State Board of Education
Date: February 21, 2017
Item Q-3

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 two member districts of the **WHITE RIVER VALLEY SUPERVISORY UNION** (WRVSU) 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 **WRVSU PK-12 Non-Operating** Study Committee (Study Committee) and to assign the new district, if approved, to the WCSU?

RECOMMENDED ACTION:

1. That the State Board of Education finds that the proposed formation of a new unified union school district by two member districts of the WRVSU, to be named the GRANVILLE-HANCOCK UNIFIED DISTRICT, is "in the best interests of the State, the students, and the school districts" pursuant to 16 V.S.A. § 706c(b).

2. That the State Board of Education votes to approve the attached report of the WRVSU PK-12 Non-Operating Study Committee.

3. That the State Board of Education votes to approve the assignment of the new unified union school district, if approved, to the WRVSU 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 46 of 2015; Act 153 of 2010, Secs. 2-4, as amended; Act 156 (2012), Sec. 15, as amended

BACKGROUND INFORMATION:

I. General

The WRVSU consists of ten town school districts with five distinct models of governance:

- Four town school districts, each of which operates a school offering PK/K-12 (Bethel; Chelsea; Rochester; Royalton)
- One town school district that operates a school offering education through Grade 8 and pays tuition for Grades 9-12 (Tunbridge)
- One town school district that operates a school offering education through Grade 8 and designates an approved independent school as its public school for Grades 9-12 pursuant to 16 V.S.A. § 827 (Strafford)
- Two town school districts, both of which operate a school offering education through Grade 6 and pay tuition for Grades 7-12 (Sharon; Stockbridge)

- Two town school districts that pay tuition for all grades (Granville; Hancock)

Until recently, the districts in the WRVSU were members of two distinct supervisory unions. At the request of the State Board, the ten districts began the process of merging into a single SU in 2014, which included creating a guiding educational vision for the region.[1] As described in the over-arching, combined report of the three WRVSU study committees, the vision document made clear that:

> *the creation of the new supervisory union is not simply about merging business functions or the changing of boundaries; rather it is building a foundational structure that will:*
> - *Allow for the creation of an exceptional education experience for all children in the White River Valley.*
> - *Ensure strong leadership to support the education program throughout the region.*
> - *Achieve immediate efficiencies and create the potential for greater cost-effectiveness over time.*

The State Board approved the merger of the two SUs into the WRVSU in January 2015. Prior to assuming full responsibilities as the WRVSU in July 2016, the member districts conducted a strategic planning process for the delivery of education in the region. The process involved staff, students, and the community and was assisted by the International Center for Leadership in Education.[2] The 5-year plan "calls for the creation of a unified high school program for operating towns, strong middle school opportunities for all students, and strengthened, more equitable experiences for elementary students."

After passage of Act 46, the ten districts created an exploratory committee[3] to examine options available to them. Based upon the work of the exploratory committee, the districts formed three formal study committees under 16 V.S.A. § 706 to develop proposals to create:

II. The Granville-Hancock Unified District

The WRVSU PK-12 Non-operating Study Committee proposes the creation of a UUSD that would provide for the PK-12 education of resident students by paying tuition for students in all grades (New Unified District) beginning on July 1, 2018.

The Study Committee identifies the following school districts as "necessary" to the proposal pursuant to 16 V.S.A. § 706b(b)(1): Granville; Hancock.

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

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[1] *See* Appendix A – Report on the Proposed Supervisory Union Boundary Change, dated January 6, 2015

[2] *See* Appendix B – WRVSU Strategic Plan: Blueprint for Change 2016-2021

[3] *See* Appendix C – Exploratory Committee Report and Recommendation

In FY2016, the combined average daily membership (ADM) of the two districts was 90.35 (Granville: 36.00; Hancock: 54.35) and the combined ADM of all ten WRVSU districts was 1,690.29.

The electorate of each "necessary" district will vote on April 11, 2017 whether to approve creation of the New Unified District.

The New Unified District would be created only if voters in other WRVSU districts approve the WRVSU PK-12 Operating Study Committee's proposal to form a unified union school district that operates all grades beginning on July 1, 2018 (the White River Unified School District) in a manner that makes the New Unified District eligible for incentives under the "Side-by-Side" program established in Act 156 of 2012, Sec. 15.

The New Unified District, which would be known as the Granville-Hancock Unified District, would provide for the education of its resident PK-12 students by paying tuition pursuant to the provisions of Title 16. The proposal would unify the merging school districts into a single unified district and would replace their respective governing bodies with one unified union school board.

The New Unified District would be governed by a school board of six members, who would be elected by the voters of each town in a number that is closely proportional to the town's relative population. Initial membership on the board is allocated at three members each.

The merger vote and election of initial board members would take place by Australian ballot, as required by statute. All later votes on the budget, board membership, and other public questions would be conducted at an annual or special meeting of the New Unified District pursuant to 16 V.S.A. § 562.

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.

EDUCATION IMPLICATIONS:

Both of the potentially merging districts provides for the PK-12 education of its students by paying tuition to the public or approved independent school in which the student is enrolled. Granville students currently attend 17 different schools; Hancock students attend 15. Students will continue to have the same opportunity to enroll in public and independent schools in a unified district.

FISCAL IMPLICATIONS:

The Study Committee states:

> Granville and Hancock have had actual student counts in the neighborhood of 35-50 in recent years. With such small numbers, a single family moving in or out of a

district can radically change variables that go into local tax rates. This happens in two ways. A sudden loss in student count will impact the "cost-per-student" calculation—a key element in determining local tax rates. Secondly, a family moving into the district after budget approval can result in sizable deficit spending which must then be covered in later years, bumping the tax rate in the out-years.

Creating a larger district of 90-100 students will create somewhat less volatility. Losses or gains of students connected to several families will have a less dramatic influence than if they occur in a district half the size. In essence, unification creates a larger "risk pool" for the taxpayers in the region.

See the Report at pages 60-63, Attachment A, and appendices A-C, for a more detailed discussion of educational and fiscal elements of the proposal.

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

VERMONT
AGENCY OF EDUCATION
ACT 46 OF 2015

Item Q-3
Worksheet and Study Committee Report

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
White River Valley Supervisory Union			
	Granville	x	
	Hancock	x	

Type of Merger	
Please refer to the related eligibility worksheets to determine baseline eligibility for each merger type.	(column reserved for agency use)
☐ **Accelerated Merger** (Act 46, Section 6)	
A Regional Education District (RED) or one of its variations (Act 153 (2010) and Act 156 (2012)) ☐ **RED** (Act 153, Secs. 2-3, as amended by Act 156 , Sec. 1 and Act 46, Sec. 16) X **Side by Side Merger** (Act 156 , Sec. 15) Districts involved in the related merger: ☐ **Layered Merger (Union Elementary School District)** (Act 156, Sec. 16) ☐ **Modified Unified Union School District (MUUSD)** (Act 156, Sec. 17, as amended by Act 56 (2013), Sec. 3)	
☐ **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)):	**April 11, 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:	**90.35**	
Proposed name of new district:	**Granville-Hancock Unified 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 – as required by 16 V.S.A. § 706c		
Goal #1: The proposed union school district will provide substantial equity in the quality and variety of educational opportunities. *Act 46, Sec. 2(1)*	**Explained on page 60 of report.**	
Goal #2: 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. *Act 46, Sec. 2(2)*	**Explained on page 60 of report.**	
Goal #3: 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. *Act 46, Sec. 2(3)*	**Explained on page 60-62 of report.**	

Goal #4: The proposed union school district will promote transparency and accountability. *Act 46, Sec. 2(4)*	**Explained on page 62 of report.**	
Goal #5: The proposed union school district will deliver education at a cost that parents, voters, and taxpayers value. *Act 46, Sec. 2(5)*	**Explained on page 60-62 of report.**	
Regional Effects: 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? *Act 46, Section 8(a)(2)*	**This proposal is part of a side-by-side-by-side proposal from the districts of the White River Valley Supervisory Union. Granville and Hancock are very similar towns, isolated in the upper White River Valley, north of Rochester and south of Warren and east of Ripton. Warren and Ripton are already part of newly unified districts. Rochester is a necessary district in one of the other side-by-side districts being proposed.**	

Articles of Agreement – as required by 16 V.S.A. § 706b(b)(3) - (10)		
(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 new district will not operate any schools. All students will be tuitioned, as they are now in their current districts.**	
(4) The cost and general location of any proposed new schools to be constructed The cost and general description of any proposed renovations	**None**	
(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)	**Described on pg. 64 of the report.**	
(6) The indebtedness of the proposed merging districts that the proposed union school district shall assume.	**None**	
(7) The specific pieces of real property owned by the proposed merging districts	**None**	

that the proposed union school district shall acquire, including: * their valuation * how the proposed union school district shall pay for them		
(8) The allocation of capital and operating expenses of the proposed union school district among the proposed member	**Repealed**	
(9) Consistent with the proportional representation requirements of the Equal Protection Clause, the method of apportioning the representation that each proposed member town shall have on the proposed union school board * no more than 18 members total * each member town is entitled to at least one representative * *see also* 16 V.S.A. § 706k(c): one or more at-large directors * *see also* 16 V.S.A. § 707(c): weighted voting	**The new district will have a board where representation is proportional to population. The two towns are very similar in size. The report proposes to create a 6 member board with three members from each town.**	
(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	**Described on page 65 of report.**	
Any other matters that the study committee considers pertinent, including	**Described on page 66**	

whether votes on the union school district budget or public questions shall be by Australian ballot *(please list each matter separately)*		

REPORT OF THE STUDY COMMITTEE RELATIVE TO THE CREATION OF A NON-OPERATING UNION DISTRICT IN THE WHITE RIVER VALLEY SUPERVISORY UNION

Committee Proposal

The study committee is proposing the creation of the Granville-Hancock Unified School District, a new union school district which does not operate schools, but instead, tuitions all students to schools of the parents' choice. This district will be created only if it is developed as a "side-by-side" district at the same time as an operating PK-12 District within the White River Valley Supervisory Union. The new district will have a single school board, a single budget, and a single pre-CLA tax rate.

Committee Membership and Charge

This study committee was created by Granville and Hancock School Districts "to analyze the advisability of forming a union school district under Act 46." The committee was created through votes on the following dates and the following weighted membership was agreed upon.

District	Date	Eq.Pupils	%	Proposed Votes	Method of Representation
Granville	4/7/16	43.73	47.9%	3	3 Reps each with 1 vote
Hancock	4/7/16	47.65	52.1%	3	3 Reps each with 1 vote

Membership on the committee is:

Granville: Bruce Hyde, Erika Linskey, Trina Service

Hancock: Linda Anderson, Rose Juliano, Dan Perara, Stacey Peters (alt.)

Description of the New District

This new district will be formed by the unification of the Hancock and Granville School Districts. The two districts are located remotely in a portion of the upper White River Valley, both having

relatively few students. Both districts have a long history of working together. For many years they operated parallel schools about 5 miles down the road from one another. In 2002, they began operating a Joint Contract school. When population continued to decline, the two school districts closed the school and both made the decision to allow parents to tuition students to the town of their choosing. A full list of tuition payments made by these two districts during the 2015-16 school year can be found in **Attachment A.**

Both school boards have been meeting together, at the same time and place, for a number of years.

Although students attend schools far and wide from Warren to Middlebury to Rochester to Sharon, these districts have functioned as an important part of the White River Valley Supervisory Union and will continue to do so.

Baseline Data

The information below comes from the Agency of Education website. Because these towns are small, even by Vermont standards, small fluctuations in population can sway percentages substantially.

ADM Counts Used in Calculating Equalized Pupils					
District	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2017**
Granville	32.06	22.00	23.00	28.80	36.00
Hancock	36.04	37.50	47.05	45.00	54.35
Totals	68.10	59.50	70.05	73.80	90.35
*Source: Agency of Education					

Viewing population by grade can help a district anticipate future patterns. Below is the December, 2015 ADM snapshot by

ADM by GRADE GROUPINGS Dec. 2015

District	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Granville	1	3	6	4	1	2	2	3	0	2	5	3	1	0	33
Hancock	4.8	8	4	5	5	2	2.15	2	2	1.4	2	8	4	4	54.35
TOTAL	5.8	11	10	9	6	4	4.15	5	2	3.4	7	11	5	4	87.35

grade level.

Fulfilling the goals of Act 46

1.Education Quality, Opportunity, and Equity—

This unification will not significantly change the educational opportunities for students in the short run. They will continue to attend the area school of their (or their parents') choice.

It is important to emphasize that this effort is a small part of the overall work of improving education throughout the White River Valley, as described in the earlier section of this report. This new district will continue to have a voice on the Supervisory Union board which provides broad support and direction to the educational programs of the region and will continue to administer special education services for all children. Many students from this new non-operating district will attend educational programs of the White River Valley Supervisory Union and its component districts.

2.Efficiency and Sustainability—

The biggest driver for this unification is the achievement of efficiencies, financial benefits, and long term predictability of tax rates.

Increased Efficiencies

The primary function of a non-operating board is to determine residency and pay bills. One board can perform these tasks more efficiently than two.

Developing and monitoring one budget and preparing for one school district's board meetings, instead of two, is an administrative savings for supervisory union personnel.

Direct Financial Benefits

The taxpayers of the new unified district will receive tax incentives over four years (.08, .06, .04, and .02). They will share with others in the Supervisory Union in benefitting from a $150,000 transition grant. And they will benefit from renewal of the "ADM Hold-Harmless" feature of the education finance system (see below).

Greater Tax Rate Stability for Homestead Tax Payers

The greatest challenge for small non-operating districts is unpredictable changes in student population, tuition costs, and tax rates. There are two major variables that impact the towns of Granville and Hancock. First is the very small size of both districts. The second relates to the "ADM Hold Harmless" provision of the state's education finance law.

Creation of a Larger "Risk Pool"

The smaller the district, the greater the risk of unpredictable impact on taxpayers. Granville and Hancock have had actual student counts in the neighborhood of 35-50 in recent years. With such small numbers, a single family moving in or out of a district can radically change variables that go into local tax rates. This happens in two ways: A sudden loss in student count will impact the "cost-per-student" calculation—a key element in determining local tax rates. Secondly, a family moving into the district after budget approval can result in sizable deficit spending which must then be covered in later years, bumping the tax rate in the out-years.

Creating a larger district of 90-100 students will create somewhat less volatility. Losses or gains of students connected to several families will have a less dramatic influence than if they occur in a district half the size. In essence, unification creates a larger "risk pool" for the taxpayers in the region.

Reinstatement of the "ADM Hold Harmless" Provision

One feature of Act 46 is to phase out the "ADM Hold Harmless" provision of Act 60, but to allow its continuation for districts that unify within certain parameters. Over the years, Granville and Hancock taxpayers have benefitted from this provision.

It is important for our citizens to understand this potential benefit. In short, homestead property tax rates are determined in part, on the amount of education spending *per pupil* in a particular district. That figure is driven by the amount spent, divided by the number of students counted by the district. Current law related to education finance provides protection for districts which are rapidly losing students from their count. The "hold harmless" provision has protected a district from losing more than 3.5% of its student count in a given year. If the number of students continues to decline substantially over time, the 3.5% reduction for subsequent years is applied against the inflated number from the previous year and, thus, over time, a district could be counting a large number of students who don't actually exist—thus the term, "phantom students".

Granville and Hancock have both benefitted from this provision which has propped up the number of students used in determining education spending per student and consequently, kept down tax rates. The table below shows the number of phantom students that have been counted in recent years.

Equalized Pupils and Phantom Students						
	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
Granville						
Official Eq. Pup. Count	48.66	46.96	45.32	43.73	42.2	42.14
Actual	31.75	28.57	25.56	27.56	32.03	42.14
Hancock						
Official Eq. Pup. Count	44.46	42.9	45.65	47.65	51.33	52.43

Actual	40.81	39.55	45.65	47.65	51.33	52.43
Total						
Official Eq. Pup. Count	93.12	89.86	90.97	91.38	93.53	94.57
Actual	72.56	68.12	71.21	75.21	83.36	94.57
"Phantom Students"	20.56	21.74	19.76	16.17	10.17	0

Although there are no "phantom students" as of FY'18, the new unified district would be protected going forward from significant reductions in child count. If we choose not to unify and remain separate districts, we continue to have very small numbers and no "hold harmless" protection.

Merging of Tax Rates in a New District

The tax rate impact of unification is fairly clear. We will combine the student counts and the education spending of the two forming districts and do one, unified calculation. In the year of formation, one district's rate will go up somewhat and one district's rate will go down to get to a common rate. Those will then be modified by the Act 46 incentives. As you can see from the historical chart below, the impact on individual towns would change from year to year, but both are better off over the long run if there is a larger group being averaged.

Pre-CLA Tax Rates--Past, Present, Projected

	FY'15*	FY'16*	FY'17*	FY'18 Proposed	FY'19 Est. Unified
Granville	1.267	1.274	1.414	1.821	1.708
Hancock	2.000	1.865	1.766	1.721	1.708
Theoretical Unified	1.635	1.582	1.610	1.770	1.708

*Actual pre-CLA tax rates

FY'19 includes .08 incentives

3. Transparency and Accountability—

The effort to reduce the number of districts within the WRVSU will serve the goals of transparency and accountability. Currently, each school district is one of ten in the supervisory union. Each has its own school board meetings, its own budget-building, its own governance processes. It is difficult for individual boards or board members to feel that the administrative structure is accountable to them. The entire system will be more accountable if the number of districts in the supervisory union is reduced from 10 to a substantially lower number.

ARTICLES OF AGREEMENT

The White River Valley Supervisory Union Non-operating Districts Study Committee recommends that the following Articles of Agreement be adopted by the electorate of each of the named school districts in order to create a Unified Union District to be named Granville-Hancock Unified District, hereinafter referred to as the "Unified District".

Article 1 Necessary Districts

The School Districts of Hancock and Granville are both necessary for the establishment of the Unified District. The above-referenced school districts are hereinafter referred to as the "Forming Districts".

The Unified District shall become effective on the date this article is 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 other White River Valley Supervisory Union town school districts vote on or before the date established by the Vermont General Assembly for the Forming Districts to obtain financial incentives for merger, but not later than December 31, 2017, to approve the formation of a new unified union district which operates schools for grade levels PreK-12 , and said votes become final per 16 V.S.A. 706g, thus allowing the creation of two Unified Districts that qualify as "Side-by-Side" Districts with operation commencement dates of July 1, 2018 .

Article 2 Grades to be Operated

The Unified District will provide education to all students in grades Pre-K through Twelve. The Unified District will provide services by tuitioning students to programs determined by parents within the parameters of district policy. It will not be directly operating education programs unless determined otherwise by the electorate of the new district at a later time..

Article 3 New School Facilities

No new school buildings or renovations are necessary or proposed for the formation of the Unified District.

Article 4 Existing School Facilities & Real Property

Given that the forming districts do not own or operate school buildings, there is no article required regarding this subject.

Article 5 First Year of Operation

5 (a) In the first year that the Unified District is fully operational and providing educational services, the operation will look very much like it currently does with the new board determining residency and assuring strong representation on the board of the White River Valley Supervisory Union.

5 (b) The Board of the Unified District shall make all subsequent decisions relative to the operation of the Unified District consistent with state and federal laws and these Articles of Agreement

Article 6 Surpluses and Debts, Special Funds

6 (a) The Unified District will assume all capital debt of the forming school districts including both principal and interest, as may exist at the close of business on June 30, 2018. As of the adoption of these articles, there is no capital debt held by either of the forming school districts.

6 (b) The Unified District shall assume any and all general operating surpluses and deficits of the forming school districts that may exist as of the close of business on June 30, 2018. In addition, reserve funds identified for specific purposes will be transferred to the Unified District and will be applied for said purpose unless otherwise determined through appropriate legal procedures. No reserve funds currently exist at the time of adoption of these articles.

6(c) The debt and funds specified above, subject to finalization of audits; shall be transferred to the new Unified District in accordance with procedures and timelines established by the Unified District Board following its organizational meeting, as further discussed in Article 10.

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

Article 7 Board Composition

The Unified District Board of Directors shall be composed of six (6) individuals who will initially be elected by Australian ballot by the voters of the municipalities in which they reside in

accordance with Article 9 below. Thereafter, the Board of Directors shall be elected in the manner specified in Article 11 below.

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

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

Town/District	Population/Percentage		Board Members
Granville	298	48%	3
Hancock	323	52%	3
TOTAL	621		6

Article 8 Terms of Office of School Directors

Pursuant to the provisions of 16 VSA §706j(b), elected school directors shall be sworn in and assume the duties of their office. The term of office for School Directors elected at the April 11, 2017, election shall be one, two, or three years respectively, plus the additional months between the date of the Organizational Meeting of the Unified District(16 VSA §706j), when the initial school directors will begin their term of office, and the date of the Unified District's annual meeting in the spring of 2018, as established under 16 VSA §706j. Thereafter, terms of office shall be three (3) years and shall begin and expire on the date of the Unified District's Annual Meeting. The following table establishes the expiration dates of the initial terms:

Town/District	2019	2020	2021
Granville	1	1	1
Hancock	1	1	1

Article 9 Date of Voter Action

The proposal to form a Unified District will be presented to the voters of each Forming District on April 11, 2017. The candidates for the new Unified District Board of School Directors will be elected on April 11, 2017 through Australian ballot, as required by law. The form of the warning for these votes will be substantially as attached as Exhibit B. Nominations for the

office of Unified School Director representing any district/town shall be made by filing with the clerk of that school district/town, a statement of nomination signed by at least 30 voters in that district or one percent of the legal voters in the district, whichever is less and accepted in writing by the nominee. A statement shall be filed not less than 30 nor more than 40 days prior to the date of the vote.

Article 10 Unified District Board of School Directors Transition Role

Upon an affirmative vote of the electorates of the school districts, and upon an affirmative vote of other districts within the White River Valley Supervisory Union to create an operating K-12 District, and upon compliance with 16 V.S.A. section 706g, the Unified District shall have and exercise all of the authority which is necessary in order for it to prepare for full operation beginning on July 1, 2018. The Unified District shall, between the date of the affirmative votes and June 30, 2018, develop school district policies and reporting procedures in order to fulfill the Education Quality Standards (State Board Rule 2000), prepare and present a budget for Fiscal Year 2019 , prepare for the 2018 Union District Annual Meeting, and transact any other lawful business that comes before the board, provided, however, that the exercise of such authority by the Unified District Board shall not be construed to limit or alter the authority and/or responsibilities of the Districts of Granville or Hancock. The new Unified District will begin overseeing the new district effective July 1, 2018.

Article 11 Annual Budget & Public Questions

Following establishment of the new district, budgets, public questions, and the election of subsequent school directors shall be conducted at meetings of the new unified school district, pursuant to 16 VSA section 562. The school board of the Unified District shall prepare and present a budget to the electorate for consideration at its annual meeting.

Article 12 Forming Districts Cease to Exist

On July 1, 2018, when the Unified District becomes fully operational, the school districts of Granville and Hancock shall cease all educational operations and shall remain in existence for the sole purpose of completing any outstanding business not given to the Unified District under these articles and state law. Such business shall be completed as soon as practicable, but in no event any later than December 31, 2018.

ATTACHMENT A

TUITION PAYMENTS

Granville Tuition Payments 2015-2016			
School	**FTEs**	**Cost**	**Total**
Braintree	2.20	$12,937.00	$28,433.00
Roxbury	2.00	$3,000.00	$6,000.00
Killington	1.00	$12,790.00	$12,790.00
Ripton	2.67	$17,000.00	$45,364.84
Salisbury	1.00	$14,043.00	$14,043.00
Rochester Elementary	6.39	$15,500.00	$99,028.09
Warren	5.38	$11,500.00	$61,828.65
Aurora School	2.00	$9,562.50	$19,125.00
Bridge School Inc	1.00	$9,225.00	$9,225.00
Randolph Technical Career Center	0.81	$7,212.00	$5,841.72
Randolph UHSD #2	1.00	$14,839.00	$14,839.00
Sharon Academy, The	1.70	$14,297.00	$24,337.00
Middlebury UHSD #3	5.00	$16,668.00	$83,340.00
Harwood UHSD #19	3.51	$15,200.00	$53,370.79
Rochester High School	2.00	$20,000.00	$39,999.91
Patricia A. Hannaford Career Center	0.08	$12,015.00	$961.20
Warren	1.00	$3,000.00	$3,000.00

Hancock Tuition Payments 2015-2016			
School	**FTEs**	**Cost**	**Total**
Randolph Technical Career Center	3.17	$7,212.00	$22,862.04
Patricia A. Hannaford Career Center	0.36	$12,015.00	$4,325.40
Orange Southwest S.U.	0.50	$23,166.00	$11,517.44
Harwood UHSD #19	1.00	$15,200.00	$15,200.00
Middlebury UHSD #3	12.75	$16,668.00	$212,541.00
Rochester	5.27	$20,000.00	$105,388.00
Bridge School Inc	2.03	$9,225.00	$18,681.91
Waitsfield	1.00	$13,000.00	$13,000.00
Warren	2.00	$3,000.00	$6,000.00
Warren	2.00	$11,500.00	$23,000.00
Middlebury ID #4	2.00	$13,366.00	$26,732.00
Ripton	4.71	$17,000.00	$80,045.36
Randolph	3.00	$13,017.00	$39,051.00
Rochester	2.53	$3,000.00	$7,583.55
Rochester	11.82	$15,500.00	$183,280.96

Attachment B: Language for Warning

_____TOWN SCHOOL DISTRICT
WARNING
SPECIAL SCHOOL DISTRICT MEETING
APRIL 10, AND APRIL 11, 2017

The legal voters of the _____ Town School District are hereby notified and warned to meet at _____ on Monday, April 10, 2017, at _____ PM to discuss the articles set forth below and transact any business not involving voting by Australia Ballot.

Article I:
To discuss the Act 46 Study Committee Report and the articles set forth below.

The meeting shall then be recessed to Tuesday, April 11, 2017, in order to vote on the following articles by Australian ballot. The polls will be open from ___ to ___ at the _____Town Offices.

Article II:
Shall the voters of the _____Town School District vote to form the Granville-Hancock Unified School District ("Unified District") on the following terms:

1. The districts listed below shall all be identified as "necessary" for the formation of the Unified District (referred to herein as "Member Districts"):

   Granville Town School District
   Hancock Town School District

2. The Unified District shall become effective on the date this article is 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 that votes approving this article shall not become effective unless the voters of other White River Valley Supervisory Union town school districts vote to approve the formation of a new unified union district which operates schools for grade levels PreK-12 on or before July 1, 2017, and said votes become final per 16 V.S.A. 706g, thus allowing the creation of two Unified Districts that qualify as "Side-by-Side" Districts.).

3. The name of the district shall be the Granville-Hancock Unified School District.

4. The Unified District shall commence operating the above-mentioned school on July 1, 2018 ("Operation Commencement Date") provided this article shall have become effective by such date.

5. The Unified District will provide education to all students in grades Pre-K through Twelve. The Unified District will provide services by tuitioning students to programs determined by parents within the parameters of district policy. It will not be directly operating education programs unless determine otherwise by the electorate of the new district at a later time.

6. (a) The Unified District will assume all capital debt of the forming school districts including both principal and interest, as may exist at the close of business on June 30,

2018. As of the adoption of these articles, there is no capital debt held by either of the forming school districts.

6. (b) The Unified District shall assume any and all general operating surpluses and deficits of the forming school districts that may exist as of the close of business on June 30, 2018. In addition, reserve funds identified for specific purposes will be transferred to the Unified District and will be applied for said purpose unless otherwise determined through appropriate legal procedures. No reserve funds currently exist at the time of adoption of these articles.

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

7. The Unified District Board of Directors shall be composed of six (6) individuals who will initially be elected by Australian ballot by the voters of the municipalities in which they reside in accordance with Article 9 below. Thereafter, the Board of Directors shall be elected at a floor meeting.

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

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

Town/District	Population/Percentage		Board Members
Granville	298	48%	3
Hancock	323	52%	3
TOTAL	621		6

8. The provisions of the Report and Formation Plan approved by the State Board of Education on February 21, 2017, which is on file at the offices of the White River Valley Supervisory Union shall govern the Unified District.

Article III: To elect from the following officers:

A. Unified District, _____ Director for a term of 1 year
B. Unified District, _____ Director for a term of 2 years
C. Unified District, _____ Director for a terms of 3 years

The legal voters of _____Town School District are further notified that voter qualification, registration and absentee voting relative to said annual meeting shall be as provided in Chapter 43, 51, and 55 of Title 17 Vermont Statutes Annotated.

Dated at _____, Vermont, March ____, 2017.

_____, Chair

_____, Clerk

_____

STITZEL PAGE & FLETCHER PC

ATTORNEYS AT LAW

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

February 14, 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 Granville-Hancock Unified District Consolidation*

Dear Board Chair Morse and Secretary Holcombe:

This office represents the White River Valley Supervisory Union and its member districts. I am writing to address the constitutionality of board member allocation among the two (2) towns that will be members of the proposed Granville-Hancock Unified 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:

Granville	3
Hancock	3

The Equal Protection Clause of the U.S. 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 is 621. Ideally, then, each member of the six (6) member board would represent a population of 103.5. The proposed allocation results in the following deviations:

		Pop. per member	Deviation from 103.5
Granville	3	99.3	-4%
Hancock	3	107.6	4%

This results in an average population deviation of 4% and a maximum deviation of 8%.

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 4% (average) and 8% (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 U.S. Constitution, as such have been articulated by the U.S. Supreme Court.

Sincerely,

Steven F. Stitzel

SFS/gc

cc: Bruce C. Labs, WRVSU Superintendent