

AGENCY OF EDUCATION
Barre, Vermont

TEAM: School Governance Team

ACTION ITEM: Will the State Board of Education find that the proposed formation of two new “Side-by-Side” unified union school districts by all current member districts of the **RUTLAND NORTHEAST SUPERVISORY UNION (RNESU)** 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 RNESU Study Committee?

SECRETARY’S RECOMMENDED ACTION:

That the State Board of Education find that the proposed formation of two new unified union school districts by the member districts of the Rutland Northeast Supervisory Union is “in the best interests of the State, the students, and the school districts” pursuant to 16 V.S.A. § 706c(b); and that the State Board vote to approve the attached report of the RNESU Study Committee, which

- 1. Incorporates:**
 - a. The Report and Plan for Formation of the Barstow Unified Union School District; and**
 - b. The Report and Plan for Formation of the Otter Valley Unified Union School District; and**
- 2. Retains the RNESU as a supervisory union and includes the two new unified union school districts as its members.**

STATUTORY AUTHORITY: 16 V.S.A. § 706c; Act 153 of 2010; Act 156 of 2012; Act 56 of 2013; Act 46 of 2015

BACKGROUND INFORMATION: The RNESU Study Committee recommends (1) that two new unified union school districts be formed by merging the governance of the existing member districts of the supervisory union and (2) that the two new unified union school districts remain members of the RNESU. The Study Committee proposes to form these two new districts pursuant to the Side-by-Side Merger process set forth in Act 156 (2012), Sec. 15. A Side-by-Side Merger is a variation of a Regional Education District (RED) and its creation is governed in large part by the RED process set forth in Act 153 (2010), as amended.

The two proposed unified union districts are the Barstow Unified Union School District (serving the towns of Chittenden and Mendon) and the Otter Valley Unified Union School District (serving the towns of Brandon, Goshen, Leicester, Pittsfield, Sudbury, and Whiting).

RNESU currently provides its member districts with special education and transportation services pursuant to 16 V.S.A. § 261a. Its member districts have a long history of collaboration in such areas as collective bargaining, curriculum development, and food services.

Creation of the two proposed unified union districts is explicitly contingent upon voter approval of both new districts independently. Because of this contingency, this Recommendation addresses both proposals, but does so in two distinct sections.

I. Barstow Unified Union School District

The Barstow Unified Union School District (BUUSD) would provide for the education of all PK-12 students residing in Chittenden and Mendon by (1) operating the Barstow Memorial School for all students in prekindergarten through grade 8 and (2) paying tuition for all students in grades 9 through 12.

The Barstow Memorial School is currently operated pursuant to a joint contract between the two existing town districts and is governed by a separate school board. If approved, the proposal would unify two existing town school districts (Chittenden and Mendon) and three school boards (Chittenden, Mendon, and Barstow Joint Contract) into one unified union school district with one governing board. The BUUSD would be a member district of the RNESU. Both the Chittenden School District and the Mendon School District are identified as “necessary” districts pursuant to 16 V.S.A. § 706b(b)(1).

The BUUSD would be governed by a four member school board, one member of which would be nominated and elected at-large by the voters of the entire BUUSD. The three remaining members (the “Apportioned Members”) would be nominated by and from among the electorate of the individual towns, with the number to be nominated by a single town determined by the most recent federal census. Election of the Apportioned Members would be by the voters of the entire BUUSD.

The proposal addresses additional items, including:

- PK-8 Transportation would continue to be provided through the RNESU.
- By June 30, 2017, the new BUUSD school board would consider whether to provide transportation for its high school students and, if decided in the affirmative, would coordinate provision with the RNESU.
- Existing contracts, collective bargaining, and the transfer of employees would occur pursuant to the provisions of 16 V.S.A. ch. 53, subch. 3.
- The BUUSD would acquire the school-related property and assume the indebtedness of the two town districts and the joint contract board.

- The BUUSD would provide opportunities for local community members' involvement in policy and budget development. Structures to encourage public participation would be in place by June 30, 2017.

The electorate of both the Chittenden and Mendon School Districts will vote independently on January 19, 2016 whether to approve creation of the BUUSD. If the voters in both districts vote in favor of the proposal, then the BUUSD will begin operation on July 1, 2016 – provided that the voters of each necessary district also vote to approve creation of the Otter Valley Unified Union School District. The BUUSD will not be formed if (1) the voters of either Chittenden or Mendon fail to vote in favor of the proposal or (2) creation of the Otter Valley Unified Union School District is not approved.

{Note: The Chittenden and Mendon School Districts explored potential merger with the Rutland Town School District and reassignment to the Rutland Central Supervisory Union, but ultimately chose to remain in the RNESU. The Study Committee's Report states that "there is some community interest in future work with Rutland Town which has similar needs in regard to high school choice [and the] Barstow District may consider further consolidation in the future."}

II. Otter Valley Unified Union School District

The Otter Valley Unified Union School District (OVUUSD) would provide for the education of all resident PK-12 students by operating schools for each grade.

If approved, the proposal would unify seven existing school districts (six town districts and the union high school district) and their respective school boards into one unified union school district with one governing board. The OVUUSD would be a member district of the RNESU. Each of the seven existing districts is identified as a "necessary" district pursuant to 16 V.S.A. § 706b(b)(1).

The OVUUSD would be governed by a 13 member school board, four members of which would be nominated and elected at-large by the voters of the entire OVUUSD. The nine remaining members (the "Apportioned Members") would be nominated by and from among the electorate of the individual towns, with the number to be nominated by a single town determined by the most recent federal census. Election of the Apportioned Members would be by the voters of the entire OVUUSD.

None of the five currently operating elementary schools would be closed during the first four years of the OVUUSD's existence without first obtaining the approval of the electorate of the town in which the building is located. After the four-year period, a school building could be closed only if approved by two-thirds of the OVUUSD board members. The town in which the elementary 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 addresses use by the town for fewer than five years.

The proposal addresses additional items, including:

- Existing contracts, collective bargaining, and the transfer of employees would occur pursuant to the provisions of 16 V.S.A. ch. 53, subch. 3.
- The OVUUSD would acquire the school-related property and assume the indebtedness of the merging districts.
- For at least one year after formation, students would attend an elementary school based upon their town of residence. The articles include provisions regarding the potential for changes in attendance boundary lines and / or elementary school choice within the OVUUSD in subsequent years.
- The OVUUSD would provide opportunities for local community members' involvement in policy and budget development. Structures to encourage public participation would be in place by June 30, 2017.

The electorate of the six town districts will vote independently on January 19, 2016 whether to approve creation of the OVUUSD. If the voters in all districts vote in favor of the proposal, then the OVUUSD will begin operation on July 1, 2016 – provided that the voters of both Chittenden and Mendon also vote to approve creation of the BUUSD. The OVUUSD will not be formed if (1) the voters of one or more of the six town districts fail to vote in favor of the proposal or (2) creation of the BUUSD is not approved.

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POLICY IMPLICATIONS: By enacting Act 46, which incorporated the processes for forming REDs and their variations (including Side-by-Side Mergers), 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 RNESU Study Committee's proposal is "in the best interests of the State, the students, and the school districts."

See the Study Committee's Worksheet for an overview of elements in both of the unified union district proposals that address the goals identified by Act 46, Section 2 and the potential for geographic isolation.

The RNESU Study Committee's proposal to form two new "Side-by-Side" unified union school districts is aligned with the goals of the General Assembly as set forth in both Act 46 of 2015 and Act 153 of 2010 and with the policy underlying the union school district formation statutes as articulated in 16 V.S.A. § 701.

COST IMPLICATIONS: For a large number of years, the RNESU has had centralized services and operations for special education, transportation, collective bargaining, and purchasing/leasing. Therefore, significant savings from consolidation of services and operations are not to be expected because many of these savings have already been realized. The Study Committee was able to identify an additional \$16,400 in annual cost reductions. The Study Committee's Report also anticipates other potential cost reductions resulting from the formation of the two unified union school districts through, for example, sharing staff among schools and reduction of some staff over a period of time.

See also Act 153, Sec. 4 (2010), as amended by Act 156, Sec. 13 (2012) and Act 46, Sec. 15 (2015) for cost implications to the State.

STAFF AVAILABLE:

Donna Russo-Savage, Principal Assistant to the Secretary, School Governance
Brad James, Education Finance Manager
Gregory Glennon, General Counsel
Bill Talbott, Chief Financial Officer



Proposal to Form a Union School District – Study Committee Worksheet
 Please submit this with the Study Committee Report

Barstow District

| 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 |
| | | X | |
| Rutland Northeast Supervisory Union | Chittenden School District | X | |
| Rutland Northeast Supervisory Union | Mendon School District | X | |

Otter Valley District

| 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 |
| | | X | |
| Rutland Northeast Supervisory Union | Brandon School District | X | |
| Rutland Northeast Supervisory Union | Goshen School District | X | |
| Rutland Northeast Supervisory Union | Leicester School District | X | |
| Rutland Northeast Supervisory Union | Pittsford School District | X | |
| Rutland Northeast Supervisory Union | Sudbury School District | X | |
| Rutland Northeast Supervisory Union | Whiting School District | X | |
| Rutland Northeast Supervisory Union | Otter Valley Union School District | X | |

| Type of Merger | |
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| <p><u>X</u> "Side by Side" Merger (Act 156 , Sec. 15) Districts involved in the related merger: Brandon School District; Chittenden Town School District; Goshen School District, Leicester School District; Mendon Town School District; Pittsford School District; Sudbury School District, Whiting School District, Otter Valley Union School District</p> | |

| Dates and ADM | |
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| Date on which the proposal will be submitted to the voters of each district (16 V.S.A. § 706b(b)(11)): <u>January 19, 2016</u> | |
| Date on which the new district, if approved, will begin operating (16 V.S.A. § 706b(b)(12)): <u>July 1, 2016.</u> | |
| Combined ADM of all "necessary" districts in the current fiscal year: 1568.92 (Otter Valley 1244.45, Barstow 324.47) | |

Barstow Unified Union School District

The Proposed Union School District is in the Best Interest of the State – as required by 16 V.S.A. § 706c

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| <p><u>Goal #1:</u> The proposed union school district will provide substantial equity in the quality and variety of educational opportunities (Act 46, Sec. 2(1))</p> | <ul style="list-style-type: none"> • The town school districts of Chittenden and Mendon have operated under a joint board agreement to operate a school for grades k-8 for nearly 70 years and provided school choice for grades 9-12. • By their historic operation, these districts have provided substantial equity in the quality and variety of educational opportunities. | |
| <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 (Act 46, Sec. 2(2))</p> | <ul style="list-style-type: none"> • Leads students to meet or exceed the State’s Education Quality Standards as it does now, under the Barstow Joint Contract. | |
| <p><u>Goal #3:</u> The proposed union school district will maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with a goal of increasing the district-level ratio of students to full-time equivalent staff (Act 46, Sec. 2(3))</p> | <ul style="list-style-type: none"> • Continues to maximize operational efficiencies through greater flexibility to manage, share, and transfer resources as part of a joint contract. • With one budget and one tax rate, it will be much more apparent how resources are used and easier to align them with priorities. | |

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| <p><u>Goal #4:</u> The proposed union school district will promote transparency and accountability. (Act 46, Sec. 2(4))</p> | <ul style="list-style-type: none"> • Promotes transparency and accountability through a single budget and single tax rate and a single board accountable for its decisions. | |
| <p><u>Goal #5:</u> The proposed union school district will deliver education at a cost that parents, voters, and taxpayers value. (Act 46, Sec. 2(5))</p> | <ul style="list-style-type: none"> • Delivers services at a cost comparable to that which has occurred in the past but with greater transparency through a single budget and a single tax rate. | |
| <p><u>Regional Effects:</u> 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))</p> | <ul style="list-style-type: none"> • The Barstow School Directors and members of the Barstow subcommittee have had substantial discussion with members of the Rutland Town School District. There is some community interest in future work with Rutland Town which has similar needs in regard to high school choice. • No changes in the service area of the Barstow District are proposed at this time. • The Barstow District may consider further consolidation with neighboring districts in the future. | |

Otter Valley Unified Union School District

The Proposed Union 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))

- Provides substantial equity in the quality and variety of educational opportunities by governance with one district board instead of seven.
- Increases consistency and equity of opportunity by having a single board:
 - Single mission statement / unified vision
 - Single strategic plan
 - Consistency in curriculum development
 - Consistency in delivery of student support systems
- Increases ability of administrators to focus on engaging in visionary instructional leadership:
 - Centralized, professional oversight of building and grounds
 - Support provided for single board (rather than seven)
 - Preparation of one budget (rather than seven)
- Increases ability to recruit and retain skilled teachers throughout the district:
 - Sharing allows increased opportunity for formerly part-time positions in multiple districts to be one full-time position in unified district
- Increases programming options – shared staff and the enhanced ability to recruit and retain skilled teachers leads to more opportunities, not only in core subjects but also in the arts, before and after school programs, and sports
- Provides possibility for parents to select a public elementary school other than the school of residence within the district
- Increases ability to equalize class sizes across system through flexibility re: staff assignments
- Committed to preserving character and unique culture of each school
- Supports coordinated PreK programming

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| <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 (Act 46, Sec. 2(2))</p> | <ul style="list-style-type: none"> • Is a fully integrated PK-12 system • Increases potential for movement of staff and students among schools • Stability of staffing will lead to return on investment in training and consistent professional development • Ensure all students have the opportunity to meet or exceed Education Quality Standards regardless of the town in which they live | |
| <p><u>Goal #3:</u> The proposed union school district will maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with a goal of increasing the district-level ratio of students to full-time equivalent staff (Act 46, Sec. 2(3))</p> | <ul style="list-style-type: none"> • Eliminates need to develop and approve seven separate budgets • Reduces number of VT, IRS, and other federal reports • Centralized hiring permits greater sharing of both teaching and non-teaching staff • Increases ability to equalize class sizes across system through flexibility re: staff assignments • Increases operational efficiencies: <ul style="list-style-type: none"> ○ Centralized, professional oversight of buildings and grounds ○ Support for single board (rather than seven) ○ Single budget = fewer audits • Supports consolidated efforts re: curriculum; instruction; transportation; delivery of student support systems; and overall finance operations • Supports coordinated PreK programming | |

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| <p><u>Goal #4:</u> The proposed union school district will promote transparency and accountability. (Act 46, Sec. 2(4))</p> | <ul style="list-style-type: none"> • Single budget for which electorate directly votes • One board – not seven – increases : <ul style="list-style-type: none"> ○ transparency and ○ administrators’ ability to focus on schools and leadership ○ community residents only need to attend the meeting of a single district board, not two ○ all elementary school issues addressed by one board, not six • New Board will establish structure to support community and family engagement | |
| <p><u>Goal #5:</u> The proposed union school district will deliver education at a cost that parents, voters, and taxpayers value. (Act 46, Sec. 2(5))</p> | <ul style="list-style-type: none"> • Additional savings are not anticipated in the areas of transportation, special education, collective bargaining and purchasing/leasing since these have been done on a centralized basis for many years • Performance of one annual audit instead of seven should save \$6,400 per year • Reduction in the number of board members should save \$10,000 per year • It is anticipated that there will be increased efficiencies and productivity in central office staff and board resources that will result in savings in areas such as: <ul style="list-style-type: none"> ○ Budget preparation (one instead of seven) ○ Annual meeting preparation (staff, board and legal time) ○ School board meetings (staff, board and legal time) • In future years, reassignment of students may result in reduced teaching and administrative staff costs • After four years, possible changes in utilization of existing buildings may result in reduced infrastructure costs. • All education costs will be presented to voters in a single budget with voter ability to participate in development of this budget, as opposed to development of seven budgets. | |

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| <p><u>Regional Effects:</u> 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))</p> | <ul style="list-style-type: none"> • Creation of the Otter Valley Unified Union School District will have no effect on regional schools. | |
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Rutland Northeast Supervisory Union Act 46 Study Committee

REPORT RECOMMENDING SIDE BY SIDE MERGER AND UNIFICATION, UNDER ACT 156 OF 2012

In September 2015, the school boards of all Rutland Northeast Supervisory Union (RNESU) member districts voted to form a Study Committee under Act 46. The objective of the Study Committee was to examine district merger options that would provide more educational opportunities and equity for students while creating more operational efficiencies through district-level mergers. After four months of research and analysis, community feedback and extensive committee member discussions, the Study Committee recommends a two-district system, Side by Side, under the RNESU umbrella.

This introduction summarizes the views of the Study Committee in language that we hope explains to voters why we are recommending a Side-by-Side Merger under Act 156 of 2012; creating two unified union preK-12 school districts: A Barstow Unified Union and an Otter Valley Unified Union within the existing Rutland Northeast Supervisory Union (RNESU). RNESU will continue to be the umbrella organization that brings the two sides together to improve educational quality, and equity of opportunities while sharing financial resources to ensure affordability and sustainability.

Our Current Structure and Our History

RNESU has eleven autonomous school boards with a long history of collaboration. The districts within RNESU provide education to the children from Brandon, Chittenden, Goshen, Leicester, Mendon, Pittsford, Sudbury and Whiting. In the late 1940's three towns, Chittenden, Mendon and Pittsford created Vermont's first joint contract school agreement, Barstow Memorial School, providing education for students through twelfth grade as Pittsford and Barstow jointly operated a high school. Barstow later reduced grades to serve K-8 and the Chittenden and Mendon Town School Districts' responsibility shifted away from elementary education to managing high school tuitions as allowed under VT Statute and selected by parents. In the late 1950's, Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting, joined together to create a union high school: Otter Valley Union High School District Number 8. In the late 1970's the Goshen Community decided to close their school due to enrollments, and created a tuition agreement with neighboring Brandon Town School District. The Goshen Agreement provides the Goshen School Board non-voting representation on the Brandon Town School Board.

The schools in our communities are governed by eleven (11) separate boards comprised of forty (40) board members. Our current governance structure is complicated, and at times inefficient and time consuming; sometimes limiting innovative ways to meet our obligations to students and taxpayers. Each of the Town School Boards, the Barstow Joint Contract, the Otter Valley UHS Board, and the RNESU Boards separately hire staff, prepare and adopt budgets, and perform similar functions administering their respective schools. The educational leaders within RNESU work collectively on many of these administrative functions and then their recommendations and decisions are subject to review, ratification, or modification, action and acceptance by all eleven boards. Two Unified Union Districts and a supervisory union would streamline these functions.

Priorities and Choices

Would dollars be better spent on a high school activity or a pre-kindergarten program? Would students be better served if middle school started in the sixth grade instead of fifth? Should we build a PreK-12 grade curriculum based on universal access to technology in early grades? Should we improve high school technology infrastructure or buy computers for fourth graders? Should we replace windows in our

elementary schools or in our high school? Conversations like these which involve addressing the highest overall priorities cannot happen in our fragmented governance structure.

Our schools are in separate districts thereby limiting our opportunities to affect class sizes that may be too small to be cost effective. In our smallest school, one class covers three grade levels yet our larger schools struggle to find the balance between creating a new class per grade to accommodate the few students who make a single class too large or creating a new class that would result in class sizes in the low teens. We don't have the option in our current structure of sharing staff or moving students to address this problem. Some schools cut programs for students that could be maintained by sharing resources across a broader base. Currently one school could reduce a teaching position at the same time another school in the district is increasing a teaching position. We cannot re-assign regular education teaching staff therefore the new employee investment when a teacher is reduced is lost while another hiring district begins the process of recruiting, interviewing and hiring for a vacancy.

Our superintendent and senior staff spend large amounts of their time coordinating decisions among all of our boards. Their expertise and time could be better served providing educational leadership and financial management.

The current governance structure was created when education was simpler and less expensive. Now our rapidly changing education needs are far more complicated and expensive. We need a governance structure for our schools that allows flexibility to address our students' needs from the start of their education through their graduation and compels us to make wise financial decisions for the entire system.

Side by Side Merger Unified System

We believe students would be better served in two side by side unified systems: Barstow Unified Union and Otter Valley Unified Union. Each side would be governed by a single board. Each board would set priorities and allocate resources where needed, regardless of grade or locations, and avoid conflicts or communication breakdowns between different school districts. Removing the financial pressures of separate entities will enable staff to focus more on educational quality and less on obtaining and aligning decisions from numerous boards.

Side by Side Unification would produce a more efficient and cost effective system by creating three (3) budgets Barstow Unified Union, Otter Valley Unified Union, and RNESU, rather than the current 11 separate budgets. With the creation of a single district, savings could be found in a side by side by sharing resources and staff among schools. Side by Side Unification provides property tax relief; protects equalized pupils hold harmless funding, exempts us from capricious legislative spending caps in the year of unification, provides a one-time transition grant of up to \$130,000 (transition grant is up to \$150,000 less the study committee grant of \$20,000), and preserves small schools grants for the communities approving unification. With a successful unification vote the State will reduce the equalized homestead property tax rate by \$.08 in the first year of unification; \$.06 in the second year; \$.04 in the third year; and \$.02 in the fourth year and limit homestead tax changes to not more than a 5 percent increase or decrease in tax rates. This assistance would come in a time when taxpayers face rapidly rising property tax rates.

Our current eleven boards, organized by operational structure, conveniently fit the side-by-side preferred structure, reducing 11 separate entities to three.

1. Barstow Unified Union

- a. The Barstow Memorial Joint School, established in 1949, currently operates PreK through eighth grade for Chittenden and Mendon students via a Joint Agreement for approximately 200 PreK-8 students.

- b. The Chittenden Town School District pays an assessment to the Barstow Memorial School and pays tuition for approximately 90 students in ninth through twelfth grade, based on parent choice
 - c. The Mendon Town School District pays an assessment to the Barstow Memorial School and pays tuition for approximately 75 students in ninth through twelfth grade, based on parent choice
2. Otter Valley Unified Union
- a. Brandon Town School District operates Neshobe Elementary School, enrolling approximately 400 students is a PreK through sixth grade school and accepts tuition from Goshen Town School District under The Goshen Agreement..
 - b. Goshen Town School District pays tuition to Brandon Town School District, as a designated district for grades PreK through sixth grade for under 10 students.
 - c. Leicester Town School District operates PreK through sixth grade for approximately 55 students.
 - d. Pittsford Town School District operates Lothrop Elementary and Caverly PreSchool PreK through sixth grade for approximately 220 students.
 - e. Sudbury Town School District operates K through sixth grade for approximately 40 students and pays tuition to Whiting or Brandon for PreK students.
 - f. Whiting Town School District operates PreK through sixth grade for approximately 45 students, including Sudbury PreK students.
 - i. *Note: Sudbury and Whiting currently share many services including principal, art, PE, PreK, Food Service and after school programs, as well as many field trips and co-curricular programs.*
 - g. Otter Valley Union High School operates seventh through twelfth grade on two campuses for approximately 550 students from Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting.
3. Rutland Northeast Supervisory Union provides supervisory union services for the above eight (8) town school districts, Barstow Joint Contract, and Otter Valley Union High School. We enjoy a long history of working together to optimize resource utilization. We have had a consolidated teacher contract for over 35 years, consolidated special education services for over 30 years, consolidated transportation services for over 13 years, consolidated food services for over 5 years, and more than 70 years of uniform superintendence, curricula, and financial services.

Accountability and Local Control

The current complex governance comprised of multiple boards and committees, has no single elected body responsible for all the preK-12 decisions leading to a particular program or budget. Citizens cannot address a single responsible body when they have concerns. Individual boards have limited authority for their budgets with costs for special education, transportation, salaries, administration, and insurance set by other bodies. With unification, citizens can hold a single board accountable for all aspects of school governance, preK-12.

Some fear the loss of local control. Families in Chittenden and Mendon fear the loss of high school choice currently available to their children. We can preserve the values of our communities, respect local cultures and priorities, and maintain high school choice for Chittenden and Mendon with a Side by Side merger. Our eight (8) towns are not strangers; we are colleagues and neighbors who have already united into successful partners in serving students through the success of the Barstow Joint Contract and the Otter Valley Union High School District.

This successful collaboration was re-affirmed through recent substantial discussions with Rutland Town regarding an invitation to Chittenden and Mendon to join Rutland Central Supervisory Union. Chittenden

and Mendon researched this option and gathered community input before affirming the communities' desire to continue the successful collaboration within Rutland Northeast Supervisory Union. There were no compelling reasons to join a different supervisory union at this time. The merger of Chittenden and Mendon into a Barstow Unified Union will lead to a tighter governance structure that will be responsible for education services for PreK-12 students. However, there is some community interest in future work with Rutland Town which has similar needs in regard to high school choice. The Barstow District may consider further consolidation in the future.

Core Questions

The core questions for citizens in our towns are: Have the Barstow Joint Contract and Otter Valley Union High School been successful in demonstrating the benefits of working across town lines to meet the educational needs and priorities of our communities? Can we do a better job by working together across all grades? We believe the answer is yes. Over the last 60+ years we've seen and still take pride in how these entities have cared for all the children, regardless of their town of residence, and have successfully provided a well-functioning educational system.

The Study Committee evaluated several governance options. Providing high school choice for families in Chittenden and Mendon is so important to those communities that it must be preserved. Since a district may not operate a high school and offer school choice, these two towns cannot be merged with a unified district that operates a high school. A Side by Side two district structure provides many of the advantages of one district without sacrificing priorities of any member district. With nearly 70 years of successfully working together in a Side by Side model with centralized services, we have proven this system works for all of our communities, and a Side by Side model streamlines us even further for efficiencies and opportunity.

It is more efficient for two partners to work closely together than ten. In a Side by Side merger, the Barstow Unified Union and the Otter Valley Unified Union would continue to combine efforts under the current supervisory union umbrella to address areas of common interest including preK-8 curriculum, assessments, special education, transportation, food service, after school program and contract negotiations. The districts would continue to work separately in areas of budgeting, maintenance, personnel and educational programs.

We all share a common goal of educational quality and prudent financial management. We have a positive history of working together, Two towns, Chittenden and Mendon, have united for nearly seven decades to provide PreK-8 education at the Barstow Memorial School while allowing families to choose a high school, and the other six towns have united together for nearly six decades in the Otter Valley community to educate our children in grades seven through 12 in a cost effective manner. A side by side preK - 12 system allows us to continue this relationship that has been proven successful.

Signature Page

The undersigned RNESU Act 46 Study Committee members support adoption of the RNESU Unification Plan, with a Side by Side Merger, under Act 156 of 2012.

Barbara Bourne, Board Member, Pittsford _____

Debra Boyce, Board Member, Brandon _____

Matthew Conway, Community Member, Mendon _____

Michelle Erickson, Board Member, Mendon _____

Laurie Bertrand, Board Member, Sudbury _____

Seth Hopkins, Community Member, Brandon _____

Lisa Kenyon, Board Member, Brandon _____

Susan LaRock, Community Member, Brandon _____

Susan Markowski, Board Member, Pittsford _____

Diane O'Classen, Board Member, Goshen _____

Craig Pelkey, Community Member, Pittsford _____

Lisa Purcell, Community Member, Chittenden _____

Hannah Sessions, Board Member, Leicester _____

Elizabeth Stahura, Board Member, Chittenden _____

Jennifer Tinsman, Community Member, Pittsford _____

Tara Trudo, Board Member, Whiting _____

Peter Werner, OV Board Member, Brandon _____

Harriet Wyman, Community Member, Brandon _____

Introduction

The evaluation and recommendation of any new district(s) shall be guided by a vision for our students, teachers, schools, parents and communities as defined and outlined by our Rutland Northeast Supervisory Union Compact. The Compact identifies: values; learning outcomes; operational systems, resources and practices; needs assessment and program evaluation; and program development and implementation. The Compact is meant to guide discussions, and to that end we will create regular checkpoints for review of these foundational values and beliefs as well as progress on effectively addressing these priorities.

In addition to the many areas of our school plans and priorities that are explicitly addressed in the Compact document, there are other priorities that follow from our vision for our local schools that we feel are already a vital part of our school plans and should continually be examined:

- nurturing the physical and emotional health of our students;
- increasing community and parental involvement;
- supporting a commitment to environmentally sustainable communities;
- stimulating critical thinking and creativity;
- instilling a lifelong love of learning;
- and fostering a caring and compassionate school community.

In our desire to establish measurable accountability, we cannot lose sight of the immeasurable qualities of courage, determination, vitality and curiosity that all contribute to excellence.

The preferred governance structure that best meets our communities' goals, values and culture is the Side by Side Merger, created under Act 156 of 2012. This new governance structure allows the Barstow District "side" to operate Barstow PreK through eighth grade and continue high school choice for the families of Chittenden and Mendon. While the Otter Valley "side" will operate multiple elementary schools and continue to support the Otter Valley Union Middle/Senior High School.

The newly formed school districts will remain under the umbrella of Rutland Northeast Supervisory Union. The new structure provides new opportunities for school leaders to improve student learning opportunities and to find cost reductions while taking advantage of Vermont tax reduction incentives and consolidation funding.

Following are two sets of Articles of Agreement, one for each side of the Side by Side districts. Approval by Chittenden and Mendon residents will create the new Barstow Unified Union School District. Approval of the Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting, residents will create the new Otter Valley Unified Union School District.

Report and Plan for Formation of the Barstow Unified Union School District serving the towns of Chittenden and Mendon

Sixty seven years ago our towns formed the Barstow Joint Contract School to improve educational opportunities for our students through grade eight. We dissolved town boundaries and committed to equal opportunity for all students. We believe it is time to add the remaining grades and create a unified union pre-kindergarten to twelfth grade school district. We will continue to operate Barstow pre-kindergarten through eighth grade and preserve high school choice for families in Chittenden and Mendon. Throughout our history together we have worked in concert through Barstow Memorial School to educate all of our children through eighth grade and to manage the taxpayer dollars for their education. We are a community, a community of neighbors with a long and successful history of working together. Now, with the financial incentives under Act 46, it is the time to merge our tuition costs together like we did decades ago with the formation of Barstow Joint Contract School.

Act 46 Goals

Act 46 is intended to move the State of Vermont toward sustainable models of education governance. It is designed to encourage and support local decisions and actions. The following list summarizes ways in which this plan addresses Act 46 goals. The Barstow Formation Plan

1. Does not substantially change services provided in a way that provides substantial equity in the quality and variety of educational opportunities because the school has already operated under a joint contract for nearly 70 years. However, as part of a more efficient and streamlined SU, equity of opportunity will be more transparently discussed at the RNESU level and it will be easier to see with fewer budgets and priorities reviewed;
2. Leads students to meet or exceed the State's Education Quality Standards as it does now, under the Barstow Joint Contract;
3. Promotes transparency and accountability through a single budget and single tax rate and a single board accountable for its decisions;
4. Continues to maximize operational efficiencies through greater flexibility to manage, share, and transfer resources as part of a joint contract. However, with one budget and one tax rate, it will be much more apparent how resources are used and easier to align them with priorities;
5. Delivers services at a cost that parents, voters, and taxpayers value as demonstrated in a single budget and a single tax rate.

The Study Committee recommends that the Formation Plan set forth below be approved by the electorate of each of the named school districts in order to create a Unified Union School District to be named the Barstow Unified Union School District.

Formation Plan
**Barstow Unified Union School District serving the towns of
Chittenden and Mendon**

Article 1

The Barstow Unified Union School District shall be established by approval of an article to be submitted to the voters of the Chittenden and Mendon town school districts at special meetings to be held on January 19, 2016. The amendment shall be adopted if approved by a majority of the electorate voting in each special meeting. The form of the article to be submitted to the voters appears below:

Article to be Submitted to Voters

Shall the voters of the _____ Town School District vote to form the Barstow Unified Union 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”):

Chittenden Town School District
Mendon Town School District

The Barstow Joint Board shall also be considered necessary for the formation of the Unified District but it shall not be a Member District and its interests are represented by the voters of each of the Town School Districts.

2. The Unified District shall be formed and the terms hereby voted shall become effective on the date this article is approved by a majority vote of the electorate of each Member District voting in a meeting for adoption of this article and said votes become final per 16 V.S.A. 706g, provided that votes approving this article shall not become effective unless and until the voters of the other Rutland Northeast Supervisory Union town school districts (Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting) vote to approve formation of the Otter Valley Unified Union School District and said vote becomes final, thereby forming a Supervisory Union with two Unified Districts (“Side by Side”).

3. The name of the district shall be the Barstow Unified Union School District.

4. The Member Districts and the Barstow Joint Board will convey to the Unified District all of their school-related real and personal property, for One Dollar, and the Unified District will assume all capital debt and state construction aid refunding obligations associated therewith, on or after the effective date of this article but prior to the Operation Commencement Date.

5. The Unified District shall continue to operate the Barstow Memorial School in Chittenden until otherwise decided by the Board of Directors.

6. The Unified District shall commence operating the above-mentioned school on July 1, 2016 (“Operation Commencement Date”) provided this article shall have become

effective by such date.

7. The Unified District will provide pre-K through grade 12 education to all of the students in the Unified District.

Students in grades preK-8 will attend the Barstow Memorial School. The Unified District will pay tuition (full or partial), per Vermont statute for students in grades 9 through 12.

8. Any and all operating deficits and/or surpluses of any of the Member Districts and the Barstow Joint Board shall become the property, and/or the obligation of the Unified District, on the Operation Commencement Date.

9. The Unified District shall apportion its expenses in accordance with applicable law.

10. The Unified District shall be governed by a four (4) member Board of Directors.

A. Three (3) directors shall be nominated from the legal voters of the individual member towns with the number of directors nominated by a single town being apportioned on the basis of town population as determined by the most recent U.S. Census. Membership on the initial Board of Directors shall be apportioned as follows:

| | |
|------------|-------------|
| Chittenden | 2 directors |
| Mendon | 1 director |

Persons nominated from a town for the position of School Director shall be elected by a vote of the Unified District's electorate.

B. One (1) director shall be elected by the voters of the Unified District on an at-large basis. Any legal voter of any member town shall be eligible to be elected as an at-large director.

11. An initial Board of Directors shall be elected at the town school district special meetings to be held on January 19, 2016. The terms of the initial Board of Directors are set forth in the Articles of the Formation Plan. Upon expiration of the respective terms of the initial Board of Directors, successors shall be elected for terms as specified by law.

12. The provisions of the Report and Formation Plan approved by the State Board of Education on December 15, 2015, which is on file at the offices of the Rutland Northeast Supervisory Union shall govern the Unified District.

Article 2

The Unified District shall continue the process already in existence among the Member Districts, the Barstow Joint Board and the Rutland Northeast Supervisory Union to consolidate management and educational services, master employee contracts and to otherwise bring about effective and efficient operating procedures and practices. The formal and informal agreements, management systems and operating procedures that have evolved between and among the Member Districts and the Barstow Joint Board ("Forming Districts" herein) shall act as a foundation for the continued collaboration and efficiencies for the Unified District.

Article 3

Transportation services for students attending the Barstow Memorial School will continue to be provided by the Rutland Northeast Supervisory Union in accordance with transportation policies currently existing or as may be amended in the future. The new Unified District Board will consider whether to provide high school transportation within a year of the Operation Commencement Date. If high school transportation is to be provided, it will be coordinated with the supervisory union..

Article 4

The new Unified District will honor all pre-existing master agreements and individual employment contracts that are in place for the Forming Districts on or before the Operation Commencement Date and shall comply with 16 V.S.A. chapter 53, subchapter 3 regarding transition of employees. These master and individual agreements will continue until their respective termination dates.

Article 5

Rutland Northeast Supervisory Union recognizes its obligations to continue to establish supervisory union curricula, and to otherwise standardize their operations within existing Supervisory Union boundaries, on or before the date of creation.

Article 6

All preexisting trust funds held or enjoyed by a Forming District shall be held and applied by the Unified District as the terms of the trust indicate.

Article 7

Composition of the Unified District Board of Directors shall be a hybrid model: three proportional representatives and one at-large representative.

Proportional Representatives: Directors shall be nominated from the legal voters of each Member District (and after formation of the Unified District, each member town), apportioned among the member districts/towns (referred to in this Article as “Members”) in the following manner:

The combined population of all Members determined by the most recent U.S. census will be divided by three (3) to establish a “Population Minimum.” The population of each Member is divided by the Population Minimum and rounded up or down to the nearest whole number. (Example based on Barstow Unified District proposal: 2,317 (total population of Members) / 3 = 772; Chittenden: 1,258 / 772 = 1.6 or 2; Mendon: 1,059 / 772 = 1.3 or 1).

Number of School Board Members by Town

| Town | Board Members (population of town) |
|-------------|-----------------------------------------------|
| Chittenden | 2 (1,258) |
| Mendon | 1 (1,059) |
| Total | 3 (2,317) |

At-Large Representatives: One (1) director shall be elected by the voters of the Unified District on an at-

large basis. Any legal voter of any member town shall be eligible to be elected as an at-large director

Election of Directors: Nominees for the position of school director (both proportional and At-Large) shall be elected by a vote of the Unified District electorate.

Article 8

New Unified District Board of School Directors will be elected for three-year terms, except for those initially elected at the time of the formation of the Unified District. In the initial Unified District board member terms of office will be as follows:

Distribution of Initial One-Year, Two-Year and Three-Year Terms

| Town | 1 Year Term | 2 Year Term | 3 Year Term |
|-------------|--------------------|--------------------|--------------------|
| Chittenden | | 1 | 1 |
| Mendon | | | 1 |
| At -Large | 1 | | |
| Total | 1 | 1 | 2 |

Future boards will maintain the 3 year cycle for terms of service.

Article 9

As required by law, the initial Board of School Directors for the new Unified District will be elected on the same date, January 19, 2016. Nomination statements must be filled on or before December 14, 2015 in the manner that follows. Nominations for the office of Unified District School Director who is a propotional representative of a town shall be made by filing with the clerk of that town, a statement of nomination signed by at least 30 voters in that town or one percent of the legal voters in the town, whichever is less and accepted in writing by the nominee. Nominations for the office of Unified District School Director at-large shall be made by filing with the clerk of either town, a statement of nomination signed by at least 60 voters of either town and accepted in writing by the nominee.

Article 10

The Unified District shall commence full educational operations on July 1, 2016. Upon an affirmative vote of the electorates of the school districts, and upon compliance with 16 V.S.A. § 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, 2016. This includes all functions not specifically delegated to the Rutland Northeast Supervisory Union (see below). The first Unified District budget will be a combination of all Forming Districts budgets and shall be presented to voters, in a separate article, for consideration on March 1, 2016.

Article 11

The Unified District Board of School Directors shall propose annual budgets in accordance with 16 VSA Chapter 11.

The annual budget vote shall be conducted by Australian ballot as per 17 VSA Chapter 55. Voting will take place in each town and will be co-mingled before counting.

Article 12

The school districts of Chittenden and Mendon and the Barstow Joint Board shall remain in existence after June 30, 2016 for the sole purpose of completing any business not given to the Unified District under these articles. Such business shall be completed as soon as practicable, but in no event any later than June 30, 2017, at which time the local boards (including the Joint Board) will be dissolved and the districts shall cease to exist.

Article 13 Cost Benefit/Efficiency Analysis. *(See Attachment A)*

The Unified District's Cost Benefit/Efficiency Analysis may be found in Attachment A.

Article 14 *(See Attachment B for demographic information on school size, enrollments, budgets and tax rates.)*

The Unified District will maintain the current school and grade configurations of the Barstow Joint Contract Agreement until such time as the Unified District Board of School Directors determines that reorganization is necessary.

Article 15

The Unified District School 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 Unified District Board of School Directors on or before June 30, 2017.

The Unified District Annual Meeting will be the Tuesday before March Town Meeting, at 6:30pm, at Barstow Memorial School, Chittenden, VT.

Barstow Planning Sub-Committee Membership

Elizabeth Stahura – Board Member, Chittenden _____

Michelle Erickson – Board Member, Mendon _____

Matthew Conway – Community Member,
Mendon _____

Cort Jones – Community Member, Mendon _____

Lisa Purcell – Community Member, Chittenden _____

David Smith – Community Member, Chittenden _____

Report and Plan For Formation of the Otter Valley Unified Union School District serving the towns of Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting

Fifty six years ago our towns formed the Otter Valley Union High School District to improve educational opportunities for our students in grades 7 through 12. We dissolved town boundaries and committed to equal opportunity for all students. By all measures we enjoy good schools. We believe it is time to add the remaining grades and create a unified union pre-kindergarten to twelfth grade school district.

Throughout our long history together, the towns of Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting have worked in concert through Otter Valley Union High School District to educate all of our children in grades seven through twelve, and to manage all of the taxpayer dollars for their education. Together, we are a community. But, our communities experience fragmented educational governance, with six elementary school structures, that can affect our ability to serve students and taxpayers. We are a community of neighbors with a long and successful history of working together. Now, with the financial incentives under Act 46, it is the time to merge our elementary education programs as we did decades ago for grades seven through twelve.

The Study Committee recommends that the Formation Plan set forth below be approved by the electorate of each of the named school districts in order to create a Unified Union School District to be named the Otter Valley Unified Union School District, hereafter referred to as Unified District in these articles.

Act 46 Goals Act 46 is intended to move the State of Vermont toward sustainable models of education governance. It is designed to encourage and support local decisions and actions. The following list summarizes ways in which this plan addresses Act 46 goals. The Otter Valley Formation Plan.

1. Provides substantial equity in the quality and variety of educational opportunities by governance with one board instead of seven (six elementary and OV). Currently, each board must oversee its programs and its budget within the restrictions of its own town or community. This leads to inequitable opportunities such as a larger school having predominately senior staff whose high costs lead the board to cut foreign language, or a small school not being able to afford a librarian for their students. Sharing resources across several towns in a supervisory union will allow equity in staffing and in programs, perhaps leading to offerings that did not exist before in our small districts and creating a level playing field from which we identify our values and budget for the resources needed;
2. Leads students to meet or exceed the State's Education Quality Standards through a sharing of resources across the district, such as interventionists going to several schools with a full time contract instead of 2 or 3 schools each with a part time contract. Stability of staffing will lead to return on investment in training our faculty and the consistent professional development that occurs will ensure all students have the opportunity to meet or exceed Education Quality Standards regardless of the town they live in;
3. Maximizes operational efficiencies through greater flexibility to manage, share, and transfer resources such as sharing of staff and creating full time opportunities and stability of staffing. Currently, a teacher may be reduced in one district while another district seeks to hire a new teacher not even knowing a teacher has been reduced nearby. This increases costs as the support provided to one teacher may have to be duplicated with the next hire. We can gain greater

flexibility by looking at the needs of all schools with one lens and assigning staff as needed. We do this already in special education, which works well across the supervisory union;

4. Promotes transparency and accountability with one budget and one tax rate as well as one board who is responsible for all six schools;
5. Delivered at a cost that parents, voters, and taxpayers value, which one budget and the ability to share resources across several schools will allow.

Formation Plan of the Otter Valley Unified Union School District serving the towns of Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting

Article 1

The Otter Valley Unified Union School District shall be established by approval of an article to be submitted to the voters of the Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting town school districts at special meetings to be held on January 19, 2016. The amendment shall be adopted if approved by a majority of the electorate voting in each special meeting. The form of the article to be submitted to the voters appears below:

Article to be Submitted to Voters

Shall the voters of the _____ Town School District vote to form the Otter Valley Unified Union 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”):

Brandon Town School District
Goshen Town School District
Leicester Town School District
Pittsford Town School District
Sudbury Town School District
Whiting Town School District

The Otter Valley Union High School District No. 8 shall also be considered necessary for the formation of the Unified District but it shall not be referred to as a Member District and its interests are represented by the voters of each of the Town School Districts.

2. The Unified District shall be formed and the terms hereby voted shall become effective on the date this article is approved by a majority vote of the electorate of each Member District voting in a meeting for adoption of this article and said votes become final per 16 V.S.A. 706g, provided that, votes approving this article shall not become effective unless and until the voters of the other Rutland Northeast Supervisory Union town school districts (Chittenden and Mendon) vote to approve formation of the Barstow Unified Union School District and said vote becomes final, thereby forming a Supervisory Union with two Unified Districts (“Side by Side”).

3. The name of the district shall be the Otter Valley Unified Union School District.

4. The Member Districts and the Otter Valley Union High School District No. 8 will convey to the Unified District all of their school-related real and personal property, for One Dollar, and the Unified District will assume all capital debt associated therewith and state construction aid refunding obligations, on or after the effective date of this article but prior to the Operation Commencement Date. The Unified District recognizes the long term financial investments and community relationships that each town has with its elementary school building. The Unified District will encourage use of each building by the students and community according to the policies and procedures of the Unified District.

5. In the event that, and at such subsequent time as, the Unified District determines that any of the real property, including land and buildings, conveyed to it by one or more of the Member Districts is or are unnecessary to the continued operation of the Unified District and its educational programs, the Unified District shall convey such real property, for the sum of One Dollar, and subject to all encumbrances, debt and state construction aid refunding obligations, to the town in which it is located. The conveyance of any of the above school properties shall be conditioned upon the town owning and utilizing the real property for community and public purposes for a minimum of five years. In the event a town elects to sell the real property prior to five years of ownership, the town shall compensate the Unified District for all capital improvements and renovations completed after the formation of the Unified District and before 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 such terms and conditions as established by the Unified District Board of School Directors.

6. For a period of four (4) years from the Operation Commencement Date the Unified District shall operate as public schools the following:

Leicester Central School in Leicester;
Lothrop School in Pittsford;
Neshobe School in Brandon;
Sudbury Country School in Sudbury;
And Whiting School in Whiting.

During this four (4) year period, the Unified District may not close any of these schools without first obtaining approval of a majority of the electorate of the town in which the school is located. Upon expiration of this four (4) year period, the Unified District's Board of Directors may vote to close any of these schools provided the board so votes by a two thirds (2/3) majority.

7. The Unified District shall continue to operate Otter Valley Union Middle/High School in Brandon until otherwise decided by the Board of Directors.

8. The Unified District shall commence operating the above-mentioned schools on July 1, 2016 ("Operation Commencement Date") provided this article shall have become effective by such date.

9. The Unified District shall operate schools to provide for the enrollment of all

legal pupils of the towns who are members of the Unified District for grades pre-k through 12.

10. Any and all operating deficits and/or surpluses of any of the Member Districts and the Otter Valley Union High School District No. 8 shall become the property, and/or the obligation of the Unified District, on the Operation Commencement Date.

11. The Unified District shall apportion its expenses in accordance with applicable law.

12. The Unified District shall be governed by a thirteen (13) member Board of Directors.

A. Nine (9) directors shall be nominated from the legal voters of the individual member towns with the number of directors nominated by a single town being apportioned on the basis of town population as determined by the most recent U.S. Census. Membership on the initial Board of Directors shall be apportioned as follows:

| | |
|-----------|-------------|
| Brandon | 3 directors |
| Goshen | 1 director |
| Leicester | 1 director |
| Pittsford | 2 directors |
| Sudbury | 1 director |
| Whiting | 1 director |

Persons nominated from a town for the position of School Director shall be elected by a vote of the Unified District’s electorate.

B. Four (4) directors shall be elected by the voters of the Unified District on an at-large basis. Any legal voter of any member town shall be eligible to be elected as an at-large director.

13. An initial Board of Directors shall be elected at the town school district special meetings to be held on January 19, 2016. The terms of the initial Board of Directors are set forth in the Articles of the Formation Plan. Upon expiration of the respective terms of the initial Board of Directors, successors shall be elected for terms as specified by law.

14. The provisions of the Report and Formation Plan approved by the State Board of Education on December 15, 2015, which is on file at the offices of the Rutland Northeast Supervisory Union shall govern the Unified District.

Article 2

The Unified District shall continue the process already in existence among the Member Districts, Otter Valley Union High School District No. 8 and the Rutland Northeast Supervisory Union to consolidate management and educational services, master employee contracts and to otherwise bring about effective and efficient operating procedures and practices. The formal and informal agreements, management systems and operating procedures that have evolved between and among the Member Districts and Otter Valley Union High School District No. 8 (“Forming Districts” herein) shall act as a foundation for the continued collaboration and efficiencies for the Unified District.

Article 3

Rutland Northeast Supervisory Union will provide, and/or contract for, any transportation which is to be provided for publicly funded students attending the Unified District schools in accordance with transportation policies adopted by RNEU Board of School Directors.

Article 4

The new Unified District will honor all pre-existing master agreements and individual employment contracts that are in place for the Forming Districts on or before the Operation Commencement Date and shall comply with 16 V.S.A. chapter 53, subchapter 3 regarding transition of employees. These master and individual agreements will continue until their respective termination dates.

Article 5

Rutland Northeast Supervisory Union recognizes its obligations to continue to establish supervisory union curricula, and to otherwise standardize their operations within existing Supervisory Union boundaries.

Article 6

All pre-existing trust funds held or enjoyed by a Forming District shall be held and applied by the Unified District as the terms of the trust indicate.

Article 7

Composition of the Unified District Board of Directors shall be a hybrid model: nine proportional representatives and four at-large representatives.

Proportional Representatives: Directors shall be nominated from the legal voters of each Member District (and after formation of the Unified District, each member town), apportioned among the member districts/towns (referred to in this Article as “Members”) in the following manner:

(1) The combined population of all Members determined by the most recent U.S. census will be divided by nine (9) to establish an “Initial Population Minimum.” Each Member with a population equal to or less than the Initial Population Minimum shall elect one (1) director.

(Example based on Otter Valley Unified District proposal: $8,933$ (total population of Members) / $9 = 1,488$; Goshen, Leicester, Sudbury and Whiting elect one (1) director each).

(2) The total number of directors elected based on the initial population minimum will be subtracted from the total number of proportionally elected directors. This number is referred to as “Remaining Directors.” (Example: $9 - 4 = 5$).

(3) The total population of the Members with a population greater than the Initial Population Minimum (“Over-minimum Population Member”) will be divided by the number of remaining directors to establish a “Remaining Population Minimum.” The population of each Over-minimum Population Member is divided by the Remaining Population Minimum and rounded up or down to the nearest whole number. (Example: $6,957 / 5 = 1,391$; Brandon: $3,966 / 1391 = 2.85$ or 3, Pittsford: $2,991 / 1391 = 2.15$ or 2).

Number of School Board Members by Town

| Town | Board Members (population of town) |
|-------------|-----------------------------------------------|
| Brandon | 3 (3,966) |
| Goshen | 1 (164) |
| Leicester | 1 (1,100) |
| Pittsford | 2 (2,991) |
| Sudbury | 1 (560) |
| Whiting | 1 (419) |
| Total | 9 |

At-Large Representatives: Four (4) directors shall be elected by the voters of the Unified District on an at-large basis. Any legal voter of any member town shall be eligible to be elected as an at-large director.

Election of Directors: Nominees for the position of school director (both proportional and At-Large) shall be elected by a vote of the Unified District electorate.

Article 8

Unified District Board of School Directors will be elected for three-year terms, except for those initially elected at the time of the formation of the Unified District. In the initial Unified District, School Director terms of office will be as follows:

Distribution of Initial One-Year, Two-Year and Three-Year Terms

| Town | 1 Year Term | 2 Year Term | 3 Year Term |
|-------------|--------------------|--------------------|--------------------|
| Brandon | 1 | 1 | 1 |
| Goshen | | 1 | |
| Leicester | 1 | | |
| Pittsford | | 1 | 1 |
| Sudbury | | | 1 |
| Whiting | | 1 | |
| At-Large | 2 | 1 | 1 |
| Total | 4 | 5 | 4 |

In the following years, the board terms shall continue to rotate on three year terms.

Article 9

As required by law, the initial Board of School Directors for the new Unified District will be elected on the same date, January 19, 2016. Nomination statements must be filed on or before December 14, 2015 in the manner that follows. Nominations for the office of Unified District School Director representing a town shall be made by filing with the clerk of that town, a statement of nomination signed by at least 30 voters in that town or one percent of the legal voters in the town, whichever is less and accepted in writing by the nominee. Nominations for the office of Unified District School Director at-large shall be made by filing with the clerk of any town, a statement of nomination signed by at least 60 voters of any town and accepted in writing by the nominee.

Article 10

The Unified District shall commence full educational operations on July 1, 2016. Upon an affirmative vote of the electorates of the school districts identified as Member Districts in Article 1 and upon compliance with 16 V.S.A. § 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, 2016. This includes all functions not specifically delegated to the Rutland Northeast Supervisory Union (see below). The first Unified District budget will be a combination of all Forming Districts' budgets and shall be presented to voters in a separate article for consideration on March 1, 2016.

Article 11

The Unified District Board of School Directors shall propose annual budgets in accordance with 16 VSA Chapter 11.

The annual budget vote shall be conducted by Australian ballot as per 17 VSA Chapter 55. Voting will take place in each town and will be co-mingled before counting.

Article 12

The school districts of Brandon, Goshen, Leicester, Pittsford, Sudbury, Whiting, and Otter Valley Union, shall remain in existence after June 30, 2016 for the sole purpose of completing any business not given to the Unified District under these articles. Such business shall be completed as soon as practicable, but in no event any later than June 30, 2017 at which time the local boards will be dissolved and the districts shall cease to exist.

Article 13 Cost Benefit/Efficiency Analysis. *(See Attachment A)*

The Unified District's Cost Benefit/Efficiency Analysis may be found in Attachment A

Article 14 *(See Attachment B for further information on school size, enrollments, budgets and tax rates.)*

The Unified District will maintain the current school and grade configurations until such time as the Unified District Board of School Directors determines that reorganization is necessary.

Article 15

For at least one full school year following voter approval, students will attend elementary school according to their town of residency. After the first year, the Unified District Board of School Directors will have the authority to adjust school attendance boundary lines and school configurations within the boundaries of the Unified District.

Should a future board wish to offer school choice among the schools in the Unified District, policies to ensure the following criteria will be met:

- Transportation will be considered to allow access for all students;
- socioeconomic equity will be considered;
- proximity to the school shall be a factor;
- keeping families together in one school shall be a factor;
- and capacity of both the receiving school and the sending school, without harm to either, shall be a factor

Article 16

The Unified District school board shall provide timely and sufficient 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 Unified District Board of School Directors on or before June 30, 2017.

The Unified District Annual Meeting will be held the Wednesday before March Town Meeting, at 6:30pm, at Otter Valley Union High School, Brandon, VT.

Otter Valley Planning Sub-Committee Membership

- Barbra Bourne, Board Member, Pittsford _____
- Debra Boyce, Board Member, Brandon _____
- Laurie Bertrand, Board Member, Sudbury _____
- Seth Hopkins, Community Member, Brandon _____
- Lisa Kenyon, Board Member, Brandon _____
- Susan LaRock, Community Member, Brandon _____
- Susan Markowski, Board Member, Pittsford _____
- Diane O'Classen, Board Member, Goshen _____
- Craig Pelkey, Community Member, Pittsford _____
- Hannah Sessions, Board Member, Leicester _____
- Jennifer Tinsman, Community Member, Pittsford _____
- Tara Trudo, Board Member, Whiting _____
- Peter Werner, Community Member, Brandon _____
- Harriet Wyman, Community Member, Brandon _____

Attachment A: Costs Benefit/Efficiency Analysis & Narrative – Unified Union Districts: Barstow & Otter Valley

The Plan proposed efficiencies through the creation of two unified union school districts in the following areas:

Improved Student Learning Opportunities

Rutland Northeast Supervisory Union's Compact is a single document that is designed to guide all towns in the SU. Currently due to school size and budgetary limitations, implementation of this vision and strategic plan varies with 11 different boards (8 towns (Brandon, Chittenden, Goshen, Leicester, Mendon, Pittsford, Sudbury & Whiting), 1 union high school, 1 joint contract and 1 supervisory union) making decisions on how to move forward. The strategic plan that is built on the compact plays out differently in each of our 9 different districts.

Under Act 46 Rutland Northeast Supervisory Union member district would re-organize into a Side by Side Merger, under Act 156 of 2012, creating two unified union school districts: Barstow Unified Union and an Otter Valley Unified Union. The Barstow District would provide an integrated PreK-8 system while paying tuition for high school students, per VT Statute, and the OV district would provide an integrated Pre-K-12 system, operating all grades in existing school facilities.

Both systems would share The Compact, outlining the mission, vision and strategic plan for continual improvements based on the attainment of outcomes the communities believe are important for young people. Moreover, a unified district will provide each unified union school board the opportunity to utilize resources to design a continuum of educational programs and experiences for all students.

There will be opportunities with increased scale to retain and possibly expand a variety of educational programs and learning pathways. Each community has unique resources and assets which may provide an opportunity for the creation of magnet schools or programs within a larger system. For example, an OV Pre-K-12 Unified Union District may allow students to transfer to another school within the unified district without having to pay tuition, or the opportunity to stay at their current school assignment even if their family moves within the towns in the Barstow (Chittenden and Mendon) or OV (Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting) Unified Unions. Under the current structure students are not able to do this without paying tuition.

Smaller groups of learners may see increased opportunities in the OV Unified District. On the early end of the educational continuum, pre-K student services and family relationships can be better coordinated within a single district. A single structure allows for systemic personalized learning plan (PLP) planning and increased personalized learning opportunities through the economy of scale. There will be greater opportunities to share special education programs for students at the elementary level; examples include students on the autism spectrum or with emotional challenges so their needs can be met within the unified school district settings.

Teacher Staffing

The Side by Side unified union structure will allow the superintendent the flexibility to adjust staffing assignments based on student needs, changing demographic realities and staff expertise; within both unified unions. Teachers could be reassigned within each unified union where the greatest needs are

across all schools and/or all grades within each unified district; currently, reassignments are limited to the district of hire, unless a shared service agreement is crafted. Such an arrangement takes more administrative time to create, implement and oversee.

There may be increased opportunity for part-time employees to find increased employment within a unified district which would improve recruitment and retention of qualified staff.

We anticipate minor reductions in instructional staff by sharing across school buildings and/or grades students and/or staff. Unification will provide greater opportunity to equalize class sizes across the system for specific grade levels through staffing reallocation.

Non-teacher Staffing

The Side by Side unified union structure allows for greater flexibility in the allocation of non-teaching positions, as well. Personnel can be reassigned where the greatest needs are across all schools within each unified union. Currently reassignments are limited to the district of hire, unless done through a shared service agreement, which takes additional administrative time to create, implement and oversee.

Technology

Currently, we have consolidated technology services across all districts with one technology system to update and maintain: i.e. payroll and accounting, human resources system, student information and performance data system, library system, anti-virus and filtering system, special education IEP system. We've enjoyed stronger vendor relationships with fewer vendors and increased buying power for internet service, software applications, and technology hardware. We have flexibility allocating information technology staff and contracted services when and where needed while monitoring systems at the SU level. With fewer systems to purchase and manage, our resources have been redirected to provide greater access to customized and personalized learning opportunities for students, for example, through personal devices. Our system provides for greater efficiencies while allowing greater focus to strategic planning and deployment of resources to enhance student learning.

Student Data Collection and Reporting

We have a single Pre-K-12 student data system which allows for richer empirical data, improvements in strategic planning, improved instruction, specialized interventions, and personalization. This unified Pre-K-12 reporting system has improved parental involvement and communication about student progress, promoting transparency and accountability.

We currently have the ability to track cohorts from Pre-K through graduation allowing educators to monitor student growth and progress and to provide early interventions when needed. Our districts can currently track Pre-K-6 student achievement data in each district and then grades 7-12 as a whole, but data is FERPA protected in each district and cannot be shared. Disaggregating data allows for informed decision-making around programming, progress monitoring and professional development needs.

Financial Accounting and Budgeting

In a Side by Side Merger structure each district's budgets and tax rates will be easier to understand: one budget and tax rate per district; per PreK-twelfth grade.

One budget for the Barstow Unified School District covering PreK-12 costs with the same school tax rate would replace three budgets: the Barstow Joint Contract Budget, the Chittenden School Budget and the Mendon School Budget and two tax rates.

One budget for the OV Unified School District covering all elementary and high school costs for Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting will replace 6 elementary budgets and 6 elementary tax rates as well as a union high school budget and tax rate. Under the current system these multiple rates are prorated by town, based on student population, to calculate the local schools tax rates.

Side by Side Merger Structure reduces the number of State, Federal, and IRS reports and intergovernmental accounting transactions. This reduces the number of independent audits from 11 to 3, potentially reducing labor and audit expenses. The formation of two districts would streamline accounting systems by creating, monitoring and maintaining only three budgets, reducing assessments to member school districts from ten to two and for all costs currently incurred at the supervisory union level (central office, technology, special education, transportation and food service). This consolidation of resources will result in more stable budget changes over time.

Improved Utilization of Buildings and Sport Facilities

The facility use request process would be less complicated for community members and organizations: with a uniform application and process, and more options (school facilities and grounds) to choose from.

Centralized Contracting

We currently enjoy uniform employment contracts for all staff: one teacher's master agreement, a negotiated para/bus driver's contract and a policy defining the support terms and conditions covering all other support staff. These collaborative agreements allow for greater consistency in wages and working conditions for the same positions across our communities; however employees are hired by district and cannot currently be re-assigned based on needs and/or enrollments.

In our current structure, each district is responsible for compliance with all employment laws, including but not limited to Fair Labor Standards Act, Federal Affordable Care Act, Family Medical Leave Act, Americans with Disabilities Act, Worker's compensation, Unemployment, etc. A Side by Side structure will reduce administrative burdens by consolidating from eleven employers to three employers.

The Side by Side Merger Structure, creating larger school districts will allow for increased purchasing power as well as a stronger negotiating position for supplies and goods through economies of scale.

Transportation

Rutland Northeast Supervisory Union has enjoyed a consolidated transportation system since 2002, first consolidating all OVUHS member districts and in 2008 incorporating Barstow and Chittenden High School students. The consolidation of the OV transportation system in 2002 resulted in approximately \$150,000 in transportation savings for Brandon, Goshen, Leicester, Pittsford, Sudbury and Whiting. We have the authority to determine, in accordance with state and federal law, the transportation services to be provided to students. We have already experienced significant financial savings in equipment and operating costs when transportation became centralized. This Side by Side mode will continue to provide economy of scale and efficient routing of buses.

Food Service

In 2008, RNESU centralized all Food Services program with a single management contract. This centralization resulted in savings of approximately \$110,000 and expanded services to Sudbury and Whiting who previously could not afford a program. A single management contract covering all 6 elementary schools and the high school afford us the scope and scale to attract more vendors (management contractors) and be more efficient in meeting the demands of State and Federal guidelines.

Support Services

RNESU has benefited from the efficiencies created by a centralized special education and student support system for over thirty years. With one Local Education Agency (LEA) there is greater continuity of procedures, processes and practices.

Through the increased flexibility we experience we have enjoyed the ability to allocate resources and design a continuum of alternatives which is able to be fluid based on changing student needs. Currently our continuum includes a tutorial site, intensive supports classrooms, and a therapeutic high school classroom. Centralization of special education services has also afforded us the ability to be creative while addressing extended year (summer) services, since we have been able to include larger groups of students across the SU, increasing student to student engagement as well as community access. Students also benefit from continuity of staff between schools, improving transitions from 6th to 7th grade and beyond. Special education Para-professionals are able to be assigned and reassigned throughout the SU, based on student need as well as the relationships they have developed with their support staff. Continuity of intervention systems and programs across a preK-12 system is more readily realized without the barriers of district boundaries. Student placements are able to be expanded to include sites outside of the school district but still within the SU, affording students more options and flexibility in their learning. Centralized evaluation processes have allowed for consistency of special education evaluation and identification as well as increased availability of special educators to provide direct instruction during each school day.

Adequate instructional staffing, adequate support staffing, adequate continuum of intervention and support, adequate instructional resources, access to current technology, and safe and adequate transportation. These are all resources and practices that we are able to provide, and through the centralization of our resources and shared costs, we are able to strive for equity in access to programs and services.

Professional Development

With a unified teachers' contract and the Compact and strategic plan guiding our work, common professional development enhances our Pre-K-12 system by building increased expertise and specialization. Efficiencies are gained through system-wide programming specializing in specific populations.

Attachment B – Demographic & Financial Trends

Vermont's education costs are funded statewide through a funding mechanism designed to eliminate spending capacity disparities between property wealthy and property poor towns; Act 60. This mechanism has four components:

1. Education Spending per Equalized Pupil;
 - a. *Within the control, albeit limited control, of school districts*
2. Base Education Amount (BEA);
 - a. *Set by the Legislature*
3. Base Education Tax Rate (Rate): homestead & non-residential;
 - a. *Set by the Legislature –ONLY the homestead rate is contingent on spending*
4. Common Level of Appraisal (CLA).
 - a. *For the purposes of our report we will not address CLA. CLA cannot be controlled, corrected, amended or adjusted with school budget development. The Common Level of Appraisal is a statewide system to determine individual town grand lists' valuation as compared to recent sales values; if sales are higher than the town's grand list that town is under appraised, if sales are lower the town's grand list is over appraised.*

How does the Vermont Education Funding Formula works?

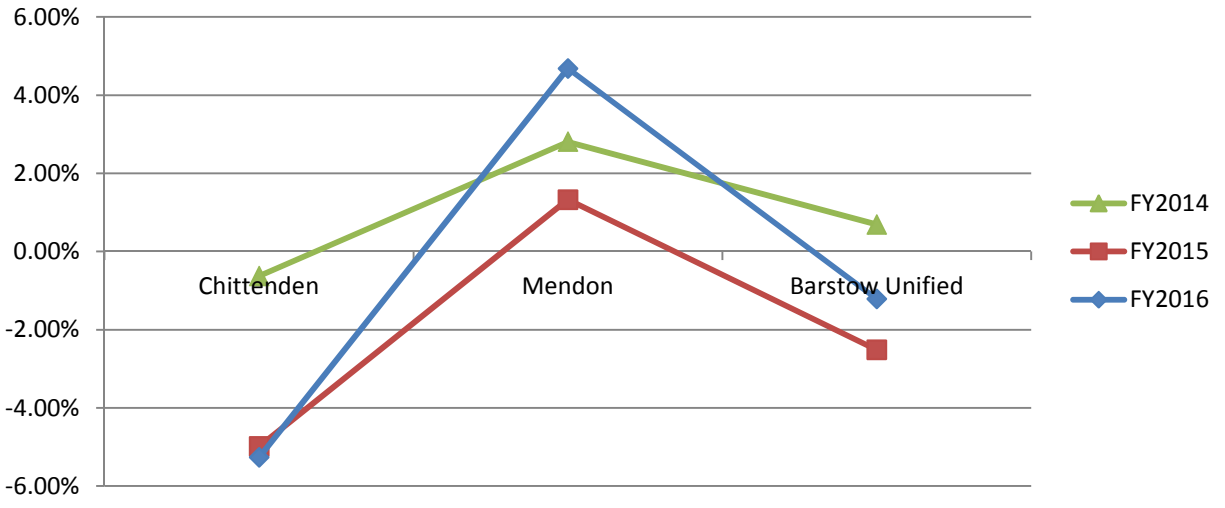
The legislature sets the base education amount and the base education homestead tax rate which is used to convert districts' education spending per equalized pupil into a local tax rate by district. The base education rate and the base education homestead tax rate are linked together and spending above the base amount increases the tax rate proportionately. To illustrate assume this simple example: The BEA is \$9,000 and assume the tax rate is \$1.00; in simple terms the first \$9000 of per pupil spending results in a tax rate of \$1.00 – all spending above the \$9,000 equates to a proportionate increase in the tax rate. If a district spends \$9,900 or 10% above the BEA than the district's tax rate will be 10% above the base rate or \$1.10.

What is Education Spending? (The numerator)

Education Spending is the total education cost (total budget) less all revenues received from all resources except property taxes and includes but is not limited to: state reimbursement grants for special education, transportation, driver's education, vocational transportation, small schools grants, tuition revenues, interest earnings, accumulated fund balances, federal forest revenues, transfers from reserve funds, etc.

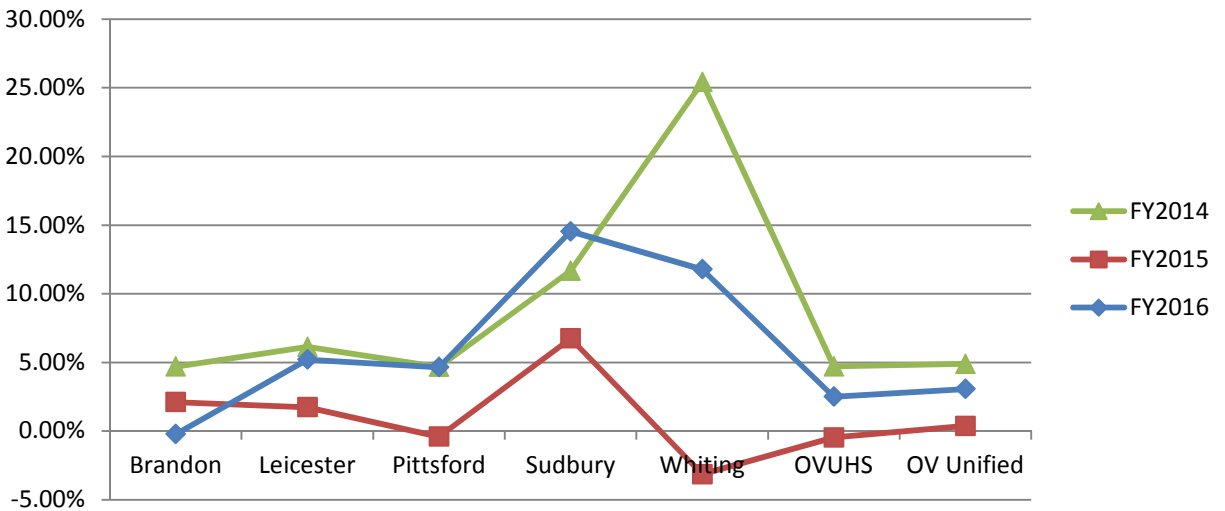
The graphs below illustrate the erratic spending trends by district and how unification would moderate the changes in education spending. In fact Goshen's spending is so erratic they were excluded from the OV graph to keep the graph readable.

Barstow Districts' Education Spending Trends FY13-FY16



OV Districts' Education Spending Trends - FY13-FY16

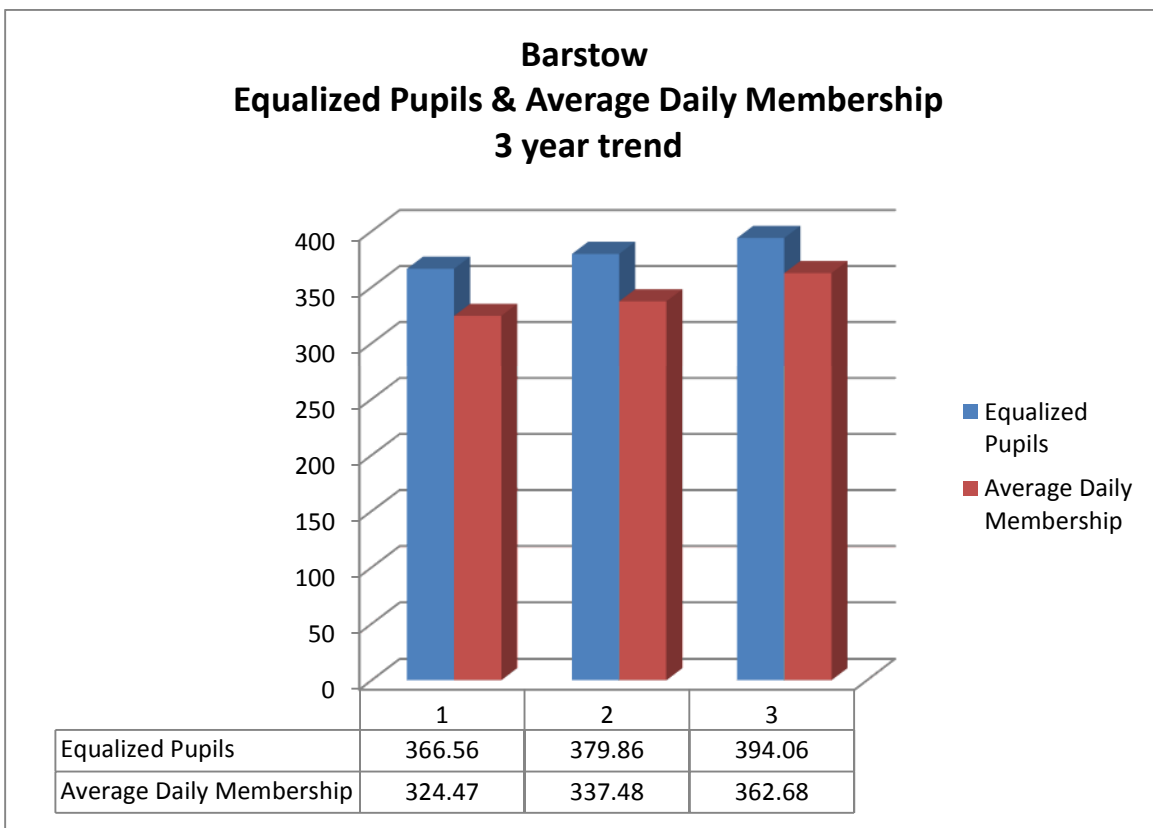
*Excludes Goshen's individual data
fluctuates +/- 40% per yr,
Goshen is included Unified data*



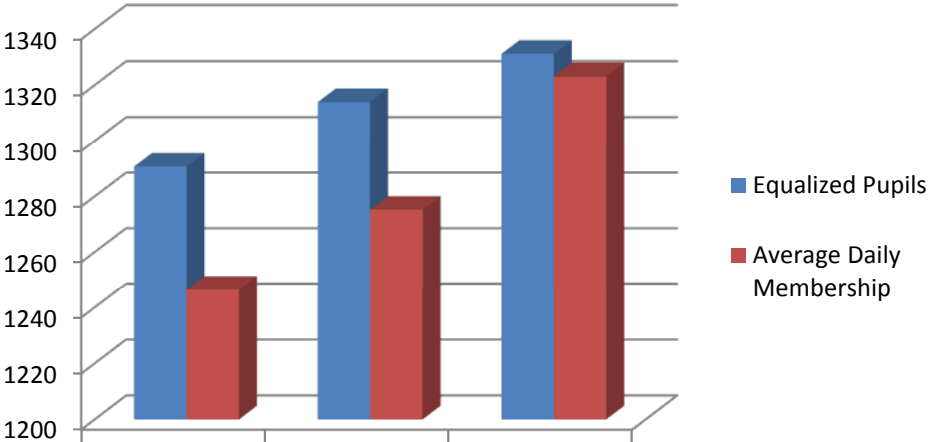
What are “equalized pupils”? How are equalized pupil declines protected? (*The denominator*)

Equalized Pupils were created with Act 60 to recognize that the costs of educating all students is not equal and to recognize that year to year shifts in enrollments should be averaged. The formula was therefore created to weight student counts differently based on the grade level (lower for PreK and higher for high school grades) town’s poverty (food stamps and Medicaid), and non-native English speakers (ELL) and to average the students over two years. The Vermont education formula further protects districts from enrollment declines by limiting the annual equalized pupil count to a maximum 3.5% decline. Act 46 changes how declining equalized pupils are handled based on whether a district is merging or remaining independent. Merging districts retain the maximum 3.5% equalized pupil decline while non-merging districts are penalized first through an accelerated equalized pupil decline based on average daily membership and finally eliminating the maximum decline altogether.

The Graphs below illustrate the differences between the proposed unified unions’ average daily membership ADM (actual count of students for period of 30 days) and equalized pupils. In both graphs it is clear we have more equalized pupils than actual pupils. Without the protections afforded to merging districts our pupil counts would decline thereby increasing per pupil spending and our tax burden.



**OV District
Equalized Pupils & Average Daily Membership
3 year trend**



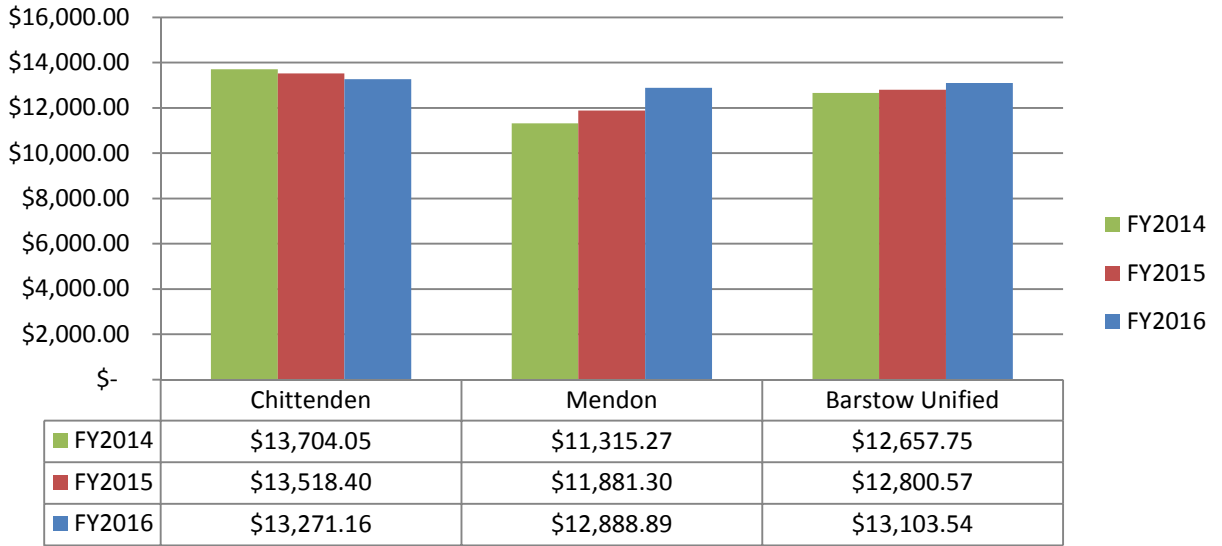
| | 1 | 2 | 3 |
|--------------------------|---------|---------|---------|
| Equalized Pupils | 1290.71 | 1313.91 | 1331.11 |
| Average Daily Membership | 1246.35 | 1275.16 | 1323.14 |

What is Education Spending per Equalized Pupil?

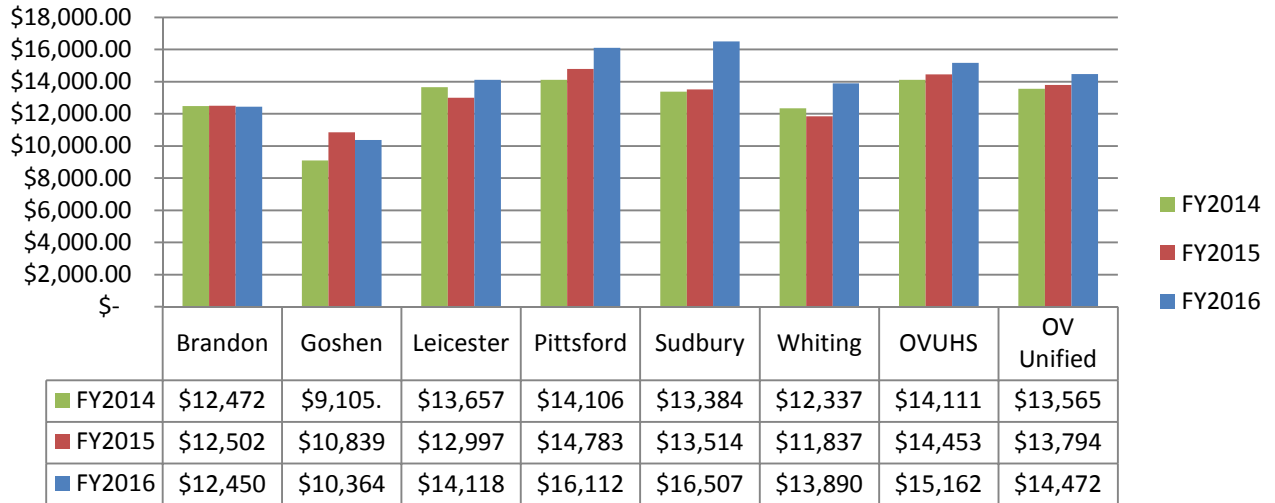
Education spending divided by equalized pupils

Our towns have experienced declining student enrollments resulting in increasing education spending per equalized pupils.

**Barstow Districts'
Ed Spending per Equalized Pupils
Trend FY2014-FY2016**

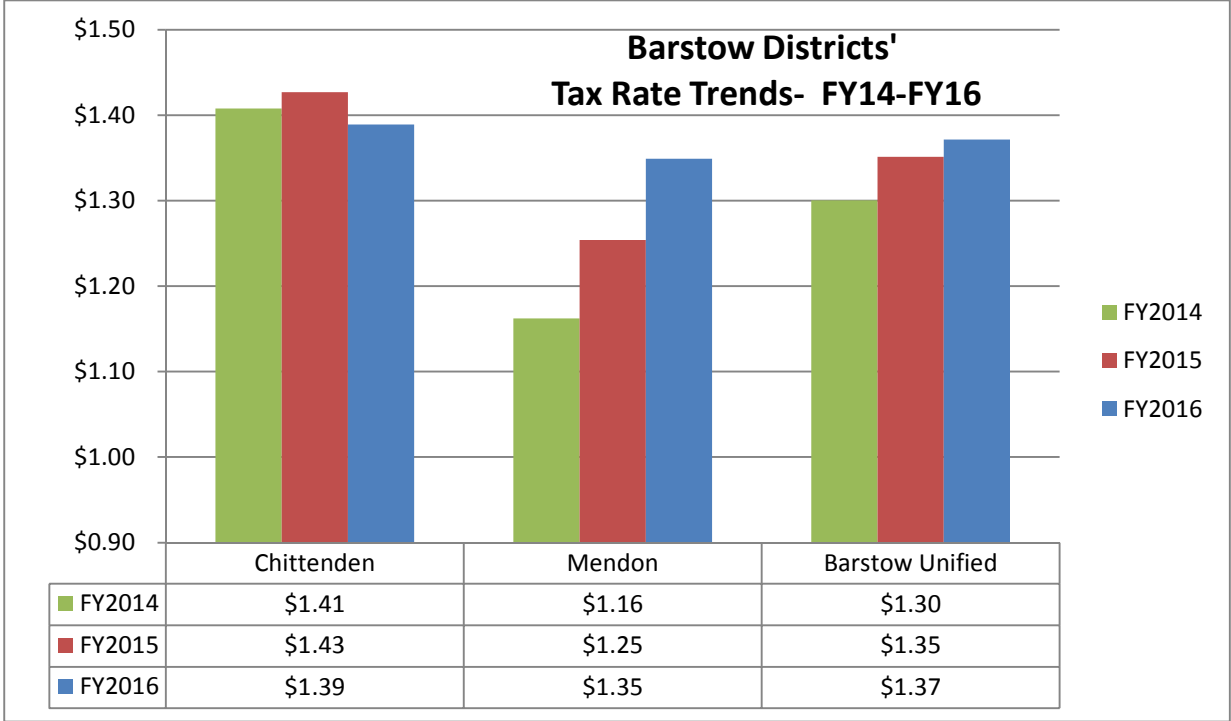


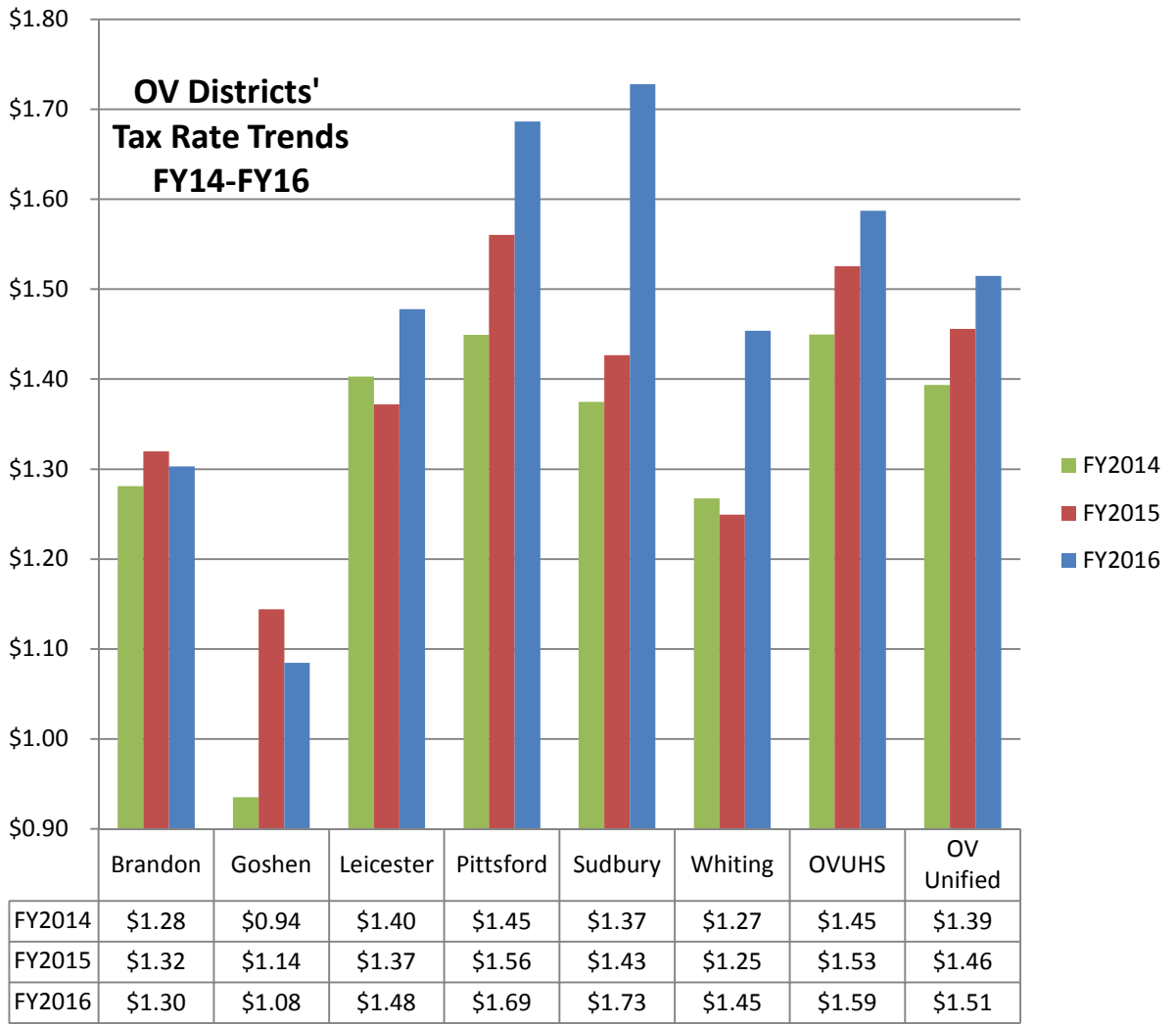
**OV Districts'
Ed Spending per Equalized Pupils
Trend FY2014-FY2016**



Conclusion –

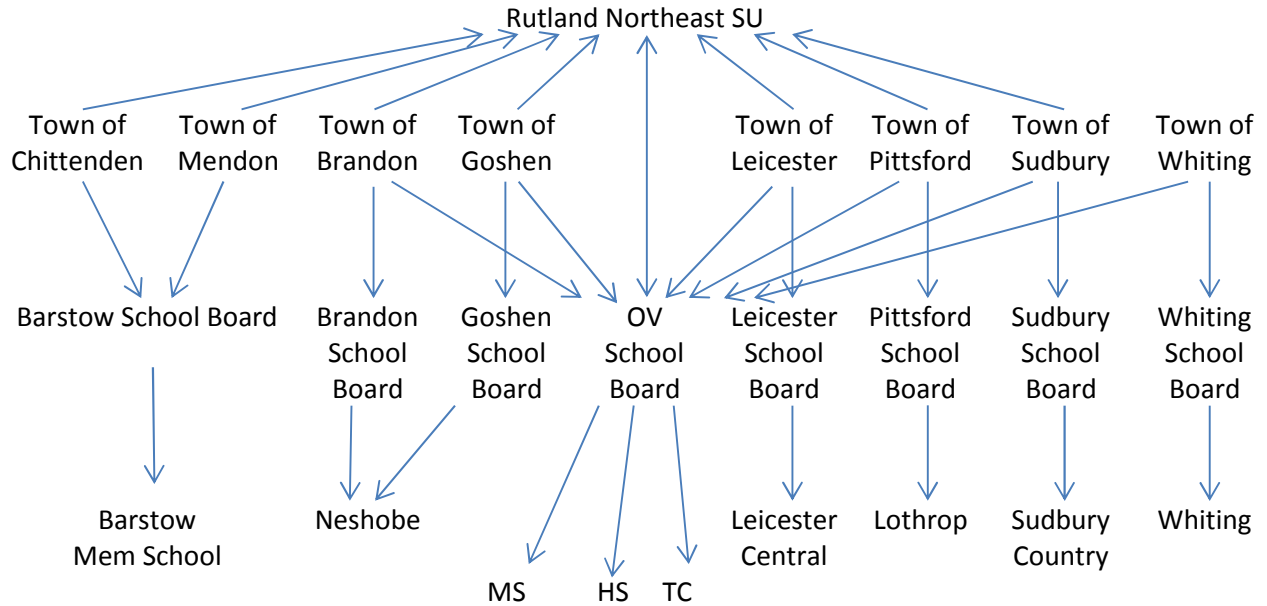
The graphs below illustrate how fluctuations in education spending combined with declining enrollment result in tax rate changes. If the individual district were organized in a side-by-side merger structure, the tax rates, before any Act 46 incentives would be more moderate.





Attachment C - RNE SU Governance Chart

Current Governance



Proposed Governance

