

AGENCY OF EDUCATION
Barre, Vermont

TEAM: School Governance Team

ITEM: Will the State Board of Education find that the proposed formation of a unified union school district to be created by six member districts of the **SOUTHWEST VERMONT SUPERVISORY UNION (SVSU)** and, alternatively, the proposed formation of a modified unified union school district 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 SVSU Merger Study Committee (Study Committee)?

RECOMMENDED ACTION:

1. That the State Board of Education finds:

a. that the proposed formation of a new unified union school district by six member districts of the SVSU is “in the best interests of the State, the students, and the school districts” pursuant to 16 V.S.A. § 706c(b); and alternatively

b. that the proposed formation of a new modified unified union school district within the SVSU is “in the best interests of the State, the students, and the school districts.”

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 (or modified unified union school district), if formed, to the SVSU for the purpose of receiving administrative and other transitional assistance 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), Secs. 2-4, as amended; Act 156 (2012), Sec. 17, as amended; Act 46 (2015); Act 49 (2017)

BACKGROUND INFORMATION: The SVSU consists of six school districts located in five towns, representing four distinct models of education governance:

- Three town elementary school districts, each of which operates a school offering Grades K-6 (Pownal, Shaftsbury, Woodford)
- One incorporated elementary school district that operates three schools offering Grades K-5 (Bennington ID)

- One incorporated elementary school district that pays tuition for all grades, PK-6 (North Bennington ID)
- One union high school district, of which the previous five elementary school districts are members, which operates a school offering Grade 6 for students residing in Bennington and Grades 7-12 for students residing in all five towns (Mount Anthony Union #14)

The five elementary school districts formed a study committee pursuant to 16 V.S.A. § 706 in the autumn of 2015 on their own behalf and representing the Mount Anthony Union High School District #14. The study committee disbanded in August 2016, in part to allow North Bennington to leave the study process and pursue other options, including withdrawal from Union District #14. The school districts continued to have informal conversations. In June 2017, the Bennington, Pownal, Shaftsbury, and Woodford school boards appointed members to a new study committee.

The Study Committee now proposes to create a new unified union school district (New Unified District) that provides for the education of resident students by operating one or more schools for all grades.

“Since the proposed structure of the new district would be to operate schools for students in grades K-12, the [Study] Committee believes it is unlikely that the voters of North Bennington will approve [the proposed] merger.” As a result, the Study Committee alternatively recommends creation of a modified unified union school district (MUUSD) pursuant to the criteria, processes, and timeline in Title 16, Act 153, Act 156, Act 46, and Act 49.

The Study Committee identifies the Bennington ID as “necessary” to the proposal pursuant to 16 V.S.A. § 706b(b)(1).

The Study Committee identifies the following school districts as “advisable” to the proposal pursuant to 16 V.S.A. § 701b(b)(2): the North Bennington ID¹; the Pownal, Shaftsbury, and Woodford School Districts; and Union District #14 (the interests of which are represented by the voters of its member school districts as required by statute).

In FY2017, the combined average daily membership (ADM) of the six SVSU districts was 3,198.87. The ADM of each district was as follows: Bennington ID – 987.58; North Bennington ID – 161.30; Pownal – 280.45; Shaftsbury – 290; Woodford– 24; and Union District #14 – 1,455.54 (B: 958.77; NB: 104.57; P: 191.75; S: 175.47; W: 25).

The vote whether to approve creation of the New Unified District will be on November 7, 2017:

- If the voters in the five elementary school districts vote in favor of the proposal, then the New Unified District will begin full operation as a unified union school district on July 1, 2019.
- If the voters in the Bennington ID and in either two or three of the four remaining elementary school districts vote in favor of the proposal, then the MUUSD will be formed and will begin full operation on July 1, 2019.

¹ Long-standing statute permits a study committee to include a district as advisable, even though that district was not a formal member of the study committee. 16 V.S.A. § 706b(b).

- No union school district will be formed in any other circumstance.

I. Unified Union School District

If approved by the State Board and the voters of the five town elementary districts in the SVSU on or before November 30, 2017, the New Unified District would be eligible for incentives and protections under Act 153, Secs. 2-5, because it would be a unified union district formed by the merger of at least four existing districts. It would also, alternatively, be eligible because it would be a new unified union district with a combined ADM in excess of 1,250.

The New Unified District, which would formally be named the Mount Anthony Unified School District, would provide for the education of all resident PK-12 students by operating one or more schools for each grade. The proposal would unify six existing school districts into a single supervisory district responsible for operating six elementary schools and one middle / high school. It would replace all current governing bodies with one unified union school board. The current grade configuration of each of the schools would not change during the first five years of operation.

A unified school board of 11 members would govern the New Unified District. Members would be allocated to each town in the same numbers as members of the current Union District #14 Board and would be elected by vote of all members of the New Unified District (the “hybrid model”).

During the first five years of operation, a currently operating school building could be closed only if approved by the voters of the town in which the building is located. In years six and after, a building could close only by approval of 75% of the Unified Board in two consecutive votes, with at least one year between the votes.

If an elementary school building is closed and would no longer be used for public education purposes, then the town in which the school building is located would have the right of first refusal and could purchase the property for \$1.00, provided that the town agreed to use the property for public and community purposes for a minimum of five years. The proposal includes provisions addressing use for these purposes for fewer than five years.

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

II. Modified Unified Union School District

If the MUUSD is formed, then it would be eligible for incentives and protections under Act 153, Secs. 2-5, as amended, pursuant to the provisions of Act 156, Sec. 17, as amended.

The MUUSD would be a PK-12 district providing (1) PK-12 education for students residing in Bennington and in the two or three other towns that voted to approve the merger and (2) Grade 7-12 education for students residing in the one or two districts that did not approve merger (the Non-Member Elementary District(s) or NMED(s)). The NMED(s) would continue to provide for

the education of resident PK-6 students (either by operating a school or paying tuition), elect representatives to its elementary school board, and adopt its own elementary school budget.

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.

“Using the work done by the previous study committee, the new [Study] Committee followed an expedited study process during the months of June and July 2017.” The Study Committee concluded that “merger would create a more sustainable and effective governance structure” and that:

A single board PreK-12 will be in a better position to provide equitable learning opportunities for all students, and will be better able to monitor student outcomes at each grade level to ensure all students meet high standards. A single district will allow for the creation of shared programming for students in need of remediation and for students in need of academic enrichment since district boundaries will no longer be a barrier to such access. A single board will also allow the district’s leadership to better focus on continuous organizational improvement instead of duplicative governance functions unrelated to student outcomes.

EDUCATION IMPLICATIONS:

The Study Committee identified educational opportunities arising from merger to include:

1. Better implementation of a single mission statement and unified vision
2. Greater consistency in delivering student support services
3. Opportunity for public elementary school choice
4. Increased ability to access co-curricular and extra-curricular programs and activities throughout the region
5. Increased ability for school leaders to focus on instructional leadership instead of duplicative governance functions
6. Improved ability to monitor data

FISCAL IMPLICATIONS:

The Study Committee projects \$100,000 in immediate, annual savings in administrative costs. It does not expect merger to produce more significant savings in the *near* term due to the many services that have already been centralized at the SU-level and the high percentage of district assets already shared through membership in Union District #14. The Study Committee asserts, however, that the merger will realize long-term financial benefits “through an improved management structure which will allow for a more effective allocation and

oversight of shared resources. This will be especially true in staffing.” Identified opportunities of merger include:

1. Flexibility to assign staff based on class sizes and ratios
2. “Improved communication among administrative staff – less ‘handoffs’ and dropped connections”
3. Consolidated payroll functions
4. Greater oversight and expertise sharing (e.g., maintenance)
5. Stabilized tax rates for smaller districts and moderates costs over time for major expenses
6. Increased purchasing power

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



AGENCY OF EDUCATION

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Item P-5

Study Committee Worksheet for All Phases of Voluntary Merger

Please submit this to the Agency with the Study Committee Report

Current Supervisory Union or Unions (list each)	Potentially Merging Districts Pursuant to 16 V.S.A. § 706b(b)(1)-(2) (list each)	Is the District:	
		Necessary	Advisable
Southwest Vermont Supervisory Union	Bennington Incorporated School District	X	
Southwest Vermont Supervisory Union	North Bennington Incorporated School District		X
Southwest Vermont Supervisory Union	Pownal Town School District		X
Southwest Vermont Supervisory Union	Shaftsbury Town School District		X
Southwest Vermont Supervisory Union	Woodford Town School District		X
Southwest Vermont Supervisory Union	Mount Anthony Union School District		X

Type of Merger	
<i>Please refer to the related eligibility worksheets to determine baseline eligibility for each merger type.</i>	(column reserved for agency use)
<input type="checkbox"/> Accelerated Merger (Act 46, Section 6)	
A Regional Education District (RED) or one of its variations (Act 153 (2010) and Act 156 (2012)) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> RED (Act 153, Secs. 2-3, as amended by Act 156 , Sec. 1 and Act 46, Sec. 16) <input type="checkbox"/> Side by Side Merger (Act 156 , Sec. 15) <ul style="list-style-type: none"> Districts involved in the related merger: <input type="checkbox"/> Layered Merger (Union Elementary School District) (Act 156, Sec. 16) <input checked="" 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, 2019	
Combined ADM of all “necessary” districts in the current fiscal year: 1623.20	
Proposed name of new district: Mount Anthony Unified 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. *Bulleted statements are acceptable.*

The Proposed School District is in the Best Interest of the State, Students, and School Districts – as required by 16 V.S.A. § 706c		
<p><u>Goal #1:</u> The proposed union school district will provide substantial equity in the quality and variety of educational opportunities.</p> <p><i>Act 46, Sec. 2(1)</i></p>	<ul style="list-style-type: none"> • Better implementation of a single mission statement and unified vision with focused goals for school effectiveness • Consistency in curriculum development – representative curriculum teams (PK-Elementary-MS- HS) • Greater consistency in delivery of student support systems including a comprehensive Multi-Tiered System of Supports (MTSS) • Supports better coordination of curriculum including PreK programming • Increases possibility for parents to access programs throughout the region including before/after school programs, arts, athletics, music, etc. • Increased flexibility in the deployment of instructional resources including staff • Creates the opportunity for elementary school choice 	
<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"> • Increases ability of administrators including school leaders to put more of their focus on instructional leadership instead of management tasks associated with duplicative governance functions • Better coordination and sharing of professional development that is targeted on student outcomes across the entire system, PK-12 • Improves monitoring of student achievement data and other indicators of student success across the entire system, PK-12 	

<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"> • More efficient oversight of finance systems and grants • Improved communication among administrative staff – less “handoffs” and dropped connections • Greater ability in assigning staff based on class sizes and student-teacher ratios • Greater oversight and sharing of expertise in areas such as maintenance for buildings and grounds • Less time spent on budgets, financial systems necessary to track funds between the supervisory union and member districts • Creates one treasurer and one audit • Consolidates payroll functions by creating one employer of record 	
<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"> • Creates one budget and one tax rate for all education spending in the region • Establishes one central school board for parental and community interaction 	

<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"> • Stabilizes tax rates for smaller districts • Reduces the possibility of exceeding the excess spending threshold • Reduces costs for annual audits • Reduces legal costs • Increases purchasing power • Moderates costs over time for major expenses, especially for smaller schools • Maintains revenues previously awarded through the Small Schools Support Grant 	
<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>This merger would not geographically isolate any district. This proposed merger includes all the districts that are currently members of the Mount Anthony Union School District and the Southwest Supervisory Union.</p>	

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

(3) The grades to be operated by the proposed union school district

The grades, if any, for which the proposed union school district shall pay tuition

The Unified Union School District would operate the following schools:

- Bennington Elementary (K-5)
- Molly Stark Elementary (K-5)
- Monument Elementary (K-5)
- Pownal Elementary (K-6)
- Shaftsbury Elementary (K-6)
- Woodford Hollow Elementary (K-6)
- Mount Anthony Union Middle School (6-8)
- Mount Anthony Union High School (9-12)

(4) The cost and general location of any proposed new schools to be constructed

The cost and general description of any proposed renovations

No new schools would be constructed because of this merger. No schools would be required to be renovated.

(5) A plan for the first year of the proposed union school district's operation for:

- (A) the transportation of students
- (B) the assignment of staff
- (C) curriculum

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)

The Unified Union School District will assume operational control of the schools listed above on July 1, 2019. To ensure a smooth transition to unified operations, the Unified Union School District School Board shall:

- Determine, in accordance with state and federal law, the transportation services to be provided to students in the Union School District;
- 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. The following merging districts have debts that will be assumed by the Unified Union School District.</p> <ul style="list-style-type: none"> • Bennington Independent School District \$4,602,894 • Mount Anthony Union School District \$4,529,267 • North Bennington Independent School District \$335,000 • Shaftsbury Town School District \$26,149 	
<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 would purchase the following schools for one dollar each. The insured values of the schools are listed below.</p> <ul style="list-style-type: none"> • Bennington Elementary \$7,477,422 • Molly Stark Elementary \$7,429,215 • Monument Elementary \$2,293,844 • Pownal Elementary \$7,521,612 • Shaftsbury Elementary \$5,638,865 • Woodford Hollow Elementary \$409,758 • Mount Anthony Union Middle School \$23,278,565 • Mount Anthony Union High School \$43,379,493 	
<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 	<p>The Unified Union School District Board shall be comprised of 11 directors. All directors will be elected through at-large voting by the electorate of the Unified Union School District. Each member town will have at least one director on the Unified Union School District Board.</p> <ul style="list-style-type: none"> • Bennington 4 directors • North Bennington 2 directors • Pownal 2 directors • Shaftsbury 2 directors • Woodford 1 director 	

<p>* <i>see also</i> 16 V.S.A. § 706k(c): one or more at-large directors</p> <p>* <i>see also</i> 16 V.S.A. § 707(c): weighted voting</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>	<table border="1"> <thead> <tr> <th>Initial Term</th> <th>1 Year</th> <th>2 Year</th> <th>3 Year</th> </tr> <tr> <th>Next Election</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Bennington</td> <td>1</td> <td>2</td> <td>1</td> </tr> <tr> <td>North Bennington</td> <td>1</td> <td>1</td> <td></td> </tr> <tr> <td>Pownal</td> <td>1</td> <td></td> <td>1</td> </tr> <tr> <td>Shaftsbury</td> <td></td> <td>1</td> <td>1</td> </tr> <tr> <td>Woodford</td> <td></td> <td></td> <td>1</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>3</td> <td>4</td> <td>4</td> </tr> </tbody> </table>	Initial Term	1 Year	2 Year	3 Year	Next Election	2019	2020	2021	Bennington	1	2	1	North Bennington	1	1		Pownal	1		1	Shaftsbury		1	1	Woodford			1	Total	3	4	4	
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<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</p> <p><i>(please list each matter separately)</i></p>	<p>All merging districts are members of Union District #14 (Mount Anthony). It is the intention of these districts form a Modified Unified Union School District if a majority, including Bennington, but not all the districts approve the merger.</p> <p>The merger includes additional protections for the closure of schools and protections to ensure stability in elementary school enrollment patterns during the first five years of operations. See Article 10 and Article 12.</p> <p>The merger proposal includes language to require the new school board to enact a policy for elementary school choice among the elementary schools operated by the district. See Article 11.</p> <p>All questions, including the Unified Union School District budget, will be voted on by Australian ballot. See Article 10.</p>																																	

MOUNT ANTHONY UNIFIED SCHOOL DISTRICT

Merger Study Report and Articles of Agreement

Bennington-North Bennington-Pownal-Shaftsbury-Woodford-Union
District #14 (Mount Anthony)

September 1, 2017

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Merger Study Committee Members

Donald Campbell (Bennington) – Chairperson

Cindy Brownell (Pownal)

Amy Dobson (Bennington)

Dick Frantz (Woodford)

Jeff Leake (Shaftsbury)

Erin McEnaney (Shaftsbury)

Dan Monks (Bennington)

Jon Peaslee (Pownal)

Chaila Sekora (Bennington)

Committee Support Staff

James Culkeen, SVSU Superintendent

Renee Gordon, SVSU Director of Finance and Operations

Daniel French, Consultant

Steven Stitzel, Legal Counsel

Executive Summary

This merger would merge all the school districts in the Southwest Vermont Supervisory Union (SVSU) into a single unified union school district. These districts include the Bennington Incorporated School District, the North Bennington Incorporated School District, the Pownal Town School District, the Shaftsbury Town School District, and the Woodford Town School District. These districts are all part of Union School District #14 (Mount Anthony) which operates schools for students in grades 6-12.

All member districts of the Mount Anthony Union School District except for North Bennington operate schools at the elementary level. North Bennington does not operate an elementary school and provides tuition for the education of its elementary students. Since the proposed structure of the new district would be to operate schools for students in grades K-12, the Committee believes it is unlikely the voters of North Bennington will approve this merger.

If not all the Mount Anthony member districts approve the merger, it is the intention of the remaining districts to form a modified unified union school district (MUUSD) provided a majority of the districts, including Bennington, approve the merger. Due to these challenging political dynamics, all the districts are listed as “advisable” to the merger except for the Bennington Incorporated School District which is listed as “necessary” to the merger. Bennington is substantially larger than the other districts, and the Committee determined its membership would be essential to any merger.

Merging these districts under the MUUSD framework would produce financial advantages to the communities. Firstly, the MUUSD would qualify for RED tax incentives as provided by Act 153. These incentives reduce the tax rate by 8 cents, 6 cents, 4 cents, and then 2 cents for each year over a four-year period. The merger would also preserve approximately \$41,000 in revenue that previously went to Woodford under the Small Schools Grant program. The merger is likely to lower costs by the elimination of some administrative services and positions. These savings are projected to be approximately \$100,000 a year and include services such financial auditing and legal fees.

The Committee concluded the State will likely compel these districts to merger under the state

This proposed merger is likely the last and only opportunity for these communities to obtain tax incentives for merging, something they will probably be required to do anyway at some point in the future.

governance plan required in 2019. This proposed merger is likely the last and only opportunity for these communities to obtain tax incentives for merging, something they will probably be required to do anyway at some point in the future.

Other than the projected \$100,000 in annual savings from administrative costs,

this merger is not expected to produce significant savings in the near term since many services provided to these districts have already been centralized through the SVSU, and over 80% of the assets of these districts are already shared through membership in Union District #14. The merger will realize long-term financial benefits, however, through an improved management structure which will allow for a more effective allocation and oversight of shared resources. This will be especially true in staffing. Like most Vermont school districts, approximately 80% of all school district costs in these districts are associated

with personnel. This merger will create one employer of record for all personnel giving the new district greater flexibility in adjusting staffing patterns based on evolving student needs and changing economic circumstances.

Consistent with the goals of Act 46, the Committee concluded this merger would create a more sustainable and effective governance structure. The merger would create a single school board to oversee PreK-12 education instead of having separate elementary boards in each community and a different board for middle and secondary education. The Committee concluded a single board PreK-12 will be in a better position to provide equitable learning opportunities for all students, and will be better able to monitor student outcomes at each grade level to ensure all students meet high standards. A single district will allow for the creation of shared programming for students in need of remediation and for students in need of academic enrichment since district boundaries will no longer be a barrier to such access. A single board will also allow the district's leadership to better focus on continuous organizational improvement instead of duplicative governance functions unrelated to student outcomes.

Governance Study Context and Process

SVSU Districts and Act 46

These districts have been challenged to find a path forward under Act 46. The districts formed their first formal merger study committee in the fall of 2015. Much of this committee's work was dedicated to understanding Act 46 and how it could be applied to the SVSU context including evaluating merger options with districts outside of the SVSU. A central theme of the committee's deliberations pertained to taking stock of the degree of the centralization that already existed among SVSU districts: the success SVSU districts had in working together to share resources under the current structure seemed to limit the enthusiasm for merging the districts, with the belief that the under the current structure the member districts could meet the policy goals of Act 46.

After a year of deliberations, this committee had not reached consensus on a course of action. In May of 2016, it was decided to expand the membership of the committee to include more perspectives on the process. The committee also decided to hire its first consultant, Steve Sanborn, to help guide them through the merger process. At the same time, North Bennington expressed an interest in leaving the committee so it could pursue other merger options.

Once it was determined North Bennington could not leave the merger process unless the committee concluded it was advisable or not advisable to merge the districts, the committee determined it was not advisable to merge the districts in August 2016.

The best method I've seen so far is to simply use the MAU model to consolidate. It's worked for this community for decades, and I believe it will work as a K-12 model. ... Consolidation makes a lot of sense, and we should pursue it aggressively.

-Daniel Monks, Bennington School Board Member

The school boards of the districts continued with informal conversations about Act 46 options in the fall of 2016, but after elections in March 2017, a new merger study committee was formed. The issue of consolidation under 46 emerged as an important theme of school board elections. The new Committee started meeting in the June of 2017. At the same time, Act 49 was signed into law creating an extension to the RED merger tax incentives that were previously set to expire on June 30, 2017. The combination of renewed political energy coupled with the possibility for tax incentives gave new energy to merger study efforts.

The Second Merger Study Committee and Its Process

The new Committee organized around the understanding that it would seek to follow an aggressive timeline for its work to ensure access to any tax incentives. Access to the incentives would require an affirmative vote of the voters no later than November 30, 2017. Using the work done by the previous study committee, the new Committee followed an expedited study process during the months of June and July 2017. The local cable access TV station, CAT-TV, televised all the Committee's meetings, and the Committee's working documents, agendas, and minutes were posted on the SVSU website. After several meetings using the prior committee's work as a guide, the new Committee determined it was advisable to merge the districts in July 2017 using the MUUSD fallback model as the best approach.

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.

Goal #1: Equity in the Quality of Educational Opportunities

The Committee identified the following opportunities to meet this goal by merging the districts:

- Better implementation of a single mission statement and unified vision with focused goals for school effectiveness
- Consistency in curriculum development – representative curriculum teams (PK-Elementary-MS-HS)
- Greater consistency in delivery of student support systems including a comprehensive Multi-Tiered System of Supports (MTSS)

- Supports better coordination of curriculum including PreK programming
- Increases possibility for parents to access programs throughout the region including before/after school programs, arts, athletics, music, etc.
- Increased flexibility in the deployment of instructional resources including staff
- Creates the opportunity for elementary school choice

Goal #2: Students Exceeding or Achieving State Quality Standards

The Committee identified the following opportunities to meet this goal by merging the districts:

- Increases ability of administrators including school leaders to put more of their focus on instructional leadership instead of management tasks associated with duplicative governance functions
- Better coordination and sharing of professional development that is targeted on student outcomes across the entire system, PK-12
- Improves monitoring of student achievement data and other indicators of student success across the entire system, PK-12

Goal #3: Maximize Operational Efficiencies

The Committee identified the following opportunities to meet this goal by merging the districts:

- More efficient oversight of finance systems and grants
- Improved communication among administrative staff – less “handoffs” and dropped connections
- Greater ability in assigning staff based on class sizes and student-teacher ratios
- Greater oversight and sharing of expertise in areas such as maintenance for buildings and grounds
- Less time spent on budgets, financial systems necessary to track funds between the supervisory union and member districts
- Creates one treasurer and one audit
- Consolidates payroll functions by creating one employer of record

Goal #4: Promotes Transparency and Accountability

The Committee identified the following opportunities to meet this goal by merging the districts:

- Creates one budget and one tax rate for all education spending in the region
- Establishes one central school board for parental and community interaction

Goal #5: Services Provided at a Cost that Parents, Voters, and Taxpayers Value

The Committee identified the following opportunities through merging the districts:

- Stabilizes tax rates for smaller districts

- Reduces the possibility of exceeding the excess spending threshold
- Reduces costs for annual audits
- Reduces legal costs
- Increases purchasing power
- Moderates costs over time for major expenses, especially for smaller schools
- Maintains revenues previously awarded through the Small Schools Support Grant
- Enhances flexibility in responding to changes in student enrollments, which will allow for classroom/school reconfigurations that enable the most efficient district-wide ratio of students to full-time equivalent staff.

Projected Tax Rate Implications

The best measure of the financial implications of this merger is the residential education property tax rate. The merger will generate some immediate reductions in education spending as outlined above, but these savings will not be significant due to extensive centralization of operations that has already occurred under the SVSU, and with a large amount of district assets already being shared through membership in Union District #14. There is a potential for long-term savings, however, with the improved oversight of operations, greater flexibility in assigning staff, and the ability to modify school facility use to address changes in enrollment.

A significant outcome of this merger from a financial perspective is there will be one residential education property tax rate for all communities in the District. This rate would be adjusted locally based on each community's CLA. We cannot know what the actual tax rate will be after merging since this calculation will be based on future education spending and equalized pupil numbers. We can, however, use current FY2018 data to project the impact of merging on the current tax rates. Table 1 describes comparison tax rate data for each community because of the merger.

Table 1: Projected Tax Implications of the Merged District Based on FY2018 Data

MERGED DISTRICT					
FY18 ED SPENDING	\$46,928,193				
FY 18 EQ PUPILS	3243.47				
ED SPENDING PER EQ PUPIL	\$14,469				
FY18 PROPERTY YIELD VALUE	\$10,160				
EST RES PROPERTY TAX RATE	\$1.4241				
	FY18 Total Res Tax Rate	Merged Tax Rate	BEFORE INCENTIVE INC/(DEC)	Merged Tax Rate Less 8 Cent Incentive	AFTER INCENTIVE INC/(DEC)
BENNINGTON	\$1.3975	\$1.4241	\$0.03	\$1.3441	-\$0.05
NORTH BENNINGTON	\$1.5677	\$1.4241	-\$0.14	\$1.3441	-\$0.22
POWNA	\$1.4912	\$1.4241	-\$0.07	\$1.3441	-\$0.15
SHAFTSBURY	\$1.4091	\$1.4241	\$0.02	\$1.3441	-\$0.06
WOODFORD	\$1.2853	\$1.4241	\$0.14	\$1.3441	\$0.06

In this type of merger model where no major restructuring of schools is occurring, all the districts' education spending is pooled together and then divided by the total number of equalized pupils. This approach yields a merged district tax rate of \$1.4241. This would be the tax rate before applying the 8-cent tax reduction incentive for merging. After applying the 8-cent incentive, North Bennington and Pownal would see the greatest reductions in their tax rates (22 cents and 15 cents respectively), and Woodford would be the only district to see a tax increase (6 cents). Table 2 shows similar data as Table 1 but with the removal of North Bennington since the Committee assumes it would be unlikely that North Bennington would approve the merger.

Table 2: Projected Tax Implications of the Merged District Based on FY2018 Data, Without North Bennington

MERGED DISTRICT WITHOUT NORTH BENNINGTON					
FY18 ED SPENDING	\$44,540,628				
FY 18 EQ PUPILS	3103.79				
ED SPENDING PER EQ PUPIL	\$14,350				
FY18 PROPERTY YIELD VALUE	\$10,160				
EST RES PROPERTY TAX RATE	\$1.4124				
	FY18 Total Res Tax Rate	Merged Tax Rate	BEFORE INCENTIVE INC/(DEC)	Merged Tax Rate Less 8 Cent Incentive	AFTER INCENTIVE INC/(DEC)
BENNINGTON	\$1.3975	\$1.4124	\$0.01	\$1.3324	-\$0.07
POWNAI	\$1.4912	\$1.4124	-\$0.08	\$1.3324	-\$0.16
SHAFTSBURY	\$1.4091	\$1.4124	\$0.00	\$1.3324	-\$0.08
WOODFORD	\$1.2853	\$1.4124	\$0.13	\$1.3324	\$0.05

The merger would produce a single residential education property tax rate in each community, but that rate would still be adjusted locally by each community’s Common Level of Appraisal (CLA). Table 3 describes the impact of the local CLAs on the tax rates.

Table 3: Projected Tax Implications Using FY2018 Data, Without North Bennington, With CLAs

	2018 CLA	FY18 TOTAL RES TAX RATE W/CLA	MERGED TAX RATE W/CLA	INC/DEC	MERGED RATE LESS 8-CENT INCENTIVE	INC/DEC
BENNINGTON	93.61%	\$1.4929	\$1.5088	\$0.02	\$1.4288	-\$0.06
POWNAI	107.38%	\$1.3887	\$1.3153	-\$0.07	\$1.2353	-\$0.15
SHAFTSBURY	106.75%	\$1.3200	\$1.3231	\$0.00	\$1.2431	-\$0.08
WOODFORD	104.61%	\$1.2287	\$1.3502	\$0.12	\$1.2702	\$0.04

Assets and Liabilities

All current assets and liabilities of the current districts would become property of the new district on July 1, 2019. This gives the current districts two years to determine how to address their assets and reserve fund balances prior to the merger. The school buildings and their immediate grounds will be sold to the new district for one dollar under a provision that requires the new district to sell the buildings 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, 2019 will be transferred to the new district under the terms specified in the merger Articles of Agreement. Table 4 lists the major assets and liabilities of the districts.

Table 4: District Assets and Liabilities by Type

DISTRICT	ASSET OR LIABILITY	TYPE	VALUE AS OF JUNE 30, 2016 AUDIT REPORT	2017 ACTIVITY
BENNINGTON	Asset	Buildings/improvements	\$1,801,486	
BENNINGTON	Asset	Furniture & Equipment	\$681,942	
BENNINGTON	Asset	Land	\$53,000	
BENNINGTON	Liability	Capital lease*	-\$107,045	
BENNINGTON	Liability	New equipment lease		-\$34,849
BENNINGTON	Liability	Bond Payable (orig. amt \$4,461,000)		-\$4,461,000
MAU	Asset	Buildings/improvements	\$19,922,786	
MAU	Asset	Furniture & Equipment	\$2,370,850	
MAU	Asset	Land	\$410,626	
MAU	Liability	Capital lease*	-\$80,699	
MAU	Liability	New equipment leases		-\$203,568
MAU	Liability	Bond Payable (orig. amt \$14,374,000)	-\$4,245,000	
N BENN	Asset	Buildings/improvements, furniture & equipment	\$541,971	
N BENN	Asset	Land	\$15,000	
N BENN	Liability	Bond Payable (orig. amt \$425,000)	-\$335,000	
POWNAL	Asset	Buildings/improvements	\$295,519	
POWNAL	Asset	Furniture & Equipment	\$256,732	
POWNAL	Asset	Land	\$37,500	
POWNAL	Asset	Vehicles	\$61,916	
SHAFTSBURY	Asset	Buildings/improvements	\$503,864	
SHAFTSBURY	Asset	Furniture & Equipment	\$170,773	
SHAFTSBURY	Asset	Land	\$30,000	
SHAFTSBURY	Liability	Bond Payable (orig. amt \$265,000)	-\$5,000	
SHAFTSBURY	Liability	New equipment lease		-\$21,149
WOODFORD	Asset	Buildings/improvements	\$127,184	
WOODFORD	Asset	Land	\$23,000	

*PRESENT VALUE (06/30/16) OF FUTURE MINIMUM LEASE PAYMENTS

Table 5 summarizes the assets and liabilities of each district. The majority (83%) of the assets of these districts are already shared through membership in Union District #14. The liabilities, on the other hand are shared approximately 50-50 between Bennington and Union District #14.

Table 5: Summary of Assets and Liabilities

	ASSETS	% OF TOTAL	LIABILITIES	% OF TOTAL
BENNINGTON	\$2,536,428	9%	-\$4,602,894	48%
MAU	\$22,704,262	83%	-\$4,529,267	48%
NORTH BENNINGTON	\$556,971	2%	-\$335,000	4%
POWNAL	\$651,667	2%	\$0	0%
SHAFTSBURY	\$704,637	3%	-\$26,149	0%
WOODFORD	\$150,184	1%	\$0	0%
TOTAL	\$27,304,149		-\$9,493,310	

Reserve and Restricted Use Funds

The Committee is proposing the merge district assume operational control of the member schools on July 1, 2019. This delay in operation creates a transition period for the current school districts to consider the disposition of their assets such as reserve funds and other funds that might have a restricted use. Any fund balances that exist as of June 30, 2019 will be property of the new district on July 1. The new district may retain fund balances in a similar restricted use format. For example, if Pownal had a fund dedicated to renovating the Pownal Elementary School, the new district can also have a fund that is restricted for renovating the Pownal Elementary School. Table 6 provides a listing of the current reserve funds of each district.

Table 6: Reserve Funds by District

DISTRICT	FUND NAME	FY17 BALANCE	FY18 BUDGET
BENNINGTON SCHOOL DISTRICT, INC.	Major Renovation	\$363,386.87	\$50,000.00
	Path Project	\$4,000.00	\$9,000.00
MT. ANTHONY UNION HIGH SCHOOL DISTRICT #14	QZAB Renovation/Repair	\$611,812.17	\$0.00
NORTH BENNINGTON GRADED SCHOOL DISTRICT, INC.	Sinking - Bldg Maint.	\$71,623.36	\$31,000.00
POWNALE ELEMENTARY SCHOOL DISTRICT	Sinking - Bus	\$115,098.25	\$0.00
	Major Renovation	\$187,409.50	\$30,000.00
SHAFTSBURY ELEMENTARY SCHOOL DISTRICT	Capital Projects	\$250,906.49	\$185,000.00
WOODFORD ELEMENTARY SCHOOL DISTRICT	Operating/Capital	\$137,930.69	-\$100,000.00

Table 7 lists other restricted use funds of each district.

Table 7: Other Restricted Funds by District

DISTRICT	FUND	BALANCE AS OF 06/30/2016
BENNINGTON SCHOOL DISTRICT, INC.	Stratton Monroe Scholarship Fund	\$13,538.00
	Edith M. Dewey Scholarship Fund	\$3,928.00
	Student Activity Account - Benn El	\$2,017.00
	Student Activity Account - Molly Stark	\$28,530.00
	Student Activity Account - Monument	\$9,942.00
NORTH BENNINGTON GRADED SCHOOL DISTRICT, INC.	Enrichment Gift Fund	\$56,027.09
MT. ANTHONY UNION HIGH SCHOOL DISTRICT #14	Scholarship Accounts	\$52,102.00
	Common Stock	\$2,382.00
	Student Activity Accounts	\$220,407.00
POWNALE ELEMENTARY SCHOOL DISTRICT	Student Activity Accounts	\$32,444.00
	PTA Fund	\$9,067.00
SHAFTSBURY ELEMENTARY SCHOOL DISTRICT	Student Activity Accounts	\$13,254.00
	Kip Fund	\$61,403.17
	Tilgner Memorial Fund	\$3,985.77
SOUTHWEST VERMONT SUPERVISORY UNION	Flexible Spending Account	\$71,720.49

Impact Aid

Bennington and Woodford currently receive Impact Aid revenue from the federal government. These revenues are designed to compensate a school district for properties that are in federal lands. Since the

affected properties would be now part of the merged school district, the new district would be the recipient of these revenues. In total, the new District could expect to receive approximately \$140,000 a year from this program. It should be noted the future of the Impact Aid program is uncertain. The stability of these revenues, however, is not affected by this merger. Table 8 summarizes the Impact Revenues for the last five years.

Table 8: Impact Aid Revenues, FY2013 - FY2017

	FY13	FY14	FY15	FY16	FY17
BENNINGTON	\$8,428.52	\$7,251.02	\$9,137.92	\$9,868.55	\$8,279.70
MAU	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NORTH BENNINGTON	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
POWNAI	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SHAFTSBURY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WOODFORD	\$71,783.00	\$235,954.00	\$132,456.00	\$130,922.68	\$132,745.15
TOTAL	\$80,211.52	\$243,205.02	\$141,593.92	\$140,791.23	\$141,024.85

School Closure

This merger, if approved by the voters prior to November 30, 2017, will qualify as a Regional Education District (RED) as described by Act 153. This law provides some protection to a community with a small school that might be concerned about a merged school district closing its school at some point in the future. Under Act 153, the community of a small school must first give its approval before a school can be closed. This default protection extends for a period of four years after a merger.

The Committee desired to provide further protection to communities with small schools beyond the first four years of the merger. Article 10 (6) extends the Act 153 protections for school closures for an additional year. After that time, the school board will need two votes of 75% of the school board members to close a school, and will be required to hold public hearings on the matter.

Elementary School Choice and Enrollment

The Committee believes one of the potential advantages of this merger is that it will allow for school choice among the elementary schools operated by the District since the current district boundaries will no longer confine student attendance to the elementary school in their town of residence. The Committee has included language under Article 11 to require the new school board to enact an

The Committee believes one of the potential advantages of this merger is that it will allow for school choice among the elementary schools operated by the District since the current district boundaries will no longer confine student attendance to the elementary school in their town of residence.

elementary school choice policy. The Committee believes elementary school choice would be beneficial for both students and families, and support the broader goals of improving the quality and equity of educational opportunities for all students.

Outside of implementing elementary school choice, however, the Committee wanted to ensure current student enrollment patterns were not disrupted

for students, so it proposed language in Article 12 that ensures stability in elementary school enrollments for the first five years of District operations. After July 1, 2024, the new School Board will have the authority to adjust student enrollment patterns and school grade configurations.

Necessary and Advisable Districts

The law governing the merger of school districts in Vermont requires the designation of districts that are necessary for the merger. Additionally, some districts may be designated as being advisable for the merger. The difference between necessary and advisable districts is that if a necessary district does not approve the merger, the merger fails. If an advisable district votes against the merger, the merger can still go forward provided all necessary districts voted in favor of the merger. In this merger, only Bennington is listed as a necessary district, but a successful merger will also require the approval of a majority of the districts that comprise Union District #14 (Mount Anthony) since all of the districts are members of that union school district.

There are five voting districts involved in this merger. Union District #14 is not counted since it is already a union district formed by the five districts. For the merger to pass, Bennington (the necessary district) must vote in favor of the merger along with two other districts (three districts in total being a majority of the five). The Committee believes it is unlikely North Bennington will vote in favor of the merger. This means at least two other districts among Pownal, Shaftsbury and Woodford must vote in favor of the merger along with Bennington for the merger to pass.

If the merger is successful but some districts vote against the merger, there will still be a supervisory union. Districts that vote against the merger will still be members of the SVSU and Union District #14 for the same grade levels prior to the merger, but will be required to submit a plan to the State by January 1, 2017 that justifies their current governance structure in terms of meeting the policy requirements of Act 46.

Governance and Representation

The Committee believes the MAU board model has worked well for the districts and should be used to determine governance representation for the new district's board. The new board would guarantee a certain number of board member positions for each community. All school board members would be elected through "at-large" voting. At-large voting means that all school board members would be elected by all voters of the new district. For example, Woodford would be guaranteed a representative on the new board. A Woodford resident wishing to run for the board would file a petition with the Clerk of the Town of Woodford with the requisite number of signatures of Woodford residents to get on the ballot. At the election, however, the Woodford candidate along with the full ballot of board member candidates from all the communities would be voted on by the voters of all the districts not just Woodford voters.

The Committee proposes the following board configuration of the new district based on the Mount Anthony Board model.

Table 9: Board Configuration

DISTRICT	NUMBER OF REPRESENTATIVES
BENNINGTON	4
NORTH BENNINGTON	2
POWNAI	2
SHAFTSBURY	2
WOODFORD	1
TOTAL	11

Districts that vote against the merger would be members of new unified district under the MUUSD structure. Their representatives to the new unified district school board would be expected to recuse themselves from participating in deliberations and voting relevant to elementary school operations. This is described further in the Articles of Agreement.

Supervisory Union Configuration

This merger could impact the configuration of the SVSU board. The law provides a default configuration of supervisory union boards: each member district that operates a school is afforded three representatives, and each member district that does not operate a school receives one representative. If this merger is successful, the new district will be substantially larger in terms of its number of students and its education spending than any other member district. For example, if the merger was successful and North Bennington and Pownal voted against the merger, the default configuration of the SVSU board would give North Bennington one representative, Pownal three representatives, and the new district three representatives even though the new district would be substantially larger than both North Bennington and Pownal combined.

The law provides a process, however, by which the supervisory union board may petition the State Board of Education to modify its supervisory board structure to better represent the relative size of its

member districts. If this merger is successful, the Committee strongly recommends the SVSU board review the composition of its board to ensure an equitable representation of its member districts relative to their operating structure and size, and to then petition the State Board of Education to modify the structure of the SVSU board accordingly.

Articles of Agreement

The Merger Study Committee recommends the following Articles of Agreement be adopted by each necessary and advisable school district for the creation of a Pre-Kindergarten through Grade 12 unified union school district to be named the Mount Anthony Unified School District, hereinafter referred to as the “New Unified District.”

Article 1: Necessary and Advisable School Districts

The Bennington Incorporated School District is a necessary district to the formation of the New Unified District. The North Bennington Incorporated School District, the Pownal Town School District, the Shaftsbury Town School District, and the Woodford Town School District are advisable districts to the formation of the New Unified District. Union School District #14 (Mount Anthony) is also an advisable district to the merger, but its interests are represented by the voters of each of its member districts.

If the voters of the five (5) school districts that are currently members of Union District #14 vote to approve the merger, the New Unified District will be established. If the voters of the Bennington Incorporated School District and either one or two of the member districts do not approve the merger proposal, a modified unified union school district will be established to be known as the Mount Anthony Unified School District, hereinafter referred to as the “Modified Union District”.

If the New Unified District or a Modified Union District is created, then the districts that voted in favor of merger shall be referred to herein as the “Forming Districts”. The term shall also include Union School District #14 except where it clearly refers solely to the town school districts.

If the voters approve the merger and a New Unified District is formed, and the Vermont State Board of Education designates the merged entities as a supervisory district pursuant to 16 V.S.A. Section 261(c), then the Southwest Vermont Supervisory Union will transfer its funds, debt, and property to the New Unified District in the same manner as the Forming Districts in Articles 6 and 7, and will cease to exist in accordance with the dates set forth in Article 11.

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

The New Unified District or Modified Union District will operate schools in grades Pre-Kindergarten through grade twelve.

Article 4: New Schools to be Constructed

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

Article 5: First Year of District Operations

The New Unified District or Modified Union 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 New Unified District's or Modified Union District's operation.

The New Unified District Board or the Modified Union 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 New Unified District or Modified Union 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, 2019, the New Unified District Board or the Modified Union District Board will comply with the pre-existing master agreements pursuant to 16 VSA Chapter 53, Subchapter 3. The New Unified District or Modified Union District shall honor all individual employment contracts that are in place for the forming districts on June 30, 2019, until their respective termination dates.

The Board of School Directors of the New Unified District or the Board of School Directors of the Modified Union 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: Assumed Indebtedness

All operating surpluses and/or deficits of any of the Forming Districts shall become the property, and/or the obligation of the New Unified District or Modified Union District, effective July 1, 2019. Those Forming Districts with surpluses or remaining reserve funds as of the close of business on June 30, 2019, will transfer all such funds to the New Unified District or Modified Union District. Reserve funds or like accounts held by school districts prior to June 30, 2019, 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 New Unified District or the Modified Union District.

The debt and funds specified above shall be transferred to the New Unified District or to the Modified Union District in accordance with procedures and timelines established by the New Unified District Board or the Modified Union 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 New Unified District (16 VSA § 706), when the initial school directors will begin their term of office, and the date of the New Unified District’s or Modified Union District’s annual meeting in the spring of 2018, 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 New Unified District’s or Modified Union District’s Annual Meeting. The following table establish the dates of the initial terms of office for directors of the New Unified District or Modified Union District.

INITIAL TERM	1-YEAR	2-YEAR	3-YEAR
NEXT ELECTION	2019	2020	2021
BENNINGTON	1	2	1
NORTH BENNINGTON	1	1	
POWNA	1		1
SHAFTSBURY		1	1
WOODFORD			1
TOTAL	3	4	4

Article 10: Vote to Form the Union School District

The articles to create the New Unified 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 Mount Anthony Unified School District (“New Unified District”) on the following terms:

1. The Bennington Incorporated School District shall all be identified as “necessary” for the formation of the New Unified District. The North Bennington Incorporated School District, the Pownal Town School District, the Shaftsbury Town School District, and the Woodford Town School District, and Union District #14 (Mount Anthony) are “advisable” for the formation of the New Unified District.

If the voters of the five (5) school districts that are currently members of Union District #14 (Mount Anthony) vote to approve the merger, the New Unified District will be established. If the voters of the Bennington Incorporated School District and either one or two of the member districts do not approve the merger proposal, a modified unified union school district will be established to be known as the Mount Anthony Unified School District.

2. The New Unified District or the Modified Union District will operate schools in grades Pre-Kindergarten through grade twelve.

3. The New Unified District Board of Directors or the Modified Union District Board of Directors shall be composed of eleven (11) directors. Directors shall be nominated from the legal voters of each forming town and shall be elected on an at-large basis by Australian Ballot vote by the voters of the New Unified District or Modified Union District. Directors shall have equal votes and shall be allocated as follows.

DISTRICT	NUMBER OF REPRESENTATIVES
BENNINGTON	4
NORTH BENNINGTON	2
POWNAI	2
SHAFTSBURY	2
WOODFORD	1
TOTAL	11

If a Modified Union District is formed, any districts that are members of the Union District #14 that vote NO to the merger will be referred to as Non-Member Elementary Districts (NMED). Board representation in the Modified Union District will provided as in sub-section 3 above. Board members from each NMED will have voting powers for all general Modified Union District actions, but will recuse themselves from consideration and voting upon programmatic, budgetary, personnel, or building matters of the Modified Union District which correlate to grades governed by the NMED.

4. Real Estate and Personal Property
 - a. No later than June 30, 2019, the forming districts will convey to the New Unified School District or Modified Union 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. In the event that, and at such subsequent time as, the New Unified School District Board or Modified Union 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 New Unified School District or Modified Union District and its educational programs, the New Unified School District or Modified Union 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, except as provided below for any properties conveyed to the New Unified District by Union District #14.
 - c. In the event that, and at such subsequent time as, the New Unified District Board of School Directors determines, in its discretion, that any of the real property, including

land and buildings, conveyed to it by Union District #14 is or are unnecessary to the continued operation of the New Unified District and its educational programs, the New Unified 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 New Unified District Board of School Directors, and return the proceeds of any such sale to the forming towns in amounts equal to the relative proportion of the population of these towns.

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

5. Transfer of Funds

- a. Capital Debt. The New Unified District or Modified Union 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, 2019.
- b. Operating Fund Surpluses and Deficits. The New Unified District or Modified Union 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, 2019. In addition, reserve funds identified for specific purposes will be transferred to the New Unified District or Modified Union 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 New Unified District or Modified Union District any pre-existing school district specific endowments or other restricted accounts that may exist on June 30, 2019. Scholarship funds or like accounts held by school districts prior to June 30, 2019, that have specified conditions of use will be used in accordance with said provisions.

6. The School Board of the New Unified District or Modified Union District shall not close or discontinue the use of any schools within its boundaries during the first five years the District is fully operational and providing educational services without the approval of the voters living in the town in which the school is located. Thereafter, an affirmative vote to close a school shall require a 75% majority of the School Board in two consecutive votes with at least one year

between votes. Prior to holding a vote on whether to close a school, however, the School Board shall hold at least two public hearings regarding the proposed school closure. After conducting public hearings, if the School Board intends to vote on whether to close a school, it shall first give public notice of its intent to vote and opportunity for public comment. Such notice shall outline the rationale for closure and shall be legally warned at least ten days prior to the vote.

7. Australian Ballot. The New Unified District or Modified Union 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 New Unified District or Modified Union District Clerk and commingled for counting.
8. 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 Southwest Supervisory Union office, shall govern the New Unified District or Modified Union District.

Article 11: Elementary School Choice

By July 1, 2019, the School Board shall adopt a policy providing a process for parents or guardians to request their child attend any elementary school operated by the New Unified District or Modified Union District. This elementary school choice policy shall consider issues including, but not limited to, transportation, socio-economic equity, proximity to the selected school building, attendance of siblings, and the relative capacities of the schools.

Article 12: Elementary School Attendance and Grade Configurations

For the first five years the New Unified District or Modified Union District is fully operational and providing educational services, the assigned elementary school for a student shall be the elementary school operated by the District in the town where the student is a resident on July 1, 2019 except when other mutually agreeable arrangements have been made between parents and the District. Elementary school grade configurations, such as maintaining a sixth grade, shall also remain unchanged during the first five years of District operations unless the School Board first obtains approval for such changes from the voters of town in which the school is located.

After July 1, 2024, the School Board may adjust school enrollment assignments and school building grade designations based on the needs of the District.

Article 13: Operating Date

Upon an affirmative vote of the electorates of each district and upon compliance with 16 VSA § 706g, the New Unified District Board or the Modified Union 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, 2019. The New Unified District Board or Modified Union District Board shall, between the date of its

organizational meeting under 16 VSA § 706j and June 30, 2019, undertake planning and related duties necessary to begin operation of the New Unified District or Modified Union District on July 1, 2019, including preparing for and negotiating contractual agreements, preparing and presenting the budget for fiscal year 2020, preparing for the first District Annual Meeting, and transacting any other lawful business that comes before the Board, provided, however, that the exercise of such authority by the New Unified District or Modified Union 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 New Unified District or Modified Union District.

[Article 14: Forming Districts Cease to Exist](#)

On July 1, 2019, when the New Unified District or Modified Union 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 New Unified District or Modified Union District under these articles and state law. Such business shall be completed as soon as practicable, but in no event any later than December 31, 2019 when the forming districts shall cease to exist.

[Article 15: Local Community Input](#)

The New Unified District Board or the Modified Union District Board shall provide opportunity for local input on policy and budget development. Structures to support and encourage public participation within the New Unified District or Modified Union District, such as school committees, will be established by the New Unified District Board or Modified Union District Board on or before June 30, 2019.

Appendices and Data

Town Demographic Data

These data come from the most recent US Census information.

Table 10: Town Demographic Data

	BENNINGTON	NORTH BENNINGTON	POWNAI	SHAFTSBURY	WOODFORD
TOTAL POPULATION	15,764	1,643	3,527	3,590	424
PERCENT OF POPULATION UNDER 5	5.7%	3.2%	6.0%	4.6%	5.4%
MEDIAN AGE	40.8	22.8	43.3	46.4	47.1
TOTAL HOUSEHOLDS	6,246	464	1,429	1,508	180
FAMILY HOUSEHOLDS	3,716	263	990	1,045	117
HIGH SCHOOL OR HIGHER	88.6%	89.0%	85.9%	93.7%	86.4%
MEDIAN FAMILY INCOME	\$40,344	\$47,228	\$58,811	\$61,675	\$42,143
INDIVIDUALS BELOW POVERTY LEVEL	20.4%	16.9%	9.4%	14.0%	10.9%

Enrollment by School and Grade Level, June 20, 2017

Table 11: Enrollment by School and Grade Level, June 20, 2017

	K	1	2	3	4	5	6
BENNINGTON ELEMENTARY	47	44	47	44	38	37	
MOLLY STARK ELEMENTARY	51	53	61	87	63	63	
MONUMENT ELEMENTARY	19	25	20	19	22	26	
POWNAI ELEMENTARY	37	24	40	33	30	36	48
SHAFTSBURY ELEMENTARY	35	36	30	32	33	30	41
WOODFORD HOLLOW ELEMENTARY	1	4	3	3	4	0	2
MAU MIDDLE SCHOOL							144
		7	8	9	10	11	12
MAU MIDDLE SCHOOL		211	181				
MAU HIGH SCHOOL				236	242	193	198

Equalized Pupils by District, FY2013 – FY2018

Table 12: Equalized Pupils by District, FY2013 – FY2018

	FY18	FY17	FY16	FY15	FY14	FY13	% CHANGE
BENNINGTON	894.70	902.52	852.15	852.78	844.44	840.66	6%
MAU	1683.96	1,747.20	1,758.89	1,750.59	1,771.05	1,818.67	-8%
NORTH BENNINGTON	139.68	131.21	124.01	124.44	122.76	126.62	9%
POWNAL	253.38	263.31	255.92	263.27	268.61	265.70	-5%
SHAFTSBURY	247.90	255.01	244.61	240.67	226.89	206.96	17%
WOODFORD	23.85	25.16	21.89	22.19	25.83	26.68	-12%

Pre-CLA Residential Education Property Tax Rates, FY2013 – FY2018

Table 13: Pre-CLA Residential Education Property Tax Rates, FY2013 - FY2018

	FY18	FY17	FY16	FY15	FY14	FY13	% CHANGE
BENNINGTON	\$1.3603	\$1.3634	\$1.3623	\$1.2607	\$1.2108	\$1.0873	20%
MAU	\$1.4267	\$1.4074	\$1.4157	\$1.4052	\$1.3453	\$1.2596	12%
NORTH BENNINGTON	\$1.6824	\$1.7247	\$1.7899	\$1.6568	\$1.5410	\$1.4298	15%
POWNAL	\$1.5466	\$1.5008	\$1.5369	\$1.4803	\$1.3864	\$1.2181	21%
SHAFTSBURY	\$1.3947	\$1.2884	\$1.2836	\$1.2262	\$1.2192	\$1.1730	16%
WOODFORD	\$1.1213	\$1.0000	\$0.9900	\$1.0781	\$1.0360	\$0.9324	17%

Small Schools Grant Revenue, FY2014 – FY2018

Table 14: Small Schools Grant Revenue, FY2014 – FY2018

	FY18	FY17	FY16	FY15	FY14
BENNINGTON	\$0	\$0	\$0	\$0	\$0
MAU	\$0	\$0	\$0	\$0	\$0
NORTH BENNINGTON	\$0	\$0	\$0	\$0	\$0
POWNAL	\$0	\$0	\$0	\$0	\$0
SHAFTSBURY	\$0	\$0	\$0	\$0	\$0
WOODFORD	\$38,250	\$39,903	\$38,750	\$44,712	\$40,840