

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 member districts of the **TWO RIVERS SUPERVISORY UNION (TRSU)** 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 **TRSU Act 46 Study Committee**?

RECOMMENDED ACTION:

- 1. That the State Board of Education finds that the proposed formation of a new unified union school district, to be named the GREEN MOUNTAIN UNIFIED SCHOOL DISTRICT, by member districts of the TRSU 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 TRSU Study Committee.**
- 3. That the State Board of Education votes to approve the assignment of the new school district, if approved, to the TRSU 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. 17, as amended

BACKGROUND INFORMATION: The TRSU was created in 2013 from the unification of the former Rutland-Windsor and Windsor Southwest Supervisory Unions. It had a combined PK-12 ADM of 1,126.73 in FY2016.

The TRSU consists of multiple school districts located in seven towns, representing four distinct models of education governance:

- Three elementary school districts, each of which operates a school offering PK/K-6 (Cavendish; Ludlow; Mount Holly)
- One union elementary school that operates a school offering K-6 – The Chester-Andover UESD (Chester; Andover)
- Two union high school district offering 7-12:
 - The Black River UHSD (Ludlow; Mount Holly)
 - The Green Mountain UHSD (Andover; Cavendish; Chester)
- Two PK-12 town school districts that pay tuition for all grades (Baltimore; Plymouth)

There are also two districts organized solely to provide for the prekindergarten education of their resident students (Andover; Chester).¹

A study committee formed by all school districts of the TRSU proposes to create a new unified union school district (New Unified District) encompassing the towns of Andover, Baltimore, Cavendish, and Chester. After “extensive meetings, analysis, and public input opportunities,” the Mount Holly and Ludlow Districts and the Black River UHSD have chosen not to be included in the proposal and “are continuing to work hard to develop a path forward to achieve the goals of Act 46.” The Plymouth nonoperating district was named as an “advisable” member of the Windsor Central merger proposal approved by the State Board in February.²

I. Green Mountain Unified School District

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

The Study Committee identifies the following school districts as “necessary” to the proposal pursuant to 16 V.S.A. § 706b(b)(1): Andover, Cavendish, Chester, Chester-Andover UESD; and Green Mountain UHSD.

The Study Committee identifies the following school district as “advisable” to the proposal pursuant to 16 V.S.A. § 701b(b)(2): Baltimore.

In FY2016, the combined average daily membership (ADM) of the necessary districts was 651.52 and the ADM of all districts included in the proposal was 700.22.

If approved by the State Board, the electorate of each district will vote on May 2, 2017 whether to approve creation of the New Unified District.

The New Unified District, which would be known as the Green Mountain Unified School District, would unify one elementary school district, one union elementary school district, one union high school district, and potentially one PK-12 tuitioning district (plus two PK districts) into a single district responsible for operating all schools within the district and would replace all current governing bodies with one unified union school board.

The New Unified District would be governed by an eleven-member school board, with initial allocation of membership as follows:

- Andover – 1
- Baltimore – 1
- Cavendish – 3
- Chester – 6

¹ Please see the section entitled “Potential Waiver” beginning on page 5 of this document

² Voters approved creation of a modified unified union school district on March 7, 2017. Due to unrelated irregularities at the polls, the Plymouth vote will occur in the future.

Membership would be closely proportional to the relative population of each town and would be adjusted if necessary to reflect each decennial census. Each member would be elected by the voters of the town in which the member resides.

No later than July 1, 2018, the Unified Board would be required to develop policy and programs for offering intra-district choice in grades for which the New Unified District operates multiple school buildings. Among other factors, the policies would be required to address transportation, socio-economic equity, and unity of siblings.

The Articles provide “grandfathering” provisions for students whose tuition is paid by the Baltimore School District in the 2016-2017 school year.

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

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

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

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

The Study Committee stated that when forming the new TRSU in 2013, the member districts worked well together to centralize services and enhance educational benefits. The Committee observed:

This unifying work created substantial good will and common vision among the involved towns. There is some sense among citizens and board members that the requirements of Act 46 ignore the good work that has happened over the past few years. The dynamics of attempting to unify districts have also created stresses that test the strong bonds created over the past few years.

Nevertheless, after identifying guiding principles including a range of “educational passions” and considering several potential school district merger options, the Study Committee stated that it:

supports unification as the right thing to do for the students and taxpayers of Andover, Baltimore, Cavendish, and Chester and as a step toward simplifying the operation of the Two Rivers Supervisory Union which can have benefits for all students.

* * *

Unification, itself, will not assure instant results. Rather, it helps to continue to create a foundation upon which to achieve long-term outcomes. Unification will provide maximum financial benefits for our municipalities and avoid the imposition of a state-developed plan.

Finally, unification will position us to be stronger partners with the remaining districts of the supervisory union. Our operation will be more flexible and easier to coordinate with the efforts of other districts in this structure.

EDUCATION IMPLICATIONS:

The Study Committee identified potential educational benefits of merger, including:

1. Establishment of intra-district elementary school choice that would allow parents to match student needs with the particular focus of a school, with the possibility of creating “theme schools”
2. Addressing inequities in class size and staffing, as well as low ratios
3. Flexibility to “assign staff based on the talents and skills of the staff as well as the needs of our students
4. Ensuring more consistent preparation of students entering high school

FISCAL IMPLICATIONS:

Although the TRSU has already realized savings from SU unification and related centralization efforts and from the two existing union school districts, the Study Committee identified \$30,000 in immediate administrative savings “related to managing one set of books, conducting one audit, administering one set of employee collective bargaining agreements, merging transportation systems, and managing and supporting one board instead of six.” It stated: “Although immediate savings would be modest, there is substantial educational value in shifting administrative focus to effective management and education quality.”

The Study Committee anticipates that there will be long-term savings related to the ability to manage staffing levels across a larger, unified district. The new structure would also be better able to manage tax rate fluctuations associated with shifting demands for special education services.

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.

POTENTIAL WAIVER: Eligibility for the tax rate reductions and other transition assistance available under the “RED” program created by Act 153 includes a size criterion – either the merger of four existing districts or a combined ADM of 1,250.

The Study Committee contends that even if Baltimore (the only “advisable “ district) does not approve the proposal, the New Unified District would be created by the merger of *five* existing districts: the Cavendish Elementary School District; the Chester-Andover UESD; the Green Mountain UHSD; *and the two prekindergarten school districts.*

The Secretary believes, however, that the two prekindergarten districts cannot be included in the count. It is the Chester-Andover UESD’s responsibility to provide for prekindergarten education under 16 V.S.A. § 829 for its resident prekindergarten students living in Andover and Cavendish, even if it is the practice of Andover and Cavendish to do so separately, as distinct school districts. Therefore, if Baltimore does not approve the proposal, *three* districts would merge to form the New Unified District.

Act 153, Sec. 3(a)(2) requires the Board to grant a waiver from the size criterion at the request of the merging districts if the districts demonstrate that the requirements “would not be cost-effective, would decrease educational opportunities, or would diminish student achievement.”

Even if Baltimore approves the proposal, the New Unified District will be very small (FY2016 ADM = 700.22), which could affect its sustainability in the long term. Merger alone likely will not result in a system that is of sufficient scale to insulate itself fully from declining enrollment, economic shocks associated fluctuations in demand for special education services, and a growing need to provide depth and breadth of opportunities to learn. Nevertheless, the greater scale created by this proposal will increase the New District’s ability to manage student teacher ratios for affordability and to share key resources and services among schools.

In addition, the State Board has approved other proposals for very small unified union school districts in the past (e.g. the Windsor Central proposal, which the Board approved in February).

Given that Baltimore’s ADM was 48.70 in FY2016, it is somewhat ironic that the New Unified District would be technically eligible for the RED program if Baltimore is included – but would not meet the Act 153 size criterion (four districts) if it is not.

In addition, although the two prekindergarten districts *should not* exist, they are *in fact* active districts in the SU with elected boards, public meetings, etc.

Therefore, if Baltimore does not approve the proposal, and if the merging districts request a waiver from the State Board, then at this time it appears that it would not be inappropriate for the State Board to grant a waiver of the size criterion, conditioned on a stated willingness of the New Unified District potentially to accept the addition of one or more other operating districts as new members if requested to do so by the State Board.

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

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
Two Rivers Supervisory Union			
	Andover	X	
	Baltimore		X
	Cavendish	X	
	Chester	X	
	Chester-Andover Union Elementary School	NA	
	Green Mountain Union High School	NA	

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

Dates, ADM, and Name	
Date on which the proposal will be submitted to the voters of each district (16 V.S.A. § 706b(b)(11)):	5/2/17
Date on which the new district, if approved, will begin operating (16 V.S.A. § 706b(b)(12)):	7/1/18
Combined ADM of all “necessary” districts in the current fiscal year:	651.52
Proposed name of new district:	Green Mountain 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		
<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"> • One board assuring that all students receive similar preparation for high school. • Greater ability to provide broader educational experiences, particularly in areas such as elementary foreign languages. • Greater equity in class size in the elementary grades. • Greater equity in access to technology. • Ability to consider specialized programs using the expertise of particular staff and the strengths of particular schools. <p>Explained on page 11-12 of report.</p>	
<p><u>Goal #2:</u> The proposed union school district will lead students to achieve or exceed the State’s Education Quality Standards, adopted as rules by the State Board of Education at the direction of the General Assembly.</p> <p><i>Act 46, Sec. 2(2)</i></p>	<ul style="list-style-type: none"> • Above opportunities allow ability to focus on State’s EQS at all levels. <p>Explained on page 11-12 of report.</p>	
<p><u>Goal #3:</u> The proposed union school district will maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with a goal of increasing the district-level ratio of students to full-</p>	<ul style="list-style-type: none"> • Modest immediate administrative savings--\$30,000, driven largely by bulk purchases, fewer audits, and less staff time administering multiple collective bargaining agreements and managing multiple budgets. • Creating the ability to manage staff resources more flexibly to assure quality education is achieved and maintained in the most efficient manner possible. 	

<p>time equivalent staff.</p> <p><i>Act 46, Sec. 2(3)</i></p>	<p>Explained on pages 12-15 of report.</p>	
<p><u>Goal #4:</u> The proposed union school district will promote transparency and accountability.</p> <p><i>Act 46, Sec. 2(4)</i></p>	<ul style="list-style-type: none"> • Clearer accountability for the superintendent with the number of overall TRSU districts being reduced from 10 to 5. One board establishes priorities and monitors performance. <p>Explained on page 15 of report.</p>	
<p><u>Goal #5:</u> The proposed union school district will deliver education at a cost that parents, voters, and taxpayers value.</p> <p><i>Act 46, Sec. 2(5)</i></p>	<ul style="list-style-type: none"> • Four years of tax incentives for all homestead taxpayers in all five towns, beginning in the summer of 2018 (FY2019). • Ability to keep current funding mechanisms that will otherwise disappear under Act 46—the small schools grant and the “ADM hold-harmless” provision which has protected the district from sudden and substantial reductions in student count. • Eligibility for a \$150,000 grant to assist with transitional costs. <p>Explained on pages 12-15 of report.</p>	
<p><u>Regional Effects:</u></p> <p>What would be the regional effects of the proposed union school district, including: would the proposed union school district leave one or more other districts geographically isolated?</p> <p><i>Act 46, Section 8(a)(2)</i></p>	<p>This merger, in and of itself, moves the region toward the desired state. Ludlow and Mt. Holly and their U39 are continuing to work on a possible pathway forward, but as of this writing they have not made a decision on a direction. Creation of this RED does not isolate them. The option remains open for one or more of them to join the new RED at a future time and the articles invite that.</p>	
<p>Articles of Agreement – as required by 16 V.S.A. § 706b(b)(3) - (10)</p>		

<p>(3) The grades to be operated by the proposed union school district</p> <p>The grades, if any, for which the proposed union school district shall pay tuition</p>	<p>The new district will operate grades PreK-12 for all students.</p>	
<p>(4) The cost and general location of any proposed new schools to be constructed</p> <p>The cost and general description of any proposed renovations</p>	<p>No new construction or renovations are proposed as part of this governance change.</p>	
<p>(5) A plan for the first year of the proposed union school district's operation for:</p> <p>(A) the transportation of students</p> <p>(B) the assignment of staff</p> <p>(C) curriculum</p> <p>The plan must be consistent with existing contracts, collective bargaining agreements, and other provisions of law, including 16 V.S.A. chapter 53, subchapter 3 (transition of employees)</p>	<p>Explained on page 17 of the report.</p>	
<p>(6) The indebtedness of the proposed merging districts that the proposed union school district shall assume.</p>	<p>See pages 18 and 27 of the report.</p>	
<p>(7) The specific pieces of real property owned by the proposed merging districts that the proposed union school</p>	<p>Described on pages 18-20 and on page 28 of the report.</p>	

<p>district shall acquire, including:</p> <ul style="list-style-type: none"> * their valuation * how the proposed union school district shall pay for them 		
<p>(8) The allocation of capital and operating expenses of the proposed union school district among the proposed member</p>	<p>Repealed</p>	
<p>(9) Consistent with the proportional representation requirements of the Equal Protection Clause, the method of apportioning the representation that each proposed member town shall have on the proposed union school board</p> <ul style="list-style-type: none"> * no more than 18 members total * each member town is entitled to at least one representative * <i>see also</i> 16 V.S.A. § 706k(c): one or more at-large directors * <i>see also</i> 16 V.S.A. § 707(c): weighted voting 	<p>Described on pages 20-21 of the report.</p>	
<p>(10) The term of office of directors initially elected, to be arranged so that one-third expire on the day of each annual meeting of the proposed union school district, beginning on the second annual meeting, or as near to that proportion as possible</p>	<p>Described on page 10 of the report.</p>	
<p>Any other matters that the study committee considers pertinent, including whether votes on the union</p>	<p>Other matters are covered on pages 22-23.</p>	

school district budget or public questions shall be by Australian ballot <i>(please list each matter separately)</i>		
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Two Rivers Supervisory Union Act 46 Study Committee Report

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TWO RIVERS SUPERVISORY UNION

609 VT Rte 103

Ludlow, VT 05149

February 28, 2017

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

On behalf of the Two Rivers Supervisory Union (TRSU) and its Act 46 Study Committee, I am pleased to present to you this report relative to the creation of a unified union school district (that qualifies as an Act 153 RED) in a portion of the Two Rivers Supervisory Union.

You know well the TRSU. We were created by order of the State Board effective July 1, 2013—a combination of the former Rutland-Windsor and Windsor Southwest Supervisory Unions. That merger has been a good thing. It has produced a number of benefits for our students and has resulted in efficiencies. Act 46 has challenged us to go to another level and to find ways of fundamentally restructuring to bring more dramatic improvement to our education system and measurable savings to taxpayers.

Our challenges in addressing the goals of Act 46 have been substantial. We have ten school districts within the supervisory union structure. Two of those districts are non-operating and tuition all of their students. Two districts only operate PK Services. Three towns (Andover, Cavendish, and Chester) are part of the Green Mountain Union High School, two of those are part of the Chester-Andover Union Elementary School, and two towns (Ludlow and Mt. Holly) are part of Black River Union High School (U.39). These many interconnections have served students well over a long period, but they posed interesting challenges in restructuring districts under Act 46.

We have worked for the past 18 months sorting through the various possibilities and seeking common ground to move forward. At this time, we believe the best path is the creation of a unified union school district (that qualifies as a Regional Education District) from six of our current districts. Plymouth is pursuing unification with the Windsor Central Supervisory Union. The plan included in this proposal does not include Ludlow and Mt. Holly, understanding that they will continue to explore a range of options. In the meantime, we will all continue to be part of the strong structure of the Two Rivers Supervisory Union.

Sincerely,

Sebastian Frank, Chair

TRSU Act 46 Study Committee

TWO RIVERS SUPERVISORY UNION

ACT 46 STUDY COMMITTEE

REPORT

BACKGROUND

For the past 15 years, Vermont, as a state, has experienced several significant trends related to education and education finance. First, the student population has fallen 20% over that time. Second, the number of staff has remained approximately the same. Consequently, the cost-per-student has risen rapidly to be at or near the highest in the country. Per-student cost is a driver of homestead education property tax rates, resulting in voter concerns and efforts by local school boards to reduce costs. In this environment, programs in many of our smaller schools have been pared back, leading to disparity in educational opportunity. In response to these trends, the 2015 Legislature passed Act 46. Although the specific circumstances in each of our communities vary, the general trends have impacted the region covered by the Two Rivers Supervisory Union.

Act 46 of 2015 became law in June, 2015. It calls for all school districts in the state to come together to pursue the following goals:

Provide substantial equity in the quality and variety of educational opportunities.

Lead students to achieve or exceed the State's Education Quality Standards.

Maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with the goal of increasing the district-level ratio of students to full-time equivalent staff.

Promote transparency and accountability.

Deliver education at a cost that parents, voters, and taxpayers value.

The assumption inherent in the bill is that issues of quality, inequity of student opportunity, and the ever-increasing cost-per-student can best be addressed over the long-run by the creation of somewhat larger school districts. The hope is that local regions will come together and figure out a viable pathway to achieve that objective. The bill includes incentives for districts to come together and sort out these issues. It also includes the eventuality that the State Board can, in November, 2018, order unification, if regions have not developed their own approach.

COMMITTEE MEMBERSHIP AND CHARGE

In the fall of 2015, all school districts within the Two Rivers Supervisory Union voted to create a study committee “to analyze the advisability of forming a union school district under Act 46.” The number of votes for each town represented on the committee was determined through the number of equalized pupils. Each board then selected the representatives to serve on the committee. Below is the membership that has served on the committee:

District	Date of Vote	Members
Andover (1)	10/21/15	Joe Fromberger
Baltimore (1)	9/09/15	Kathy Muther (Wayne Wheelock, alternate)
Cavendish (2)	9/15/15	Doug McBride, Fred Marin (Gene Bont, M.D., alternate)
Chester (5)	10/19/15	Lauren Baker, Deborah Brown, Bill Dakin, Esq., Alison DesLauriers, Marilyn Mahusky (Venissa White, Tonia Fleming, and Erin Lamson--alternates)
Ludlow (3)	10/07/15	Bruce Schmidt, George Thomson, Heather Tucker (Angi Benson-Ciufo, Jennifer Shepard, Meriel Meringolo alternates)
Mt. Holly (2)	10/07/15	Sebastian Frank, David Venter (Bob Herbst, alternate)
Plymouth (1)	10/21/15	Rebecca Geary

As the committee’s work progressed in the fall of 2016, Plymouth chose not to be part of a final proposal, but instead to move toward becoming part of the unification effort in Windsor Central Supervisory Union. The committee has supported their move through a formal vote on October 25, 2016. Plymouth remains an official member of the committee, but is not part of the analysis or the proposal itself and will not be taking this proposal before their voters.

After extensive meetings, analysis, and public input opportunities, Ludlow and Mt. Holly have chosen not to be part of a unification proposal within the TRSU at this time due to challenges outlined later in this report. They are continuing to work hard to develop a path forward to achieve the goals of Act 46.

In the interest of supporting some level of unification within the TRSU, the study committee on January 18 authorized the creation of a sub-committee to pursue a proposal to establish a unified union school district for the towns of Andover, Cavendish, Chester, and, Baltimore, as well as their two union school districts.

The committee’s work has been supported by Superintendent Meg Alison Powden and her administrative team, Director of Financial Operations Chris Adams, and by consultants Diana Watson and Steve Dale.

RECOMMENDATION

The committee recommendation at this time is the creation of a unified union school district (that qualifies as a Regional Education District under Act 153) that will include Andover, Baltimore, Cavendish, and Chester. It will include the current union districts of Chester-Andover Elementary School and Green Mountain Union High School. The district will have a single board, a single budget, and a single pre-CLA tax rate.

At this time, the committee does not have a proposal for changes in Mt. Holly, Ludlow, or the U39 District. A proposal related to those districts will be forthcoming at a later time.

THE TRSU CONTEXT

Successful Recent Supervisory Union Merger

The Two Rivers Supervisory Union (TRSU) was formed on July 1, 2013. With strong urging from the Agency of Education, two previous supervisory unions—Rutland-Windsor and Windsor Southwest merged through a two-year process. The new supervisory union came together to realize efficiencies and to lay a foundation for various educational improvements. The planning process identified “improved learning opportunities” the merger would produce including:

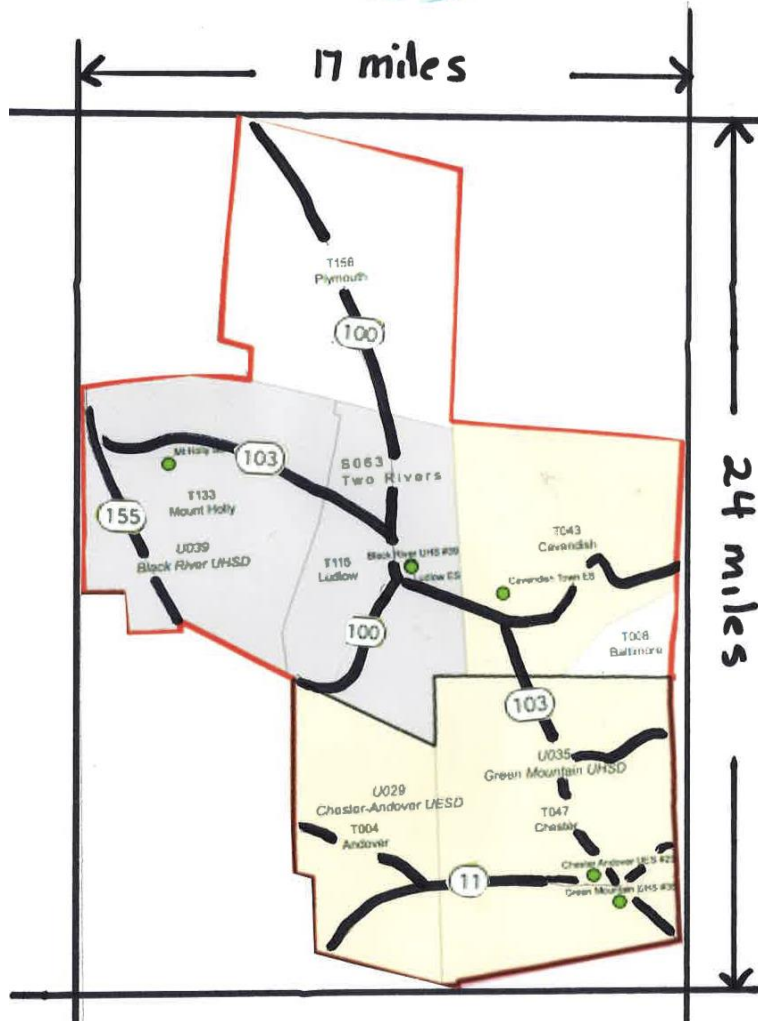
- 1. The new SU bureaucracy should not be so big or cumbersome as to hinder the efficient operation of the schools and thereby impede the potential for improved student opportunities;*
- 2. The new SU should provide opportunities for closing achievement gaps—socioeconomic, gender, etc.;*
- 3. The new SU should provide greater equity of opportunity for students across the communities;*
- 4. The new SU should have the potential to provide increased learning opportunities for all members of the student population.*
- 5. The new SU should have the ability to share across schools best practice, professional development, etc.*

The districts came together well, hired new leadership, centralized Special Education services, established an SU-wide after-school program, created a common professional development model, negotiated a common teachers’ contract, created unified technology system and supports, and created policies and procedures. A number of educational benefits have been realized.

This unifying work created substantial good will and common vision among the involved towns. There is some sense among citizens and board members that the requirements of Act 46 ignore the good work that has happened over the past few years. The dynamics of attempting to unify districts have also created stresses that test the strong bonds created over the past few years.

Geography and Historical Education Delivery

The TRSU covers a region from the eastern edge of Chester and Baltimore in Windsor County to the far Western edge of Mt. Holly in Rutland County. The TRSU consists of seven town school districts—Andover, Baltimore, Cavendish, Chester, Ludlow, Mt. Holly, and Plymouth, and three union school districts—Chester-Andover Elementary School, Black River Middle School-High School (U39), and Green Mountain Union High School. Two towns, Baltimore and Plymouth, are non-operating towns which tuition all of their students to other schools. See the map below.



This complex mix of districts has posed challenges for the process of potential unification, but at the same time, this region’s long history of creating three union districts and merging supervisory unions is testimony to their creativity, flexibility, and focus on what is best for students and taxpayers. This region has been willing to make changes when needed.

Education in the TRSU is currently delivered through four elementary schools and two Union Junior-Senior High Schools. They are as listed below:

Elementary Schools Grades PK-6	2017 Enrollment
Cavendish Elementary School	101
Chester-Andover Elementary School	196

Ludlow Elementary School	117 (22 PK)
Mt. Holly Elementary School	107 (29 PK)
Total	521

Secondary Schools Grades 7-12	2017 Enrollment
Black River Union Middle School- High School	151
Green Mountain Union High School	319
Total	470

Committee Process

The TRSU Act 46 Study Committee was created in the fall of 2015. After nine months of study as a large group and in sub-committees, the committee found it difficult to proceed. Geographic considerations and significant disparities in current cost per student made it very difficult to contemplate unification. The committee took a breather during the summer and resumed in September, 2016. Throughout the fall, the full committee met 10 times and held multiple public comment sessions.

Early in the fall of 2016, the Committee identified several principles which must guide final decision-making on the proposal:

GUIDING PRINCIPLES

A proposal must:

- **Increase opportunities for students. There must be measurable benefits for students.**
- **Achieve equity for all students through increased quality—not through reducing quality in some schools (i.e.—an atmosphere of excellence).**
- **Decrease overall cost per student. Provide for efficiencies.**
- **Maintain the integrity of current elementary schools. Any decision to close a school must assure involvement of board and town involved.**
- **Assure that transportation times are acceptable and reasonable.**
- **Be attractive to families.**
- **Build on what has been created—and recognize the great work that has been done.**
- **Promote strong relationships among students, adults, and community members.**

In weighting these criteria as part of an exercise, improving student opportunity was ranked by far the highest in considering options.

The committee also identified a range of “educational passions” that should guide long-term decision-making --included in **Attachment A**.

The committee seriously considered the following options:

1. All districts merge into a single Supervisory District
2. All districts, except Mt. Holly, merge into a single Supervisory District, and Mt. Holly joins the Mill River Unified Union District. Requires dissolution of U39)
3. The TRSU forms two PK-12 union districts, along the lines of the current union high schools. (Our understanding is that both could not qualify for “side-by-side” designation because both operate PK-12).
4. Two districts form side-by-side. One would be a PK-12 operating district joining the towns of Andover, Cavendish, and Chester and, possibly, Baltimore. The other would be Ludlow and Mt. Holly which would operate grades PK-6 or 8 and tuition their middle and/or high school students.

Eventually the committee reached a point where it could not agree on a supervisory union-wide solution. Several factors contributed to the inability to move forward with all parts of the supervisory union:

1. **Geography--** The geography of the TRSU and the location of buildings create large challenges. Green Mountain Union High School is a well-maintained, modern facility which could house all middle and high school students in the supervisory union. However, it is located in Chester, 13 miles from Ludlow and 23 miles away from the Mt. Holly School. Some students on the far side of Mt. Holly reside 30 miles away. The current realities prevent this from being a viable, equitable plan for all students and communities. With a modern school building already within the current supervisory union, it is hard to imagine the public supporting construction of a new, centrally-located facility.
2. **Historical Significance of Black River High School-Middle School**—Some options have called for the closure of Black River High School Middle School. Black River has a rich history as the private academy attended by Calvin Coolidge and has long played a vibrant role in the life of Ludlow, a sizable community in Vermont. Citizens of Ludlow are passionate about the school and its sustainability. However, it now has only 151 students, approximately 25 students per grade, and is continuing to lose students. It is challenged to provide a rich array of programs and its per- student costs are high. Mt.

Holly and Ludlow are both legally bound to Black River Middle- High School, but cannot agree on future direction. Mt. Holly representatives on the committee would like to propose that Mt. Holly move to the new Mill River District, but Ludlow desires to keep Black River open and does not want to lose Mt. Holly’s 50 high school students, which would make it even less viable. Act 46 states repeatedly that “it is not the intent of this law to close small schools” which highlights the dilemma.

- 3. Substantial differences in cost and tax rates—**The schools operated by the four southeastern districts in the supervisory union have had costs-per-pupil substantially below those of several of the northwestern towns. Merging the districts without any change in delivery patterns would result in a significant tax increase for the southeastern towns. The table below shows the equalized pupil count and spending per equalized pupils proposed for the FY2018 budget:

	FY 2018	FY 2018	FY 2018	District
	Ed Spending	Eq Pup	EdSpnd/EqP	Equalized
				Tax Rate
Andover	20,075	2.61	7,691.57	0.7634
Baltimore	749,189	47.57	15,749.19	1.5630
Cavendish	1,660,843	103.92	15,981.94	1.5861
Chester	230,289	19.15	12,025.54	1.1935
Chester-Andover	2,987,603	195.74	15,263.12	1.5148
Green Mountain	4,978,195	332.07	14,991.40	1.4878
Ludlow	1,777,370	102.23	17,385.99	1.7255
Black River U39	3,054,451	177.41	17,216.90	1.7087
Mt Holly Elem	1,339,301	83.50	16,039.53	1.5919
Plymouth	900,279	48.04	18,740.20	1.8599
		1,112.24		

In an effort to make some movement and gain available benefits for a majority of the districts, the committee voted to support six districts in pursuing a unified union school district proposal at this time. The remainder of this report describes a unification of the Andover, Baltimore, Cavendish, Chester, Chester-Andover, and Green Mountain Union High School districts into a single district with a single board and a single pre-CLA budget, a district that would qualify as a Regional Education District RED under Act 153).

Mt. Holly and Ludlow will continue to explore options, seeking a solution to the issues surrounding their districts.

As of this writing, Plymouth is seeking unification with districts in the Windsor Central Supervisory Union.

Fulfilling the goals of Act 46

The study supports unification as the right thing to do for the students and taxpayers of Andover, Baltimore, Cavendish, and Chester and as a step toward simplifying the operation of the Two Rivers Supervisory Union which can have benefits for all students.

VISION FOR A NEW DISTRICT

The study committee envisions a unified district that provides an excellent education to all students in the towns of Andover, Baltimore, Cavendish, and Chester and assures equity regardless of the town of residence. Further, the committee aspires to create the basis for an operation that will assure the effective and efficient use of taxpayer resources and the achievement of excellent value for our broader community. We seek a school district which unifies municipalities while respecting the history and culture of each community and the value of schools to those communities.

ADM count within the proposed district would be as follows:

	Average Daily Membership FY2013-FY2017				
	FY 13	FY14	FY15	FY16	FY17
Andover	3.00	5.00	6.00	3.00	4.00
Baltimore	40.00	44.00	51.00	51.00	48.70
Cavendish	111.55	103.75	106.40	109.70	109.02
Chester	43.00	31.25	36.00	35.00	38.35
Chester-Andover UESD	239.25	214.19	203.36	200.05	202.35
Green Mountain UHSD	316.55	288.90	313.38	302.55	297.80
If Unified	753.35	687.09	716.14	701.3	700.22

Unification, itself, will not assure instant results. Rather, it helps to continue to create a foundation upon which to achieve long-term outcomes. Unification will provide maximum financial benefits for our municipalities and avoid the imposition of a state-developed plan.

Finally, unification will position us to be stronger partners with the remaining districts of the supervisory union. Our operation will be more flexible and easier to coordinate with the efforts of other districts in this structure.

We believe that the creation of a unified union school district will allow our region to be responsive to the goals of Act 46 as follows:

EQUITY AND QUALITY

“The legislation is designed to encourage and support local decisions and actions that:

- *Provide substantial equity in the quality and variety of educational opportunities*
- *Lead students to achieve or exceed the State's Education Quality Standards"*

It is anticipated the area covered by these towns will continue to see a decline in student enrollment over the next 5 years at about 2-2.5% per year. Because of this decline, it is critical that we be given an opportunity to be flexible in the use of our resources and to be efficient in our business operations. With one mission, vision and strategic plan for continuous improvement, we will be able to address the needs of all our schools in well-coordinated and integrated fashion.

Having a larger district will create the opportunity to consider how best to achieve a number of education objectives. Larger scale across more students and more facilities opens more opportunities. For example—we could plan for a foreign language program for all students beginning in the elementary years. It also creates greater assurance that will be addressed by students being part of a single district with one board responsible for viewing the PK-12 educational experience as a full continuum.

Each of our communities has unique qualities that we value. We could build on those assets by creating theme schools that would attract students to attend another elementary school aligned with their interests or one that is in closer proximity to their homes. Unification provides the opportunity for a single board to expand choice options for children within the district.

Creating a single school district could also address the inequities in class size and staffing. For example, in one school we may see a class size of 10 at a particular grade and in another school that number is 22. Staff assignments are currently limited to place of hire. We need to have the flexibility to assign staff based on the talents and skills of staff as well as the needs of our students. The same benefits would also be realized by nonprofessional staff. For instance, we could assemble our custodians and maintenance workers as a team and provide training to use across all schools which in turn has the potential to save money.

Technology will continue to play a significant role in learning as we prepare our students for a very different future. Employers, higher education and technical training centers are expecting students to be skilled in the use of technology and to use it to guide learning. We will continue to work to assure that all students have equal access to technology.

EFFICIENCY AND SUSTAINABILITY

“The legislation is designed to encourage and support local decisions and actions that:

- ***Maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with the goal of increasing the district-level ratio of students to full-time equivalent staff.***
- ***Deliver education at a cost that parents, voters, and taxpayers value.”***

The cost of education on a per-student basis has been rising over the past 15 years. Vermont, as a whole, is among the top three highest spenders nationwide. This has been driven primarily by declining enrollment and our challenge in reducing staffing levels to correspond with those decreases. Although there has been some variability among towns from year to year, the overall trend in the schools of these districts has been slow decline in enrollment. In order to manage costs in this environment and to assure quality and equity are addressed, boards need to have greater flexibility in managing available resources across a larger organization.

The financial analysis completed in conjunction with this report highlights the following:

1. Given the level of unification already in place, there are not large initial savings from district unification.

Unlike a number of locations in Vermont, this area has been a leader in unifying operations. We have already consolidated many of the services and supports under the supervisory union structure including transportation, special education, technology, service contracts such as insurance and copiers, and some aspects of food service administration-- changes which have already resulted in financial benefits. In addition, the towns involved in this unification already operate two union schools—the Green Mountain Union High School and the Chester-Andover Elementary School.

There should be modest administrative savings in the range of \$30,000 related to managing one set of books, conducting one audit, administering one set of employee collective bargaining agreements, merging transportation systems, and managing and supporting one board instead of six.

Although immediate savings would be modest, there is substantial educational value in shifting administrative focus to effective management and education quality.

2. Over the long-run, unification will provide substantial financial and educational benefits and will improve overall fiscal sustainability.

The greatest financial benefit over time will come from being able to manage staffing levels across the new district. Overall enrollment is expected to continue to decline, requiring flexibility and creativity to ensure students get an excellent education at a cost

that local voters will support. A somewhat larger district will allow for better management of staff assignment, program locations, and optimal use and management of all facilities, resulting in a more sustainable operation. Should the district grow at some point in the future, unification would also facilitate the effective management of growth.

In a unified school district, we would have one budget instead of six which would allow us to prioritize goals which can benefit all of our students. A single budget will allow the district to manage variable demands that come with an increase in students receiving special education or other unforeseen upward pressures in particular locations.

Unification will allow a single board to manage resources more flexibly to optimize education programs for all students. As described above, it can better allow the creation of additional programs where needed, better assure that classes have sufficient numbers of students to allow them to be maintained, and better address equality in education opportunity.

3. *Homestead tax rates will be stabilized over the long run.*

Local homestead tax rates are driven in part by the expenditure per student. Very small districts are subject to significant swings in student count (by percentage). Unification will result in a much larger student count and make the district less prone to swings in student population which can affect tax rates. In essence, unification creates a larger “risk pool”, stabilizing per-student cost.

4. *Homestead tax rates will be more favorable for taxpayers over the long run if the new district qualifies as a Regional Education District.*

- ***Maintenance of Small Schools Grants***

Unification will allow the new district to keep small schools grants as “merger support grants”. In recent years, Cavendish has received \$40,000-\$50,000. Failure to unify will likely result in loss of those funds.

- ***Restoration of the “ADM Hold Harmless Provision”***

The new district will be allowed to keep the “hold harmless” feature of the state’s finance system. When student count drops suddenly, districts have been protected from losing more than 3.5% of their student population in a given year. Over the past five years, four of the six districts have benefitted from the “hold harmless” feature for one or more years. In 2017, Andover benefitted substantially, as 15% of

its students were “phantom students”, helping keep their tax rate lower than it otherwise would have been. Act 46 eliminates the hold harmless provision, beginning in FY’18, but that feature can be reactivated in FY’19 for unified districts that qualify as a RED under Act 153.

5. Direct Financial Benefits

Taxpayers in the new district will receive incentives over the first four years of operation. When the budgets are unified, a new tax rate is determined and that rate is then reduced by a particular amount, beginning the first year of operation and dropping by two cents each year (.08, .06, .04, .02). This new district will also receive a \$150,000 “transition grant”.

The committee has looked at the tax implications of two possible outcomes of this process:

- ✓ What happens to taxes over the next 5 years if the districts do nothing?
- ✓ What happens if this proposal is approved by voters and we unify on our terms and in a way that qualifies for the incentives of Act 153?

A third possible outcome would be not to proceed on our own and the state later requires the creation of a unified district without any of the benefits or protections. It is difficult to model that option, not knowing what type of district the state may create in the future.

A more complete picture of five-year tax projections under the first two outcomes can be found in **Attachment B**.

Greater efficiency and creative management of resources can free up dollars both to achieve our educational vision and to temper future tax increases. They can also allow for expansion of student opportunity, increases in staff salaries, and other efforts to enhance the quality, opportunity, and equity of education in the region

TRANSPARENCY AND ACCOUNTABILITY

“The legislation is designed to encourage and support local decisions and actions that:

- ***Promote transparency and accountability.”***

Act 46 identifies as a major goal improved transparency and accountability in the operation of our education system statewide. Transparency is promoted when citizens

have the information they need in an understandable format. Accountability is enhanced when there are clear expectations, clear lines of authority, and attention to performance.

Supervisory unions in Vermont, as management structures, are not designed for accountability. In a supervisory union, multiple school boards make a range of decisions related to particular students at particular points in their academic careers, making no one accountable for ultimate results. Budget authority rests with multiple bodies resulting in significant variation in priorities, costs per student, and missed opportunities for efficiency.

The current supervisory union has 10 districts and 11 separate budgets. With this unification, the number of districts will be reduced from 10 to 5. This will result in much greater simplicity and greater accountability. And it will allow the central office staff to concentrate on educational excellence and sound management, rather than on multiple oversight processes involving multiple school boards and budgets.

ARTICLES OF AGREEMENT

The Study Committee recommends that the following Articles of Agreement be adopted by each necessary and/or advisable school district for the creation of a pre-Kindergarten through Grade 12 unified union school district to be named Green Mountain Unified School District, hereinafter referred to as “Green Mountain Unified District”.

Article 1 Necessary Districts

The School Districts of Andover, Cavendish, Chester, the Chester-Andover Union Elementary District, and Green Mountain Union High School are necessary for the establishment of the Unified District. The above-referenced school districts are hereinafter referred to as the “forming districts”.

Article 2 Advisable Districts

The School District of Baltimore is advisable to include in the formation of the Unified District. If the Baltimore School District votes upon and approves the formation of the Unified District, then it is included within the definition of “forming districts.”

Article 3 Grades to be Operated

The Unified District will offer pre-kindergarten through grade twelve education to students in the Unified District.

If the voters of Baltimore approve the formation of the Unified District, then each student who was enrolled in schools outside of the Unified District during the 2016-17 school year at the expense of the Baltimore School District shall be “grandfathered.” Each such tuitioned student shall be permitted the opportunity to attend the same public or approved independent school at the expense of the Unified District until the graduation of the student from the school district or the public high school in the supervisory union which the student is attending. If the student is attending an approved independent high school in grades 9-12, enrolled during the 2016-17 school year, the student may continue to attend that approved independent school, as a tuitioned student at the expense of the Unified District, until the graduation of the student from that school. The district will seek to use the public school choice program pursuant to 16 V.S.A. §822a. to provide educational continuity for those students whenever possible.

Article 4 Proposed New School Facilities & Use of Facilities

No new schools or major renovations to existing school facilities are necessary to, or proposed for the formation of the Unified District. The school district will operate existing school facilities commencing July 1, 2018.

The use of the Unified District school facilities, related facilities and property will be determined by the Unified District’s Board of Directors (hereinafter the “Board”) to most effectively and efficiently attain quality and equitable education for all students. The Unified District recognizes the long term financial investments and community relationships that each town has with its school building(s). The Unified District will encourage appropriate use of the building(s)

by the students and community according to the policies and procedures of the Unified District as overseen by the building administrator.

Article 5 Employee Contracts, Recognition & Collective Bargaining

The Unified District will comply with 16 VSA Chapter 53, subchapter 3, regarding the recognition of the representatives of employees of the respective forming districts as the representatives of the employees of the Unified District and will commence negotiations pursuant to 16 VSA Chapter 57 for teachers and 21 VSA Chapter 22 for other employees. In the absence of new collective bargaining agreements on July 1, 2018, the board of the Unified District will comply with the pre-existing master agreements pursuant to 16 VSA Chapter 53, subchapter 3. The Board of School Directors shall honor all individual employment contracts that are in place for the forming school districts on June 30, 2018 until their respective termination dates.

Article 6 Transportation and Standardization of Operations

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

The forming districts of the Unified District recognize the benefits to be gained from establishing district-wide curricula as well as their obligation to do so, and to otherwise standardize their operations on or before July 1, 2018.

Article 7 Special Funds and Indebtedness

A. Capital Debt

The Unified District will assume all capital debt of the forming districts including both principal and interest, as may exist at the close of business on June 30, 2018. (See **Attachment C**).

B. Operating Fund Surpluses, Deficits and Reserve Funds

The Unified District shall assume any and all general operating surpluses and deficits of the forming districts that may exist as of the close of business on June 30, 2018. In addition, reserve funds identified for specific purposes will be transferred to the Unified District and will be used for said purpose unless otherwise determined through appropriate legal procedures. (See **Attachment C**).

C. Restricted Funds

The forming school districts will transfer to the Unified District any preexisting specific endowments or other restricted accounts, including student activity and related accounts that may exist on June 30, 2018. Scholarship funds or similar accounts, held by school districts prior to June 30, 2018, that have specified conditions of use will be used in accordance with said provisions.

Article 8 Real and Personal Property

A. Transfer of Property to the Unified District.

No later than June 30, 2018, the forming districts that vote to join the Unified District will convey to the Unified District for the sum of One Dollar, and subject to all encumbrances of record, all of their school-owned, school-related real and personal property, including all land, buildings, and contents.

B. Subsequent Sale of Real Property to Towns.

In the event that, and at such subsequent time as, the Unified District Board of Directors determines, in its discretion, that continued possession of the real property, including land and buildings, conveyed to it by one or more town Forming Districts will not be used in direct delivery of student educational programs, the Unified District shall offer for sale such real property to the town in which such real property is located, for the sum of One Dollar, 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 required by Vermont law, in addition to costs of capital improvements subsequent to July 1, 2018.

The conveyance of any of the above school properties shall be conditioned upon the town owning and using the real property for community and public purposes for a minimum of five years. In the event a town elects to sell the real property prior to five years of ownership, the town shall compensate the Unified District for all capital

improvements and renovations financed by the Unified District prior to the sale to the town. In the event a town elects not to acquire ownership of such real property, the Unified District shall, pursuant to Vermont statutes, sell the property upon terms and conditions established by the Unified District Board of Directors.

C. Subsequent Sale of Chester-Andover Real Property

In the event that, and at such subsequent time as the Unified District determines that any real property, including land and buildings, conveyed to it by the Chester-Andover Union School District is incompatible with the responsible operations of the Unified District and its educational programs, the Unified District shall, pursuant to Vermont statutes, offer such real property to the towns of Chester and Andover, for the sum of One Dollar. The transfer and sale of such property or properties shall be 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 required by Vermont law, in addition to costs of capital improvements subsequent to July 1, 2018.

The conveyance of the school property shall be conditioned upon the town(s) owning and using the real property for community and public purposes for a minimum of five years. In the event the town(s) elect to sell the real property prior to five years of ownership, the town(s) shall compensate the Unified District for all capital improvements and renovations completed after the formation of the Unified District and prior to the sale to the town(s). In the event that neither Chester nor Andover elects to acquire ownership of such real property, the Unified District shall, pursuant to Vermont statutes, sell the property upon terms and conditions established by the Unified District Board of Directors.

D. In the event that, and at such time as, the Unified District determines that any real property, including land and buildings, conveyed to it by the Green Mountain Union High School District is or are unnecessary to the continued operation of the Unified District and its educational programs, the Unified District shall, pursuant to Vermont statutes, sell the property upon such terms and conditions as established by the Board.

E. Investment in Buildings

The Unified District recognizes the investment each town/school district has made in the upkeep and improvement of its school buildings and grounds. If any land and/or building is deemed unnecessary by the new Board, and sold to the town, the condition of such facilities shall be comparable, given standard depreciation, to their current condition at the time of this Agreement.

F. Beginning July 1, 2018, the Unified District will continue to use all schools existing on said date for a period of four (4) years, unless a majority vote of the electorate of the municipality in which the school is located approves a plan to close the school. After the expiration of the four-year period, decisions regarding the use of schools, including a plan to close a school, will be determined by policies and decisions of the Board of School Directors.

The list of buildings, properties, and furnishings that will be conveyed to the Unified District, and their valuations, is attached to these articles as **Attachment D**.

Article 9 Board of School Directors

The Unified District Board of Directors shall be composed of eleven (11) individuals elected by Australian ballot by the voters of the municipalities in which they reside.

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. The Board of School Directors shall have the authority to reapportion the Board based upon each 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	%	Board Members
Andover	467	9%	1
Baltimore	244	5%	1
Cavendish	1367	26%	3
Chester	3154	60%	6
TOTAL	5232		11

Should Baltimore not approve this unification, the board will have 10 members.

Article 10 School Directors’ Terms of Office

School directors will be elected by Australian ballot for three-year terms, except for the terms of school directors initially elected at the time of the formation of the Unified District. Candidates will be elected by a vote of the electorate of the town such candidate(s) will

represent on the Board. In the initial election of school directors, the terms of office will be as follows:

Town/District	Two-year	Three-year	Four-year
Andover		1	
Baltimore			1
Cavendish	1	1	1
Chester	2	2	2

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 Directors elected at the May 2, 2017 election shall be two, three, or four years respectively. For purposes hereof, the terms of office shall commence on 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 end on the date of the Unified District’s annual meeting in the spring of 2019, 2020, and 2021 as established under 16 VSA §706j. Thereafter, terms of office shall begin and expire on the date of the Unified District’s annual meeting.

Article 11 Vote to Establish Unified District & Election of School Directors

The proposal to form a Unified District will be presented to the voters of each town school district on May 2, 2017. The candidates for the Board of School Directors will be elected by Australian ballot on May 2, 2017, as required by law.

Pursuant to 16 VSA §706e(b), nominations for the office of Unified School Director representing any district shall be made by filing with the clerk of that school district, 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 12 Establishment of Unified District and Operating Authority

Upon an affirmative vote of the electorates of the school districts, and upon compliance with 16 V.S.A. § 706g, the Unified District Board of School Directors shall have and exercise all of the authority which is necessary in order for it to prepare for full operation beginning on July 1, 2018. The Unified District Board of School Directors shall, between the date of the affirmative votes and June 30, 2018, develop school district policies, adopt curriculum, educational

programs, assessment measures and reporting procedures in order to fulfill the State's Education Quality Standards (State Board Rule 2000), prepare for contractual agreements, set the school calendar for Fiscal Year 2019, prepare and present a budget for Fiscal Year 2019, prepare for the 2018 Unified District Annual Meeting, and transact any other lawful business that comes before the Unified District Board of School Directors, provided, however, that the exercise of such authority by the Unified District Board of School Directors shall not be construed to limit or alter the authority and/or responsibilities of the school districts of Andover, Baltimore, Cavendish, Chester, Chester-Andover Union Elementary School, and Green Mountain Union High School. The new Unified District will begin operating schools and providing educational services on July 1, 2018.

Article 13 Forming Districts Cease to Exist

On July 1, 2018, when the Unified District becomes fully operational and begins to provide educational services to students, the school districts of Andover, Baltimore, Cavendish, Chester, Chester-Andover Union Elementary School, and Green Mountain Union High School 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. Upon the completion of outstanding business or December 31, 2018, whichever date is earlier, the forming school districts shall cease to exist pursuant to 16 VSA §722.

Article 14 Annual Budget and Public Questions

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

Article 15 Transitional Continuity for Resident Students/ Student Choice

For at least the first year that the Unified District is fully operational, students from Andover, Cavendish, and Chester will be entitled to attend elementary school according to their town of residence or at the elementary school where they were enrolled during the 2017-18 school year. Baltimore students enrolled in an elementary school operated by the forming districts will be entitled to continue to attend the elementary school where they were enrolled for the 2017-18 school year.

The Board of School Directors shall develop policy and programs for offering intra-district choice to the families or guardians of students matriculating in grades for which the Unified District operates multiple buildings by July 1, 2018. Policies respecting choice shall consider

issues including, but not limited to, transportation, socioeconomic equity, proximity to the selected building, unity of siblings, and the capacities of receiving schools and sending schools.

Article 16 Input on Policy and Budget Development

The Board shall provide opportunity for local input on policy and budget development. Structures to support and encourage public participation within the Unified District will be established by the Board on or before June 30, 2018.

Article 17 Openness to Additional Connections

The Unified District, seeking to continue to improve educational opportunity, quality, and equity, and to gain efficiencies in the delivery of education, welcomes opportunities to consider establishing connections with other districts or unified union districts who desire to join together to achieve the goals of Act 46.

Article 18 Subsequent Admission

If the Baltimore School District votes to remain independent, it will have the opportunity to reconsider and join the Unified District by voting in favor of joining no later than December 31, 2017, with admission granted in advance by the Unified District. For purposes of compliance with 16 VSA §721, the Unified District consents to admission, with an effective date of July 1, 2018.

Attachment A Educational Passions of Act 46 Study Committee

Educational Improvements Must Include:

Overall—

Great teachers.

Teachers stay current with research and best practices.

More than one teacher for a particular course or grade.

“Private school quality at public school prices”

--strong student performance

--more students pursuing and completing higher education

Strong parent involvement.

Personalized learning plans throughout.

Principals become instructional leaders and can offload some administrative duties.

Rethink schedules and calendars.

Promote respect for all.

Use greater virtual capacity and increase availability and use of technology.

Recognize and build on the very good work going on in many of our schools.

Elementary Grades—

Use the unified district to promote connections of sub-groups of students.

Greater sharing of best practices across elementary schools.

Less seat time—more creativity with curriculum.

Don't over-rely on technology.

Assure foreign languages in all elementary schools.

Middle Grades—

Create more curriculum options for students.

Don't "track"—add value to everyone's education.

Increase connections with tech center.

Increase arts and drama offerings.

Increase sports opportunities.

Increase all extra-curricular activities.

Promote relationship with Okemo.

High School Grades--

More science and math options.

More AP offerings.

Strong connection with local businesses and trades.

Strong connection with Okemo.

Strong connection with tech center.

Expanded home economics.

More sports opportunities.

More arts and drama.

Increase all extra-curricular activities.

Attachment B
Pre-CLA Homestead Tax Modeling

COMPARATIVE PRE-CLA HOMESTEAD TAX RATE PROJECTIONS						
TWO RIVERS SUPERVISORY UNION						
ACT 46 RED SubCommittee						
Note: This table is for illustration purposes only. These models are estimates and projections.						
Actual tax rates will vary depending on state policy decisions,						
actual changes in equalized pupils, and spending decisions of boards.						
Tax Rates - Doing nothing different						
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Andover	1.4529	1.4721	1.5910	1.6387	1.6879	1.7385
Baltimore	1.6056	1.5630	1.6396	1.6888	1.7395	1.7916
Cavendish	1.5153	1.5365	1.5942	1.6420	1.6913	1.7420
Chester	1.4612	1.4854	1.5304	1.5763	1.6236	1.6723
	*assumes losing hold harmless in FY19 (Andover 2, Baltimore 1)					
	*assumes Cavendish losing small schools grant of \$40,042					
	* assumes 2% incr in education spending/yr					
	* assumes 1% reduction of equalized pupils					
	*assumes no change in property yield					
Tax Rates - Andover, Baltimore, Cavendish, Chester create a Regional Education District						
	FY 2017	FY 2018	FY2019	FY2020	FY2021	FY2022
Andover	1.4529	1.4721	1.4699	1.5369	1.6052	1.6751
Baltimore	1.6056	1.5630	1.4699	1.5369	1.6052	1.6751
Cavendish	1.5153	1.5365	1.4699	1.5369	1.6052	1.6751
Chester	1.4612	1.4854	1.4699	1.5369	1.6052	1.6751
	*assumes retaining hold harmless					
	*assumes retaining small schools grant					
	* assumes 2% incr in education spending/yr					
	* assumes 1% reduction of equalized pupils					
	*assumes no change in property yield					
	* factors the .08, .06.... tax rate incentives beginning with FY 2019					

Attachment C

Long-Term Debt and Reserve Funds

Debt and Balances as of 2/9/2017						
Bonded Debt						
Cavendish		\$ 560,000				
Chester-Andover		\$ 180,000				
Green Mountain	*Assuming the vote is favorable GMUHS is going to Bond for as much as \$800,000 to redo the roof in the summer of 2017.					
	Zero long term debt today.					
Balances/Reserved Funds						
GMUHS						
Transportation Reserve Fund		\$ 52,026				
Capital Improvement		\$ 217,555				
Technology		\$ 15,000				
Chester-Andover						
Heating/Asbestos Removal		\$ 24,273				
Cavendish		\$ -				

Attachment D

Property to be Transferred to the Unified District

Property to be Transferred to the Unified District						
			Building	Personal Prop	Site Improvements	Total Insured Value
Chester-Andover						
	Elementary School		\$ 5,620,100.00	\$ 450,000.00	\$ 108,300.00	\$ 6,178,400.00
	Portable Classrooms		\$ 109,500.00	\$ 30,000.00	\$ -	\$ 139,500.00
Green Mountain Union High School						
	High School		\$ 19,651,800.00	\$ 1,768,700.00	\$ 128,900.00	\$ 21,549,400.00
Cavendish Town Elementary School						
	Elementary School		\$ 4,076,100.00	\$ 366,800.00	\$ 37,300.00	\$ 4,480,200.00



March 17, 2017

Christopher B. Leopold
leopold@wrightjoneslaw.com

Meg Powden, Superintendent
Two Rivers Supervisory Union
609 VT Rte 103
Ludlow, VT 05149

Re: Proposed Green Mountain Unified School District Board Membership

Dear Meg:

I am writing regarding the proposal by the Two Rivers Supervisory Union Act 46 Study Committee ("Study Committee") on behalf of the Andover, Baltimore, Cavendish, Chester, Chester-Andover Union District, and Green Mountain Union High School District school districts to form a unified union school district. Specifically, you have asked us to review the board membership structure for the proposed unified union school district and the requirements of the Equal Protection Clause of the United States Constitution.

Members of the Study Committee, formed under 16 VSA §706, have drafted Articles of Agreement for the formation of a unified union school district to be named Green Mountain Unified School District ("Green Mountain") pursuant to Act 46. Article 9 of the Articles of Agreement establishes the number of board members from each town in the proposed unified union. The proposed school board follows the statutory requirement that each proposed member district in a unified union be afforded at least one representative. Consistent with statute, the proposed board may not exceed 18 members, each member district shall be entitled to at least one representative, and representation shall be proportional to population. 16 VSA §706b(9). The eleven (11) member school board includes representation for the four school districts with the following membership on the School Board: Andover – 1, Baltimore – 1, Cavendish – 3, and Chester – 6. Board composition will be recalculated after each decennial census to ensure that a town's representation on the Board remains proportional to its population. Further, the School Board is authorized to reapportion the composition of the Board.

The Equal Protection Clause of the Fourteenth Amendment requires that each resident be given equal weight in representation. *Reynolds v. Sims*, 377 US 533, 569 (1964). The Supreme Court has held generally that congressional apportionment plans with a population deviation of less than 10% is a minor deviation. *Brown v. Thomson*, 463 US 835, 842 (1983). Despite stricter adherence to a 10% maximum deviation rule in *congressional* redistricting cases, the Court has shown *more* flexibility in regard to state and local forms of government. Mathematical exactness is not a requirement to the extent that it acts as a "straitjacket" preventing citizens from "devising mechanisms of local government suitable for local needs and efficient in solving local problems." *Avery v. Midland*, 390 US 474, 485 (1968).

Since the representation plan proposed by Green Mountain preserves the member district boundaries, it is reasonable to conclude that the very minor deviation in population proportionality is permissible. In *Brown v. Thomson*, the Court found a Wyoming reapportionment plan constitutional despite a maximum deviation in population equality of 89%. 462 US 835 (1983). The Court justified this extreme deviation because of the state's historic policy of preserving counties as representative districts. Moreover, the Court in *Brown*, acknowledged that if the least populous county, Niobrara County, were to be combined with a neighboring county in a single representative district it would have de minimus impact. *Id.*, at 847.

School board representatives are specifically tied to the management of local affairs. In order to further the State's goal of unifying school districts, conversations need to occur between districts with established relationships. Often this will mean a grouping of districts with a wide variation in population that does not easily lend itself well to precise mathematics. In an effort to maintain the political subdivision of the member school district and continue to allow for progress towards Vermont's stated goal of unification, it is reasonable to conclude that mathematical exactness must be set aside. This is consistent with the continued flexibility the Supreme Court has afforded to state and local government plans.

While there is minor variation in the population represented per board member for the proposed Green Mountain Unified School District board of school directors, it appears this minor variation preserves the member district boundaries for the election of board members. It is our conclusion that this representation plan for the town school districts will reasonably meet the requirements of the Equal Protection Clause of the U.S. Constitution.

Based upon the above, we conclude there is a reasonable legal basis to determine that a court reviewing the proposed board representation proposal would reasonably determine that the board of school directors representation plan, as identified in Article 9, satisfies the requirements of the Equal Protection Clause of the U.S. Constitution.

Please feel free to contact me with any questions.

Sincerely,



Christopher B. Leopold

c: Donna Russo-Savage, Agency of Education