the tax rate to increase from about 10 cents to 26 cents, under this scenario the tax rate would increase 7 cents to 13 cents.

Table 6: Projected Increases to Merged Tax Rate with Designation Grades 7 and 8 Only

	Designation	Students Attending Where Budgeted	Additional 25% NY Students attend VT	Additional 50% NY Students attend VT	Additional 100% NY Students attend VT
FY19 Merged Tax Rate	\$1.325	\$1.397	\$1.426	\$1.455	\$1.513
Year 1 Incentive	(0.080)	(0.080)	(0.080)	(0.080)	(0.080)
FY19 Merged Tax Rate Adjusted for Incentive	\$1.245	\$1.317	\$1.346	\$1.375	\$1.433
Pawlet					
Pawlet FY18 Projected Tax Rate	\$1.310	\$1.310	\$1.310	\$1.310	\$1.310
Tax Rate Variance (from FY18)	-5.0%	0.5%	2.7%	5.0%	9.4%
FY19 Projected Tax Rate with 5% Limitation Applied	\$1.245	\$1.317	\$1.346	\$1.375	\$1.376
Rupert					
Rupert FY18 Projected Tax Rate*	\$1.372	\$1.372	\$1.372	\$1.372	\$1.372
Tax Rate Variance (from FY18)	-9.3%	-4.0%	-1.9%	0.2%	4.4%
FY19 Projected Tax Rate with 5% Limitation Applied	\$1.303	\$1.317	\$1.346	\$1.375	\$1.433

Assets and Liabilities

All current assets and liabilities of the forming districts would become property of the new district on July 1, 2018. This gives the forming districts several months to determine how to address their assets and reserve fund balances prior to the merger. The Mettawee Community School and its immediate grounds will be sold to the new district for one dollar under a provision that requires the new district to sell the property back to the towns under similar terms if the new district ends up not operating a school at a future date.

All reserve fund balances on June 30, 2018 will be transferred to the new district under the terms specified in the merger Articles of Agreement. The table below summarizes the major assets and liabilities of the districts.

Table 7: Assets and Liabilities

			6/30/17 Balances (Reserves are Estimated)
Mettawee	Asset	Building	\$4,403,585
Mettawee	Asset	Building Maintenance Reserve Fund	\$150,000
Mettawee	Liability	GMP Lighting Loan	\$13,058
Pawlet	Asset	Tax Stabilization Reserves	\$411,783
Rupert	Asset	Tax Stabilization Reserves	\$336,366
Rupert	Asset	Anticipated Fund Balance FY17	\$83,617

Mettawee’s GMP Lighting Loan will be paid off by 5/1/2020.

Student Transportation

Although student transportation would be under the control of the new school board, the Committee considered the impact of merging the districts on student transportation from an equity perspective. The poverty rates among the districts is relatively high as measured by the Free and Reduced Lunch rate at the Mettawee Community School of approximately 50%. The poverty rate, when considered in conjunction with the relatively low population density of the area, means that many students rely on district transportation to attend school and school-related activities. In many cases, students ride the bus 35 to 40 minutes just to arrive at the route transfer points in Rupert Village or at the Mettawee Community School. Students in grades 7-12 have an additional 15 to 20-minute ride to schools in Salem or Granville from the transfer points.

The Committee believes it is essential to maintain a commitment to providing all resident students access to student transportation in a merged district to ensure equity of educational opportunity. The Committee considered the impact of eliminating designation while at the same time maintaining an equitable commitment to transportation for all students. If student transportation routes were implemented to the Manchester area, many students in the Pawlet area would be on the school bus for well over 60 minutes one way.

Table 8: Student Transportation Distances

	Rupert Village Transfer	Mettawee Transfer
Salem Washington Academy Jr./Sr. High School	11 miles	N/A
Granville Jr./Sr. High School	N/A	11 miles
Long Trail School	8 miles	14 miles
Burr and Burton Academy	15 miles	21 miles
Manchester Elementary/Middle School	14 miles	21 miles

Attendance at Non-Designated Schools

It would be within the authority of the new school board to provide tuition support for students to attend schools other than the designated schools. Both the Rupert School Board and the Pawlet School Board have

(c) A parent or legal guardian who is dissatisfied with the instruction provided at a designated school or who cannot obtain for his or her child the kind of course or instruction desired there, or whose child can be better accommodated in an approved independent or public high school nearer his or her home during the next academic year, may request on or before April 15 that the school board pay tuition to another approved independent or public high school selected by the parent or guardian.

(d) The school board may pay tuition to another approved high school as requested by the parent or legal guardian if in its judgment that will best serve the interests of the student. Its decision shall be final in regard to the institution the student may attend.

16 VSA § 827

Supervisory Union and is a non-operating district. The Committee believes Sandgate intends to pursue a merger with other non-operating districts in the region. This merger does not geographically isolate Sandgate from its other merger options.

To the east are the Danby and Dorset school districts. These districts have successfully merged as part of the recently formed Taconic and Green Regional School District.

adopted a liberal disposition towards this issue over the years. The Committee believes a similar flexible approach should be adopted by the board of the merged district since it has served the districts and families well in the past.

Geographic Isolation of Other Districts

The Committee has examined its merger options from a regional perspective. The only neighboring district that could be a potential merger partner to these districts is Wells, and that option was explored extensively through a previous merger study committee.

Sandgate is the neighboring district to the south of Rupert in the Battenkill Valley

Articles of Agreement

The Merger Study Committee recommends the following Articles of Agreement be adopted by each of the necessary school districts for the creation of a Pre-Kindergarten through Grade 12 unified union school district (operating grades Pre-Kindergarten through Grade 6) to be named the Mettawee School District, hereinafter referred to as “Union School District.”

Article 1: Necessary and Advisable School Districts

The Pawlet Town School District and the Rupert Town School District are necessary districts for the establishment of the Union School District. Union District #47 (Mettawee Community School), formed by the Pawlet and Rupert town school districts, is also necessary to creation of the Union School District but, by statute, the two town districts represent its interests.

If the Union School District is formed, then the districts that voted in favor of merger shall be referred to herein as the “Forming Districts”.

The Union School District shall become effective on the date these Articles are approved by a majority vote of the electorates of both Forming Districts in meetings warned for the adoption of these articles, and said votes become final per 16 V.S.A. 706g. Provided however that such votes shall not become effective unless the voters of the Forming Districts vote on the same day that these Articles are submitted to the voters to designate the Granville Jr./Sr. High School in Granville, New York, and the Salem Washington Academy Jr./Sr. High School in Salem, New York, to provide high school education for grades 7-12 and the Legislature amends 16 VSA § 827(e) accordingly.

Article 2: Additional Districts Advisable to the Merger

There are no additional districts being recommended as advisable districts to the merger.

Article 3: Grades to be Operated by the Union School District

Upon being formed, the Union School District will provide Pre-Kindergarten through Grade Six education to all students in the Union School District by operating the Mettawee Community School beginning with the 2018-2019 school year. The Union School District will designate two New York high schools, the Granville Jr./Sr. High School in Granville, New York, and the Salem Washington Academy Jr./Sr. High School in Salem, New York, for students in grades 7-12. The Union School District school board shall retain the ability, as provided by the law, to allow students in grades 7-12 to attend schools other than the designated schools for students in grades 7-12.

School Designation Article to be voted by Pawlet and Rupert:

If the voters of Pawlet and Rupert vote to create the Union School District and if the Legislature amends 16 VSA § 827(e), then shall the voters designate the Granville Jr./Sr. High School in Granville, New York, and the Salem Washington Academy Jr./Sr. High School in Salem, New York, for the education of students in grades 7-12?

Article 4: New Schools to be Constructed

No new school construction is necessary to, or proposed for, the formation of the Union School District.

Article 5: First Year of District Operations

The Union School District will provide for the transportation of students, assignment of staff, curricula, education programs, and student services that, to the extent practicable, are consistent with the contracts, policies and practices that were in existence during the year immediately preceding the first year of the Union School District's operation.

The Union School District Board of Directors 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 Union School 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 Union School District Board will comply with the pre-existing master agreements pursuant to 16 VSA Chapter 53, Subchapter 3. The Union School District shall honor all individual employment contracts that are in place for the forming districts on June 30, 2018, until their respective termination dates.

The Board of School Directors of the Union School District shall make all subsequent decisions relative to the operation of the new district consistent with state and federal laws and these Articles of Agreement.

Article 6: Assumption of Assets, Debt, and Property

All operating surpluses and/or deficits of any of the forming districts shall become the property, and/or the obligation of the Union School District, effective July 1, 2018. Those forming districts with surpluses or remaining reserve funds as of the close of business on June 30, 2018, will transfer all such funds to the Union School District. Reserve funds or like accounts held by school districts prior to June 30, 2018, that have specified conditions of use will be used in accordance with said provisions. All debts or obligations of the forming districts shall be transferred to and assumed by the Union School District.

The debt and funds specified above shall be transferred to the Union School District in accordance with procedures and timelines established by the Union School District Board following its organizational meeting, as further discussed in Article 11.

Article 7: Transfer of Real Property

The transfer of real property will be implemented as described by Article 10.

Article 8: School Board Configuration

The configuration of the school board will be established as described by Article 10.

Article 9: Initial Board Member Terms of Office and Election

The term of office for School Directors elected on November 7, 2017 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 § 706), when the initial school directors will begin their term of office, and the date of the Union School District’s annual meeting in the spring of 2019, as established under 16 VSA § 706. Thereafter, terms of office shall be three (3) years and shall begin and expire on the date of the Union School District’s Annual Meeting. The following table establish the dates of the initial terms of office.

Initial Term	1 Year	2 Year	3 Year
Next Election	2019	2020	2021
Pawlet	1	1	2
Rupert	1	0	1

Article 10: Vote to Form the Union School District

The articles to create the Union School District will be submitted to the voters of each forming district identified in Article One on November 7, 2017. The vote will be by Australian ballot and ballots will not be commingled. The form of the article to be submitted to the voters shall be substantially as follows:

Shall the voters of the _____ School District vote to form the Mettawee School District (“Union School District”) on the following terms:

1. The Pawlet Town School District and the Rupert Town School District are necessary districts for the establishment of the Union School District. Union District #47 (Mettawee Community School), formed by the Pawlet and Rupert town school districts, is also necessary to creation of the Union School District but, by statute, the two town districts represent its interests.

2. The Union School District will operate the Mettawee Community School in Grades Pre-Kindergarten through Six (PreK-6) and designate the Granville Jr./Sr. High School and the Salem Washington Academy Jr./Sr. High School for students in Grades Seven through Twelve (7-12) to provide education for all students in the Union School District. The Union School District school board shall retain the ability, as provided by the law, to allow students in grades 7-12 to attend schools other than the designated schools for students in grades 7-12.
3. The Union School District Board of Directors shall be composed of six (6) directors. Directors shall be nominated from the legal voters of each town and shall be elected by Australian Ballot vote by the voters of each town. Pawlet shall have four (4) directors and Rupert shall have two (2) directors, and directors shall have equal votes.
4. Real Estate and Personal Property
 - a. No later than June 30, 2018, the forming districts will convey to the Union School District, for the sum of One Dollar, and subject to all encumbrances of record, all school-related real estate and personal property owned by them, including all school-related land, buildings, and contents.
 - b. Disposal of Real Estate. Except as provided below for any properties conveyed to the Union School District by Union School District #47, 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 school properties to a town 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.

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 Union School District #47 is or are unnecessary to the continued operation of the Union School District and its educational programs, the Union School District shall sell such real property, 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, upon such terms and conditions as established by the Union School District Board of School Directors.

5. Transfer of Funds

- a. Capital Debt. The Union School District shall assume all capital debt of forming districts, including both principal and interest, as may exist at the close of business on June 30, 2018.
 - b. Operating Fund Surpluses and Deficits. The Union School District shall assume any and all general operating surpluses and deficits of the forming districts that may exist at the close of business on June 30, 2018. In addition, reserve funds identified for specific purposes will be transferred to the Union School District and will be applied for said purpose unless otherwise determined through appropriate legal procedures.
 - c. Specified Funds. The forming districts will transfer to the Union School 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 prior to June 30, 2018, that have specified conditions of use will be used in accordance with said provisions.
6. Australian Ballot. The Union School District voters shall vote on the budget and other public questions by Australian ballot with polling places provided in each member town. Ballots will be delivered to the Union District Clerk and commingled for counting.
 7. The provisions of the Merger Study Report and Articles of Agreement approved by the State Board of Education on _____, 2017 which is on file at the offices of the Bennington-Rutland Supervisory Union, shall govern the Union School District.

Article 11: Grandfathering of Tuition Rates

As of July 1, 2018, for those students who attended schools other than their designated school during the 2017-2108 school year and were approved by their school board for tuition support as per 16 VSA 827(d), the per pupil tuition amount the district may pay in future years as defined by 16 VSA 827(d)(2) shall be the current tuition rate of the student's 2017-2018 designated school as long as the student remains enrolled at the non-designated school.

Article 12: Operating Date

Upon an affirmative vote of the electorates of each district and upon compliance with 16 VSA § 706g, the Union School District Board 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, 2018. The Union School District Board shall, between the date of its organizational meeting under 16 VSA § 706j and June 30, 2018, undertake planning and related duties necessary to begin operation of the Union School District on July 1, 2018, including preparing for and negotiating contractual agreements, preparing and presenting the budget for fiscal year 2019, preparing for the first Union School District Annual Meeting, and transacting 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 forming districts that will remain in existence during the transition period for the purpose of completing any business not given to the Union School District.

Article 13: Forming Districts Cease to Exist

On July 1, 2018, when the Union School District becomes fully operational and begins to provide educational services to students, the forming districts 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, 2018 when the forming districts shall cease to exist.

Appendices and Data

Letters to confirm side-by-side (SU chair/other side committee chair)

Selected Town Demographic Data

These data come from the most recent US Census information.

Table 9: Selected Town Demographic Data

	Pawlet	Rupert
Total Population	1,477	714
Percent of Population Under 5	5.8%	3.5%
Median Age	43.8	48.5
Total Households	606	309
Family Households	411	70.2
High School or Higher	93.3%	89.2%
BA or Higher	38.8%	27.2%
Median Family Income	\$62,000	\$67,321
Individuals Below Poverty Level	12.3%	3.4%

Enrollment by Grade Level, October 1, 2016

Table 10: Enrollment by Grade Level, October 1, 2016

Grade	Pawlet	Rupert	Total
Pre-Kindergarten	31	9	40
Kindergarten	14	7	21
Grade 1	13	6	19
Grade 2	23	7	30
Grade 3	13	6	19
Grade 4	20	9	29
Grade 5	20	4	24
Grade 6	19	3	22
Grade 7	12	5	17
Grade 8	24	7	31
Grade 9	17	5	22
Grade 10	22	4	26
Grade 11	15	10	25
Grade 12	24	5	29

Equalized Pupils by District

The State finalizes these data each year in December.

	Pawlet (7-12)	Rupert (7-12)	UD #47 (PK-6)
FY 2009	104.67	57.13	181.32
FY 2010	106.51	55.30	175.50
FY 2011	116.55	53.45	168.87
FY 2012	122.11	52.85	158.84
FY 2013	127.33	51.83	158.40
FY 2014	132.12	46.91	160.64
FY 2015	132.89	41.90	157.31
FY 2016	119.99	37.56	174.03
FY 2017	123.98	33.51	176.12
FY 2018	129.05	37.45	174.90

Projected Pre-CLA Residential Property Tax Rates

These data come from budget projections published each January. Actual tax rates might vary due to changes in the funding formula which are made later in the year by the General Assembly.

Table 11: Projected Pre-CLA Residential Property Tax Rates

	Pawlet (7-12)	Rupert (7-12)	UD #47 (PK-6)
FY 2009	\$0.9384	\$1.1279	\$1.2140
FY 2010	\$0.9381	\$0.8643	\$1.2458
FY 2011	\$0.9378	\$0.8600	\$1.2939
FY 2012	\$0.9313	\$0.9463	\$1.3703
FY 2013	\$0.9761	\$1.0169	\$1.4660
FY 2014	\$1.0285	\$0.9815	\$1.5128
FY 2015	\$1.0100	\$1.0015	\$1.6408
FY 2016	\$1.1542	\$0.9908	\$1.6303
FY 2017	\$1.1820	\$1.0000	\$1.6344
FY 2018	\$1.0361	\$1.0848	\$1.6089

Granville and Salem Tuition Rates*

Table 12: Granville and Salem Tuition Rates

	Granville	Salem
FY 2008	\$6,680	\$5,829
FY 2009	\$6,747	\$5,739
FY 2010	\$7,253	\$7,223
FY 2011	\$7,975	\$8,694
FY 2012	\$8,000	\$7,388
FY 2013	\$8,000	\$6,909
FY 2014	\$8,200	\$7,029
FY 2015	\$8,500	\$8,795
FY 2016	\$8,755	\$7,739
FY 2017	\$8,750	\$5,495

*Actual tuition rates are announced after budgets have been approved. Granville announces its tuition rate in June for the following year and Salem announces its tuition rate in February of the school year. For example, FY18 Tuition rates were announced by Granville in June of 2017 and Rupert will announce its tuition rate in February of 2018.

DANBY
DORSET
MANCHESTER
MOUNTAIN TOWNS RED
MT. TABOR
PAWLET

BENNINGTON-RUTLAND SUPERVISORY UNION

6378 VT Route 7A
Sunderland, Vermont 05250-8427
Phone: 802-362-2452, Fax: 802-362-2455

RUPERT
SUNDERLAND
TACONIC & GREEN RSD
UNION DISTRICT #23
UNION DISTRICT #47
WINHALL

September 8, 2017

Vermont State Board of Education
Agency of Education
219 North Main Street, Suite 402
Barre, VT 05641

Dear State Board of Education,

The Taconic and Green Regional School District Board of Directors voted on September 8, 2017 to engage in a Side-By-Side merger with the proposed Mettawee School District (Pawlet, Rupert, and UD47). These districts have been long time neighbors and members of the Bennington Rutland Supervisory Union and we support continuing our relationship with them.

Sincerely,



Herbert Ogden
Board Chair
Taconic and Green Regional School District

STITZEL PAGE & FLETCHER PC

ATTORNEYS AT LAW

Steven F. Stitzel – sstitzel@firmspf.com – (802)660-2555



September 7, 2017

Stephan Morse, Chairman
VT Board of Education
219 North Main Street, Suite 402
Barre, VT 05641

✓ Rebecca Holcombe, Secretary
VT Agency of Education
219 North Main Street, Suite 402
Barre, VT 05641

Re: *Proposed Pawlet-Rupert School District Consolidation*

Dear Board Chair Morse and Secretary Holcombe:

I am writing to address the constitutionality of board member allocation among the two (2) towns that will be members of the proposed Mettawee Regional School District. The Articles of Agreement provide for formation of a six (6) member governing board with members having equal (non-weighted) votes. Using the most recent census data board members will be allocated among the two (2) member towns on the basis of population using the “highest remainder” methodology. This will ensure that each member town will have at least one member on the board and all six (6) seats will be allocated. The initial allocation will be as follows:

Pawlet	4
Rupert	2

The Equal Protection Clause of the US Constitution has been interpreted to require that elected governmental boards be composed of members who, ideally, represent similar numbers of constituents (based on population). The degree of “similarity” is measured by calculating deviations from what is “ideal”. For example, a five (5) member board elected to represent five (5) districts, each with a population of one thousand (1000), would be “ideal”. On the other hand, if the same five (5) member board represented districts with populations of 1000, 1000, 1000, 750 and 1250, respectively, one district would be 25% below the “ideal” and one would be 25% above. This results in an average population deviation of 10% and a maximum population deviation between two districts of 50%.

The combined population of the two (2) member towns of is 2,191. Ideally, then, each member of the six (6) member board would represent a population of 365. The proposed allocation results in the following deviations:

		Pop. per member	Deviation from 365
Pawlet	4	369	1.1%
Rupert	2	357	-2.2%