

AGENCY OF EDUCATION

Barre, Vermont

TEAM: School Governance Team

ITEM: Will the State Board of Education find that the proposed unified union school district formed by two member districts of the **CALEDONIA CENTRAL SUPERVISORY UNION (CCSU)** and one member district of the **ESSEX-CALEDONIA SUPERVISORY UNION (ECSU)** 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 **Caledonia Cooperative Unified Union School District Act 46 Study Committee** and to approve assignment of the new unified union school district, if created, to the CCSU?

RECOMMENDED ACTION:

- 1. That the State Board of Education finds that the proposed formation of a new unified union school district by two member districts of the CCSU and one member district of the ECSU, to be named the CALEDONIA COOPERATIVE UNIFIED UNION SCHOOL DISTRICT, is “in the best interests of the State, the students, and the school districts” pursuant to 16 V.S.A. § 706c(b).**
- 2. That the State Board of Education votes to approve the attached report of the Caledonia Cooperative Unified Union School District Act 46 Study Committee.**
- 3. That the State Board of Education votes to approve the assignment of the new unified union school district, if created, to the CCSU for administrative and other transitional assistance beginning on the date on which the unified union school district becomes a legal entity pursuant to 16 V.S.A. § 706g.**

STATUTORY AUTHORITY: 16 V.S.A. § 706c; Act 46 of 2015; Act 153 of 2010, Secs. 2-4, as amended; Act 156 (2012), Sec. 15, as amended

BACKGROUND INFORMATION:

I. General

The CCSU consists of four PK-12 districts: the Danville School District, which operates schools for all grades; the Barnet and Walden School Districts, both of which operate schools through Grade 8 and pay tuition for all remaining grades; and the Peacham School District, which operates a school through Grade 6 and pays tuition for all remaining grades.

The ECSU consists of eight PK-12 districts: five of which pay tuition for all grades and three of which each operate a school through Grade 8 and pay tuition for the remaining grades. On March 7, 2017, the voters in the five non-operating districts approved unification with four districts in two other SUs to form the “NEK Choice District.” It is anticipated that this new unified district will be assigned to the Essex North SU. Also on March 7, 2017, voters in two of the three PK-8 operating / 9-12 tuitioning districts in the ECSU approved unification with five

districts (six towns) in the Caledonia North SU to form the “Kingdom East Unified District,” which would like to be its own supervisory district. Both the NEK Choice and the Kingdom East districts will be fully operational on July 1, 2018. As a result of this voter action, only one town district in the ECSU remains unmerged – the Waterford School District, which operates a school through Grade 8 and pays tuition for all remaining grades.

After passage of Act 46 in 2015, the school districts of Barnet and Walden from the CCSU and of Waterford from the ECSU (all of which are PK-8 operating / 9-12 tuitioning) formed a study committee under 16 V.S.A. § 706. This study committee is presenting its proposal to form the Caledonia Cooperative Unified Union School District to the State Board on April 18, 2017. In addition, the Danville School District from the CCSU and the Cabot and Twinfield School Districts from the Washington Northeast SU have formed a § 706 study committee that is still considering the advisability of creating a unified district that operates all grades (unified PK-12 operating district).

- If both proposals are approved and are scheduled to begin full operations on the same day, then the new unified districts would be jointly eligible for tax rate reductions and other transitional assistance under the “Side-by-Side” program established in Act 156 of 2012, Sec. 15.
- If the voters approve creation of the Caledonia Cooperative Unified Union School District, but creation of a new unified PK-12 operating district is not also approved by its voters, then the Caledonia Cooperative Unified Union School District will *not* be formed *unless* the 2017 Vermont General Assembly enacts legislation that would otherwise enable the Caledonia Cooperative Unified Union School District to receive tax rate reductions and other transitional assistance.

If both proposals are approved, then it is anticipated that the two new unified districts will be members of a new, enlarged supervisory union. Given the conditional nature of this proposal as well as the uncertain governance decisions of other districts in the region, it would be premature at this time for the State Board to define precise boundaries of an enlarged supervisory union. We advise the State Board to approve assignment of the Caledonia Cooperative Unified Union School District, if created, to the CCSU for at least the interim, transitional year before the new unified district assumes full operations, but to wait to evaluate the precise boundaries of the SUs in the region until after the governance structures in this part of the State are clearer.

The Peacham School District is the only district in the CCSU that is not engaged in a § 706 study. Because there is no other district in the region that shares its precise governance structure (PK-6 operating / 7-12 tuitioning), the State Board has no authority to require it to merge with any other district. As a result, unless the voters in the Peacham School District wish to change the district’s current operating / tuitioning structure (or another district in the region wishes to change its structure to match Peacham’s), the Peacham School District will remain an independent school district with an unchanged governance structure. There does not seem to be any reason to reassign the Peacham School District to another SU at this time, nor has reassignment been requested. Rather, the State Board can reevaluate Peacham’s SU assignment at a later time when

the State Board makes other decisions regarding SU boundaries in the region pursuant to 16 V.S.A. § 261.

II. The Caledonia Cooperative Unified Union School District

The Caledonia Cooperative Unified Union School District Act 46 Study Committee (Study Committee) proposes creation of a unified union school district (UUSD) to provide for the PK-12 education of resident students by operating three schools offering education through Grade 8 and paying tuition for students in Grades 9-12 (New Unified District) beginning on July 1, 2018.

The Study Committee identifies the following school districts as “necessary” to the proposal pursuant to 16 V.S.A. § 706b(b)(1): Barnet; Waterford.

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

In FY2016:

- The combined PK-12 average daily membership (ADM) of all three potentially merging districts was 648.05 and of the two “necessary” districts was 503.55 (Barnet: 283.00; Walden: 144.50; Waterford: 220.55)
- The combined ADM of the four CCSU districts was 841.73 (Barnet: 283.00; Danville: 326.23; Peacham: 88.00; Walden: 144.50).

If (1) the New Unified District is created, (2) Danville, Cabot, and/or Twinfield form a new unified PK-12 district that operates all grades, and (3) Peacham is assigned to the same SU as those two new unified districts, then two existing SUs will combine to form a new SU with three member districts. The new SU would have a combined FY2016 ADM of 1,601.17 (New Unified District: 648.05; new unified PK-12 operating district: 865.12;¹ Peacham: 88.00).

The electorate of all three districts will vote on May 23, 2017 whether to approve creation of the New Unified District.

The New Unified District, which would be known as the Caledonia Cooperative Unified Union School District, would merge three existing PK-12 town school districts with the same operating and tuitioning models – each operates a school providing education through Grade 8 and pays tuition for Grades 9-12.

The New Unified District would be governed by a school board of nine members. Membership would be closely proportional to the towns’ relative populations, with the vote of each allocated member weighted to achieve that proportionality. Board composition and weighting would be adjusted if necessary to reflect each decennial census. Each member would be elected by the voters of the town in which the member resides.

¹ The combined PK-12 FY2016 ADM of the Washington Northeast SU was 538.89 (Cabot: 162.74; Twinfield UUSD: 376.15).

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

The New Unified Board would also be required to initiate a district-wide assessment regarding the current effectiveness of and potential for strengthening middle school programs. This would include consideration of options such as restructuring current grade configurations and creating a designated school for Grades 6-8.

A school could not be closed during the first four years of operation without approval by the voters residing in the town in which the building is located. In subsequent years, building closure would require both (1) an affirmative vote of 2/3 of the Unified District School Board and (2) an affirmative vote of the voters in the entire New Unified District.

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

All future votes on the budget and Board membership would be by Australian ballot.

If the New Unified District is formed but the voters of the Walden School District do not approve the merger, then the voters in that district may vote again before November 1, 2017 to join the New Unified District pursuant to 16 V.S.A. § 721. Admission would be granted until this date without the need for subsequent approval by the New Unified District.

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

After studying the educational challenges in all three communities, the Study Committee reached what "may be an obvious conclusion [that] there are no easy answers." The Study Committee explains that it "viewed the proposed merger within the context of a long, synergistic history of cooperation and respect [among the] three communities." It saw this as an opportunity to "create a blueprint for a nimble ship ... responsive to the ever-evolving needs of students, parents, and community members" and to secure its own future, rather than "becoming caught up in some larger, regionalized approach to educational decision-making."

The Committee's report and appendices examine in detail its guiding principles; student performance data (including "real and significant differences ... within and between the students

and schools” and “uncertainty concerning long-term student performance ... due to a lack of performance data coming from the myriad” high schools in which the students enroll); programmatic opportunities; collective progress and innovation made to-date; enrollment and staffing patterns; and a number of other factors.

The Committee concludes that the:

biggest challenges [to] meeting the goal of “Providing a quality education at a cost that parents, voters, and taxpayers value”, centers on the potential loss of connection between local communities and their schools, particularly the challenge of creating a responsive “regional” governance body administering three ... local schools with their own unique histories and community traditions. There was a concern that “regionalization” might distance schools from the communities that support them. It was agreed that good leadership and mindfulness would be necessary; that new cultural patterns of mutual engagement would need to be built between the towns; and that new strategies for fostering community involvement in a regional district would need to be developed and implemented effectively.

Accordingly, the Committee recommended that the new Board take certain actions to develop a “real sense of community ownership, identity and culture,” including the development of coordinated websites, community activities, and PTA/ parent council activities and the creation of structures to encourage community engagement in the development of Board policy, budgeting, and school initiatives.

EDUCATION IMPLICATIONS:

The Study Committee states that:

it may not be cost effective or practical to regularly bus students from town to town. Therefore, we will need to explore other ways to enhance educational opportunities. One example might be engaging teachers to develop instructional units in certain subjects that could be presented multiple times across each of our schools.

Whatever the solution, using the collective resources (including parental volunteers and community partnerships) of the entire district to benefit every student can be a valuable enhancement to each school’s educational programing. This is particularly true for our middle school students who would benefit from interacting with larger peer groups and enhanced educational challenges designed to broaden their world-view and prepare them for the social, and academic demands of a large high school.

FISCAL IMPLICATIONS:

The Study Committee projects that there would be annual, ongoing cost reductions of \$209,000 if the Caledonia Central and Washington Northeast SUs combine as “Side-by-Side” mergers. In addition, the Committee estimates annual, ongoing savings of \$72,000

due to maximizing operational efficiencies. It projects that efficiencies will arise from, e.g.:

1. Larger scale purchasing / contract negotiations with private vendors
2. Shared administrative, staffing, and service delivery (e.g., elimination of administration redundancies; coordinated and flexible teaching and staffing assignments; increased efficiencies in data collection and reporting)
3. Asset coordination

See the Report and Appendices for a detailed discussion and data regarding both educational and fiscal elements of the proposal and *see* the Committee's Worksheet for an overview of those elements in the proposal that address the goals identified by Act 46, Section 2.

The Study Committee's proposal is aligned with the goals of the General Assembly as set forth in Act 46 of 2015 and with the policy underlying the union school district formation statutes as articulated in 16 V.S.A. § 701.

STAFF AVAILABLE:

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Study Committee Worksheet for All Phases of Voluntary Merger

Please submit this to the Agency with the Study Committee Report

Current Supervisory Union or Unions (list each)	Potentially Merging Districts Pursuant to 16 V.S.A. § 706b(b)(1)-(2) (list each)	Is the District:	
		Necessary	Advisable
Caledonia Central Supervisory Union			
	Barnet	X	
	Walden		X
Essex-Caledonia Supervisory Union			
	Waterford	X	

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

Dates, ADM, and Name	
Date on which the proposal will be submitted to the voters of each district (16 V.S.A. § 706b(b)(11)):	May 23, 2017
Date on which the new district, if approved, will begin operating (16 V.S.A. § 706b(b)(12)):	July 1, 2018
Combined ADM of all “necessary” districts in the current fiscal year:	504
Proposed name of new district: Caledonia Cooperative Unified Union School District	

Please complete the following tables with **brief, specific** statements of how the proposed union school district will comply with the each of the listed items. *Bulleted statements are acceptable.*

The Proposed School District is in the Best Interest of the State, Students, and School Districts – as required by 16 V.S.A. § 706c		
<p><u>Goal #1:</u> The proposed union school district will provide substantial equity in the quality and variety of educational opportunities.</p> <p><i>Act 46, Sec. 2(1)</i></p>	<p>The Committee believes that providing greater program opportunity for all students can best be met through:</p> <p>Designing and Offering a Core set of Educational Offerings (PreK-8) for All Students</p> <p>One of the key educational decisions facing a unified board will be identifying a core set of allied arts offerings to be offered across every elementary school in the new unified district. Given the current program disparities in Barnet, Walden, and Waterford, the Committee looks to the new board to engage community members in a discussion of the core allied arts offerings that should be afforded every student in the district, regardless of the school they attend. In addition, the Committee would like to see the new Board explore the instructional balance between core offerings in English, Math, Science, and History, and the varied arts programs offered in each school to address the current disparities in academic performance across the district. It is worth noting that in Caledonia, core programs in core subject areas like English and Math have already been developed and implemented. The goal here is not to make every school’s instructional program identical, but to establish a base level of instructional equity for every student in the district.</p> <p>Fostering Unique School Identities:</p> <p>The Committee believes that the new unified union must provide a core set of equitable program opportunities in core subjects and the unified arts across the entire district. However, the committee also believes in maintaining distinctive elementary programs that reflect individual school cultures.</p> <p>Laboratory Schools:</p>	

Under the umbrella of a single board and administrative team, the unique educational journey being undertaken by each elementary school in the new unified district provides an opportunity for local innovation and district collaboration. What works? What doesn't? What constitutes best practice? What can we learn from one another? Rather than see each elementary school become a cookie-cutter facsimile of the other in the name of program "equity", a unified district can promote a strategic and coherent process of program experimentation and development.

Intra-District School Choice

This Committee believes that our district can achieve much more together than separately. To achieve the goals of maximizing educational opportunities for all students, fostering local innovation, and providing greater access to unique educational programming, this committee recommends that the new Board of School Directors develop policies for exploring intra-district choice (along with reasonable access to transportation) to the families/guardians of elementary students within the new unified district. We believe this will allow for maintaining the uniqueness of each elementary campus, while at the same time unlocking a new set of educational opportunities for students and families.

Program Coordination and Sharing

While perhaps modest in scope, the administrative team recommends that each of the district elementary schools work to create intra-school educational programs that would bring students across the district together in larger cohorts to experience artist residencies, specialized instructional days, joint field-trips, coordinated arts festivals and outdoor education programs.

Alternatively, in Caledonia, it may not be cost effective or practical to regularly bus students from town to town. Therefore, we will need to explore other ways to enhance educational opportunities. One example might be engaging teachers to develop instructional units in certain subjects that could be presented multiple times across each of our schools.

	<p>Whatever the solution, using the collective resources (including parental volunteers and community partnerships) of the entire district to benefit every student can be a valuable enhancement to each school’s educational programing. This is particularly true for our middle school students who would benefit from interacting with larger peer groups and enhanced educational challenges designed to broaden their world-view and prepare them for the social, and academic demands of a large high school.</p> <p>Summary Conclusions on Providing Greater Program Opportunity</p> <p>It is worth noting that there may be other creative policy and programming alternatives, beyond the four that the Committee considered, that could and should be explored. For the Committee, the key point is that without merging, <u>these</u> or any other future plans for creating greater educational opportunity and ensuring equity for the students of Caledonia remain problematic at best.</p> <p>In addition, a decision not to merge into a single unified union means that the individual districts of Barnet, Walden, and Waterford will have opted to address the ongoing challenge of maintaining strong educational programs in the face of uncertain enrollments and rising costs, <u>without</u> the resources and/or educational support of neighboring districts.</p>	
<p><u>Goal #2:</u> The proposed union school district will lead students to achieve or exceed the State’s Education Quality Standards, adopted as rules by the State Board of Education at the direction of the General Assembly.</p> <p><i>Act 46, Sec. 2(2)</i></p>	<p>The Committee believes that unification will create new opportunities to address both the existing and emerging needs of students, as well as, the educational goals central to Act 46.</p> <p>These opportunities include:</p> <ul style="list-style-type: none"> A. Improved educational leadership by the Superintendent and the district’s full administrative team. Unification would allow every district administrator and building principal to focus more on leading and developing the district’s educational programs than the day to day administrative work of preparing, coordinating, and serving the policy and administrative needs of multiple school boards (e.g. 4 (5) budgets, multiple board meetings, etc.). Over the long term, the Committee also believes a unified governance structure would help our district attract and retain good leaders. 	

- B. The benefit of a unified educational focus of a single board representing every town and community school to engage in long-term strategic planning and assessment to provide greater direction to the district’s educational programs and greater accountability on their implementation.
- C. Greater operational efficiency that could result in significant savings that will be re-directed to provide additional financial support aimed at improving the overall quality of instruction across every school without increasing the level of taxpayer support needed to achieve those same goals or to reduce taxes.
- D. Prioritizing and coordinating the ongoing capital needs of the entire district (technology infrastructure, building repairs, future school renovations). This would ensure that the district’s educational programs get the investments in technology and infrastructure they need to deliver a quality education to every student, supported by the increased efficiencies and economies of scale that attend a larger, more operationally streamlined district.
- E. Continuing and strengthening the coordination of Special Education services, PreK-8, would more effectively address the specific needs of students with disabilities.

In addition to these strategic governance opportunities, the Committee believes that the creation of a single unified union school district will create leadership and instructional opportunities (PreK-8) to address the existing and emerging needs of our students, the professional development needs of our teachers, and the educational goals central to Act 46 by:

- A. Continuing to enhance opportunities for teacher leadership to support consistency across content areas PreK-8, through:
 - a. Sharing educational resources across buildings.
 - b. Sharing best practice
 - c. Improved technology education and equitable access to technology resources such as laptops, tablets, and interactive boards.

	<ul style="list-style-type: none"> d. Providing more tools for managing class size by restructuring our schools and/or moving staff among buildings as necessary. <p>B. Strengthening the instructional practices of the entire system by creating a more extensive, robust, and coordinated program of teacher development that:</p> <ul style="list-style-type: none"> a. Fosters opportunities to share expertise, best practice, diverse thinking, and new/emerging instructional visions (mentoring, teacher leadership). b. Assists teachers in creating learning environments which: <ul style="list-style-type: none"> i. Promote and support positive social responsibility through accountability and respect for self, others, and their school; ii. Embed transferable skills into their instruction and to include them in all summative assessments. iii. Implement personalized learning plans as a living document in a Proficiency Based Learning (PBL) system iv. Develop real-world projects, instructional challenges and solutions. <p>C. Coordinating the delivery of individual school programs to:</p> <ul style="list-style-type: none"> a. Enhance opportunities for professional collaboration across schools. b. Create a unified, district-wide contract that would: c. make it easier to share staff across schools (e.g., world languages, music education, technology education, special education) d. create full time positions that would attract and keep highly qualified teachers. e. Improve opportunities for gifted learners, struggling learners, etc. by sharing specialized resources more easily (e.g., Occupational Therapy, Physical Therapy, English Language Learning, alternative educational programs, School Resource Officers, Student Assistance Professionals). 	
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	<p>D. Ensuring common expectations (e.g., academic, behavioral) across all schools.</p> <p>E. Developing a common report card to measure and communicate student progress</p> <p>F. Strengthening the alignment of special education service delivery models</p> <p>Summary Conclusion:</p> <p>In summary, this committee sees tremendous potential for improving the performance outcomes of students in all our schools. There is no reason we should accept vast and ongoing differences in achievement for students who live within miles of each other. We strongly believe that we should be doing a better job in improving the education of all our children. <u>Together</u>, we believe that we can better construct a PreK-8 system which maximizes the potential of all our students.</p>	
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Goal #3: The proposed union school district will maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with a goal of increasing the district-level ratio of students to full-time equivalent staff.

Act 46, Sec. 2(3)

The Committee identified the following recommendations that a unified board should undertake to more effectively promote operational transparency and accountability:

1. Enhance board knowledge of both schools rather than just one. This will afford additional opportunities for PreK-8 strategic thinking and planning including reflection on lessons learned in one school to be applied elsewhere.
2. Work to create a unified set of district-wide educational goals and policies aimed at:
 - a. The effective coordination of initiatives (e.g. common school improvement plans).
 - b. The improved alignment of social-emotional curriculum across the district
 - c. The improved alignment of student information system usage and data management tools, including training for all teachers to more effectively use individual and aggregate student data to improve instruction.
 - d. A unified program of educator recruitment, induction, and mentoring (including paraprofessionals and substitutes).
 - e. The creation of a unified student handbook reinforcing common standards of behavior and school culture.
 - f. The creation of a unified staff handbook promoting professional standards of conduct and instructional best practice.
3. Restructure current leadership patterns and responsibilities to ensure:
 - a. More time for administrators to engage in instructional leadership rather than board support.
 - b. Less time spent preparing for multiple administrative meetings.

4. *Setting clear educational goals PreK-8 for all students will lead to the creation of a single budget that reflect the strategic goals of the district and foster more transparent channels of accountability enabling parents and taxpayers alike to assess the effectiveness of the programs they are funding.*

In addition, the Committee identified the following opportunities for achieving and sustaining financial and operational efficiencies through unification.

I. State Tax Incentives over 4 years; Merger Implementation Grants (Maintaining Small Schools Grants)

II. Larger Scale Purchasing/Contract Negotiation with Private Vendors

- a. Technology
- b. Books & supplies
- c. Maintenance needs
- d. Fuel/energy costs

III. Shared Administrative, Staffing, and Service Delivery Models

- a. Coordinate teaching/staffing assignments (responding to changing school demographics, program, and building needs)
- b. Eliminate administrative redundancy
- c. Streamline existing service models (transportation, maintenance)
- d. Coordinate financial administration/reduce bureaucracy
 - i. One audit instead of two
 - ii. Reduction in Board services/support (stenographer, legal, dues, etc.)
 - iii. Purchasing process
- e. Increase efficiency in state and federal data collection and reporting
- f. Coordinate use of facilities

IV. Further Collaboration of Special Education and Behavioral Management Services

- a. Review of out-of-house vs in-house delivery models and opportunities

- b. Alternative program delivery

V. Asset Coordination

- a. Transportation
- b. Buildings and grounds
- c. Deferred maintenance
- d. Long-term capital planning

Summary Cost Savings/Revenue Enhancements due to Unification:

1. Unification of Central Office Services: \$209,000/year (ongoing)

The creation of a Side-by-Side Supervisory Union between Washington Northeast and Caledonia Central with the merging of two central offices into one, is estimated to save about ~\$633,000 union-wide. The projected savings for Caledonia Cooperative Unified Union in year one (ongoing) is approximately \$209,000. If the funds were attributed to each of the new unified districts based on a comparison of their relative Average Daily Membership (number of students served) then the savings for Cabot, Danville, and Twinfield in year one (ongoing) would be approximately \$400,000 (63% of ADM) and the savings for Barnet, Walden, and Waterford would be approximately \$209,000 (33% of ADM)

Potential operational savings over five years = ~\$1,045,000

2. Additional Savings through Maximizing Efficiencies: ~72,000/year (ongoing)

The financial model outlined in the next section was used to approximate these savings and to project the impact on future tax rates of realizing a modest reduction in the annual growth of budget and educational spending over the next 5 years of .5% due to maximizing the operational efficiencies outlined in this section of report for a new unified district.

Potential operational savings over five years = \$360,000

<p><u>Goal #4:</u> The proposed union school district will promote transparency and accountability.</p> <p><i>Act 46, Sec. 2(4)</i></p>	<p>The Committee Recommends that the new Unified Board develop and foster district-wide planning and accountability systems focused on:</p> <ul style="list-style-type: none"> a. A sustained emphasis on analyzing common data points across all schools, programs, and students. b. A single, agreed upon set of strategic priorities at the board level, the administrative level, and instructional level. c. The promotion of clear and transparent vertical curriculum alignment. d. The communication of a clearer, more focused, more integrated picture of the work of the schools in Orange and Washington, including yearly updates on academic progress formally presented in both community. e. Fostering new avenues for community engagement and input led by Board members. 	
<p><u>Goal #5:</u> The proposed union school district will deliver education at a cost</p>	<p>The biggest challenges identified by the Committee meeting the goal of “Providing a quality education at a cost that parents, voters, and taxpayers value”, centers on the potential loss of connection between local communities and their</p>	

<p>that parents, voters, and taxpayers value.</p> <p><i>Act 46, Sec. 2(5)</i></p>	<p>schools, particularly the challenge of creating a responsive “regional” governance body administering three (4) local schools with their own unique histories and community traditions. There was a concern that “regionalization” might distance schools from the communities that support them. It was agreed that good leadership and mindfulness would be necessary; that new cultural patterns of mutual engagement would need to be built between the towns; and that new strategies for fostering community involvement in a regional district would need to be developed and implemented effectively.</p> <p>The Committee believes that achieving this goal depends upon creating within the new unified district a real sense of community ownership, identity and culture. To this end, the Committee recommends that the new Board work to:</p> <ol style="list-style-type: none"> 1. Coordinate school websites to: <ol style="list-style-type: none"> i. Promote a common identity while at the same time communicating what is unique at each school. ii. Establish improved patterns of communication and outreach. 2. Coordinate community activities across both schools so that certain functions could take place in one school but serve families from all schools. (Examples: District music concerts, district art shows, open houses) 3. Celebrate district-wide examples of educational progress and student achievement. 4. Explore ways to unify or coordinate PTO/parent council activities 5. Foster district-wide opportunities for outreach to community and municipal organizations and leadership groups. 6. Initiate regularly held committee meetings to facilitate community input and monitor the implementation of policy by administration (e.g. school and/or town based councils, community forums, and open houses). 7. Develop new structures that encourage community engagement in the development of board policy, budgeting, and school improvement initiatives. 	
	<p>None – no isolated districts created by this merger.</p>	

<p><u>Regional Effects:</u></p> <p>What would be the regional effects of the proposed union school district, including: would the proposed union school district leave one or more other districts geographically isolated?</p> <p><i>Act 46, Section 8(a)(2)</i></p>	<p>The Peacham School District already stands “structurally” isolated as a Pk-6 operating district and elected not to participate in this merger study.</p> <p>All the other Pk-8 operating districts in close geographic proximity to Barnet, Walden, and Waterford have already voted to form a new unified Union in Kingdom East.</p>	
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Articles of Agreement – as required by 16 V.S.A. § 706b(b)(3) - (10), (13)

<p>(3) The grades to be operated by the proposed union school district</p> <p>The grades, if any, for which the proposed union school district shall pay tuition</p>	<p>The grades to be operated in the proposed unified union are PreK-8.</p> <p>Grades 9-12 (high school) will be tuitioned.</p>	
<p>(4) The cost and general location of any proposed new schools to be constructed</p> <p>The cost and general description of any proposed renovations</p>	<p>No new constructions planned at this time.</p>	
<p>(5) A plan for the first year of the proposed union school district's operation for:</p> <p>(A) the transportation of students</p> <p>(B) the assignment of staff</p> <p>(C) curriculum</p> <p>The plan must be consistent with existing contracts, collective</p>	<p>Upon an affirmative vote of the electorate in Barnet, Walden, Waterford on May 23, 2017 and certification of the final vote of each district by the Vermont Secretary of Education to the Vermont Secretary of State per 16 VSA § 706g, the new Caledonia Cooperative Unified Union School District would come into existence and have all of the authority necessary for it to prepare for full educational operations beginning on July 1, 2018.</p> <p>The Caledonia Cooperative Unified Union School District would, between the date of its first organizational meeting under 16 VSA – 706j and June 30, 2018, undertake all of the planning and related duties necessary to begin operations of the new unified union school district on July 1, 2018, including:</p> <ol style="list-style-type: none"> a. Preparing for and negotiating contractual agreements; b. Preparing and presenting a budget to the voters for fiscal year 2019; c. Preparing for the Caledonia Cooperative Unified Union School District annual meeting; d. Transacting any other lawful business that comes before the Board. 	

bargaining agreements, and other provisions of law, including 16 V.S.A. chapter 53, subchapter 3 (transition of employees)

The authority exercised by new Caledonia Cooperative Unified Union School District shall not limit or alter the ongoing authority and/or responsibilities of the school boards that make up the current districts of Barnet, Walden, Waterford which will remain in existence during the transition period for the purpose of completing any and all business not given under law to the new unified union district board. In essence, each individual district board would maintain its current authority until the new district becomes operational on July 1, 2018. The existing districts and supervisory union will remain in operation after June 30, 2018 only to conclude any business.

In summary, an affirmative vote of the electorate in Barnet, Walden, Waterford would also result in, but not be limited to, the following:

- a. Employees throughout the current individual school districts (Barnet, Walden, Waterford) offered continuing employment following the 2017-2018 school year, consistent with all legal requirements, would become employees of the new Orange Washington Union School District.
- b. All assets of the pre-existing districts would be transferred to the new unified union district for the sum of \$1.00 as of July 1, 2018.
- c. Debts and liabilities of the pre-existing districts and supervisory union would be transferred to the new unified union district as of July 1, 2018.
- d. Following the certification of the election results by the Agency of Education to the Secretary of State (30-45 days after the vote), an organizational meeting of the new unified district would be convened by the Secretary of the Agency of Education or designee in accordance with Title 16, 706j.
- e. The newly elected members of the Caledonia Cooperative Unified Union School District, consistent with statute, would begin the work of preparing for the district's first day of operations - hiring a superintendent in conjunction with the other unified districts making up the new Supervisory Union, defining administrative and operational roles and responsibilities, establishing policy, negotiating contracts, developing budgets, and establishing new structures for community engagement.
- f. Through June 30, 2018, Barnet, Walden, Waterford would continue to govern their respective districts and/or schools. The existing districts could continue after June 30, 2018 only to conclude any final business (e.g. audits, etc.).

(6) The indebtedness of the proposed merging districts that the proposed union school district shall assume.

There is no long or short term debt to be assumed in this proposed merger.

(7) The specific pieces of real property owned by the proposed merging districts that the proposed union school district shall acquire, including:
 * their valuation
 * how the proposed union school district shall pay for them

Appendix 6. Statement of Values

Description	Sqr Ftg	Date Built	Building Value	Personal Property	Site Improvements	Computer Equipment	Total Value
Barnet School District							
School	34,280	1/1/1980	5,830,700	583,100	525,357	110,500	7,049,657
Recreational Building	200	1/1/1980	10,000	2,000	-	-	12,000
Bicycle shed			5,000				5,000
Total			5,845,700	585,100			7,066,657
Walden School District							
School	17,100	1/1/1996	2,903,600	290,400	169,300	57,500	3,420,800
Mobile Classroom	900	1/1/2001	85,000	7,650	-	-	92,650
Total			2,988,600	298,050			3,513,450
Waterford School District							
School	21,592	1957	2,997,000	311,500	326,000	45,000	3,308,500

SHORT AND LONG TERM RESERVE FUNDS

Barnet As of FY16 Audit: \$38,149 Unassigned Fund Balance, \$0 Capital Projects
Walden As of FY16 Audit: \$98,663 Unassigned Fund Balance, \$0 Capital Projects
Waterford: \$383,000.00 Capital Fund Balance

SHORT AND LONG TERM DEBT

Barnet, Walden and Waterford: no debt

(8) [repealed 2004 Acts and Resolves No. 130, Sec. 15]

(9) Consistent with the proportional representation requirements of the Equal Protection Clause, the method of apportioning the representation that each proposed member town shall have on the proposed union school board

- * no more than 18 members total
- * each member town is entitled to at least one representative
- * *see also* 16 V.S.A. § 706k(c):
 - one or more at-large directors
- * *see also* 16 V.S.A. § 707(c):
 - weighted voting

The Unified District Board of Directors shall be composed of nine (9) individuals elected by Australian ballot by the voters of the municipalities in which they reside. Each municipality within the Unified District shall be guaranteed at least one resident representative. The number of representatives in excess of one derived from each municipality shall be determined on the basis of relative population within the Unified District.

Votes shall be weighted as necessary to achieve more precise proportionality. Each community will be allocated board members as follows. The weighted vote reflects proportionality and is based on results of the 2010 census. Board composition and weighting will be recalculated promptly following the release of each decennial census. Initial Number of School Board Members by Town:

Town	Board Members	Population	Individual Vote Weight	Total Vote Weight
Barnet	3	1,708 (44%)	1.33	4 pts
Walden	3	935 (24%)	0.66	2 pts
Waterford	3	1,280 (32%)	1.0	3 pts.
Total	9	3,923 (100%)		9 pts

(10) The term of office of directors initially elected, to be arranged so that one-third expire on the day of each annual meeting of the proposed union school district, beginning on the second annual meeting, or

School Directors will be elected by Australian ballot for three year terms, except for those initially elected at the time of the formation of the new Unified District (The Caledonia Cooperative Unified Union District). In the initial election of School Directors, the terms of office will be as follows:

Town	Term ending March 2019	Term ending March 2020	Term ending March 2021
Barnet	1	1	1
Walden	1	1	1
Waterford	1	1	1

<p>as near to that proportion as possible</p>	<p>The terms of the initial school directors indicated above will include the months in between the organizational meeting and the first annual meeting in 2018.</p> <p>Nominations for the office of The Caledonia Cooperative Union School Director representing a specific town shall be made by filing, with the clerk of that district/town proposed as a member of the Unified District, a statement of nomination signed by at least 30 voters in that district/town or one percent of the legal voters in the district/town, whichever is less, and accepted in writing by the nominee. A statement shall be filed not fewer than 30, nor more than 40 days prior to the date of the vote.</p> <p>Pursuant to the provisions of 16 V.S.A. – 706j(b), directors initially elected to the new district shall be sworn in and assume the duties of their office.</p> <p>Thereafter, members of the Board of School Directors will be elected by Australian ballot at the unified school district’s Annual Meeting. Terms of office shall begin and expire on the date of the school district’s annual meeting. In the event the district’s annual meeting precedes Town Meeting Day, the Director’s terms shall expire on Town Meeting Day.</p>	
<p>(13) Any other matters that the study committee considers pertinent, including whether votes on the union school district budget or public questions shall be by Australian ballot</p> <p><i>(please list each matter separately)</i></p>	<p>Article 12. Australian Ballot Voting</p> <p>The Caledonia Cooperative Unified Union School District shall vote the annual school district budget, officers, and public questions by Australian ballot.</p> <p>Article 13. Intra-District Choice</p> <p>By July 1, 2018, the Board of School Directors shall adopt a school policy providing a process for parents or guardians to request that their child attend another elementary school within the Union School District. In addition, with parental consent, the Board of School Directors may adjust student enrollment based upon individual student circumstances and needs of the Unified District. Policies respecting choice shall consider issues including, but not limited to, transportation, socio-economic equity, proximity to the selected building, unity of siblings, and the capacities of receiving schools and sending schools.</p> <p>Article 14. Local Input</p>	

The new unified board shall ensure ongoing opportunities for local input on policy and budget development. Structures to support and encourage public participation within the Caledonia Cooperative Unified Union School District will be established by the Board on or before June 30, 2018.

Article 15. Middle School

The new unified board will initiate a district-wide assessment of the effectiveness current educational programs for middle school students (grade 6-8) and recommend specific options for strengthening/enhancing instruction at these grade levels, including potential options for restructuring current elementary school configurations and/or the creating a designated middle school for grades 6-8 in the new unified district.

Article 16. Closing Schools

During the first four years of operation of the new unified district, no elementary school shall be closed without a majority vote of the new unified board and the consent of the electorate of the town in which the school is located. Thereafter, an affirmative vote of two-thirds of the Board of Directors shall be required to close a school.

Prior to holding a vote on whether to close a school, the Board shall hold at least three public hearings regarding the proposed school closure. At least one of the public hearings shall be held in the community in which the school is located. If after conducting public hearings, the Board of Directors intends to vote on whether to close a school, it shall give public notice of its intent to hold a vote on whether to close a school, stating the reason for the closure, at least ten days prior to the vote.

If the Board votes close a school, a binding referendum to that effect shall be submitted to an annual or special meeting for approval by the voters of the Unified Union District. The closing shall become effective only if approved by a majority of the electorate voting at that meeting. The votes shall be counted and reported by towns, but shall be commingled and approval of the referendum shall require a majority of all those voting.

Article 17. Subsequent Admission after a No Vote

In the event that the advisable district (Walden) votes not to join the new Unified Union School District as minimally formed by and affirmative vote of the two necessary districts (Barnet and Waterford) per Article 2, the Walden school district will have until November 1, 2017 to reconsider and join the new Caledonia Cooperative Unified Union District. For the purpose of compliance with 16 VSA §721, the New Unified District consents to admission of Walden as one of the original forming districts should it reconsider its original no vote. Thereafter, admission will be determined by Vermont statutes.

Waterford’s Supervisory Union Assignment:

The Waterford School District is not a member of the Caledonia Central Supervisory Union. If the Caledonia Cooperative Unified Union District is established and Waterford voters approve the merger, the New Unified Union District anticipates that the Vermont State Board of Education will act pursuant to 16 V.S.A. Section 261(a) to adjust the boundaries of the new supervisory union to include the town of Waterford. In addition, it is the intent of the Waterford School District and its current Supervisory Union to work with the Caledonia Central Supervisory Union and the new unified union school district to facilitate the transition to full operations by requesting of the State Board reassignment to CCSU if that turns out that would be helpful and proper arrangements between its current supervisory union and the CCSU are successfully negotiated.

**CALEDONIA COOPERATIVE
UNIFIED SCHOOL DISTRICT
(BARNET, WALDEN, WATERFORD)**

**ACT 46 STUDY COMMITTEE – FINAL REPORT
APRIL 10, 2017**

Committee Members

Representing Barnet School District

Sue Roberts
Lou Bushey
Dave Warden
Sonja Jolliffe

Representing Walden School District

Judy Clifford
Raymond Lewis
Rusty Shedd

Representing Waterford School District

Heather Gonyaw
Gary Allard
Wilson Thomas
Kim Willey

Superintendent

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Executive Assistant

Vanessa Koch
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Consultant

Peter Clarke
Act 46 Project

EXECUTIVE SUMMARY

Act 46 is a far-reaching law with ambitious objectives to improve student outcomes, create equity in the quality and variety of student opportunity, increase transparency of school operations, and reduce overall education costs. At its heart, the law seeks to address these issues through the lever of simplified and unified governance mechanisms at the district level – in other words, the creation of a single board with a unified budget, accountable for the outcomes of all the students in the new unified district.

As this study committee confronted the questions raised by this law, we spent a lot of time defining our shared aspirations as distinct educational communities to understand how we might best create cooperative structures and programs to achieve those aspirations, as well as, meet the goals of the law. It may be an obvious conclusion, but after studying the educational challenges facing all of us here in Barnet, Walden, and Waterford , there are no easy answers to:

- Addressing the existing disparities in student performance within and between our schools (let alone the rest of Vermont),
- Ensuring for our students the level of equality in educational opportunity that we all desire.
- Crafting responsible budgets that fully address the educational needs of fluctuating student populations year after year here in Caledonia.

However, after a great deal of consideration, three things have become absolutely clear:

1. Our children come first.
2. We stand a better chance of successfully addressing the educational and financial challenges we face, together, rather than alone. Building upon our collective resources, our local traditions, the educational expertise of our teachers and administrators, and the collective support of parents and community members will afford us new opportunities to broaden the educational horizons of our children.
3. Unifying into a small, cooperative school district where decision-making is shared by communities of similar composition and values, with equal numbers of representatives sitting at the table, gives us the best opportunity to maintain control over shaping the educational future of our schools here in Caledonia.

This report seeks to outline a path forward, where working together, we could find creative approaches to:

1. Developing and implementing new initiatives that will ensure that all students, consistent with their individualized learning plans will reach or exceed proficiency in

local and state assessments by 2021- competitive with the top 5% of schools in Vermont.

2 Assess the way education is currently delivered across our schools, in order to strengthen core instruction and provide fair access to a varied range of learning opportunities.

3. Maximize efficiency throughout the new district by optimizing class sizes, eliminating administrative redundancy, streamlining core operations and sharing staff.

4. Foster and support a team of administrators, teachers and staff dedicated to working collaboratively to realize our district's educational vision.

5. Provide a quality education at a cost that parents, voters and taxpayers value.

The Committee viewed this proposed merger within the context of a long, synergistic history of cooperation and respect that has always existed between our three communities. Essential to the success of this plan will be building upon that solid foundation to create a new, unified sense of community identity and culture within our newly merged school district. Looking ahead, while it is a big step, it is also the next logical step.

Finally, the future we face is both challenging and uncertain. No report can address every contingency or outcome. Instead of promising unrealistic certainties, we wanted to create a blueprint for a nimble ship capable of navigating the journey ahead and responsive to the ever-evolving needs of students, parents, and community members alike. We sought to protect the integrity and viability of each of our community schools. We have no interest in becoming caught up in some larger, regionalized approach to educational decision-making. As we see it, the opportunity to secure our future is now – not to wait for the creation of a “state-wide plan” that may or may not reflect our best interests. We look to a future shaped by our local communities working together for the benefit of all our children.

LAWYER CERTIFICATION LETTER

LYNN, LYNN, BLACKMAN & MANITSKY, P.C.

April 7, 2017

Superintendent Mathew Forest
Caledonia Central Supervisory Union
PO Box 216
10 Route 2 West
Danville, VT 05828

Re: Proposed New Unified School District Board Membership

Dear Mr. Forest:

I am writing to discuss the current proposal set forth by the Caledonia Central Supervisory Union school districts of Barnet, Walden, Waterford pertaining to Board membership of the Caledonia Cooperative Unified Union School District and whether it meets the requirements of the Equal Protection Clause of the United States Constitution.

The Act 46 Study Committee members have drafted Articles of Agreement, as required by the Vermont Agency of Education, proposing creation of a Supervisory District pursuant to Act 46. Article 8 establishes the initial membership of each merging district on the Unified School District Board of Directors. The Board will have three members from each merging district, for a total of 9 members. Board member votes will be weighted as necessary based on the 2010 census to achieve more precise proportionality and will be recalculated promptly following the release of each decennial census.

The Equal Protection Clause of the Fourteenth Amendment requires equal voting strength, and protects against dilution of the right to vote by disproportionate representation. This guarantee extends to the election of a local school official who exercises general governmental powers. *Hadley v. Junior Coll. Dist.*, 397 U.S. 50, 53 (1970). Mathematical precision, however, is not necessary; rather “the overriding objective must be substantial equality of population among the various districts.” *Reynolds v. Sims*, 377 U.S. 533, 569, 579 (1964). The Supreme Court has held that, generally, an apportionment plan with a maximum population deviation under 10% is considered a minor deviation. *Brown v. Thomson*, 462 U.S. 835, 842 (1983). A plan with larger disparities, however, remains Constitutional if there is a rational basis for the larger deviation. *Reynolds*, 377 U.S. at 579.

The current apportionment plan set forth in Article 8 provides for Barnet, with a population of 1,708 (44% of the total USD population) with an individual vote weight of 1.33 and a total vote weight of 4 points out of 9 points. Walden, with a population of 935 (24% of the total USD population), would have an individual vote weight of .66 and a total vote weight of 2 points out of 9 points. Waterford, with a population of 1,280 (32% of the total USD population), would have an individual vote weight of 1.0 and a total vote weight of 3 points out of 9 points.

Superintendent Mat Forest
April 7, 2017
Page 2

Accordingly, there is no deviation in excess of the permissible limits.

Furthermore, there is no indication that any specific group of people are being discriminated against based on the current apportionment plan. Nor is there evidence of gerrymandering to support some political party or belief.

Lacking any evidence of a bias tending to favor particular political interest or geographic areas, considering the rational basis for the proposed Board member apportionment scheme, and considering the apparent strict compliance with constitutional dictates, it is our opinion that your apportionment plan would likely pass Constitutional muster.

Please feel free to contact me with any questions.

Sincerely,

LYNN, LYNN, BLACKMAN & MANITSKY, P.C.

A handwritten signature in black ink, appearing to read 'S. Toohey', with a stylized flourish at the end.

Sean M. Toohey, Esq.
stoohy@lynnlawvt.com

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CALEDONIA COOPERATIVE UNIFIED DISTRICT A NEW VISION FOR DELIVERING A QUALITY EDUCATION TO ALL STUDENTS

Overview:

Act 46, a far-reaching piece of educational legislation, served as the both the impetus and the framework for the tuition school districts of Barnet, Walden, Waterford to form a joint 706b study committee and explore the potential benefits of unifying their existing, separate governance structures into a single, school board responsible for serving every student in these communities. It is a bill whose central goal is improving the educational quality of those schools and to achieve that goal at an affordable and sustainable cost that taxpayers will value.

At the heart of the law are five key goals which the committee saw as essential guides to their work:

- *To provide substantive equity in the quality and variety of educational opportunities statewide.*
- *To lead students to achieve or exceed the State's Educational Quality Standards.*
- *To maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with the goal of increasing the district-level ratio of students to full-time equivalent staff*
- *To promote transparency and accountability.*
- *To achieve these goals at a cost that parents, voters, and taxpayers value.*

Central to the Committee's work has been one overriding question:

How would unification benefit our children? Specifically, how would a new, unified district governance structure provide better, more equitable instructional opportunities and better support students to achieve or exceed the State's Educational Quality Standards?

During the *Exploratory Phase* of its work, the Study Committee, identified and examined:

- I. The Central Questions Guiding their Study of Unification
- II. The Potential Opportunities and Challenges of Unification - Educational, Cultural, Financial, and Operational
- III. Current Financial and Enrollment Data
- IV. Financial and Tax implications of a merger among the districts that make up the Caledonia and Essex Caledonia Supervisory Unions, including the impact of potential incentives under the law, and the potential loss of hold harmless protections and small school's grants.
- V. The District's Real Property – Assets and Liabilities

Having completed the exploratory stage of its deliberations and having shared this work with community members in a number of public forums, the committee's final report seeks to outline:

- A. An Educational Vision for Unification** that would address the specific goals of Act 46. The Committee believes that it is not enough to simply point out potential opportunities that might attend the unification of our three districts but to provide voters with concrete examples of how a unified district might in fact operate, and the opportunity to evaluate specific initiatives that would equitably address the educational needs of students. That vision includes:
 - **Section 1:** A Statement of Guiding Principles for Unification.
 - **Section 2:** An Analysis of Student Performance/Achievement and Recommendations
 - **Section 3:** An Analysis of Current Program Equity Across the Supervisory Union.
 - **Section 4:** Recommendations for Promoting Operational Consistency, Transparency, and Accountability.
 - **Section 5:** Recommendations for Strengthening and Sustaining the Delivery of a Quality Education for Every Student at a cost that parents, voters, and taxpayers value.

- B. A Plan for Maximizing Efficiencies** through Financial Accounting, Budgeting, and Administration.

- C. The Projected Impact on Homestead Tax Rates** due to unification.

- D. A Transition Plan** should the voters approve the proposed plan for district unification.

- E. Specific Articles of Agreement** for consideration by the voters of each sending district as required by law.

Final Note: Neighboring Districts

Neighboring Districts: Forming a Side-by-Side

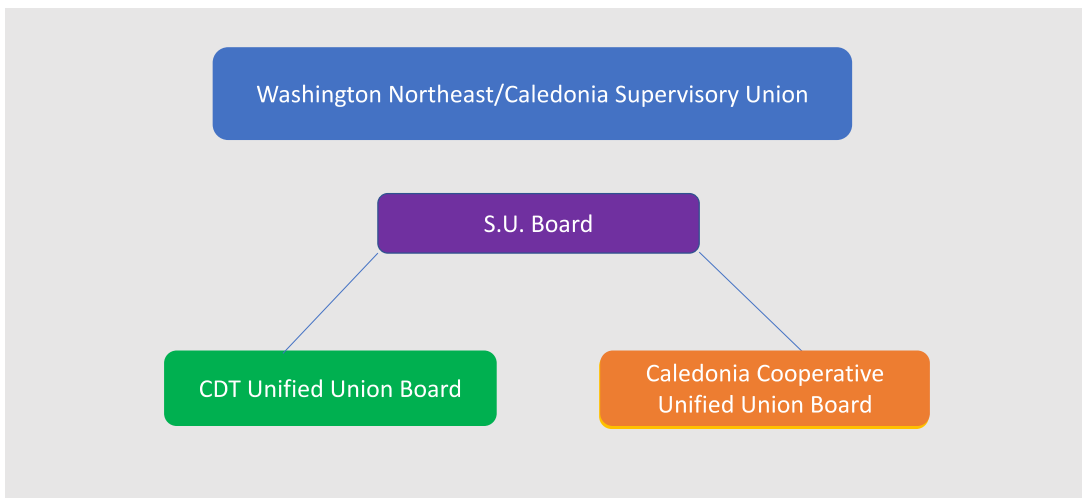
As members of two different supervisory unions - the Caledonia Central Supervisory Union (Barnet, Walden) and the Essex-Caledonia Supervisory Union (Waterford) - it is the intention and hope of the Barnet, Walden, Waterford Joint 706 Study Committee to form a unified union school district in conjunction with a new PreK-12 district made up of Cabot, Danville, and/or Twinfield who are undertaking their own joint 706 process to determine whether they wish to merge together into a new unified union district. If both mergers occur, then they will be "Side-by-Side" mergers as identified in Act 156 of 2012.

The PreK-12 operating districts of Cabot and Twinfield currently make-up the Washington Northeast Supervisory Union, while Danville is a Pk-12 operating member of the Caledonia Central Supervisory Union with Barnet, Peacham, and Walden.

A Side-by-Side merger under Act 156 is a supervisory union formed by two newly merged districts; 1. The union of two (or more) PreK-12 operating Districts (in this case Cabot, Danville, and/or Twinfield) and (2.) the union of two (or more) similarly structured tuition districts (in this case Barnet, Walden, Waterford). Under the law, these mergers are eligible to receive tax rate reductions and other transitional assistance.

If at least two of the three communities of Barnet, Walden, Waterford, vote to form a unified union district and at least two of the communities of Cabot, Danville, and Twinfield vote to approve their own separate unified union district, a new Supervisory Union could be formed taking the place of the both the Washington Northeast and Caledonia Central Supervisory Unions. It is the intent that this new supervisory union would be called the Washington Caledonia Supervisory Union and result in the consolidation of two existing administrative central offices currently serving two separate Supervisory Unions, resulting in the creation of a single central office serving both new unified union school districts.

Side-By-Side Governance Model



It is the recommendation of the Committee that should the Cabot, Danville, Twinfield unified union fail to be approved by voters, that the unification of Barnet, Walden, Waterford into a single unified union under the governance of a single school board only proceed as planned if the legislature during its current legislative session creates a new form of approved structure that would enable the merger to receive tax incentives under the law.

A. AN EDUCATIONAL VISION FOR UNIFICATION

Section 1: Guiding Principles for Unification:

Introductory Note:

One of the central challenges of unification is recognizing the important relationship that community members have traditionally had with their local schools in conjunction with the responsibility of providing equitable opportunities for all students. In establishing a unified educational vision, as well as, guiding principles for the future educational governance of a new, unified district, the Committee is seeking to articulate what it believes to be a set of traditionally shared values that will foster confidence in each sending community concerning the new unified district's educational operations and educational quality.

A fundamental understanding inherent in this report is that any new unified board will seek to implement key provisions of the Committee's findings/vision to ensure the realization of these principles and to keep faith with the expressed wishes of voters who voted for unification based on the vision and recommendations expressed herein.

Vision:

The Committee envisions a cohesive and coherent system of education that strives for excellent student outcomes, delivered in safe, supportive, challenging, and rich instructional environments whose primary goal is to graduate young people ready to take their place in the world as skilled, engaged, productive, and caring global citizens.

Educational Goals/Principles:

We will:

- A. Establish a shared, district-wide educational vision in support of:
 - Instructional practices designed to address the collective and individual needs of students.
 - A core program whose goal is ensuring that all students, consistent with their individualized learning plans, will reach or exceed proficiency in local and state assessments by 2021 – competitive with the top 5% of schools in Vermont.

- B. Foster supportive, nurturing learning environments that address the needs, interests, and aspirations of individual students through a diversified set of program offerings that make school exciting.
- C. Develop and support instructional strategies that:
 - Foster a continued love of learning;
 - Engage and challenge students to do their best;
 - Put students at the center of their own learning;
 - Value students as unique individuals and promote their social and emotional development
 - Foster individual creativity;
 - Utilize Personal Learning Plans to assist each student in reaching their highest potential through individual reflection and goal setting;
 - Differentiate according to student needs and provide the appropriate combination of personal and instructional intervention, remediation and/or enrichment;
- D. Develop educational programs rooted in and built upon what makes our communities unique - programs that connect our students to the world and enhance their learning and life experience through strong, vibrant school/community partnerships and place-based learning.
- E. Assess and restructure the way education is currently delivered across the district to strengthen core instruction and to provide fair access to student learning opportunities (Foreign Language, the Arts, and Experiential/Project-based learning).
- F. Explore instructional models to fully address the needs of middle school students.
- G. Explore policies that would maximize intra-district school choice and support inter-school program sharing and collaboration.
- H. Create new models for monitoring and reporting student progress.

Operational Goals/ Principles:

We will:

- A. Establish a unified governance structure with a clear chain of command defined by district-wide operational policies.
- B. Foster and support a team of administrators, teachers, and staff dedicated to working collaboratively to realize our district's educational vision.

- C. Maximize efficiencies throughout the new district by optimizing class sizes, eliminating administrative redundancy, streamlining core operations (purchasing, contracting, etc.), and sharing staff.
- D. Create transparent systems of school performance that allow students, teachers, and community members to measure and celebrate student achievement, as well as, providing reliable data for establishing goals for school and instructional improvement.
- E. Create a professional environment that celebrates great teaching and supports teachers in their personal growth and development by:
 - Strengthening opportunities for teacher leadership across content areas;
 - Providing professional development opportunities across the district for sharing best practice and learning new skills;

Community Involvement:

We will:

- A. Develop strategies across the new district that will foster parental and community involvement, including meaningful opportunities to contribute to student learning.
- B. Create a sense of identity and culture within the school district by encouraging community involvement and developing new opportunities for parents, community, and board members to work together.

SECTIONS 2 AND 3: STRENGTHENING STUDENT PERFORMANCE & PROGRAMMATIC OPPORTUNITY

Introduction:

In approaching the issue of strengthening academic performance and providing substantive equity in the quality and variety of educational opportunities for all students, the Committee looked at the goal of achieving educational excellence in two ways:

- a. **Performance** – How students are actually performing academically across the district.
- b. **Programmatic Opportunity** – The equity in quality and variety of program opportunities afforded students across the current PreK-8 elementary schools in Barnet, Walden, and Waterford.

A. STRENGTHENING STUDENT ACHIEVEMENT/PERFORMANCE:

***“Leading Students to Achieve or Exceed the State’s Educational Quality Standards”
(Act 46 Goal #2)***

As the Committee noted in its *Core Principles*, the goal of unification should be to create and maintain, “A core program whose goal is ensuring that all students, consistent with their individualized learning plans, will reach or exceed proficiency in local and state assessments by 2021 – competitive with the top 5% of schools in Vermont.”

That said the Committee also identified educational goals that spoke to the holistic needs of children. For example:

- a. Fostering supportive, nurturing learning environments that address the needs, interests, and aspirations of individual students through a diversified set of program offerings that make school exciting.
- b. Developing and supporting instructional strategies that:
 - Foster a continued love of learning;
 - Engage and challenge students to do their best;
 - Put students at the center of their own learning;
 - Value students as unique individuals and promote their social and emotional development
 - Foster individual creativity;

While maximizing student potential and performance should be a central goal of unification, achieving this goal is only one measure of a great school or a great district. We believe that creating a nurturing and supportive instructional environment where children can grow and thrive is equally important to the parents and community members we represent. Therefore, we wish to say at the outset of our analysis of student performance that the goal of fostering nurturing school environments and the goal of maximizing student potential must be (and have always been) mutually supportive.

Within that context, the Committee assessed the available performance data from the State and found:

- a. Real and significant differences in academic performance within and between the students and schools that make up the districts of Barnet, Walden, and Waterford, based on an analysis of SBAC Data for 2015-2016. **(See Appendix 1).**
- b. Real and significant differences in collective academic performance of our schools and the highest performing elementary schools in the State of Vermont.
- c. Uncertainty concerning long-term student performance at the high school level due to a lack of performance data coming from the myriad schools that Barnet, Walden, and Waterford students attend after elementary school.

Summary Recommendations – Student Performance

For the Committee, an essential goal of unification is to close any and all gaps in student performance and to raise the overall level of performance for all students. Clearly the schools of Barnet, (Peacham), Walden, and Waterford all have unique profiles concerning the educational strengths and opportunities they offer their students. Our communities share a passionate commitment to making our schools the best they can be. However, each of our schools has instructional challenges that will continue to require creative, thoughtful, and focused attention/support if the young people in our care are to reach their true potential and if our schools are to rank with the best in Vermont.

In addressing the goal of fostering higher levels of academic performance for every student in the Barnet, Walden and Waterford schools, the Committee would like to point out the progress that the Supervisory Union has already made in recent years to better coordinate and deliver quality instruction to all students.

The districts within CCSU have collaborated on numerous fronts, they have adopted the common core and developed a unified curriculum, all districts have created a data infrastructure using star math and star reader assessments to support a multi-tier system of support. Every school has created intervention blocks to accommodate a multi-tier system of support that creates interventions tailored specifically to individual student's needs. We have restructured the food service program and have a food service director. Special education services have been centralized at central office as have transportation services. We have a unified teachers' contract and teacher salary schedule.

Looking ahead, The Committee believes that unification will create new opportunities to address both the existing and emerging needs of students, as well as, the educational goals central to Act 46.

These opportunities include:

- A. Improved educational leadership by the Superintendent and the district's full administrative team. Unification would allow every district administrator and building principal to focus more on leading and developing the district's educational programs than the day to day administrative work of preparing, coordinating, and serving the policy and administrative needs of multiple school boards (e.g. 4 (5) budgets, multiple board meetings, etc.). Over the long term, the Committee also believes a unified governance structure would help our district attract and retain good leaders.
- B. The benefit of a unified educational focus of a single board representing every town and community school to engage in long-term strategic planning and assessment to provide greater direction to the district's educational programs and greater accountability on their implementation.

- C. Greater operational efficiency that could result in significant savings that will be re-directed to provide additional financial support aimed at improving the overall quality of instruction across every school without increasing the level of taxpayer support needed to achieve those same goals or to reduce taxes.
- D. Prioritizing and coordinating the ongoing capital needs of the entire district (technology infrastructure, building repairs, future school renovations). This would ensure that the district's educational programs get the investments in technology and infrastructure they need to deliver a quality education to every student, supported by the increased efficiencies and economies of scale that attend a larger, more operationally streamlined district.
- E. Continuing and strengthening the coordination of Special Education services, PreK-8, would more effectively address the specific needs of students with disabilities.

In addition to these strategic governance opportunities, the Committee believes that the creation of a single unified union school district will create leadership and instructional opportunities (PreK-8) to address the existing and emerging needs of our students, the professional development needs of our teachers, and the educational goals central to Act 46 by:

- A. Continuing to enhance opportunities for teacher leadership to support consistency across content areas PreK-8, through:
 - a. Sharing educational resources across buildings.
 - b. Sharing best practice
 - c. Improved technology education and equitable access to technology resources such as laptops, tablets, and interactive boards.
 - d. Providing more tools for managing class size by restructuring our schools and/or moving staff among buildings as necessary.
- B. Strengthening the instructional practices of the entire system by creating a more extensive, robust, and coordinated program of teacher development that:
 - a. Fosters opportunities to share expertise, best practice, diverse thinking, and new/emerging instructional visions (mentoring, teacher leadership).
 - b. Assists teachers in creating learning environments which:
 - i. Promote and support positive social responsibility through accountability and respect for self, others, and their school;
 - ii. Embed transferable skills into their instruction and to include them in all summative assessments.

- iii. Implement personalized learning plans as a living document in a Proficiency Based Learning (PBL) system
 - iv. Develop real-world projects, instructional challenges and solutions.
- C. Coordinating the delivery of individual school programs to:
- a. Enhance opportunities for professional collaboration across schools.
 - b. Create a unified, district-wide contract that would:
 - c. make it easier to share staff across schools (e.g., world languages, music education, technology education, special education)
 - d. create full time positions that would attract and keep highly qualified teachers.
 - e. Improve opportunities for gifted learners, struggling learners, etc. by sharing specialized resources more easily (e.g., Occupational Therapy, Physical Therapy, English Language Learning, alternative educational programs, School Resource Officers, Student Assistance Professionals).
- D. Ensuring common expectations (e.g., academic, behavioral) across all schools.
- E. Developing a common report card to measure and communicate student progress
- F. Strengthening the alignment of special education service delivery models

Summary Conclusion:

In summary, this committee sees tremendous potential for improving the performance outcomes of students in all our schools. There is no reason we should accept vast and ongoing differences in achievement for students who live within miles of each other. We strongly believe that we should be doing a better job in improving the education of all our children. Together, we believe that we can better construct a PreK-8 system which maximizes the potential of all our students.

B. ENHANCING PROGRAMMATIC OPPORTUNITY (AND PERFORMANCE!):

“Providing Substantive Enhancement in the Quality and Variety of Educational Opportunities” (Act 46, Goal #1)

Introduction:

An ongoing reality facing every district in this merger study is the challenge of maintaining program opportunities for students in the face of declining enrollments and increasing costs. Over the years, local boards in Caledonia have had to face the difficult work of shaping their educational programs to pass budgets.

For example, a number of schools in Caledonia have had to eliminate age-based classroom cohorts in favor of implementing more cost-effective multi-age classrooms – a decision that had less to do with educational philosophy and more to do with necessity. In addition, fluctuations in student populations often result in fluctuations in the use of these two instructional models, making instructional coherence more challenging. In addition, while the use of multiage models has educational validity for younger students, the smaller, mixed cohorts in grades 6-8 have tended to reduce instructional opportunity and created social-emotional challenges for a group of students whose world should be expanding, not turning in on itself.

These challenges have not gone unmet. Over the years, dedicated principals and teachers have worked hard to find creative instructional alternatives to address the ongoing structural changes in their educational programs. As a result, each of the elementary schools have evolved distinct educational models and programs that their parents and taxpayers value.

A review of the unified arts programs offered at each elementary school demonstrates some of the program choices that have evolved over the years. Some schools are able to offer instruction in a foreign language, or technology, while others offer “just” a core program in art, music, and P.E. One school offers an extensive music program reflecting the particular educational aspirations of that community. ***(See Appendix 2)***

Not captured on any chart, are the unique instructional models, teacher leadership teams, student intervention, support, and enhancement programs, etc., that define each school’s educational programs.

During the course of its deliberations the Committee identified a broad range of program opportunities that they wished were currently available to the students in their individual districts. ***(See Exploratory Report, Appendix 8).***

These aspirations included:

- Immersion in a Foreign language
- A more robust program of outdoor education and community service.
- The reintroduction of 21st Century “makers’ spaces” in technology, home economics, and design.
- Expanded after-school programs and access to late busing.
- Core programs in technology including coding and robotics.
- The expansion of arts opportunities to include film, video opportunities, drama, cartooning; Artists-in-residence; off-campus cultural field trips.
- Expanded partnership with Fairbanks and Montshire Museums, VINS; external learning opportunities.
- The development of regional special education services so those students so they no longer need to be “tuitioned” out at a higher expense.
- More opportunities for small-group intervention in core subjects.
- A greater emphasis on civics.
- Expanded library facilities.
- More robust farm/garden to school lunch programs
- More time and resources for professional development.

Heading this list of program enhancements is a desire to thoroughly explore the feasibility, through district unification, of creating a regional middle school to better serve students in grades 6th through 8th by having something that is targeted towards them and not just an expansion/continuation of elementary school models - a school that could provide these young people with greater opportunities for socialization and personal growth within the context of an educational program targeted on their specific developmental and educational needs; a school experience that would help them make a smoother and more academically successful transition to high school.

The hope was expressed throughout this long and exacting process that many of these aspirations might be more feasible to implement through unification. But the fiscal reality is the kind of program enhancements outlined above will demand additional resources. Unlike other mergers, sweeping opportunities for restructuring existing school programs to create more “efficient and effective” school programs, where the savings could be directed towards expanded program offerings, are not easily implemented given the geography of Caledonia. In addition, the Committee believes it is essential to the future of Caledonia communities to continue to safeguard community schooling and avoid long bus rides with no predictably certain improvements in educational quality.

There is no question, that unification will lead to better operational efficiencies, but the impact of those savings is anticipated to be felt at the margins, not provide the resources for major program enhancements. That said, unification, as noted earlier in this report, provides real opportunities for strategic program coordination and leadership. Furthermore, the Committee believes that the way to enhance program opportunity lies not in the wholesale restructuring of

our existing schools, but through fostering distinct programs and instructional models within each of our existing schools and creating greater access by students to the myriad range of programs that could and should exist across our schools. In short, the Committee believes that providing greater program opportunity for all students can best be met through:

Designing and Offering a Core set of Educational Offerings (PreK-8) for All Students

One of the key educational decisions facing a unified board will be identifying a core set of allied arts offerings to be offered across every elementary school in the new unified district. Given the current program disparities in Barnet, Walden, and Waterford, the Committee looks to the new board to engage community members in a discussion of the core allied arts offerings that should be afforded every student in the district, regardless of the school they attend. In addition, the Committee would like to see the new Board explore the instructional balance between core offerings in English, Math, Science, and History, and the varied arts programs offered in each school to address the current disparities in academic performance across the district. It is worth noting that in Caledonia, core programs in core subject areas like English and Math have already been developed and implemented. The goal here is not to make every school's instructional program identical, but to establish a base level of instructional equity for every student in the district.

Fostering Unique School Identities:

The Committee believes that the new unified union must provide a core set of equitable program opportunities in core subjects and the unified arts across the entire district. However, the committee also believes in maintaining distinctive elementary programs that reflect individual school cultures.

Laboratory Schools:

Under the umbrella of a single board and administrative team, the unique educational journey being undertaken by each elementary school in the new unified district provides an opportunity for local innovation and district collaboration. What works? What doesn't? What constitutes best practice? What can we learn from one another? Rather than see each elementary school become a cookie-cutter facsimile of the other in the name of program "equity", a unified district can promote a strategic and coherent process of program experimentation and development.

Intra-District School Choice

This Committee believes that our district can achieve much more together than separately. To achieve the goals of maximizing educational opportunities for all students, fostering local innovation, and providing greater access to unique educational programming, this committee recommends that the new Board of School Directors develop policies for exploring intra-district choice (along with reasonable access to transportation) to the families/guardians of elementary

students within the new unified district. We believe this will allow for maintaining the uniqueness of each elementary campus, while at the same time unlocking a new set of educational opportunities for students and families.

Program Coordination and Sharing

While perhaps modest in scope, the administrative team recommends that each of the district elementary schools work to create intra-school educational programs that would bring students across the district together in larger cohorts to experience artist residencies, specialized instructional days, joint field-trips, coordinated arts festivals and outdoor education programs.

Alternatively, in Caledonia, it may not be cost effective or practical to regularly bus students from town to town. Therefore, we will need to explore other ways to enhance educational opportunities. One example might be engaging teachers to develop instructional units in certain subjects that could be presented multiple times across each of our schools.

Whatever the solution, using the collective resources (including parental volunteers and community partnerships) of the entire district to benefit every student can be a valuable enhancement to each school's educational programming. This is particularly true for our middle school students who would benefit from interacting with larger peer groups and enhanced educational challenges designed to broaden their world-view and prepare them for the social, and academic demands of a large high school.

Summary Conclusions on Providing Greater Program Opportunity

It is worth noting that there may be other creative policy and programming alternatives, beyond the four that the Committee considered, that could and should be explored. For the Committee, the key point is that without merging, these or any other future plans for creating greater educational opportunity and ensuring equity for the students of Caledonia remain problematic at best.

In addition, a decision not to merge into a single unified union means that the individual districts of Barnet, Walden, and Waterford will have opted to address the ongoing challenge of maintaining strong educational programs in the face of uncertain enrollments and rising costs, without the resources and/or educational support of neighboring districts.

**SECTION 4: PROMOTING OPERATIONAL TRANSPARENCY AND ACCOUNTABILITY
(ACT 46, GOAL 4)**

The Committee identified the following recommendations that a unified board should undertake to more effectively promote operational transparency and accountability:

1. Enhance board knowledge of both schools rather than just one. This will afford additional opportunities for PreK-8 strategic thinking and planning including reflection on lessons learned in one school to be applied elsewhere.
2. Work to create a unified set of district-wide educational goals and policies aimed at:
 - a. The effective coordination of initiatives (e.g. common school improvement plans).
 - b. The improved alignment of social-emotional curriculum across the district
 - c. The improved alignment of student information system usage and data management tools, including training for all teachers to more effectively use individual and aggregate student data to improve instruction.
 - d. A unified program of educator recruitment, induction, and mentoring (including paraprofessionals and substitutes).
 - e. The creation of a unified student handbook reinforcing common standards of behavior and school culture.
 - f. The creation of a unified staff handbook promoting professional standards of conduct and instructional best practice.
3. Develop and foster district-wide planning and accountability systems focused on:
 - a. A sustained emphasis on analyzing common data points across all schools, programs, and students.
 - b. A single, agreed upon set of strategic priorities at the board level, the administrative level, and instructional level.
 - c. The promotion of clear and transparent vertical curriculum alignment.
 - d. The communication of a clearer, more focused, more integrated picture of the work of the schools in Orange and Washington, including yearly updates on academic progress formally presented in both community.
 - e. Fostering new avenues for community engagement and input led by Board members.

4. Restructure current leadership patterns and responsibilities to ensure:
 - a. More time for administrators to engage in instructional leadership rather than board support.
 - b. Less time spent preparing for multiple administrative meetings.

5. *Setting clear educational goals PreK-8 for all students will lead to the creation of a single budget that reflect the strategic goals of the district and foster more transparent channels of accountability enabling parents and taxpayers alike to assess the effectiveness of the programs they are funding.*

SECTION 5: PROVIDING A QUALITY EDUCATION AT A COST THAT PARENTS, VOTERS, AND TAXPAYERS VALUE (ACT 46 GOAL 5)

Introduction:

The biggest challenges identified by the Committee meeting the goal of “Providing a quality education at a cost that parents, voters, and taxpayers **value**”, centers on the potential loss of connection between local communities and their schools, particularly the challenge of creating a responsive “regional” governance body administering three (4) local schools with their own unique histories and community traditions. There was a concern that “regionalization” might distance schools from the communities that support them. It was agreed that good leadership and mindfulness would be necessary; that new cultural patterns of mutual engagement would need to be built between the towns; and that new strategies for fostering community involvement in a regional district would need to be developed and implemented effectively.

The Committee believes that achieving this goal depends upon creating within the new unified district a real sense of community ownership, identity and culture. To this end, the Committee recommends that the new Board work to:

1. Coordinate school websites to:
 - i. Promote a common identity while at the same time communicating what is unique at each school.
 - ii. Establish improved patterns of communication and outreach.
2. Coordinate community activities across both schools so that certain functions could take place in one school but serve families from all schools. (Examples: District music concerts, district art shows, open houses)
3. Celebrate district-wide examples of educational progress and student achievement.
4. Explore ways to unify or coordinate PTO/parent council activities

5. Foster district-wide opportunities for outreach to community and municipal organizations and leadership groups.
6. Initiate regularly held committee meetings to facilitate community input and monitor the implementation of policy by administration (e.g. school and/or town based councils, community forums, and open houses).
7. Develop new structures that encourage community engagement in the development of board policy, budgeting, and school improvement initiatives.

**PART B: MAXIMIZING FINANCIAL/OPERATIONAL EFFICIENCIES
ACT 46 GOAL 3**

The Committee identified the following opportunities for achieving and sustaining financial and operational efficiencies through unification.

- I. State Tax Incentives over 4 years; Merger Implementation Grants (Maintaining Small Schools Grants)**
- II. Larger Scale Purchasing/Contract Negotiation with Private Vendors**
 - a. Technology
 - b. Books & supplies
 - c. Maintenance needs
 - d. Fuel/energy costs
- III. Shared Administrative, Staffing, and Service Delivery Models**
 - a. Coordinate teaching/staffing assignments (responding to changing school demographics, program, and building needs)
 - b. Eliminate administrative redundancy
 - c. Streamline existing service models (transportation, maintenance)
 - d. Coordinate financial administration/reduce bureaucracy
 - i. One audit instead of two
 - ii. Reduction in Board services/support (stenographer, legal, dues, etc.)
 - iii. Purchasing process
 - e. Increase efficiency in state and federal data collection and reporting
 - f. Coordinate use of facilities
- IV. Further Collaboration of Special Education and Behavioral Management Services**
 - a. Review of out-of-house vs in-house delivery models and opportunities
 - b. Alternative program delivery
- V. Asset Coordination**
 - a. Transportation
 - b. Buildings and grounds
 - c. Deferred maintenance
 - d. Long-term capital planning

**Summary Analysis of Potential Operational Efficiencies and Cost Savings
Due to Unification:**

COST SAVINGS/REVENUE ENHANCEMENTS DUE TO UNIFICATION:

1. Unification of Central Office Services: \$209,000/year (ongoing)

The creation of a Side-by-Side Supervisory Union between Washington Northeast and Caledonia Central with the merging of two central offices into one, is estimated to save about ~\$633,000 union-wide. The projected savings for Caledonia Cooperative Unified Union in year one (ongoing) is approximately \$209,000. If the funds were attributed to each of the new unified districts based on a comparison of their relative Average Daily Membership (number of students served) then the savings for Cabot, Danville, and Twinfield in year one (ongoing) would be approximately **\$400,000** (63% of ADM) and the savings for Barnet, Walden, and Waterford would be approximately **\$209,000** (33% of ADM)

Potential Savings - Central Office Unification: ~\$633,000

Cabot, Danville, Twinfield:	~\$400,000
Barnet, Walden, Waterford:	~\$209,000

Potential operational savings over five years = ~\$1,045,000 (See Appendix 7)

2. Additional Savings through Maximizing Efficiencies: ~72,000/year (ongoing)

The financial model outlined in the next section was used to approximate these savings and to project the impact on future tax rates of realizing a modest reduction in the annual growth of budget and educational spending over the next 5 years of .5% due to maximizing the operational efficiencies outlined in this section of report for a new unified district.

Potential operational savings over five years = \$360,000

PROJECTED REVENUES/ SAVINGS DUE TO MERGER INCENTIVES:

1. Merger Financial Incentives (Small Schools Grants Included: ~\$2,645,000)

The Committee also considered and estimated the impact the incentives embedded in Act 46 would provide for the new district. The law provides for a set of incentives for those districts adopting consolidation. Over a five-year period, the committee found that the reductions in the homestead tax rate due to incentives (8 cents, 6 cents, 4 cents, and two cents) due to

merging in FY19 with the retention of small schools' grants resulted in an estimated reduction in total property taxes of 2,650,000:

2. Maintaining Existing Small School Grants:

Districts that receive small schools' grants that fail to participate in an incentivized merger risk losing their small schools grants beginning in 2020. The criteria for maintaining these grants as an unmerged district are noted in **(Appendix 5)**.

Currently the Walden School District receives a yearly grant of ~\$110,465; The Waterford School District receives a yearly grant of ~\$51,393.

Failing to participate in an incentivized merger (in this case a side-by side) could result in a total loss of revenue for both districts of ~\$485,574 from 2020-2023.

SUMMARY: PROJECTED COST SAVINGS/PROJECTED REVENUES DUE TO MERGER WITH INCENTIVES (FIVE YEAR TOTALS)

- Tax Incentives with an operational efficiency of .5% savings on the annual growth rate – \$2,645,000 (including approximately \$360,000 due to operational savings)
- Maintaining Small Schools Grants: \$485,574
- Unification of Central Office: \$1,045,000

Total Cost Savings and Projected Revenues Due to Merger with Incentives over 5 years: \$4,175,574
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The Committee believes that these operational cost savings and the projected tax savings due to incentives could be used to invest in the transition, improve school infrastructure, or reduce tax rates at the discretion of the new board. In addition, maintaining the districts' small schools' grants, while providing no new revenue to the new unified district, is absolutely essential to the financial wellbeing of Walden and Waterford. Without them, each district would have to cut spending or raise revenues to maintain current programming.

FINAL REVENUE ENHANCEMENTS DUE TO INCENTIVIZED MERGER:

1. Merger Implementation Grant: \$150,000

To assist merging districts establishing a new supervisory union, the state has established a grant of \$150,000 to be used in support of setting up both new unified districts (Cabot, Danville, and Twinfield and Barnet, Walden, Waterford) within the new proposed supervisory union. To date \$40,000 of this grant has been used to complete the merger studies for each side of the proposed side-by-side. The utilization of the remaining funds (\$110,000) would be decided by the new supervisory union board.

PART C: FINANCIAL/TAX RATE PROJECTIONS:

Model Projections:

This financial model projects trends in future homestead tax rates through FY23 for the districts of Barnet, Walden, and Waterford participating in this study. The model projects:

- The trend lines in Educational Spending and Local Tax rates for a merged district beginning in FY19, and
- The trend lines in Educational Spending and Local Tax rates for those same districts should they remain as they are (No Change Scenario), and,
- The differences in tax rates between a merged scenario and a No Change Scenario and computes the total increases/decreases in tax liabilities through FY23.

Note: The model was created for purposes of comparative illustrations, and under no circumstances should be relied upon to forecast future actual tax rates resulting if and when a merger occurs or does not occur.

The model does not account for, nor is it intended to account for, policy decisions, management decisions and/or changes in any factor reflected in the model, now or over time.

Assumptions:

- The model assumes that the new unified district would come into existence in FY19.
- The Model uses existing financial data from FY17 and FY18 from each individual district involved in this study for determining the baseline for educational spending, equalized pupils, equalized spending per equalized pupil, etc. for the new merged district.
- It considers the previous six-year average for the determining the change rates for education spending and equalized pupils, though individual districts can adjust these rates at their own discretion should they believe past trends to be an inaccurate predictor of future trends.
- The model builds in the tax incentives associated with a Phase II merger over the first four years of the new district's existence. It also takes into account the 5% rate limit on increases or decreases on the homestead property tax rate during that same time frame.

- The merged model leaves in place the hold-harmless provision on equalized pupil calculations (e.g. equalized pupil counts do not drop more than 3.5% per year) for every eligible district in the new merged district as well as the continuation of small schools' grants to eligible districts
- For, the No Change Scenario, hold-harmless and small school grants are phased out in accordance with the terms of Act 46. (Hold-Harmless FY21 and Small Schools Grants FY20)
- The model's default setting projects the taxes on a \$150,000 house. That setting can be changed to project the potential tax impact on properties assessed at different values.

Rates of Change:

- The model allows the user to manipulate the rates of change in:
 - ✓ Educational Spending for each town and for the new district as a whole.
 - ✓ Equalized Pupils for each town and for the new district as a whole.
 - ✓ Educational Grand List for each town. (In the current iteration of this model, we left the GL unchanged (0%).
 - ✓ The Model also builds in a place holder for savings in educational spending for the new district in year one.

To determine a **starting place** for assessing projected rates of change in Educational Spending and Equalized Pupils, this model uses the previous six-year average change rate in Educational Spending and Equalized Pupil Counts based on the specific data from FY12 and FY18.

	2018	
	EdSpending	EqPupil
Barnet	\$4,647,142	284.28
Walden	\$1,975,249	146.52
Waterford	\$3,457,144	218.60
	2012	
	EdSpending	EqPupil
Barnet	\$3,569,186	281.02
Walden	\$1,724,207	173.64
Waterford	\$2,827,946	238.24

Changes:

	EdSpd inc	EqPupInc	GL Inc
Barnet	4.50%		0.19%
Walden	2.29%		-2.79%
Waterford	3.40%		-1.42%
Unified Rate	3.19%	<-- This rate kicks in starting FY19 in the Unified model only	

Note: The unified rate is the weighted aggregate average of each individual district's average yearly growth in educational spending minus one half of one percent (-.5%) which is the minimum target for controlling costs in the new unified district – a cost efficiency goal that the Committee felt was achievable at a minimum.

None of the specific operational savings due to unification outlined earlier in this report (e.g. unification of central offices) were included in these projections. The model does reflect a half of one percent annual reduction in the growth of education spending outlined earlier.

Therefore, the tax projections reflected in this model are based almost entirely on the benefits of the tax incentives and the continuation of each district's small school's grant.

Final Note:

*These financial projections do not specifically model for individuals who qualify for income sensitivity on their property taxes the specific tax savings due to the tax incentives on the homestead tax rate over 4 years (8,6,4,2 cents) granted to communities/districts that elect to merge. However, both Act 153 and Act 46 state that: **"The household income percentage shall be calculated accordingly"** in connection with both the tax rate decreases and the 5% protection available for each type of incentivized merger.*

*In short, those taxpayers whose education taxes are income sensitized **will receive** tax benefits from merger incentives. According to the AOE, homestead income sensitized taxpayers **will see the same proportional reduction in their education taxes that taxpayers, whose tax rates are based on property value, will see as a result of a merger that qualifies for tax incentives.***

RESULTS:

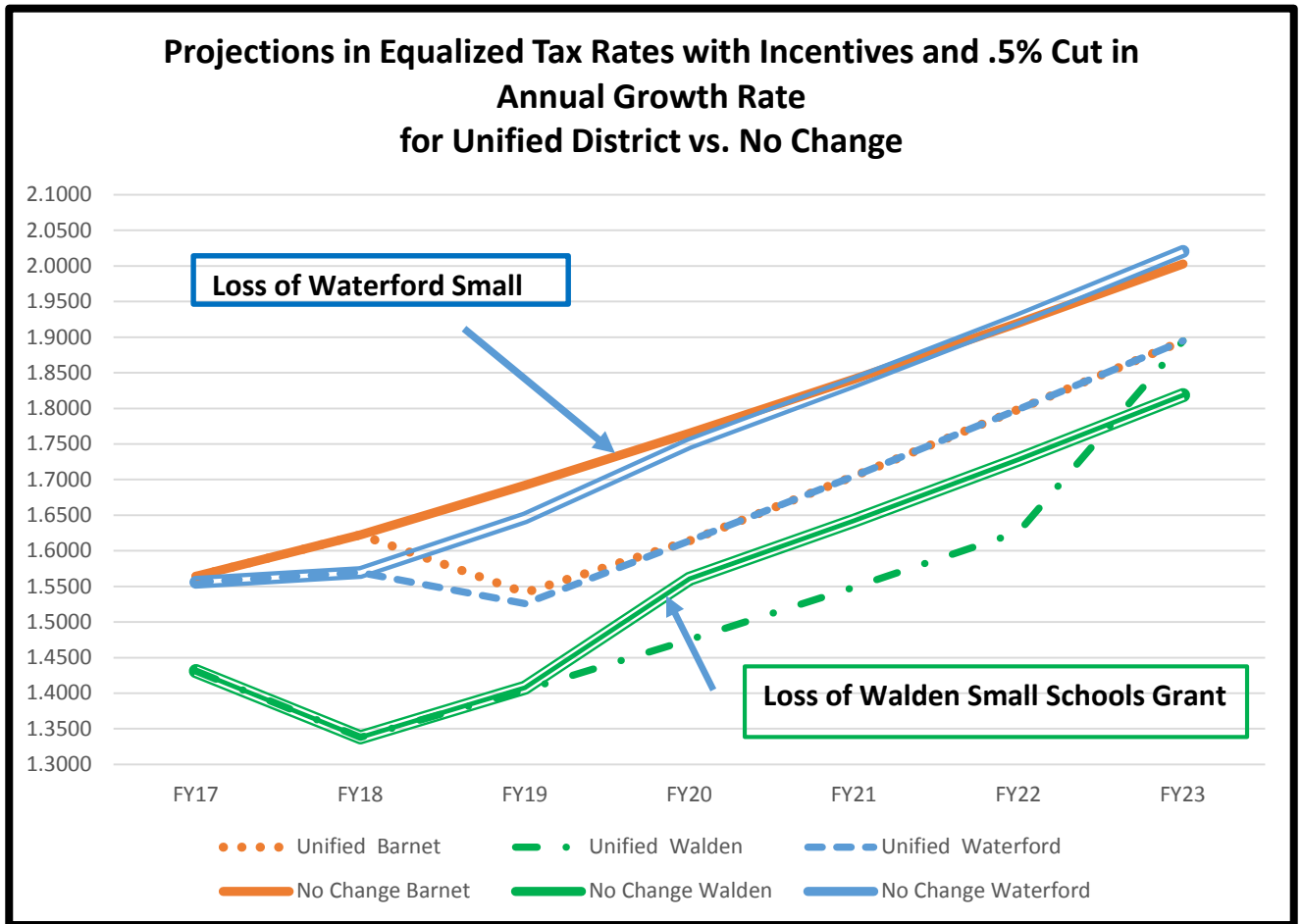
UNIFIED DISTRICT, EFFECTIVE FY19; MODEL 1		FY17	FY18	FY19	FY20	FY21	FY22	FY23	TOTAL
	BARNET								
	HOMESTEAD TAX RATE	\$1.4825	\$1.5091	\$1.4336	\$1.5014	\$1.5858	\$1.6729	\$1.7624	
	TAX \$ (HOMESTEAD)	\$3,871,068	\$3,993,205	\$3,793,594	\$3,973,022	\$4,196,262	\$4,426,639	\$4,663,662	
	TAX SAVINGS DUE TO UNIFICATION	\$0	\$0	\$371,409	\$371,163	\$334,736	\$299,293	\$265,574	\$1,642,176
	TAX \$ ON \$150K HOME	\$2,346	\$2,434	\$2,312	\$2,421	\$2,557	\$2,698	\$2,842	
	TAX SAVINGS ON \$150K HOME	\$0	\$0	\$226	\$226	\$204	\$182	\$162	\$1,001
	WALDEN								
	HOMESTEAD TAX RATE	\$1.4782	\$1.3591	\$1.4271	\$1.4984	\$1.5733	\$1.6520	\$1.9248	
	TAX \$ (HOMESTEAD)	\$1,312,117	\$1,238,367	\$1,300,290	\$1,365,267	\$1,433,577	\$1,505,219	\$1,753,836	
	TAX SAVINGS DUE TO UNIFICATION	\$0	\$0	\$2,869	\$79,232	\$86,452	\$94,227	(\$70,809)	\$191,970
	TAX \$ ON \$150K HOME	\$2,147	\$2,007	\$2,107	\$2,213	\$2,323	\$2,439	\$2,842	
	TAX SAVINGS ON \$150K HOME	\$0	\$0	\$5	\$128	\$140	\$153	(\$115)	\$311
	WATERFORD								
	HOMESTEAD TAX RATE	\$1.5145	\$1.5903	\$1.5461	\$1.6355	\$1.7274	\$1.8222	\$1.9198	
	TAX \$ (HOMESTEAD)	\$2,751,387	\$2,861,800	\$2,782,305	\$2,943,118	\$3,108,488	\$3,279,146	\$3,454,726	
	TAX SAVINGS DUE TO UNIFICATION	\$0	\$0	\$219,339	\$249,058	\$239,760	\$232,831	\$229,002	\$1,169,990
	TAX \$ ON \$150K HOME	\$2,334	\$2,354	\$2,289	\$2,421	\$2,557	\$2,698	\$2,842	
	TAX SAVINGS ON \$150K HOME	\$0	\$0	\$180	\$205	\$197	\$192	\$188	\$963
	TOTALS								
	TAX \$ RAISED IN TOWN	\$7,934,573	\$8,093,372	\$7,876,189	\$8,281,407	\$8,738,327	\$9,211,004	\$9,872,224	\$60,007,096
	TAX SAVINGS DUE TO UNIFICATION	\$0	\$0	\$593,618	\$699,453	\$660,947	\$626,351	\$423,767	\$3,004,137

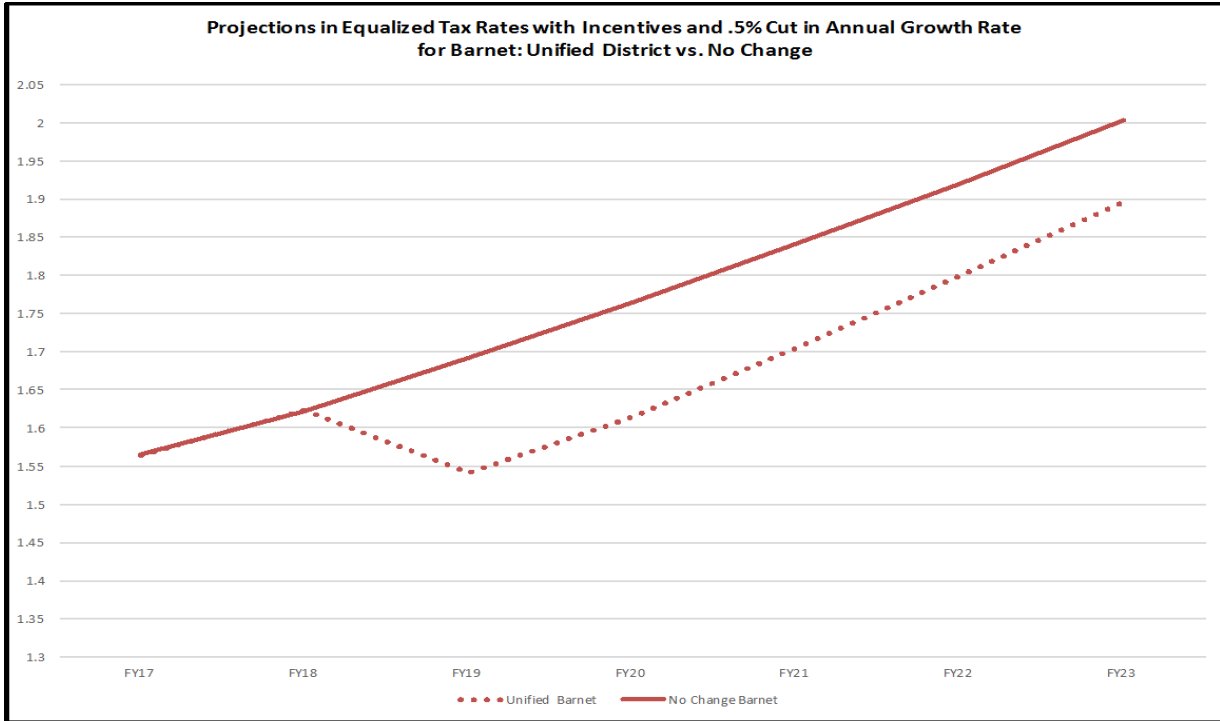
NO CHANGE		FY17	FY18	FY19	FY20	FY21	FY22	FY23	TOTAL
	BARNET								
	HOMESTEAD TAX RATE	\$1.4825	\$1.5091	\$1.5740	\$1.6417	\$1.7123	\$1.7860	\$1.8628	
	TAX \$ (HOMESTEAD)	\$3,871,068	\$3,993,205	\$4,165,003	\$4,344,186	\$4,530,998	\$4,725,933	\$4,929,235	
	TAX \$ ON \$150K HOME	\$2,346	\$2,434	\$2,538	\$2,648	\$2,761	\$2,880	\$3,004	
	WALDEN								
	HOMESTEAD TAX RATE	\$1.4782	\$1.3591	\$1.4302	\$1.5853	\$1.6682	\$1.7554	\$1.8471	
	TAX \$ (HOMESTEAD)	\$1,312,117	\$1,238,367	\$1,303,159	\$1,444,499	\$1,520,029	\$1,599,445	\$1,683,028	
	TAX \$ ON \$150K HOME	\$2,147	\$2,007	\$2,112	\$2,341	\$2,463	\$2,592	\$2,727	
	WATERFORD								
	HOMESTEAD TAX RATE	\$1.5145	\$1.5903	\$1.6680	\$1.7739	\$1.8606	\$1.9516	\$2.0470	
	TAX \$ (HOMESTEAD)	\$2,751,387	\$2,861,800	\$3,001,644	\$3,192,176	\$3,348,248	\$3,511,977	\$3,683,729	
	TAX \$ ON \$150K HOME	\$2,334	\$2,354	\$2,469	\$2,626	\$2,755	\$2,889	\$3,031	
	TOTALS								
	TAX \$ RAISED IN TOWN	\$7,934,573	\$8,093,372	\$8,469,807	\$8,980,861	\$9,399,274	\$9,837,355	\$10,295,992	\$63,011,233

Equalized Homestead Tax Rates

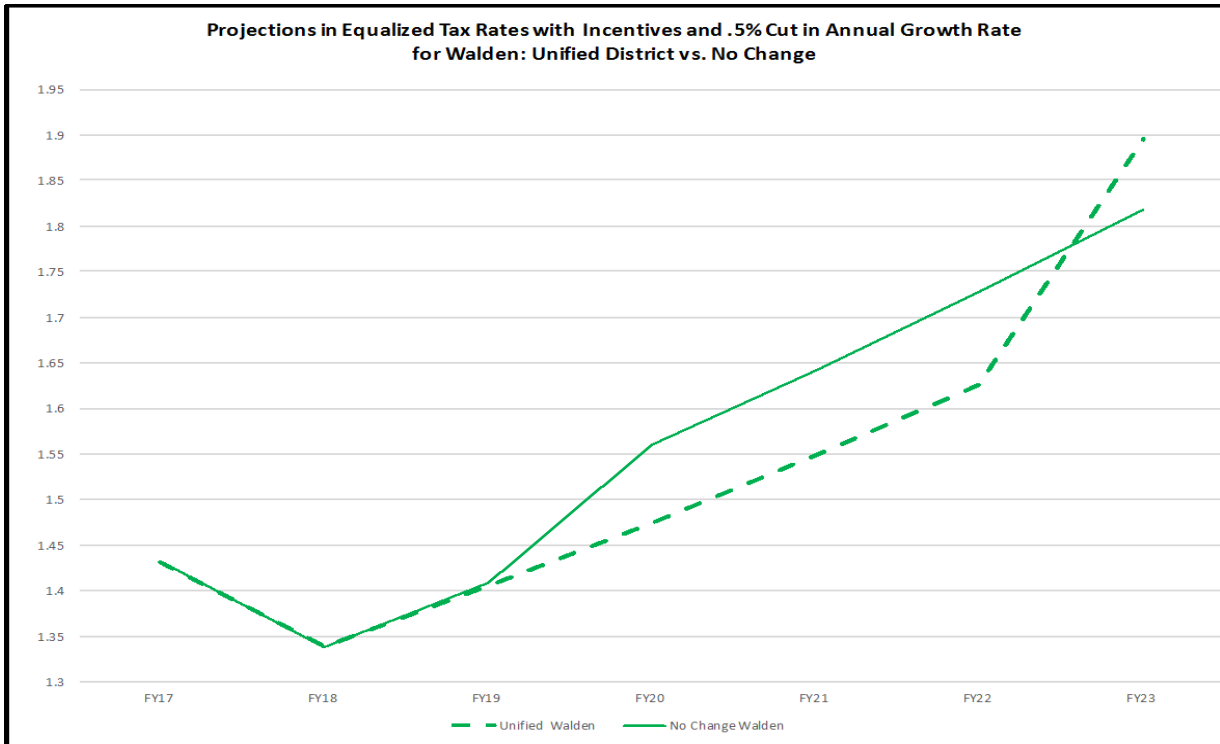
	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Unified District, effective FY19; Model 1							
Barnet	1.5643	1.6224	1.5413	1.6142	1.7049	1.7985	1.8948
Walden	1.4312	1.3379	1.4048	1.4750	1.5488	1.6262	1.8948
Waterford	1.5558	1.5696	1.5260	1.6142	1.7049	1.7985	1.8948

No Change							
Barnet	1.5643	1.6224	1.6922	1.7650	1.8409	1.9201	2.0027
Walden	1.4312	1.3379	1.4079	1.5606	1.6422	1.7280	1.8183
Waterford	1.5558	1.5696	1.6463	1.7508	1.8364	1.9262	2.0204

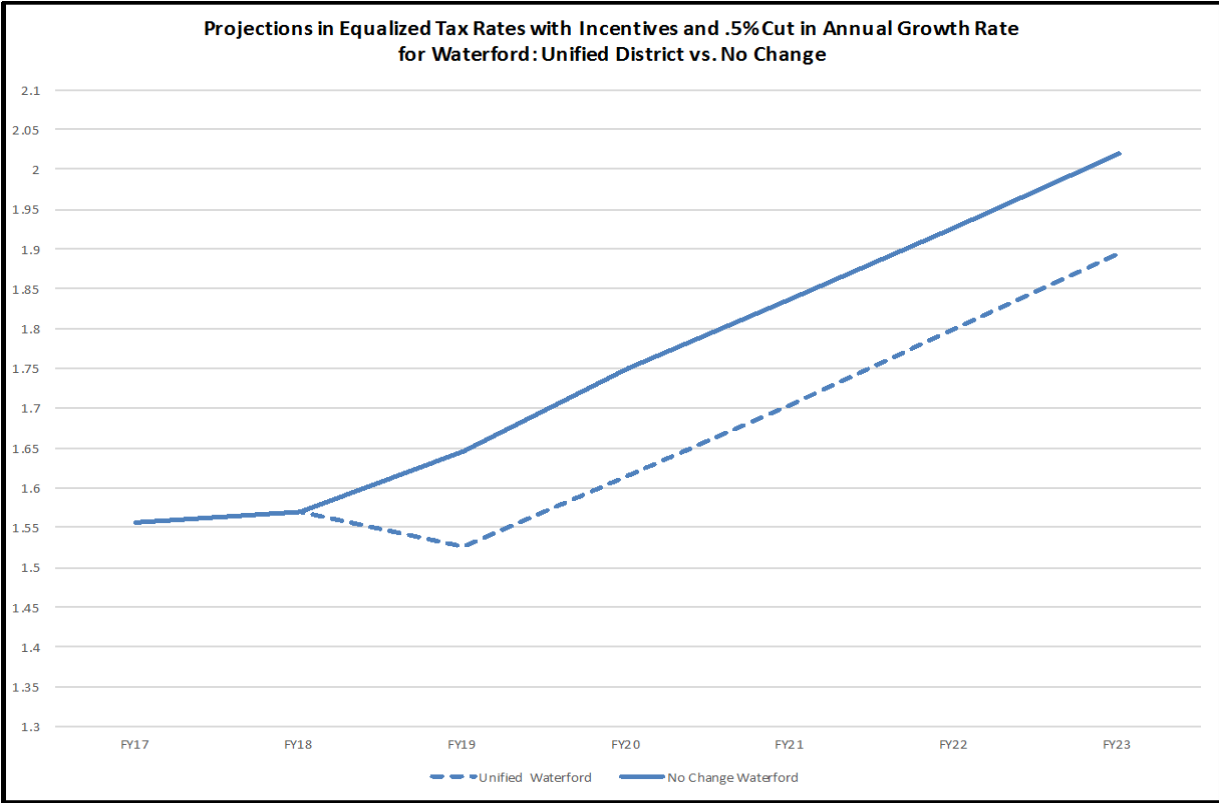




Projected Tax Savings in Barnet: \$1,570,000 {~\$1,000 on \$150,000 Homestead}



Projected Tax Savings in Walden: \$150,000 {~\$300 on a \$150,000 Homestead}



Projected Tax Savings in Waterford: \$930,000 {~\$960 on a \$150,000 Homestead}

Summary Financial Observations:

In reviewing the data from the financial model, the Committee noted that:

1. The numbers (equalized pupil counts, educational spending, yield figures, etc.) used in the model are not set in stone and a lot can happen with them. **The model was designed to predict trend lines not future tax rates.**
2. Becoming a unified district would result in tax incentives (8,6,4,2 cents over four years off the homestead tax rate).
3. All education spending and all equalized pupils of both the Barnet, Walden, and Waterford School Districts are combined to arrive at a unified homestead tax rate.
4. The difference between the two trend lines (“no change” vs. merger) represents the tax savings in the homestead tax rate due to the incentives, the continuation of small schools’ grants, and a decrease in the growth of overall spending in the new unified district by .005%.
5. The property yield is the amount a district would be spending per pupil if its homestead tax rate was \$1.00. This year, the yield is \$10,076. The model is not designed to account for future variations in the yield so it is constant at \$10,076 throughout the modeling years. Using a constant value potentially creates a conservative estimate in future tax savings.
6. Local tax rates will be different depending on the Common Level of Appraisal (CLA) in each community. The model is set for no change in the CLA over the next five years.
7. The current grand list information was used for each town. If the list changes the numbers will change. The model uses the same grand list totals throughout.
8. The growth in education spending rate used in the model for the new district is 3.19%. FY2019 is the assumed date that the new district comes into existence. The estimated educational spending per equalized pupil in year one is \$16,182. For FY18, the educational spending per equalized pupil in Barnet is \$16,347; in Walden \$13,481; and Waterford \$15,814.
9. The law says that the homestead tax rate can only go up or down 5% from the current homestead rate. In the model, Barnet does not get the full benefit of the 8 cents drop in the homestead tax rate because the difference in the towns current tax rate, and the lower unified tax rate in year one is larger than 5%. Thereafter, Barnet gets the full benefit of the remaining tax incentives. Walden, which enters the merger with the lowest educational spending, is protected by the 5% “throttle” on the homestead tax rate until FY23 when their local tax rate equals the unified rate. Waterford sees the full benefit of the incentives throughout.

10. By FY2023, all the incentives are gone, and the homestead tax rate in the new unified district is the same for all communities.
11. The *projected* total tax savings for a unified district, due to the incentives, the continuation of small school grants, and a .005% reduction in the growth of educational spending in the new unified district is approximately \$2,645,000.
12. Merging protects \$485,574 of state revenue in Small Schools Grants to both Walden and Waterford.

PART D: TRANSITION PLANNING

Upon an affirmative vote of the electorate in Barnet, Walden, Waterford on May 23, 2017 and certification of the final vote of each district by the Vermont Secretary of Education to the Vermont Secretary of State per 16 VSA § 706g, the new Caledonia Cooperative Unified Union School District would come into existence and have all of the authority necessary for it to prepare for full educational operations beginning on July 1, 2018.

The Caledonia Cooperative Unified Union School District would, between the date of its first organizational meeting under 16 VSA – 706j and June 30, 2018, undertake all of the planning and related duties necessary to begin operations of the new unified union school district on July 1, 2018, including:

- a. Preparing for and negotiating contractual agreements;
- b. Preparing and presenting a budget to the voters for fiscal year 2019;
- c. Preparing for the Caledonia Cooperative Unified Union School District annual meeting;
- d. Transacting any other lawful business that comes before the Board.

The authority exercised by new Caledonia Cooperative Unified Union School District shall not limit or alter the ongoing authority and/or responsibilities of the school boards that make up the current districts of Barnet, Walden, Waterford which will remain in existence during the transition period for the purpose of completing any and all business not given under law to the new unified union district board. In essence, each individual district board would maintain its current authority until the new district becomes operational on July 1, 2018. The existing districts and supervisory union will remain in operation after June 30, 2018 only to conclude any business.

In summary, an affirmative vote of the electorate in Barnet, Walden, Waterford would also result in, but not be limited to, the following:

- a. Employees throughout the current individual school districts (Barnet, Walden, Waterford) offered continuing employment following the 2017-2018 school year, consistent with all legal requirements, would become employees of the new Orange Washington Union School District.
- b. All assets of the pre-existing districts would be transferred to the new unified union district for the sum of \$1.00 as of July 1, 2018.
- c. Debts and liabilities of the pre-existing districts and supervisory union would be transferred to the new unified union district as of July 1, 2018.

- d. Following the certification of the election results by the Agency of Education to the Secretary of State (30-45 days after the vote), an organizational meeting of the new unified district would be convened by the Secretary of the Agency of Education or designee in accordance with Title 16, 706j.
- e. The newly elected members of the Caledonia Cooperative Unified Union School District, consistent with statute, would begin the work of preparing for the district's first day of operations - hiring a superintendent in conjunction with the other unified districts making up the new Supervisory Union, defining administrative and operational roles and responsibilities, establishing policy, negotiating contracts, developing budgets, and establishing new structures for community engagement.
- f. Through June 30, 2018, Barnet, Walden, Waterford would continue to govern their respective districts and/or schools. The existing districts could continue after June 30, 2018 only to conclude any final business (e.g. audits, etc.).

PART E: ARTICLES OF AGREEMENT
THE CALEDONIA COOPERATIVE UNIFIED UNION SCHOOL DISTRICT

The joint Barnet, Walden, and Waterford Act 46 Study Committee recommends the following Articles of Agreement by each necessary school district for the creation of a Pre-Kindergarten through grade 12 unified union school district to be named the Caledonia Cooperative Unified Union School District

Article 1. Necessary Forming School Districts

The school districts of Barnet and Waterford are necessary for the establishment of the Caledonia Cooperative Unified Union School District. The school district of Walden is named advisable. The above referenced school districts, if they vote to approve the proposal, are hereinafter referred to as the “forming districts”.

The Peacham Town School District is currently a member of the Caledonia Central Supervisory Union and has elected not to become a “forming district” in this merger. In connection with the designation of the merged entities as a unified union school district in a new supervisory union, the Vermont State Board of Education shall act pursuant to 16 V.S.A. Section 261(a) to determine an appropriate supervisory union assignment for Peacham.

The Waterford School District is not a member of the Caledonia Central Supervisory Union. If the Caledonia Cooperative Unified Union District is established and Waterford voters approve the merger, the New Unified Union District anticipates that the Vermont State Board of Education will act pursuant to 16 V.S.A. Section 261(a) to adjust the boundaries of the new supervisory union to include the town of Waterford. In addition, it is the intent of the Waterford School District and its current Supervisory Union to work with the Caledonia Central Supervisory Union and the new unified union school district to facilitate the transition to full operations by requesting of the State Board reassignment to CCSU if that turns out that would be helpful and proper arrangements between its current supervisory union and the CCSU are successfully negotiated.

Article 2. Effect of Vote/Creation of New District

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 the two necessary districts 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 PK-12 districts of Cabot, Danville, and/or Twinfield vote to approve the formation of a

unified union school district” and that district becomes operational on July 1, 2018 then both new unified union school districts would be members of a new supervisory union and would meet the criteria of “Side-by-Side” mergers pursuant to 2012 Acts and Resolves No. 156.

Notwithstanding the first paragraph of this Article 2, even if creation of the Unified District does not meet the criteria of a “Side-by-Side” under that paragraph, the Unified District shall be formed and the terms hereby voted shall become effective if, under legislation enacted by the General Assembly during its 2017 Session, the Unified District would be eligible for the same tax rate reductions and other transitional assistance it would have received as one member of a “Side-by-Side”.

Article 3. Grades to Operate

The Caledonia Cooperative Unified Union School District will operate grades Pre-Kindergarten through grade 8 and continue to tuition students in grades 9-12.

Article 4. Proposed New School Construction

No new schools or renovations are proposed at this time.

Article 5. Plan for First Year of Operation

The Caledonia Cooperative Unified Union School District will provide for the transportation of students, assignment of staff, and curriculum that is consistent with the *practices/contracts*, collective bargaining agreements, and provisions of law that are in effect during the first year that the new Unified Union District is providing full educational services and operations.

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

Article 6. Indebtedness of Member Districts

A. Capital Debt

The Caledonia Cooperative Unified Union School District shall assume all capital debt as may exist on June 30, 2018, including both principal and interest, of the forming school districts that joined the new union district.

B. Operating Fund Surpluses, Deficits and Reserve Funds

The Caledonia Cooperative Unified Union School District shall assume any and all operating deficits, surpluses, and fund balances of the forming districts that may exist on the close of business on June 30, 2018. In addition, reserve funds identified for specific purposes will be transferred to the Caledonia Cooperative Unified Union School District and will be utilized by the new unified district in accordance with their original established purposes unless otherwise determined through appropriate legal procedures.

C. Restricted Funds:

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

Article 7. Real and Personal Property

A. Transfer of Property to the Unified District:

No later than June 30, 2018, the forming districts will convey to the Caledonia Cooperative Unified Union School District for the sum of one dollar, and subject to the encumbrances of record, all their school-related real and personal property, including all land, buildings, and content.

B. Subsequent Sale of Real Property to Towns:

In the event that, and at such subsequent time as, the Caledonia Cooperative Unified Union School District Board of Directors determines, in its discretion, that continued possession of the real property, including land and buildings, conveyed to it by one or more of the town elementary forming districts will not be used in direct delivery of student educational programs, the Caledonia Cooperative Unified Union School District shall offer for sale such real property to the town in which such real property is located, for the sum of one dollar, subject to all

encumbrances of record, the assumption or payment of all outstanding bonds and notes, and the repayment of any school construction aid or grants required by Vermont law, in addition to costs of capital improvements subsequent to July 1, 2018.

The conveyance of any of the above school properties shall be conditioned upon the town owning and using the real property for community and public purposes for minimum of five years. In the event the 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 prior to the sale to the town. In the event a town elects not to acquire ownership of such real property, the Unified District shall, pursuant to Vermont statutes, sell the property upon such terms and conditions as established by the Caledonia Cooperative Unified Union School District Board of School Directors

Article 8. Board of School Directors Representation

The Unified District Board of Directors shall be composed of nine (9) individuals elected by Australian ballot by the voters of the municipalities in which they reside. Each municipality within the Unified District shall be guaranteed at least one resident representative. The number of representatives in excess of one derived from each municipality shall be determined on the basis of relative population within the Unified District.

Votes shall be weighted as necessary to achieve more precise proportionality. Each community will be allocated board members as follows. The weighted vote reflects proportionality and is based on results of the 2010 census. Board composition and weighting will be recalculated promptly following the release of each decennial census. Initial Number of School Board Members by Town:

Town	Board Members	Population	Individual Vote Weight	Total Vote Weight
Barnet	3	1,708 (44%)	1.33	4 pts
Walden	3	935 (24%)	0.66	2 pts
Waterford	3	1,280 (32%)	1.0	3 pts.
Total	9	3,923 (100%)		9 pts

Article 9: Initial Directors Terms of Office

School Directors will be elected by Australian ballot for three year terms, except for those initially elected at the time of the formation of the new Unified District (The Caledonia Cooperative Unified Union District). In the initial election of School Directors, the terms of office will be as follows:

Town	Term ending March 2019	Term ending March 2020	Term ending March 2021
Barnet	1	1	1
Walden	1	1	1
Waterford	1	1	1

The terms of the initial school directors indicated above will include the months in between the organizational meeting and the first annual meeting in 2018.

Nominations for the office of The Caledonia Cooperative Union School Director representing a specific town shall be made by filing, with the clerk of that district/town proposed as a member of the Unified District, a statement of nomination signed by at least 30 voters in that district/town or one percent of the legal voters in the district/town, whichever is less, and accepted in writing by the nominee. A statement shall be filed not fewer than 30, nor more than 40 days prior to the date of the vote.

Pursuant to the provisions of 16 V.S.A. – 706j(b), directors initially elected to the new district shall be sworn in and assume the duties of their office.

Thereafter, members of the Board of School Directors will be elected by Australian ballot at the unified school district’s Annual Meeting. Terms of office shall begin and expire on the date of the school district’s annual meeting. In the event the district’s annual meeting precedes Town Meeting Day, the Director’s terms shall expire on Town Meeting Day.

Article 10. Submission to Voters

The proposal forming the Caledonia Cooperative Unified Union School District will be duly warned and presented to the voters of each town school district on May 23, 2017. The vote shall take place in each of the school districts by Australian ballot. The warning for each district’s vote will be substantially in the form attached hereto as **(Appendix 10)**.

Article 11. Commencement of Operations

Upon an affirmative vote of the electorates of the forming districts and upon compliance with 16 VSA – 706g, the Caledonia Cooperative Unified Union School District shall have and exercise all the authority which is necessary in for it to prepare for full educational operations beginning on July 1, 2018. The Caledonia Cooperative Unified Union School District shall, between the date of its organizational meeting under 16 VSA – 706j and June 30, 2018, undertake planning and related duties necessary to begin operations of the new unified union school district on July 1, 2018, including preparing for and negotiating contractual agreements, preparing and presenting the budget for fiscal year 2019, preparing for the Caledonia Cooperative Unified

Union School District annual meeting, and transacting any other lawful business that comes before the Board, provided however, that the exercise of such authority by the Caledonia Cooperative Unified Union School District shall not be construed to limit or alter the authority and/or responsibilities of the school districts that will form the new unified union school district and that will remain in existence during the transition period for the purpose of completing any business not given to the Caledonia Cooperative Unified Union School District.

On July 1, 2018, when the Caledonia Cooperative Unified Union School District becomes fully operational and begins to provide educational services to students, the school districts of the forming towns shall cease all educational operations and shall remain in existence for the sole purpose of completing any outstanding business not given to the Caledonia Cooperative Unified Union School District under these articles and state law. Such business shall be completed as soon as practicable, but in no event, any later than December 31, 2018. Upon the completion of outstanding business or December 31, 2018, whichever date is earlier, the forming school districts shall cease to exist pursuant to 16 VSA §722. The Barnet, Walden, and Waterford School Districts shall cease all operations within a reasonable timeframe of the completion of all outstanding business, but in no event, any later than January 31, 2019.

Article 12. Australian Ballot Voting

The Caledonia Cooperative Unified Union School District shall vote the annual school district budget, officers, and public questions by Australian ballot.

Article 13. Intra-District Choice

By July 1, 2018, the Board of School Directors shall adopt a school policy providing a process for parents or guardians to request that their child attend another elementary school within the Union School District. In addition, with parental consent, the Board of School Directors may adjust student enrollment based upon individual student circumstances and needs of the Unified District. Policies respecting choice shall consider issues including, but not limited to, transportation, socio-economic equity, proximity to the selected building, unity of siblings, and the capacities of receiving schools and sending schools.

Article 14. Local Input

The new unified board shall ensure ongoing opportunities for local input on policy and budget development. Structures to support and encourage public participation within the Caledonia Cooperative Unified Union School District will be established by the Board on or before June 30, 2018.

Article 15. Middle School

The new unified board will initiate a district-wide assessment of the effectiveness current educational programs for middle school students (grade 6-8) and recommend specific options for strengthening/enhancing instruction at these grade levels, including potential options for restructuring current elementary school configurations and/or the creating a designated middle school for grades 6-8 in the new unified district.

Article 16. Closing Schools

During the first four years of operation of the new unified district, no elementary school shall be closed without a majority vote of the new unified board and the consent of the electorate of the town in which the school is located. Thereafter, an affirmative vote of two-thirds of the Board of Directors shall be required to close a school.

Prior to holding a vote on whether to close a school, the Board shall hold at least three public hearings regarding the proposed school closure. At least one of the public hearings shall be held in the community in which the school is located. If after conducting public hearings, the Board of Directors intends to vote on whether to close a school, it shall give public notice of its intent to hold a vote on whether to close a school, stating the reason for the closure, at least ten days prior to the vote.

If the Board votes close a school, a binding referendum to that effect shall be submitted to an annual or special meeting for approval by the voters of the Unified Union District. The closing shall become effective only if approved by a majority of the electorate voting at that meeting. The votes shall be counted and reported by towns, but shall be commingled and approval of the referendum shall require a majority of all those voting.

Article 17. Subsequent Admission after a No Vote

In the event that the advisable district (Walden) votes not to join the new Unified Union School District as minimally formed by an affirmative vote of the two necessary districts (Barnet and Waterford) per Article 2, the Walden school district will have until November 1, 2017 to reconsider and join the new Caledonia Cooperative Unified Union District. For the purpose of compliance with 16 VSA §721, the New Unified District consents to admission of Walden as one of the original forming districts should it reconsider its original no vote. Thereafter, admission will be determined by Vermont statutes.

APPENDICES

Appendix 1. Caledonia 706 Team Analysis – SBAC Scores & Enrollment Profiles

2015 Smarter Balanced Test Results – Caledonia						
English - % Proficient and Above						
Grade		Barnet	Peacham	Walden	Waterford	Vermont
3						
	All	45	67	33	64	51%
	Not Free & R	-	-	-	-	64%
	Free and R	-	-	-	-	45%
	Special Ed	-	-	-	-	12%
4						
	All	50	50	50	50	51%
	Not Free & R	-	-	-	-	62%
	Free and R	-	-	-	-	35%
	Special Ed	-	-	-	-	11%
5						
	All	55	50	75	50	56%
	Not Free & R	-	-	-	-	69%
	Free and R	-	-	-	-	39%
	Special Ed	-	-	-	-	11%
6						
	All	35	40	44	65	53%
	Not Free & R	-	-	-	-	65%
	Free and R	-	-	-	-	35%
	Special Ed	-	-	-	-	7%
7						
	All	46		10	40	55%
	Not Free & R	-	-	-	-	66%
	Free and R	-	-	-	-	36%
	Special Ed	-	-	-	-	8%
8						
	All	55		67	57	53%
	Not Free & R	-	-	-	-	63%
	Free and R	-	-	-	-	36%
	Special Ed	-	-	-	-	8%

2015 Smarter Balanced Test Results – Caledonia						
Math - % Proficient and Above						
Grade		Barnet	Peacham	Walden	Waterford	Vermont
3						
	All	36	67	17	82	51%
	Not Free & R	-	-	-	-	64%
	Free and R	-	-	-	-	35%
	Special Ed	-	-	-	-	15%
4						
	All	31	63	27	39	44%
	Not Free & R	-	-	-	-	56%
	Free and R	-	-	-	-	29%
	Special Ed	-	-	-	-	10%
5						
	All	35	50	75	50	41%
	Not Free & R	-	-	-	-	52%
	Free and R	-	-	-	-	25%
	Special Ed	-	-	-	-	6%
6						
	All	5	0	44	65	47%
	Not Free & R	-	-	-	-	48%
	Free and R	-	-	-	-	21%
	Special Ed	-	-	-	-	3%
7						
	All	50		20	27	43%
	Not Free & R	-	-	-	-	53%
	Free and R	-	-	-	-	26%
	Special Ed	-	-	-	-	3%
8						
	All	20		38	50	40%
	Not Free & R	-	-	-	-	49%
	Free and R	-	-	-	-	24%
	Special Ed	-	-	-	-	3%

2016 Smarter Balanced Test Results – Caledonia						
English - % Proficient and Above						
Grade		Barnet	Peacham	Walden	Waterford	Vermont
3						
	All	32	63	10	64	54%
	Not Free & R	-	-	-	-	65%
	Free and R	-	-	-	-	39%
	Special Ed	-	-	-	-	14%
-						
4						
	All	50	60	33	45	54%
	Not Free & R	-	-	-	-	66%
	Free and R	-	-	-	-	37%
	Special Ed	-	-	-	-	13%
5						
	All	31	56	50	36	58%
	Not Free & R	-	-	-	-	68%
	Free and R	-	-	-	-	42%
	Special Ed	-	-	-	-	14%
6						
	All	47	40	80	70	56%
	Not Free & R	-	-	-	-	67%
	Free and R	-	-	-	-	39%
	Special Ed	-	-	-	-	11%
7						
	All	26		75	59	58%
	Not Free & R	-	-	-	-	69%
	Free and R	-	-	-	-	39%
	Special Ed	-	-	-	-	9%
8						
	All	56		40	20	59%
	Not Free & R	-	-	-	-	68%
	Free and R	-	-	-	-	41%
	Special Ed	-	-	-	-	11%

2016 Smarter Balanced Test Results – Windsor Southeast						
Math - % Proficient and Above						
Grade		Barnet	Peacham	Walden	Waterford	Vermont
3						
	All	16	50	0	82	56%
	Not Free & R	-	-	-	-	67%
	Free and R	-	-	-	-	41%
	Special Ed	-	-	-	-	18%
4						
	All	35	60	33	36	50%
	Not Free & R	-	-	-	-	62%
	Free and R	-	-	-	-	32%
	Special Ed	-	-	-	-	14%
5						
	All	15	67	42	36	43%
	Not Free & R	-	-	-	-	53%
	Free and R	-	-	-	-	28%
	Special Ed	-	-	-	-	10%
6						
	All	63	40	70	60	41%
	Not Free & R	-	-	-	-	51%
	Free and R	-	-	-	-	25%
	Special Ed	-	-	-	-	5%
7						
	All	16		58	65	46%
	Not Free & R	-	-	-	-	56%
	Free and R	-	-	-	-	28%
	Special Ed	-	-	-	-	6%
8						
	All	56		27	31	44%
	Not Free & R	-	-	-	-	54%
	Free and R	-	-	-	-	26%
	Special Ed	-	-	-	-	4%

2015-2016 Enrollment Profile:

Free and Reduced % By School

Barnet: Peacham: Walden: Waterford:
 48% 31% 61% 36%

Support Services % By School (IEP, 504, EST)

Barnet: Peacham: Walden: Waterford:
 14% 27% 16% 12%

**Vermont Smarter Balanced Testing Results 2016
 Top Ten/Twenty Schools Testing Results**

	English ALL Top 10	English ALL Top 20	English FRL Top 10	English FRL Top 20		Math ALL Top 10	Math ALL Top 20	Math FRL Top 10	Math FRL Top 20
Grade									
3	83-96%	77-96%	58-82%	47-82%		81-92%	79-92%	59-80%	50-80%
4	80-89%	75-89%	48-85%	42-85%		81-90%	75-90%	53-85%	38-85%
5	84-96%	78-96%	63-79%	50-79%		73-85%	64-85%	44-72%	36-72%
6	80-94%	75-94%	50-83%	42-83%		73-89%	63-89%	36-46%	25-46%
7	77-94%	73-94%	54-73%	47-73%		67-85%	62-85%	40-64%	31-64%
8	80-94%	77-94%	55-79%	47-73%		68-82%	63-82%	37-64%	33-64%
11	71-82%		54-85%			48-67%		28-44%	

Note:

Chart shows the percentage of students who scored proficient or above of the ten (and twenty) highest scoring public schools in Vermont for all students and for lower income students (FRL = Free or Reduced Lunch)

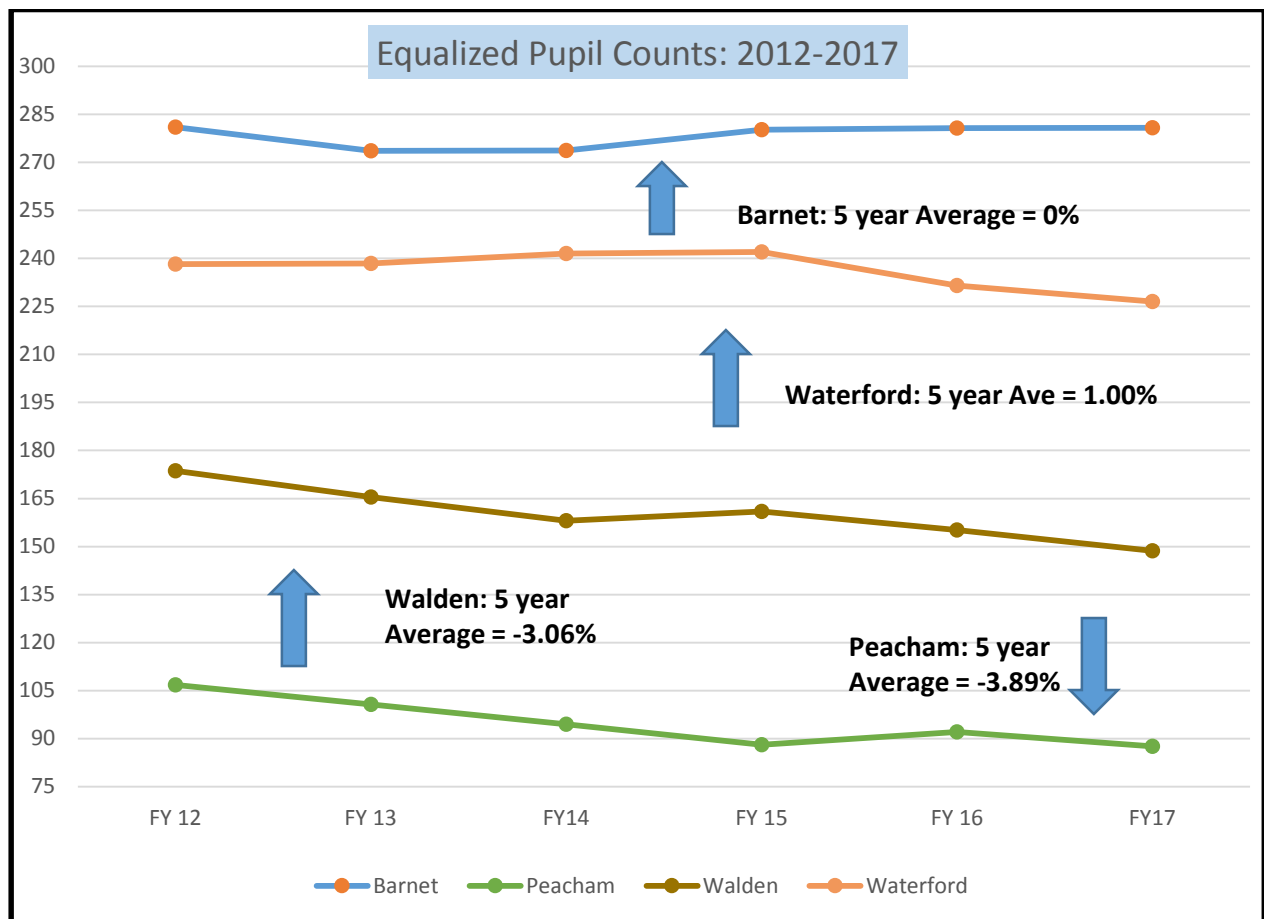
Appendix 2. Unified Arts/Specials Program Analysis: 2016-2017

Town	Art	Music	Library	P.E.	Foreign Lang	Technology	Guidance/Health
Barnet							
Pk-6	1/wk (45 min)	1/wk (45 min)	Pk-2 only 1/wk (30 min)	3/wk (30 min) 2/wk (45 min)	1/wk (45 min)	none	1/wk (30 min) rotates after 4 wks
7-8	Art Elective 1-2/week 1 Elective/trimester	Music and Band Elective 1-2/week 1 Elective/trimester	none	3/wk (45 min)	3/wk (45 min) 1 Elective/trimester	Technology Elective 1-2/week 1 Elect./trimester	none
Peacham							
Pk-6	1/wk (45 min)	1/wk (45 min) + Band/Music Lessons 3-6 Band 1/wk	none	1/wk (45 min)	1/wk (45 min)	none	1/wk (45 min)
Walden							
Pk-8	1/wk (45 min)	1/wk (45 min) 5-8 Band 1/wk	1/wk book checkout	2/wk (45 min)	none	none	1/wk (45 min)
Waterford							
Pk-8	1/wk (45 min) Elective: add't period		1/wk (45 min)	2/wk (45 min)	none	1/wk (45 min)	Guid: 1/wk (45 min) SAP: 1/wk (45 min)
Pk-3		1/wk (45 min)					
Grade 4		3/wk (45 min) recorder, chorus, general.					
Grade 5		3/wk (45 min) Band, Chorus, General 1/wk (30 min) lesson					
6-8		3/wk (45 min) Band, Jazz Band, Chorus, General 1/wk (30 min) lesson					

Appendix 3. Enrollment Patterns:

Equalized Pupil Counts: 2012 - 2017

	FY 12	FY 13	FY14	FY 15	FY 16	FY17
Barnet						
Calculated	281.02	273.58	273.72	280.21	280.70	280.82
Phantoms	0	0	0	0	0	0
Hold Harmless	281.02	273.58	273.72	280.21	280.70	280.82
Peacham						
Calculated	106.81	100.66	94.42	88.04	92.04	87.59
Phantoms	0	2.41	5.04	7.94	0	
Hold Harmless	106.81	103.07	99.46	95.98	92.62	87.59
Walden						
Calculated	173.64	165.44	158.05	160.98	155.14	148.66
Phantoms	0	1.91	3.44	0		
Hold Harmless	173.64	167.35	161.49	160.98	155.14	148.66
Waterford						
Calculated	238.24	238.40	241.54	242.08	231.51	226.53
Phantoms	0	0	0	0	1.1	
Hold Harmless	238.24	238.40	241.54		232.61	226.53



Appendix 4. Current Staffing and Enrollment Patterns 2016-2017

	Barnet		Walden		Waterford	
	Students	Teachers	Students	Teachers	Students	Teachers
PR-K	31	2	12	1	14	.75
K	13	2	8	1	15	1
1	18	2	7	1	16	1
2	17		7	(multi-age)	13	1
3	31	2	7	1	16	1
4	21		9	(multi-age)	12	1
5	20		7		11	1
6	16	5	6	3	24	3
7	21	(team)	9	(team)	12	
8	21		11		20	
Totals	209	13	83	7	153	9.75
Specials						
F.L.		.5				
Music		1		.3		.8
Art		1		.2		.4
Lib/Med		1				1
Phys Ed		1		.6		.6
Guidance		1				.3
Sp'Ed		2.5		1.5		2
Reading/Lit		2		1.5		1
Speech/Lan		1		.6		
Math Intv						1
Beh. Inv.		2		1		.5
Nurse		1		.3		.3
Health		(Nurse)		(Nurse)		
Totals		14		5.4		7.9
Para's		9		3.0		10.65

**Appendix 5. Five-Year Trends in Education Spending, Equalized Pupil Counts,
and Equalized Spending per Equalized Pupil**

5 Year Trends in Educational Spending

	FY13	FY14	FY15	FY16	FY17	FY18	Total % Change	Ave % Change/yr
Barnet	\$3,796,621	\$4,013,592	\$4,121,231	\$4,029,939	\$4,261,614	\$4,647,142	22%	4.5%
Walden	\$1,937,669	\$2,058,587	\$2,076,139	1,827,498	\$1,870,554	\$1,975,249	2%	-
Waterford	\$3,168,837	\$3,461,568	\$3,601,602	\$3,515,949	\$3,418,916	\$3,457,144	9%	1.8%

5 Year Trends in Equalized Pupil Counts

	FY13	FY14	FY15	FY16	FY17	FY18	Total % Change	Ave % Change/yr
Barnet	273.58	273.72	280.21	280.70	280.82	284.28	3.9%	-
Walden	167.35	161.49	160.98	155.14	148.66	146.52	-12%	-2.5
Waterford	238.40	241.54	242.08	233.08	226.53	218.60	-8.3%	-1.7%

5 Year Trends in Equalized Spending/Equalized Pupil

	FY13	FY14	FY15	FY16	FY17	FY18	Total % Change	Ave % Change/yr
Barnet	\$13,877.55	\$14,663.13	\$14,707.65	\$14,356.75	\$15,175.61	\$16,374.06	18%	3.5%
Walden	\$11,578.64	\$12,747.46	\$12,896.88	\$11,779.67	\$12,582.77	\$13,481.09	16%	3.2%
Waterford	\$13,292.10	\$14,331.24	\$14,877.73	\$15,050.51	\$15,092.55	\$15,814.93	19%	3.8%

Appendix 6. Statement of Values

Description	Sqr Ftq	Date Built	Building Value	Personal Property	Site Improvements	Computer Equipment	Total Value
Barnet School District							
School	34,280	1/1/1980	5,830,700	583,100	525,357	110,500	7,049,657
Recreational Building	200	1/1/1980	10,000	2,000	-	-	12,000
Bicycle shed			5,000				5,000
Total			5,845,700	585,100			7,066,657
Walden School District							
School	17,100	1/1/1996	2,903,600	290,400	169,300	57,500	3,420,800
Mobile Classroom	900	1/1/2001	85,000	7,650	-	-	92,650
Total			2,988,600	298,050			3,513,450
Waterford School District							
School	21,592	1957	2,997,000	311,500	326,000	45,000	3,308,500

SHORT AND LONG TERM RESERVE FUNDS

Barnet As of FY16 Audit: \$38,149 Unassigned Fund Balance, \$0 Capital Projects
Walden As of FY16 Audit: \$98,663 Unassigned Fund Balance, \$0 Capital Projects
Waterford: \$383,000.00 Capital Fund Balance

SHORT AND LONG TERM DEBT

Barnet, Walden and Waterford: no debt

Appendix 7. Projected Operational Savings – Centralizing Two SU Offices

Current configurations vs. possible configuration – Based on FY18 Salary and Benefit Packages								
		WNESU		CCSU		NEW		
	FTE		FTE		FTE			
Business Manager	1.00	\$111,849	1.00	\$102,480	1.00	\$112,000		Business Manager
Payroll	1.00	\$63,519	1.00	\$53,700	1.00	\$64,000		Payroll
AP/AR/Tuition	1.00	\$65,972	1.00	\$47,200	1.50	\$90,000		AP/AR/Tuition
Superintendent	1.00	\$139,024	1.00	\$137,500	1.00	\$150,000		Superintendent
Ex Asst/HR	1.00	\$54,386	1.00	\$61,300	1.00	\$65,000		HR
					1.00	\$55,000		Ex Asst
Special Ed Director	1.00	\$106,576	1.00	\$114,300	1.00	\$115,000		Special Ed Director
Manager/Medicaid	0.50	\$40,855	0.75	\$31,200	1.00	\$70,000		Manager/Medicaid
Early Ed			0.60	\$80,500	1.00	\$90,000		Early Ed
Curriculum Director	1.00	\$94,380	1.00	\$107,600	1.00	\$108,000		Asst Super for Curriculum
Food Service	1.00	\$53,795	0.81	\$59,500	1.00	\$70,000		Food Service Director
	1.00	\$59,783			1.00	\$53,795		Manager
Facilities/ Trans Director	1.00	\$77,518	0.00	\$-	1.00	\$88,000		Facilities/ Trans Director
Tech Director			1.00	\$87,500	1.00	\$88,000		
Assistant			1.60	\$61,700	2.00	\$80,000		
Wildbranch		\$139,448						
21C			0.68	\$50,200	1.00	\$70,000		21C
	10.50	\$1,007,105	12.43	\$994,680	17.50	\$1,368,795		
Totals both WNESU & CCSU			22.93	\$2,001,785				
Decrease as combined SU					(5.43)	\$(632,990)		

Appendix 8. Exploratory Report

Barnet, Peacham, Walden, and Waterford District Unification Act 46 Study Committee Exploratory Report – July 29, 2016

Overview:

Act 46 is a far reaching piece of legislation which has led the tuition districts of Barnet (PK-6), Peacham (PK-8), Walden (PK-6), and Waterford (PK-6) to explore the potential benefits of unifying their existing governance structures into a single, school board responsible for serving every student in these four school districts. The central goal of the law is improving the educational quality of schools throughout Vermont and to achieve that goal at an affordable and sustainable cost that taxpayers will value.

At the heart of the law are five key goals which the committee saw as essential guides to their work:

- *To provide substantive equity in the quality and variety of educational opportunities statewide.*
- *To lead students to achieve or exceed the State's Educational Quality Standards.*
- *To maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with the goal of increasing the district-level ratio of students to full-time equivalent staff*
- *To promote transparency and accountability.*
- *To achieve these goals at a cost that parents, voters, and taxpayers value.*

Central to the committee's deliberations concerning any potential plan to unify their current school districts into a single district governed by a single school board representing the sending towns of Barnet, Peacham, Walden, and Waterford was one central overriding question:

How would unification benefit our children? Specifically, how would a new, unified district governance structure provide better, more equitable instructional opportunities and better support students to achieve or exceed the State's Educational Quality Standards?

In examining this key question, the committee examined the educational, cultural, financial, and operational opportunities and challenges, that would attend any plan for district unification.

Reflected in this report are the specific issues the committee examined:

- Potential Unification Structures Under the Law

- The Opportunities and Challenges of Unification - Educational, Cultural, Financial, and Operational
- The Current Enrollment and Staffing Patterns of the Schools in Each District
- Financial and Tax implications of a merger Between the Four School Districts
- Implications of sharing existing district assets and liabilities
- Representation on a 706b Study Committee
- Alternative Representational Structures for representation on a unified school board including the 2010 Census Data for Barnet, Peacham, Walden, and Waterford

At the conclusion of the Exploratory Study, the Boards of Barnet, Walden, and Waterford voted to move forward a formal 706B process for the purpose of exploring the creation of a Side-by-Side Regional Education District and possibly creating Articles of Agreement to put before the voters in their respective communities.

Peacham, at this time, is still investigating other merger/alternative options that might allow the district to either maintain its current structure or create an alternative structure that would, in particular, maintain school choice options for its 7th and 8th grade students. It is still possible for Peacham to join the other forming districts at some later time as an advisable member of the BWW 706 team exploring the creation of a Side-by-Side R.E.D.

Central to Formal Study that lies ahead is exploring and agreeing to:

- A.** A set of **Educational Principles** to guide the unification process.
- B.** A concrete **Educational Vision for Unification** that would address the specific goals of Act 46. The committee believes that it is not enough to simply point out the potential opportunities that might attend a unification of existing governance structures but to provide voters with concrete examples of how a unified district might in fact operate, and the opportunity to evaluate specific initiatives that would equitably address the educational needs of students throughout the current supervisory union, and,
- C.** A plan for **Maximizing Efficiencies** through Financial Accounting, Budgeting, and Administration.
- D.** A **Transition Plan** should the voters approve the proposed plan for district unification.
- E.** Specific **Articles of Agreement** for consideration by the voters of each sending district as required by law, including:

R.E.D. Description:

- Names of School Districts considered Necessary and Advisable (if any) for forming new R.E.D.
- Cost and location of any new Schools or Proposed Renovations

- Grades to be Operated

Representation of New R.E.D School Board

- Method of Apportionment
- Number of Representatives
- Terms of Office
- Terms of initial Board Members – 1/3rd expiration per annual meeting

Financials:

- Financial Assessment: Assets and Liabilities
 - List of Indebtedness of new R.E.D
- Accounting of Real Property Acquired by new R.E.D
 - Valuation
 - How the new R.E.D will pay for them
- Allocation of capital and operating expenses of R.E.D. among member districts.

Date on which the proposed R.E.D. will be submitted to voters

Date on which the R.E.D. will begin operation

Plan for First Year of R.E.D. Operation:

- Transportation Plan
- Assignment of Staff
- Curriculum

Other matters of specific concern to the forming districts.

Respectfully Submitted,

Peter A. Clarke
Act 46 Coordinator
July 29, 2016

Section 1: Potential Unification Structures Under the Law

Under Act 46, there are currently 2 distinct pathways for the districts of Barnet, Peacham, Walden, and Waterford to move forward. First, collectively undertaking a Phase 2 Merger to form a Regional Education District (R.E.D.) approved by each district's electorate by July 1, 2017 or second, individually submitting an Alternative Proposal to the Agency of Education by November 30, 2017 that either retains each district's current structure, or establishes a different structure with one or more other districts, or creates a working relationship with other districts (e.g. contracts).

The BPWW Study Team primarily focused on whether it would be educationally and operationally advantageous to unify their existing districts into a Regional Educational District or one of its variations.

Option 1: Regional Educational District

The basic criteria for forming a R.E.D. (Except as altered by one of three R.E.D. variations: Side-By-Side; Layered Mergers; or Modified Unified Union School District) are:

- Size:
 - 1,250 ADM
 - or*
 - Result from the merger of 4 existing districts
- Merging districts do not need to be in same original SU
- Responsible for the education of all resident students:
 - PK-12 or,
 - PK-6 (8); tuitions 7-12 (or 9-12) or,
 - Tuitions PK-12.
- Once merged -
 - Can be its own supervisory district
 - or*
 - Can be a unified union district within a larger SU

In exploring this option, it was noted that in order to meet the basic criteria for creating a Regional Educational District, Peacham would need to voluntarily agree to give up school choice for its 7th and 8th graders and restructure itself as a PK-6 tuition district, matching the choice options afforded by the other forming districts. It was also noted that without Peacham's involvement, the collective ADM of the remaining districts doesn't meet the size criteria for forming a R.E.D. making this option impossible under existing law.

Option 2: Side-By-Side (Regional Educational District Variation)

The second unification option under the law would involve forming a Side-By-Side R.E.D by creating a new Supervisory Union with other unifying districts – in this case with the districts of

Cabot, Danville, and Twinfield who are currently exploring the creation of a unified PK-12 district which would constitute the “other” side of the new Side-By-Side.

The basic criteria for forming a Side-by-Side include:

- Two or more newly merged districts
- Both / each new district must result from the merger of 2 or more existing districts
- At least one of the newly created PK-12 districts must operate PK-12
- At least one of the newly created PK-12 districts must pay tuition for:
 - all grades
 - or*
 - some grades and operate all others
- Merging districts do not need to be in same original SU
- Newly merged districts must be in same SU after merger
 - Ultimate SU can include other, unmerged districts as well.

It was noted that this option would allow the districts of Barnet, Walden, and Waterford to move to unify without Peacham and receive incentives under the law, as well as keeping their existing small school grants where applicable. In addition, Peacham could decide to put this option before its voters but as with option 1 would need to voluntarily decide to give up school choice for its 7th and 8th grade students. Finally, it was noted that for this option to become a reality two of the three PK-12 districts (Cabot, Danville, Twinfield) would need to unify to form the other side of this R.E.D. variation.

Option 3: Non-Merging Districts (Alternative Structures)

By 11/30/17 a district that does not voluntarily merge by 7/1/19 must:

- Self-evaluate
- Meet with other districts
- Present a proposal to the Secretary & State Board of Education to:
 - Keep its current governance structure *or*
 - Change its current governance structure *or*
 - Change its manner of operation in some other way (*e.g.*, contractually)

By 6/1/18, the Secretary of Education will:

- Consider the non-merging districts’ proposals
- Review the approved mergers
- Publish a *proposed* plan to merge districts or change SU boundaries by 7/1/19:
 - To the *extent necessary* to meet State goals
 - including no socioeconomic isolation
 - To the *extent possible / practicable* in the region

By 11/30/18, The State Board will:

- Take testimony
- Evaluate the proposals (non-merging districts' and Secretary's)
- Issue a final plan to merge districts and / or to change SU boundaries

The Final Plan will:

- Make changes *to the extent necessary* to meet State goals
- Make changes *to the extent practicable*, given the realities of geography and population
- *Preserve* each current district's existing *decision to pay tuition or operate schools*

Interstate school districts, CTE districts, and recently merged districts are grandfathered – the Final Plan will not *require* them to change

In evaluating this pathway, three of the districts in the exploratory study (Barnet, Walden, and Waterford) preferred to move ahead to undertake a formal 706 study process for the purpose of exploring the creation of a Side-by-Side Regional Education District and possibly creating Articles of Agreement to put before the voters in their respective communities.

Peacham, at this time, is still investigating other merger/alternative options that might allow the district to either maintain its current structure or create an alternative structure that would, in particular, maintain school choice options for its 7th and 8th grade students. It is still possible for Peacham to join the other forming districts at some later time as an advisable member of the BWW 706 team exploring the creation of a Side-by-Side R.E.D.

Section 2: Opportunities and Challenges

Opportunities:

During the course of its deliberations the Study Team identified a broad range of program opportunities that they wished were currently available to the students in their individual districts. The hope was expressed that many of these might be more feasible to implement through unification.

These aspirations included:

- Foreign language – Spanish, French, Latin; K-8; to increase global opportunities for students; Immersion in foreign language so that it is taught with a purpose.
- Students achieving at 100% proficiency at grade level) in math and reading by 3rd grade.
- More gardening and outside education connected with community outreach. Outdoor education integrated into the curriculum; for health; special to Vermont; hands on learning (mops, hand tools).
- Bring back home economics and industrial arts, cooking, financial literacy, makers' space or something similar.
- Parental collaboration and constructive involvement; immediate feedback for decisions made, supportive or not. Children would be better served and the Board would be more effective. Parents bring skills to the table that are under-utilized. Could bring home the same message that students hear at school. Parents would see where teachers are going; instructional support. Parent and community involvement in the governance. Have funds to do a dinner or party before a meeting to draw people in.
- Partnership with higher education; project based learning with colleges and universities that goes beyond the four walls of school; explore space or oceans.
- Expanding the after school program until 5:00 (at Waterford and Walden specifically); provide transportation for the program.
- Stipend (scholarships) for outside lessons for students who cannot afford these lessons; transportation provided.
- Year-round school year; new schedules set not school being held 365 days a year.
- Full day for school – 7:00 to 5:00 – serve all meals, read to students, interact with families outside the school.

- Community focus expansion; for example: partnership of a graded school and a retirement home.
- Coding; higher level technology; robotics.
- Explore the idea of a regional middle school to better serve 6th to 8th graders by having something that is targeted towards them and not just an expansion of elementary; greater socialization; different education focus; targeted development; increased opportunities for learning.
- Expansion of arts opportunities; creativity for students; bring them out of their shells; immersion/creativity. Film or video opportunities; drama; cartooning; Artist in residence; cultural opportunities off campus.
- Expanded partnership with Fairbanks and Montshire Museums, VINS; external learning opportunities.
- Regional special education facility so those students are not tuitioned out; develop a program for them specifically.
- Resources to either create and expand class sizes (cohort) or have smaller groups work together, in particular for math. Small group intervention.
- Get away from multi-age classrooms and back to age based cohorts. Younger grades are okay in smaller groups but it is not so great for older grades. Going back and forth is not productive. Increased cohort size versus multi-age classes. Multi-age as a philosophy vs. mixed grades as a necessity.
- Expanding gym (in Waterford, Walden, and Peacham specifically)
- Civics taught in school.
- More oversight of the implementation of curriculum.
- Sports and a wider variety of opportunities.
- More books; expand the library.

In addition, the Committee also identified current programs that they thought might be more effectively implemented through unification:

- Middle school; for the same reasons listed above.
- ELO (after school program) staff offerings and instructors.
- Enrichment for the tougher students.
- Food service; better school to garden, localization, bring schools and restaurants together.
- Better transportation for all programs; after school program, athletics, and for parts of town that currently do not have bussing options.
- Teaching of math; educating parents so they understand math; educating the people teaching math so they understand the continuum of teaching it.
- Collaboration time for teachers and continuing that collaboration; instructional accountability.
- Science; co-mingling with the real world better; approve how it is taught and where it is going.
- Unified program (PK-6) evaluations or audits; implementation of curriculum or technology integration.
- Authentic efforts that draw parents and the community into the schools.
- Unified goals, vision, and mission statement (PK-6) and align programs across schools.
- Community building through the students.
- Better community engagement.
- Foundation of historic perspective within history and civics.
- Educational excitement; getting and keeping students excited.
- Stop changing things up constantly; continuity of process.
- Encourage students to be thinkers and creators.

Challenges:

The biggest challenges identified by the Committee primarily dealt with the potential loss of connection between local communities and their schools, particularly the challenge of creating a responsive “regional” governance body administering four culturally unique local schools.

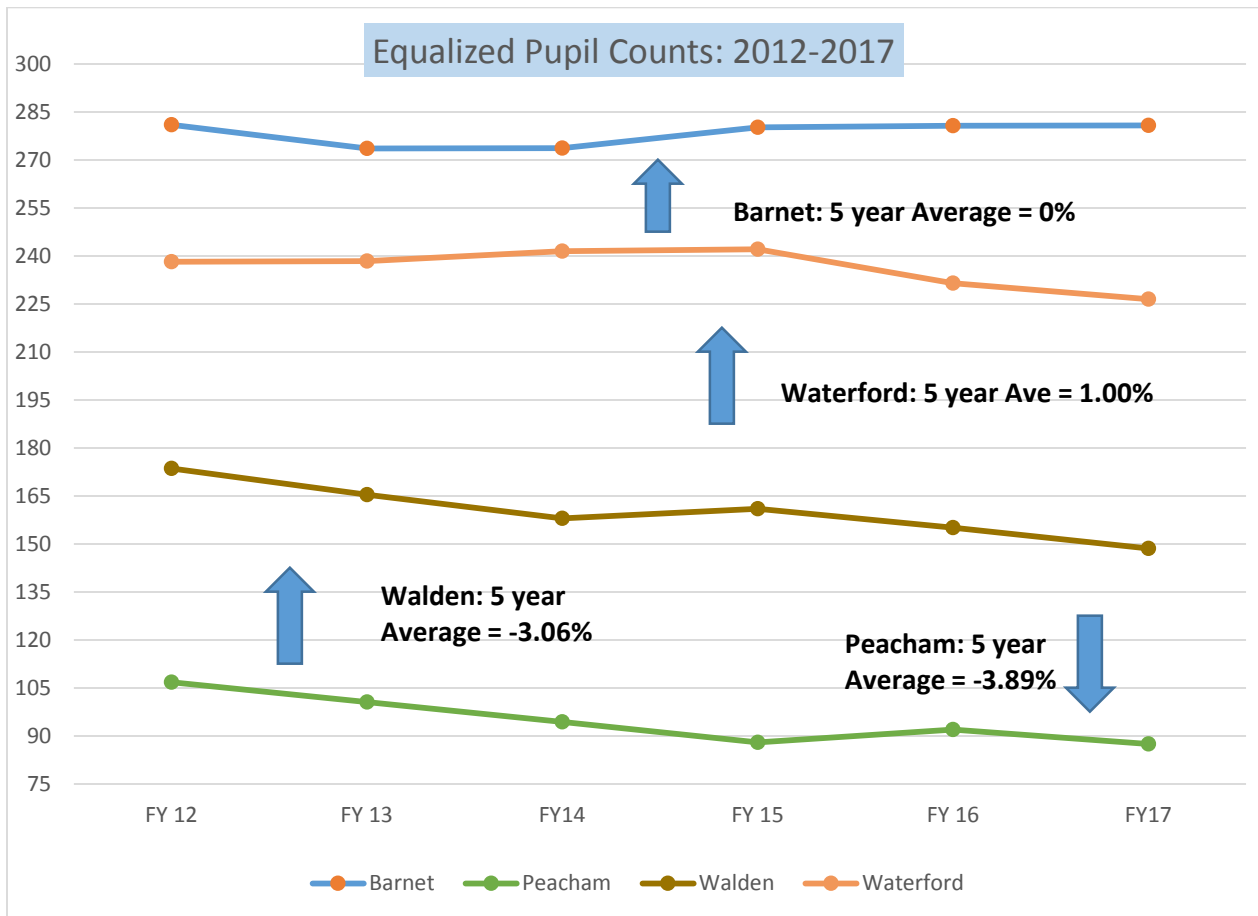
There was a concern that “regionalization” might make existing schools mediocre. How would an effective and responsive regional/unified school board be created and sustained?

It was agreed that good leadership and mindfulness would be necessary; that new cultural patterns of mutual engagement would need to be built between the towns; and that new strategies for fostering community involvement in a regional district would need to be developed and implemented effectively.

Section 3: Current Enrollment and Staffing Patterns

Equalized Pupil Counts: 2012 - 2017

	FY 12	FY 13	FY14	FY 15	FY 16	FY17
Barnet						
Calculated	281.02	273.58	273.72	280.21	280.70	280.82
Phantoms	0	0	0	0	0	0
Hold Harmless	281.02	273.58	273.72	280.21	280.70	280.82
Peacham						
Calculated	106.81	100.66	94.42	88.04	92.04	87.59
Phantoms	0	2.41	5.04	7.94	0	
Hold Harmless	106.81	103.07	99.46	95.98	92.62	87.59
Walden						
Calculated	173.64	165.44	158.05	160.98	155.14	148.66
Phantoms	0	1.91	3.44	0		
Hold Harmless	173.64	167.35	161.49	160.98	155.14	148.66
Waterford						
Calculated	238.24	238.40	241.54	242.08	231.51	226.53
Phantoms	0	0	0	0	1.1	
Hold Harmless	238.24	238.40	241.54		232.61	226.53



Current Staffing and Enrollment Patterns 2015-2016

	Barne t		Peach am		Walde n		Conco rd		Waterf ord	
	Stude nts	Teach ers	Stude nts	Teach ers	Stude nts	Teach ers	Stude nts	Teach ers	Studen ts	Teach ers
PR-K	27	2	10	1	8	2	19	1	17	1
K	18	2	4		11		13	1	16	1
1	16	1/2 : 2	5	1	8	1	7	1	16	1
2	30	2 : 1	5		11		16	1	13	1
3	18	2	8	1	10	1	21	1	11	1
4	20		5	Hum.	6		19	1	11	1
5	13	1	9	1	13	2	15	1	22	1
6	19	1	5	M/Sci	9		16	3	16	3
	19	1		1			17		14	
7	25	1					19		16	
8			-	-	12	2				
			-	-	11					
Totals	205	13	51	5.2	99	8	162	10	152	10
Specials										
F.L.		.5 (Span)		.2 (Frenc h)						
Music		1		.3		.4		1		.8
Art		.6		.2		.2		1		.4
Lib/Med		1		(3/4 Team)				1		1
Phys Ed		1		.2		.6		1		.6
Guidanc e		1		.2				1		.4
Sp'Ed		3		.3		2		2		2
Reading /Lit				.5		1		1		1
Speech/ Lan		1								
Math Intv								1		
Beh. Inv.		2				*				.5
Nurse		1		.1		.3				
Health		(Nurse)		.3		.2				
Totals		12.1		2.3		4.7		9		6.7
Para's		?		?		?		9		2

In examining existing staffing and enrollment patterns, it was clear to the committee that there are unrealized efficiencies and cost savings that might be achieved by sharing staff or restructuring the current delivery of instructional programs across existing schools. The goal being to reinvest those savings in future program development and program equity across existing schools.

Finally, while the trend lines in student enrollment seem to have stabilized for the moment, the long-term trends suggest continued decline, creating additional pressure on local districts to maintain their existing instructional opportunities at a level acceptable to local taxpayers. Unification could provide additional strategies (intra-district school choice?) for responding to future fluctuations in class size at individual schools.

Section 4: Financial/Tax Implications of Unification

A. Introduction to Financial Model

Model Projections:

This financial model projects trends in future homestead tax rates through FY23 for the tuition districts of Caledonia participating in this study. The model projects:

- The trend lines in Educational Spending and Local Tax rates for a merged district beginning in FY19, and
- The trend lines in Educational Spending and Local Tax rates for those same districts should they remain as they are (No Change Scenario), and,
- The differences in tax rates between a merged scenario and a No Change Scenario and computes the total increases/decreases in tax liabilities through FY23.

Note: The model was created for purposes of comparative illustrations, and under no circumstances should be relied upon to forecast future actual tax rates resulting if and when a merger occurs or does not occur.

The model does not account for, nor is it intended to account for, policy decisions, management decisions and/or changes in any factor reflected in the model, now or over time.

B. Assumptions:

- The model assumes that the new unified district would come into existence in FY19.
- The Model uses existing financial data from FY12 to FY17 from each individual district involved in this study for determining the baseline for educational spending, equalized pupils, equalized spending per equalized pupil, etc. for the new merged district.
- It considers the previous five-year average for the determining the change rates for education spending and equalized pupils, though individual districts can adjust these rates at their own discretion should they believe past trends to be an inaccurate predictor of future trends.
- The model builds in the tax incentives associated with a Phase II merger over the first four years of the new district's existence. It also takes into account the 5% rate limit on increases or decreases on the homestead property tax rate during that same time frame.
- The merged model leaves in place the hold-harmless provision on equalized pupil calculations (e.g. equalized pupil counts do not drop more than 3.5% per year) for every

eligible district in the new merged district as well as the continuation of small schools grants to eligible districts

- For, the No Change Scenario, hold-harmless and small school grants are phased out in accordance with the terms of Act 46. (Hold-Harmless FY21 and Small Schools Grants FY20)
- The model's default setting projects the taxes on a \$150,000 house. That setting can be changed to project the potential tax impact on properties assessed at different values.
- The model **assumes no operational savings due to unification** at this point, reflecting only the tax savings coming primarily from the incentives built into the law. The model does include a placeholder in year 1 for plugging in operational savings when those savings are clearly identified later in the study.

C. Rates of Change:

- The model allows the user to manipulate the rates of change in:
 - ✓ Educational Spending for each town and for the new district as a whole.
 - ✓ Equalized Pupils for each town and for the new district as a whole.
 - ✓ Educational Grand List for each town. (In the current iteration of this model, we left the GL unchanged (0%).

To determine a **starting place** for assessing projected rates of change in Educational Spending and Equalized Pupils, this model uses the previous five-year average change rate in Educational Spending and Equalized Pupil Counts based on the specific data from FY12 and FY17, as well as, the recommendations of the Business Managers in Calendonía Central and Essex Caledonia.

Finally, for those districts with phantom students, the rate was calculated using the actual change in actual students not the hold-harmless calculations used in arriving at Equalized Pupil rates. This was done to reflect what is actually happening “on the ground” in each district involved.

Chart 1: Enrollment/Financial Data used in Model

Financial/Enrollment Data for Barnet, Peacham, Walden, and Waterford – A Proposed Merger of four Pk-8 Districts

Financials (FY 12 Ed Spending included for estimating trends)

District	FY 12 Ed Spending	FY 16 Eq Pupils	FY 16 Ed. Spending	FY 16 Eq sp/ Eq pupil	FY16 Homestd Rate (9,459)	FY 16 CLA	FY16 Local Tax Rate	FY 17 Eq Pupils	FY 17 Ed Spending	FY 17 Eq sp/ Eq pupil	FY17 Homestd Rate (9,701)	FY 17 CLA	FY17 Local Tax Rate
Barnet	3,569,186	280.7	4,027,569	14,348	1.52	104.29	1.46	280.82	4,261,614	15,176	1.56	105.52	1.48
Peacham	1,428,985	92.62	1,505,547	16,255	1.70	103.57	1.64	87.59	1,586,503	18,113	1.87	111.29	1.68
Walden	1,724,207	155.14	1,827,498	11,780	1.23	97.97	1.26	148.66	2,063,986	13,884	1.43	96.82	1.48
Waterford	2,827,946	233.61	3,515,949	15,050.51	1.5752	98.09	1.6059	226.53	3,418,916	15,092.55	1.5291	102.73	1.4885

Equalized Pupil Counts (For Estimating Trends)

	FY12	FY 17
Barnet	281.02	280.82
Peacham	106.81	87.59
Walden	173.64	148.66
Waterford	238.24	226.53

Phantoms:

1. Barnet, Peacham, and Walden had no phantoms in FY 16 or FY17
2. Waterford had 1.1 Phantoms in FY16 and no Phantoms in FY 17

Small Schools Grants:

1. Peacham gets a small schools grant: FY16: 75,830; FY 17: 75,895.
2. Walden gets a small schools grant: FY 16: 115,741; FY 17: 110,465
3. Waterford gets a small school grant: FY 16: 68,568; FY 17: 51,393

Placeholder for District-Wide Savings in First Year of Operation

Different Growth rate place holder for District

Chart 2: Change Rates used in Financial Models

Changes:			
	EdSpInc	EqPupInc	GL Inc
Barnet	3.61%	-0.01%	0%
Peacham	2.11%	-3.89%	0%
Walden	3.66%	-3.06%	0%
Waterford	3.87%	-1.00%	0%
RED Rate	3.00%	<-- This rate kicks in starting FY19 in the RED model only	
2017			
	EdSpRev	EqPup	
Barnet	\$4,261,614	280.82	
Peacham	\$1,586,503	87.59	
Walden	\$2,063,986	148.66	
Waterford	\$3,418,916	226.53	
2012			
	EdSpRev	EqPup	
Barnet	\$3,569,186	281.02	
Peacham	\$1,428,985	106.81	
Walden	\$1,724,207	173.64	
Waterford	\$2,827,946	238.24	
INCREASES			
	EdSpRev	EqPup	
Barnet	3.61%	-0.01%	
Peacham	2.11%	-3.89%	
Walden	3.66%	-3.06%	
Waterford	3.87%	-1.00%	
Average	3.48%		

Results: Model 1 – Barnet, Peacham, Walden, and Waterford

Projected Tax Rates/Savings Due to Unification

RED, effective FY19; Model 1	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Total
Barnet								
Homestead Tax Rate	\$1.4825	\$1.5362	\$1.5537	\$1.6437	\$1.7363	\$1.8317	\$1.9302	
Tax \$ (homestead)	\$3,871,068	\$4,011,380	\$4,057,161	\$4,292,003	\$4,533,775	\$4,782,971	\$5,040,085	
Tax savings due to unification	\$0	\$0	\$99,480	\$15,095	(\$70,775)	(\$158,377)	(\$248,206)	(\$362,781)
Tax \$ on \$150K home	\$2,346	\$2,432	\$2,459	\$2,602	\$2,748	\$2,899	\$3,055	
Tax savings on \$150K home	\$0	\$0	\$60	\$9	(\$43)	(\$96)	(\$150)	(\$220)
Peacham								
Homestead Tax Rate	\$1.6777	\$1.7753	\$1.6865	\$1.6022	\$1.6462	\$1.7367	\$1.8301	
Tax \$ (homestead)	\$2,581,667	\$2,731,830	\$2,595,218	\$2,465,519	\$2,533,272	\$2,672,512	\$2,816,176	
Tax savings due to unification	\$0	\$0	\$295,348	\$769,619	\$903,881	\$979,100	\$1,063,446	\$4,011,394
Tax \$ on \$150K home	\$2,801	\$2,964	\$2,815	\$2,675	\$2,748	\$2,899	\$3,055	
Tax savings on \$150K home	\$0	\$0	\$320	\$835	\$981	\$1,062	\$1,154	\$4,352
Walden								
Homestead Tax Rate	\$1.4782	\$1.5807	\$1.6597	\$1.7426	\$1.8298	\$1.9213	\$2.1036	
Tax \$ (homestead)	\$1,312,117	\$1,403,063	\$1,473,198	\$1,546,817	\$1,624,194	\$1,705,422	\$1,867,236	
Tax savings due to unification	\$0	\$0	\$27,137	\$134,586	\$173,824	\$217,189	\$188,676	\$741,412
Tax \$ on \$150K home	\$2,147	\$2,296	\$2,410	\$2,531	\$2,657	\$2,790	\$3,055	
Tax savings on \$150K home	\$0	\$0	\$44	\$220	\$284	\$355	\$309	\$1,213
Waterford								
Homestead Tax Rate	\$1.5145	\$1.5889	\$1.5959	\$1.6883	\$1.7834	\$1.8814	\$1.9826	
Tax \$ (homestead)	\$2,751,387	\$2,886,675	\$2,899,408	\$3,067,236	\$3,240,016	\$3,418,101	\$3,601,845	
Tax savings due to unification	\$0	\$0	\$129,275	\$153,150	\$138,648	\$126,799	\$117,426	\$665,299
Tax \$ on \$150K home	\$2,334	\$2,448	\$2,459	\$2,602	\$2,748	\$2,899	\$3,055	
Tax savings on \$150K home	\$0	\$0	\$110	\$130	\$118	\$108	\$100	\$564
TOTALS								
Tax \$ Raised in Town	\$10,516,240	\$11,032,948	\$11,024,985	\$11,371,575	\$11,931,257	\$12,579,005	\$13,325,342	\$81,781,352
Tax savings due to unification	\$0	\$0	\$551,241	\$1,072,450	\$1,145,579	\$1,164,712	\$1,121,343	\$5,055,324

Projected Tax Rates Without Unification

No Change	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Total
Barnet								
Homestead Tax Rate	\$1.4825	\$1.5362	\$1.5918	\$1.6495	\$1.7092	\$1.7710	\$1.8351	
Tax \$ (homestead)	\$3,871,068	\$4,011,380	\$4,156,641	\$4,307,099	\$4,463,001	\$4,624,594	\$4,791,879	
Tax \$ on \$150K home	\$2,346	\$2,432	\$2,520	\$2,611	\$2,705	\$2,803	\$2,905	
Peacham								
Homestead Tax Rate	\$1.6777	\$1.753	\$1.8784	\$2.1023	\$2.2336	\$2.3730	\$2.5212	
Tax \$ (homestead)	\$2,581,667	\$2,731,830	\$2,890,566	\$3,235,138	\$3,437,153	\$3,651,612	\$3,879,622	
Tax \$ on \$150K home	\$2,801	\$2,964	\$3,136	\$3,510	\$3,729	\$3,961	\$4,209	
Walden								
Homestead Tax Rate	\$1.4782	\$1.5807	\$1.6902	\$1.8942	\$2.0256	\$2.1660	\$2.3162	
Tax \$ (homestead)	\$1,312,117	\$1,403,063	\$1,500,335	\$1,681,402	\$1,798,018	\$1,922,611	\$2,055,913	
Tax \$ on \$150K home	\$2,147	\$2,296	\$2,455	\$2,751	\$2,942	\$3,146	\$3,364	
Waterford								
Homestead Tax Rate	\$1.5145	\$1.5889	\$1.6671	\$1.7726	\$1.8597	\$1.9512	\$2.0472	
Tax \$ (homestead)	\$2,751,387	\$2,886,675	\$3,028,683	\$3,220,386	\$3,378,664	\$3,544,900	\$3,719,271	
Tax \$ on \$150K home	\$2,334	\$2,448	\$2,569	\$2,732	\$2,866	\$3,007	\$3,155	
TOTALS								
Tax \$ Raised in Town	\$10,516,240	\$11,032,948	\$11,576,225	\$12,444,025	\$13,076,836	\$13,743,717	\$14,446,685	\$86,836,676

Projected Equalized Homestead Tax Rates

Equalized Homestead Tax Rates								
		FY17	FY18	FY19	FY20	FY21	FY22	FY23
RED, effective FY19; Model 1								
	Barnet	1.5643	1.6210	1.6395	1.7344	1.8321	1.9328	2.0367
	Peacham	1.8671	1.9757	1.8769	1.7831	1.8321	1.9328	2.0367
	Walden	1.4312	1.5304	1.6069	1.6872	1.7716	1.8602	2.0367
	Waterford	1.5558	1.6323	1.6395	1.7344	1.8321	1.9328	2.0367
No Change								
	Barnet	1.5643	1.6210	1.6797	1.7405	1.8035	1.8688	1.9364
	Peacham	1.8671	1.9757	2.0905	2.3397	2.4858	2.6409	2.8058
	Walden	1.4312	1.5304	1.6365	1.8340	1.9612	2.0971	2.2425
	Waterford	1.5558	1.6323	1.7126	1.8210	1.9105	2.0045	2.1031

FY23 Equalized Homestead Tax Rates		
	RED	No Change
Barnet	\$2.0367	\$1.9364
Peacham	\$2.0367	\$2.8058
Walden	\$2.0367	\$2.2425
Waterford	\$2.0367	\$2.1031

Results Model 2 – Barnet, Walden, Waterford:

Projected Tax Rates/Savings Due to Unification

RED, effective FY19; Model 1	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Total
Barnet								
Homestead Tax Rate	\$1.4825	\$1.5362	\$1.5069	\$1.5901	\$1.6756	\$1.7636	\$1.8541	
Tax \$ (homestead)	\$3,871,068	\$4,011,380	\$3,934,914	\$4,152,187	\$4,375,399	\$4,605,045	\$4,841,372	
Tax savings due to unification	\$0	\$0	\$221,727	\$154,912	\$87,602	\$19,590	(\$49,493)	\$434,298
Tax \$ on \$150K home	\$2,346	\$2,432	\$2,385	\$2,517	\$2,652	\$2,791	\$2,935	
Tax savings on \$150K home	\$0	\$0	\$134	\$94	\$53	\$12	(\$30)	\$263
Walden								
Homestead Tax Rate	\$1.4782	\$1.5807	\$1.6423	\$1.7330	\$1.8262	\$1.9220	\$2.0207	
Tax \$ (homestead)	\$1,312,117	\$1,403,063	\$1,457,796	\$1,538,290	\$1,620,985	\$1,706,064	\$1,793,618	
Tax savings due to unification	\$0	\$0	\$42,539	\$143,112	\$177,033	\$216,547	\$262,295	\$841,526
Tax \$ on \$150K home	\$2,147	\$2,296	\$2,385	\$2,517	\$2,652	\$2,791	\$2,935	
Tax savings on \$150K home	\$0	\$0	\$70	\$234	\$290	\$354	\$429	\$1,377
Waterford								
Homestead Tax Rate	\$1.5145	\$1.5889	\$1.5478	\$1.6333	\$1.7211	\$1.8114	\$1.9044	
Tax \$ (homestead)	\$2,751,387	\$2,886,675	\$2,812,046	\$2,967,317	\$3,126,834	\$3,290,948	\$3,459,837	
Tax savings due to unification	\$0	\$0	\$216,638	\$253,068	\$251,830	\$253,952	\$259,435	\$1,234,923
Tax \$ on \$150K home	\$2,334	\$2,448	\$2,385	\$2,517	\$2,652	\$2,791	\$2,935	
Tax savings on \$150K home	\$0	\$0	\$184	\$215	\$214	\$215	\$220	\$1,047
TOTALS								
Tax \$ Raised in Town	\$7,934,573	\$8,301,118	\$8,204,755	\$8,657,795	\$9,123,217	\$9,602,056	\$10,094,826	\$61,918,341
Tax savings due to unification	\$0	\$0	\$480,904	\$551,092	\$516,465	\$490,049	\$472,237	\$2,510,748

Projected Tax Rates Without Unification

No Change	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Total
Barnet								
Homestead Tax Rate	\$1.4825	\$1.5362	\$1.5918	\$1.6495	\$1.7092	\$1.7710	\$1.8351	
Tax \$ (homestead)	\$3,871,068	\$4,011,380	\$4,156,641	\$4,307,099	\$4,463,001	\$4,624,594	\$4,791,879	
Tax \$ on \$150K home	\$2,346	\$2,432	\$2,520	\$2,611	\$2,705	\$2,803	\$2,905	
Walden								
Homestead Tax Rate	\$1.4782	\$1.5807	\$1.6902	\$1.8942	\$2.0256	\$2.1660	\$2.3162	
Tax \$ (homestead)	\$1,312,117	\$1,403,063	\$1,500,335	\$1,681,402	\$1,798,018	\$1,922,611	\$2,055,913	
Tax \$ on \$150K home	\$2,147	\$2,296	\$2,455	\$2,751	\$2,942	\$3,146	\$3,364	
Waterford								
Homestead Tax Rate	\$1.5145	\$1.5889	\$1.6671	\$1.7726	\$1.8597	\$1.9512	\$2.0472	
Tax \$ (homestead)	\$2,751,387	\$2,886,675	\$3,028,683	\$3,220,386	\$3,378,664	\$3,544,900	\$3,719,271	
Tax \$ on \$150K home	\$2,334	\$2,448	\$2,569	\$2,732	\$2,866	\$3,007	\$3,155	
TOTALS								
Tax \$ Raised in Town	\$7,934,573	\$8,301,118	\$8,685,660	\$9,208,886	\$9,639,683	\$10,092,105	\$10,567,063	\$64,429,088

Projected Equalized Homestead Tax Rates

Equalized Homestead Tax Rates							
	FY17	FY18	FY19	FY20	FY21	FY22	FY23
RED, effective FY19; Model 1							
Barnet	1.5643	1.6210	1.5901	1.6779	1.7681	1.8609	1.9564
Walden	1.4312	1.5304	1.5901	1.6779	1.7681	1.8609	1.9564
Waterford	1.5558	1.6323	1.5901	1.6779	1.7681	1.8609	1.9564
No Change							
Barnet	1.5643	1.6210	1.6797	1.7405	1.8035	1.8688	1.9364
Walden	1.4312	1.5304	1.6365	1.8340	1.9612	2.0971	2.2425
Waterford	1.5558	1.6323	1.7126	1.8210	1.9105	2.0045	2.1031

FY23 Equalized Homestead Tax Rates		
	RED	No Change
Barnet	\$1.9564	\$1.9364
Walden	\$1.9564	\$2.2425
Waterford	\$1.9564	\$2.1031

Committee Discussion:

In reviewing the data from the financial model, the Committee noted that:

The numbers (equalized pupil counts, educational spending, yield figures, etc.) used in the model are not set in stone and a lot can happen with them. The model was designed to predict trend lines not future tax rates.

Making “no change” (maintaining existing governance structures) would result in loss of small school grants and hold harmless where applicable. Becoming a unified district would result in tax incentives (8,6,4,2 cents over four years off the homestead tax rate), retaining small schools grants and hold harmless.

All education spending and all equalized pupils would be used for a combined homestead rate.

The difference between the two trend lines (“no change” vs. merger) represent the tax savings if there are any.

The yield number is what the state is willing to pay per pupil. The yield number this year is 9,701. The lower the yield number goes, the higher the local taxes are. The model cannot predict the yield number for future years, so the same rate was used throughout.

Local tax rates will be different depending on CLA in each community. The model is set for a growth in CLA over the next five years of zero.

The current grand list information was used for each town. If the list changes, the numbers will change. The model uses the same grand list throughout.

What happens with equalized pupils and to education spending effects the tax rate. In terms of equalized pupils over the last five years, Barnet has remained fairly flat; Waterford on average has lost 1% a year; Walden has lost 3% a year; and Peacham has lost close to 4% a year. For education spending, Barnet has averaged 3.6% increase each year; Peacham has averaged 2.11% increase; Walden has averaged 3.66% increase; and Waterford has averaged 3.87% increase each year over the last five years.

The education spending rate used in the model for the new district is 3%. FY2019 is the assumed date that the new district comes into existence. \$16,681 is the estimated per pupil education spending and \$1.6395 is the estimated homestead rate.

The law says a rate can only go up or down 5% from the current homestead rate. In the model, Barnet and Waterford are at the estimated rate. Peacham cannot drop to that rate. Walden is below the rate and can only go up by 5%.

By FY2023, all the incentives are gone and everyone is at the same rate.

If nothing changes, the rate for Barnet over the next six years goes from 1.56 to 1.93; Peacham goes from 1.86 to 2.8058; Walden goes from 1.43 to 2.24; and Waterford goes from 1.55 to 2.103.

In Model 1 (With Peacham) If the district is formed, the small schools grant stays in place and hold harmless if applicable. Barnet's rate would go from 1.56 to 2.03 and shows no tax benefits by merging. The other three towns do show a tax benefit from merging.

In Model 2 (Without Peacham) If the district is formed, the small schools grant stays in place and hold harmless if applicable. In this model all The three towns (Barnet, Walden, Waterford) show a benefit from merging.

Driving the different outcomes in the two models is the fact that Peacham currently has the highest rate of educational spending per equalized pupil at \$18,113 – almost \$3,000 more than Barnet and Waterford, and almost \$4,000 higher than Walden.

Section 5: Implications of Sharing Existing District Assets and Liabilities

Of particular concern to committee members was how existing reserve funds for each district would be used if all assets and liabilities were co-mingled in the new district. There was a clear consensus that the Articles of Agreement should stipulate to the degree possible under current law that these funds should be used to fulfill their original purposes at the local level from which they originated.

An examination of proposed Articles of Agreement across the state revealed language that appeared to meet the committees concerns. Example:

A. Operating Fund Surpluses, Deficits and Reserve Funds

The [Unified Union District] shall assume any and all operating deficits, surpluses, and fund balances of the forming districts that may exist on the close of business on [date]. *(Note: based on proposed date of operation)* In addition, reserve funds identified for specific purposes will be transferred to the [Unified Union District], and will be applied for established purposes unless otherwise determined through appropriate legal procedures.

B. Restricted Funds:

The forming school districts will transfer to the [Unified Union District] any preexisting specific endowments or other restricted accounts, including student activity and related accounts, held by school districts that may exist on [date]. *(Note: based on proposed date of operation)* Scholarship accounts or similar accounts, held by school districts prior to [date], *(Note: based on proposed date of operation)* that have specified conditions of use will be used in accordance with said provisions.

It was agreed that this issue should be revisited and reviewed by district counsel as the process moves ahead.

Section 6: Representation on a 706b Study Committee

Representation on a 706b study committee is based each district’s equalized pupil count:

Currently the equalized pupil counts in Barnet, Walden, and Waterford are:

	Equalized Pupils	Percentage Representation
Barnet:	280.82	43%
Walden:	148.66	23%
Waterford:	226.53	34%
Total:	656.01	

Based on the idea that no community would have less than 2 representatives, representation would be as follows:

Barnet:	5
Walden:	3
Waterford:	4
Total:	12

If Peacham is invited to join the committee and accepts the invitation, they would have 2 representatives on the 706 team.

Section 7: Representational Structures for a New Unified School Board (Including the 2010 Census Data for Barnet, Peacham, Walden, and Waterford).

The statutes governing the creation of a Vermont union school district:

- Limit the total number of board members to 18 members (§ 706b(b)(9))
- State that each member town is “entitled” to at least one board member (§ 706b(b)(9)) (note that doesn’t say “required”)
- Acknowledge that board membership must be structured to meet proportionality requirements of the Equal Protection Clause of the U.S Constitution (§ 706b(b)(9))
- Authorize election of at-large board members (§§ 706e(c) and 706k(c))
 - Pure at-large members of the initial board must reside in and be nominated by the voters of a “necessary” district
 - Nothing in statute or court decisions applies this restriction to initial board members in the Hybrid Model
 - Authorize weighted voting (§ 707(c))

Currently there are three models of board Representation being used in Vermont that meet the Equal Protection requirements of the U.S. Constitution.

1. Proportional Model
2. At-Large Representation
3. Hybrid Model

Proportional Model:

Key Elements:

Membership on the union school board is apportioned to each town/village/city (“town”) within the new union school district based upon the town’s population relative to the total population in the union school district – minimal deviation permitted

Population numbers are determined by the most recent decennial census

For example:

<u>Town</u>	<u>Population</u>	<u>Board Members</u>
A	2,000	2
B	4,000	4
C	1,000	1

Voters in the town nominate town residents to fill the town’s apportioned seats on the union school board (§ 706e(b))

Only voters in the town can vote on that town’s nominees to fill the town’s apportioned seats on the union school board (§ 706e(b))

At Large Representation:

Key Elements:

At-large members of the union school board can reside in any town. Note: *Initial* at-large board members can only reside in “Necessary Districts”

At-large members of the union school board are nominated by the voters of any town (but see above regarding initial board)

Membership is not apportioned – so proportionality requirements do not apply

At-large members are presumed to represent all students in the union school district

Voters in all towns vote on the same slate of candidates to fill all at-large seats on the union school board (§ 706e(c)) – votes are added together

Hybrid Model:

Key Elements:

Membership on the union school board is apportioned to each town. Apportionment does not have to be proportional to the town’s population. Numbers can be apportioned pursuant to any agreed-upon method.

For example:

Town	Population	Board Members
A	2,100	3
B	3,200	3
C	2,500	3

Town	Population	Board Members
A	4,000	3
B	4,000	3
C	1,000	1

Voters in all member towns vote on the same slate of candidates

The ballot is categorized to represent each town’s apportioned seats on the union school board. *e.g.*, in the second example above, the voters in all towns would vote on the following:

- Here is the list of candidates for Town A – vote for not more than 3;
- Here is the list of candidates for Town B – vote for not more than 3;
- Here is the list candidates for Town C – vote for not more than 1

Appendix 8. Census Information:

2010 Census Information:

	Population	% Representation
Barnet	1708	44%
Walden	935	24%
Waterford	1280	32%
Total:	3923	

A. Note: Census information With Peacham

	<i>Population</i>	<i>% Representation</i>
<i>Barnet</i>	<i>1708</i>	<i>37%</i>
<i>Peacham</i>	<i>732</i>	<i>16%</i>
<i>Walden</i>	<i>935</i>	<i>20%</i>
<i>Waterford</i>	<i>1280</i>	<i>27%</i>
<i>Total:</i>	<i>4655</i>	

Proportional Model 9 Member Board

Town	Representation	% Representation
Barnet	4	44%
Walden	2	22%
Waterford	3	33%

Proportional Model 12 Member Board (With Peacham)

Town	Representation	% Representation
Barnet	4	33%
Peacham	2	17%
Walden	2	17%
Waterford	3	25%

APPENDIX 9. SCHEDULE OF MEETINGS AND PUBLIC FORUMS

FEBRUARY 29, 2016
MARCH 21, 2016
APRIL 11, 2016
APRIL 18, 2016
MAY 2, 2016
MAY 16, 2016
MAY 31, 2016
SEPTEMBER 19, 2016
OCTOBER 3, 2016
OCTOBER 26, 2016
NOVEMBER 7, 2016
NOVEMBER 28, 2016
DECEMBER 7, 2016
JANUARY 2, 2017
JANUARY 16, 2017
FEBRUARY 6, 2017
FEBRUARY 20, 2017
FEBRUARY 27, 2017
MARCH 17, 2017 (PUBLIC FORUM IN BARNET)
MARCH 31, 2017 (PUBLIC FORUM IN WATERFORD)
APRIL 7, 2017 (PUBLIC FORUM IN WALDEN)
APRIL 7, 2017 (COMMITTEE MEETING)

NOTE: FINAL PUBLIC FORUM SCHEDULE TBA PRIOR TO THE VOTE ON MAY 23RD

APPENDIX 10. SAMPLE WARNING

WARNING

The voters of the Barnet School District are hereby notified and warned to meet at _____ on May 23, 2017, to vote by Australian ballot between the hours of 7:00 a.m., at which time the polls will open, and 7:00 p.m., at which time the polls will close, upon the following articles of business:

Article I

Shall the Barnet School District, which the State Board of Education has found necessary to include in the proposed union school district, join with the school district of Waterford, which the State Board of Education has found necessary to include in the proposed union school district, and join with the school district of Walden, which the State Board of Education has found advisable to include in the proposed union school district, for the purpose of forming a union school district to be named the Caledonia Cooperative Unified Union School District, as provided in Title 16, Vermont Statutes Annotated, upon the following conditions and agreements:

- Grades. The Caledonia Cooperative Unified Union School District shall operate and manage a school offering instruction in grades Pre-Kindergarten through grade 8 and tuition students in grades 9-12.
- Board of School Directors. A member town's representation on the School Board of the Caledonia Cooperative Unified Union School District will be apportioned with three members from each of the forming districts. Votes shall be weighted based on the decennial census to achieve more precise proportionality. At no time will a member town have less than one school director on the District Board.
- Assumption of debts and ownership of school property. The Caledonia Cooperative Unified Union School District shall assume the indebtedness of member districts, acquire the school properties of member districts, and pay for them, all as specified in the final report.
- Final Report. The provisions of the final report proposed to the State Board of Education for approval on the _____ day of _____, 2017, which is on file in the town clerk's office, shall govern the Caledonia Cooperative Unified Union School District. Upon approval of the Caledonia Cooperative Unified Union School District, Article 1 of the final report, including all subsections, can only be changed by a majority vote of the Caledonia Cooperative Unified Union School District. Articles 2 through 15 of the final report can be changed by a majority vote of the School Board of the Caledonia Cooperative Unified Union School District.
- Conditional Approval. The Caledonia Cooperative Unified Union School District shall not be formed and the terms hereby voted shall not become effective unless one of the following additional conditions occurs:
 - The Caledonia Cooperative Unified Union School District shall be formed and the terms hereby voted shall become effective if, the voters of the PK-12 districts of Cabot, Danville, and/or Twinfield vote to approve the formation of a unified union school district and that district becomes operational on July 1, 2018, and both new unified

- union school districts become members of a new supervisory union meeting the criteria of “Side-by-Side” mergers pursuant to 2012 Acts and Resolves No. 156; or
- The Caledonia Cooperative Unified Union School District shall be formed and the terms hereby voted shall become effective if, under legislation enacted by the General Assembly during its 2017 Session, the Unified District would be eligible for the same tax rate reductions and other transitional assistance it would have received as one member of “Side-by-Side” merger pursuant to 2012 Acts and Resolves No. 156.

Article II

To elect three (3) school directors to serve on the proposed Caledonia Cooperative Unified Union School District from the date of the organizational meeting for the following terms and seats:

- One (1) school director from Barnet for a one-year term ending in 2019 from the following nominees: _____, _____, _____,
- One (1) school director from Barnet for a two-year term ending in 2020 from the following nominees: _____, _____, _____,
- One (1) school director from Barnet for a three-year term ending in 2021 from the following nominees: _____, _____, _____,