

**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 **ORANGE NORTH SUPERVISORY UNION (ONSU)** 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 **Joint Orange / Washington 706 Study Committee** (Study Committee)?

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 ONSU, provisionally to be named the ORANGE WASHINGTON 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 Joint Orange / Washington 706 Study Committee.**
- 3. That the State Board of Education votes to approve the temporary assignment of the new unified union school district, if approved, to the ONSU for administrative and other transitional assistance. Assignment would be at least for the interim period beginning on the date on which the unified union school district becomes a legal entity pursuant to 16 V.S.A. § 706g and ending on July 1, 2018, and would not modify the governing structure of the existing systems.**

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 ONSU consists of three PK-12 districts: the Williamstown School District, which operates schools for all grades, and the Orange and the Washington School Districts, both of which operate schools through grade eight and pay tuition for all remaining grades. The Washington South Supervisory Union (WSSU) consists of two PK-12 school districts with distinct models of governance: the Northfield School District, which operates schools for all grades, and the Roxbury School District, which operates a school through grade six and pays tuition for all remaining grades. The two supervisory unions are adjoining, have an established history of collaboration, and jointly employ a Business Manager and a Curriculum Director.

After passage of Act 46, four of the districts within the SUs formed two distinct study committees under 16 V.S.A. § 706: The Joint Orange / Washington 706 Study Committee and the Joint Northfield / Williamstown 706 Study Committee.¹ Both study committees will present proposals to the State Board at its March 2017 meeting that, if approved, will be presented to the electorate of each community on May 2, 2017.

- If both proposals are approved, then the new unified districts would be eligible for tax rate reductions and other transitional assistance available under the “Side-by-Side” program established in Act 156 of 2012, Sec. 15.
- If the voters approve creation of the Orange Washington UUSD, but the Northfield / Williamstown proposal is not approved by its voters, then the Orange Washington UUSD will be formed despite its ineligibility, as a single unified district, for tax rate reductions or other assistance.
- If the voters approve the Northfield / Williamstown proposal, but the Orange / Washington proposal is not approved by its voters, then Northfield and Williamstown would create a new UUSD that would be eligible for tax rate reductions and other assistance.

If both proposals are approved, then both study committees intend that the two new unified districts will be members of a new, enlarged supervisory union. Alternatively, if only the Central Vermont UUSD is approved, then that study committee would like the State Board to designate the UUSD as its own supervisory district. Given the contradictory nature of these two potential outcomes – and the uncertain governance decisions of other districts in the region – it would be premature at this time for the State Board either to define boundaries of an enlarged supervisory union or to agree that it would designate the Central Vermont UUSD as its own supervisory district. We advise the State Board to wait to evaluate these issues until after the governance structures in this region are clearer.

II. The Orange Washington Unified Union School District

The Joint Orange / Washington Study Committee proposes the creation of a UUSD that would provide for the PK-12 education of resident students by operating schools offering education through Grade 8 and would pay tuition for students in Grades 9-12 (New Unified District) beginning on July 1, 2018.

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

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

¹ The Roxbury School District, which is the sole district in these two SUs not included in either proposal, is in conversations with the Montpelier School District to propose creation of a unified district that would operate all grades for students living in both communities.

In FY2016, the combined average daily membership (ADM) of the two districts was 293.80 (Orange: 168.00; Washington: 125.80) and the combined ADM of all three ONSU districts was 793.96.

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

The New Unified District, which would provisionally be known as the Orange Washington Unified Union School District, would merge two existing PK-12 town school districts into a single district responsible for operating schools through Grade 8 and paying tuition for the remaining grades.

The New Unified District would restructure the delivery of PK-8 education beginning in the first year of operation. The Articles of Agreement state that it is “the expressed will of the voters, that the new [Board] undertake the necessary planning during the 2017-2018 transition year to accomplish the task of restructuring the current PreK-8 delivery models in each town into **one PreK-4 Primary School** and **one 5-8 Upper Elementary School** utilizing the existing facilities/schools within each community.” (emphasis added)

The New Unified District would be governed by a school board of six members, with three members initially allocated to each town. Membership would be closely proportional to the towns’ relative populations and would be adjusted if necessary to reflect each decennial census. Each member would be elected by the voters of the town in which the member resides.

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.

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

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

The Study Committee developed an educational vision for a new unified union school district that included guiding principles and that considered ways to strengthen both student achievement / performance and to enhance programmatic opportunity.

The Committee observed:

Maximizing student potential should be the central goal of unification. In exploring this issue, the Committee found:

- a. Real variability in student performance within and between the schools in Orange and Washington. (*See Appendix 7*)
- b. Too many cases where the size of the actual student cohort in a given grade level, or disaggregated group (e.g. free and reduced lunch or special education) made it impossible to get reliable data on how students were actually performing.
- c. The size of the students' cohorts drove the development of multi-grade classrooms that potentially changed configurations each year. Class configurations were decided by student numbers and not based on any educational or multi-age philosophy.

The Study Committee explored two options for restructuring the delivery of PK-8 education in detail:

Creating one combined PK-8 school: Creating one combined school required either constructing a new school or making substantial renovations to one school and closing the other. The Committee determined that neither option was financially viable.

Using the two existing school buildings to create one PK-4 school and one 5-8 school: The Study Committee identified many ways in which this structure could benefit students. It also determined that "significant savings could be realized by optimizing existing student-teacher ratios – savings that could be re-invested to give students greater access to a higher quality and variety of educational programming."

EDUCATION IMPLICATIONS:

The Study Committee identified a range of potential educational benefits of restructuring the delivery of PK-8 education in a unified system, including the ability to:

1. "Return to single grade-level classroom configurations"
2. "Tailor each school's programs to the developmental needs of a more focused group of students"
3. "Initiate new programs at grades 5-8, that will ensure a smoother transition to High School"
4. Increase "program offerings in Music, Foreign Language, and Library Services with no additional cost to taxpayers"
5. Eliminate "need to duplicate specialized facilities in both schools (e.g. science labs, PreK classrooms, etc.)"
6. "Continue to offer High School Choice!"

FISCAL IMPLICATIONS:

The Study Committee's report stated that consolidation of the two supervisory unions would streamline operations and reduce administrative redundancy. It identifies

potential ongoing Central Office savings of \$83,500 per year (in addition to the projected \$250,500 savings from the Northfield / Williamstown proposal).

In addition, it identifies approximately \$145,000 in annual savings (1.7 FTE) through restructuring. The Study Committee recommends that the New Unified District reinvest these savings to upgrade certain instructional areas over time.

Finally, the Study Committee projected an estimated 0.5% reduction in annual growth in spending due to maximizing operational efficiencies, which could equal approximately \$100,000 over a five-year period.

See also Act 153, as amended, for cost implications to the State.

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

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

Type of Merger	
<i>Please refer to the related eligibility worksheets to determine baseline eligibility for each merger type.</i>	(column reserved for agency use)
<input type="checkbox"/> Accelerated Merger (Act 46, Section 6)	
A Regional Education District (RED) or one of its variations (Act 153 (2010) and Act 156 (2012)) <ul style="list-style-type: none"> <input type="checkbox"/> RED (Act 153, Secs. 2-3, as amended by Act 156 , Sec. 1 and Act 46, Sec. 16) <input checked="" type="checkbox"/> Side by Side Merger (Act 156 , Sec. 15) <ul style="list-style-type: none"> Districts involved in the related merger: <input type="checkbox"/> Layered Merger (Union Elementary School District) (Act 156, Sec. 16) <input 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 2, 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: 293.80	
Proposed name of new district: Orange Washington Unified Union School District (<i>provisional</i>)	

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>Central to realizing this goal in Orange and Washington is our Committee’s core recommendation to use the opportunity afforded our communities through unification, to restructure our existing PreK-8 schools to create one PreK-4 Lower School and one 5-8 Upper School that together, under the governance of a single school board representing both communities, will serve all of our children in the communities of Washington and Orange Vermont.</p> <p>The Committee believes that restructuring our current PreK-8 schools, while maintaining High School Choice for all students, is the best answer to the central questions at the heart of our study committee process:</p> <p><i>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?</i></p> <p>Educationally, this plan will enable our schools to:</p> <ol style="list-style-type: none"> a. Return to single grade-level classroom configurations b. Align curriculum and instruction across the District c. Tailor each school’s programs to the developmental needs of a more focused group of students. d. Initiate new programs at grades 5-8, that will ensure a smoother transition to High School. e. Create a more efficient and effective model for delivering specialized instruction to meet the needs of students at each grade level. f. Continue to offer High School choice! <p>Furthermore, restructuring the delivery of instruction in Orange and Washington will enable the unified district to increase program offerings in Music, Foreign Language, and Library Media Services with <u>no additional cost to taxpayers</u>:</p>	

	<ul style="list-style-type: none"> a. Music: All students in grades 5-8 could benefit from the addition of a new instrumental/choral program that will include instrumental lessons and ensemble instruction. b. Foreign Language: All students in grades 5-8 could benefit from the addition of a Foreign Language program with instruction offered twice a week. c. Library Media: Both schools will now benefit from a full time, shared library media specialist. 	
<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>Maximizing student potential should be the central goal of unification. In exploring this issue, the Committee found:</p> <ul style="list-style-type: none"> a. Real variability in student performance within and between the schools in Orange and Washington. (<i>See Appendix 7</i>) b. Too many cases where the size of the actual student cohort in a given grade level, or disaggregated group (e.g. free and reduced lunch or special education) made it impossible to get reliable data on how students were actually performing. c. The size of the students cohorts drove the development of multi-grade classrooms that potentially changed configurations each year. Class configurations were decided by student numbers and not based on any educational or multi-age philosophy. <p>In addition, the Committee found that the number of students in a given grade cohort drove the classroom configurations rather than the educational needs of students</p> <p>Finally, the Committee believes that unification creates 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:</p> <ul style="list-style-type: none"> a. Reallocating funds that are saved as a result of unification to support enhanced instruction in the arts, foreign language, and library media, b. Single grade level classes operating within a developmentally appropriate 	

- team,
- c. Creating developmentally appropriate cultures in the new lower and upper schools (PreK-4 and 5-8), with increased opportunities for gifted learners, struggling learners, students with disabilities and student leadership,
- d. Larger grade level cohorts that increase diversity and expand social-emotional learning opportunities, and
- e. Giving all students access to both town's public resources.

In addition to these important steps forward, the Committee believes that the creation of a single unified school board will create new opportunities in **strategic governance and accountability** (PreK-8) to address both the existing and emerging needs of students, as well as, 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:
 - 1. Sharing educational resources across buildings.
 - 2. Sharing best instructional practices.
 - 3. Improved technology education and equitable access to technology resources such as laptops, tablets, and interactive boards.
 - 4. 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:
 - 1. Fosters opportunities to share expertise, best practice, diverse thinking, and new/emerging instructional visions (mentoring, teacher leadership).
 - 2. 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.

	<ul style="list-style-type: none"> 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 what are now distinct school programs to:</p> <ul style="list-style-type: none"> 1. Enhance opportunities for professional collaboration across schools, 2. Share staff across schools (e.g., world languages, music education, technology education, special education), 3. Improve opportunities for differentiating instruction for all students, 4. Increase opportunities for student leadership, 5. Share specialized resources more easily (e.g., Occupational Therapy, Physical Therapy, English Language Learning, alternative educational programming, Student Assistance Professionals). <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>G. Optimizing instructional resources to make the delivery of a quality education more efficient and cost effective.</p>	
<p><u>Goal #3:</u> The proposed union school district will maximize operational efficiencies through increased flexibility to manage, share, and transfer resources,</p>	<p>The Committee identified the following opportunities for achieving and sustaining financial and operational efficiencies through unification.</p> <p>I. Restructuring Existing PreK-8 Schools into a PreK-4 and a grade 5-8 School to Create More Sustainable/Cost Effective Educational Programs</p>	

with a goal of increasing the district-level ratio of students to full-time equivalent staff.

Act 46, Sec. 2(3)

II. State Tax Incentives over 4 years; Merger Implementation Grants

III. Larger Scale Purchasing/Contract Negotiation with Private Vendors

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

IV. 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

V. 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

VI. Asset Coordination

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

Specifically,

1. Unification of Central Office Services: \$77,500 (ongoing)

The creation of a Side-by-Side Supervisory Union between Orange North and Washington South with the merging of two central offices into one, is estimated to save about \$310,000 union-wide. The projected savings for Washington and Orange in year one (ongoing) is approximately \$77,500 (25% of Average Daily Membership) and the savings for Northfield and Williamstown in year one (ongoing) is approximately \$232,700 (75% of ADM). (*See Appendix 1*)

Potential Savings - Central Office Unification: Orange/Washington: ~ \$77,500

Potential Cost Savings over 5 years = \$387,500

2. Cost Savings due to Restructuring: \$145,000 (ongoing)

In addition to expanding the program opportunities afforded in Orange and Washington and addressing existing equity issues in those opportunities, the restructuring the districts' two elementary schools would result in an ongoing budgetary savings of 1.7 FTE or \$145,000 that could be reinvested to upgrade, over time, the facilities in both schools.

Potential cost savings over five years = \$725,000.

3. Additional Savings through Maximizing Efficiencies: ~\$20,000/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 = \$100,000

Goal #4: The proposed union school district will promote transparency and accountability.

Act 46, Sec. 2(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) focused on the unique needs of small schools.
 - 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

	<p>schools, programs, and students.</p> <ul style="list-style-type: none"> 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>4. Restructure current leadership patterns and responsibilities to ensure:</p> <ul style="list-style-type: none"> a. More time for administrators to engage in instructional leadership rather than board support. b. Less time spent preparing for multiple administrative meetings. <p>5. Setting clear educational goals (PreK-8) that reflect the strategic goals of the new district will lead to the creation of a single budget and maintain transparent channels of accountability enabling parents and taxpayers alike to assess the effectiveness of the programs they are funding.</p>	
<p><u>Goal #5:</u> The proposed union school district will deliver education at a cost that parents, voters, and taxpayers value.</p> <p><i>Act 46, Sec. 2(5)</i></p>	<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> <ul style="list-style-type: none"> 1. Coordinate school websites to: <ul 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. 	

	<ol style="list-style-type: none"> 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><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>As a current member of the Orange North Supervisory Union, it is the intention and hope of the Orange/Washington Joint 706 Study Committee to form a new Regional Educational District, identified under Act 156 as a Side-by-Side, in conjunction with the PreK-12 districts of Northfield and Williamstown who are undertaking their own joint 706 process to determine whether they wish to merge together into a new unified union district.</p> <p>At the beginning of this process a discussion was held with representatives from the Twin River School District. The result of those deliberations was that the educational interests of merger interests were not in alignment. In addition, the geographic distance was determined to make real collaboration over educational matters problematic. To our knowledge, Twin Rivers and all other neighboring districts are engaged in their own exploratory or 706 studies and therefore were not part of this joint merger study.</p>	

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 Orange Washington Unified Union School District will operate grades Pre-Kindergarten through grade 8 pay tuition for students in grades 9-12.</p>	
<p>(4) The cost and general location of any proposed new schools to be constructed</p> <p>The cost and general description of any proposed renovations</p>	<p>No new construction is proposed or anticipated 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 bargaining agreements, and other provisions of law, including 16 V.S.A. chapter 53, subchapter 3 (transition of employees)</p>	<p>Upon an affirmative vote of the electorate in both Orange and Washington on May 2, 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 Orange Washington 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 Orange Washington 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> <ul 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 Orange Washington Unified Union School District annual meeting. d. Transacting any other lawful business that comes before the Board. <p>The authority exercised by new Orange Washington Unified Union School District shall not limit</p>	

	<p>or alter the ongoing authority and/or responsibilities of the school boards that make up the current districts of Orange and Washington 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.</p> <p>In summary, an affirmative vote of the electorate in both Orange and Washington would also result in, but not be limited to, the following:</p> <ul style="list-style-type: none"> a. Employees throughout the current individual school districts (Orange and Washington) 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 Orange Washington 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, Orange and Washington would continue to govern their respective districts and/or schools. The existing districts could continue after July 1, 2018 only to conclude any final business (audits, etc). 	
(6) The indebtedness of the proposed merging districts that	Long Term Debt: None for Both Districts	

<p>the proposed union school district shall assume.</p>	<p>Short Term Debt: Both school districts took out Tax Anticipation Notes (TAN's) on July 1st.</p> <ul style="list-style-type: none"> • Washington: \$175,000 • Orange: \$275,000 																		
<p>(7) The specific pieces of real property owned by the proposed merging districts that the proposed union school district shall acquire, including:</p> <ul style="list-style-type: none"> * their valuation * how the proposed union school district shall pay for them 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Summary of Land and Building Value - 2016</th> </tr> <tr> <th colspan="3" style="text-align: center;">Orange/Washington</th> </tr> <tr> <th style="width: 50%;"><u>District</u></th> <th style="width: 20%;"><u>Acres</u></th> <th style="width: 30%;"><u>Value</u></th> </tr> </thead> <tbody> <tr> <td>Washington</td> <td style="text-align: center;">4.3</td> <td style="text-align: right;">\$3,290,000</td> </tr> <tr> <td>Orange</td> <td style="text-align: center;">4.5</td> <td style="text-align: right;">\$3,914,900</td> </tr> </tbody> </table> <p><u>Washington Total : \$3,290,000</u> <i>Buildings: \$2,921,100</i> <i>Property: \$191,000</i> <i>Site Improvements: \$113,400</i> <i>Computer Equipment: \$54,500</i> <i>Books and Papers: \$2,500</i> <i>Mobile: \$7,500</i></p> <p><u>Orange Total : \$3,914,900</u> <i>Buildings: \$3,527,300</i> <i>Property: \$239,000</i> <i>Site Improvements: \$69,400</i> <i>Computer Equipment: \$66,700</i> <i>Books and Papers: \$2,500</i> <i>Mobile: \$5,000</i> <i>Quebec Bread Oven: \$5,000</i></p>			Summary of Land and Building Value - 2016			Orange/Washington			<u>District</u>	<u>Acres</u>	<u>Value</u>	Washington	4.3	\$3,290,000	Orange	4.5	\$3,914,900	
Summary of Land and Building Value - 2016																			
Orange/Washington																			
<u>District</u>	<u>Acres</u>	<u>Value</u>																	
Washington	4.3	\$3,290,000																	
Orange	4.5	\$3,914,900																	
<p>(8) [repealed 2004 Acts and Resolves No. 130, Sec. 15]</p>																			

<p>(9) Consistent with the proportional representation requirements of the Equal Protection Clause, the method of apportioning the representation that each proposed member town shall have on the proposed union school board</p> <ul style="list-style-type: none"> * no more than 18 members total * each member town is entitled to at least one representative * <i>see also</i> 16 V.S.A. § 706k(c): one or more at-large directors * <i>see also</i> 16 V.S.A. § 707(c): weighted voting 	<p>The Orange Washington Unified Union Board of School Directors shall be composed of six (6) 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 two resident representatives.</p> <p>Based on the 2010 census, the new unified union board will consist of three (3) representatives residing in and representing the town of Orange; three (3) representatives residing in and representing the Town of Washington.</p> <p>The Orange and Washington ratio of directors are consistent with current census figures. Each time there is a new decennial census, the proportionality reflected in the specific number of directors allocated to each municipality shall be aligned to the new counts as necessary.</p>													
<p>(10) The term of office of directors initially elected, to be arranged so that one-third expire on the day of each annual meeting of the proposed union school district, beginning on the second annual meeting, or as near to that proportion as possible</p>	<p>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 (Orange Washington Unified Union District). In the initial election of School Directors, the terms of office will be as follows:</p> <table border="1" data-bbox="577 1096 1816 1247"> <thead> <tr> <th>Town</th> <th>Term ending March 2019</th> <th>Term ending March 2020</th> <th>Term ending March 2021</th> </tr> </thead> <tbody> <tr> <td>Orange</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Washington</td> <td>1</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <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>	Town	Term ending March 2019	Term ending March 2020	Term ending March 2021	Orange	1	1	1	Washington	1	1	1	
Town	Term ending March 2019	Term ending March 2020	Term ending March 2021											
Orange	1	1	1											
Washington	1	1	1											

<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. Annual Meeting</p> <p>In the event of a successful vote on unification by Australian ballot, the new unified union district will continue to hold an annual school district meeting for the purpose of approving annual budgets and special articles by floor vote. Electing school directors will be done by Australian ballot. The annual meeting of the new unified district will be scheduled so as not to conflict with the annual Municipal Town Meetings being held in each community.</p> <p>Article 13: School Restructuring</p> <p>It is the expressed will of the voters, that the new Orange Washington Unified Union school board undertake the necessary planning during the 2017-2018 transition year to accomplish the task of restructuring the current PreK-8 delivery models in each town into one PreK-4 Primary School and one 5-8 Upper Elementary School utilizing the existing facilities/schools within each community, while continuing school choice for grades 9-12.</p> <p>Article 14: Local Input</p> <p>During the transition year and throughout the life of the new district, the new unified board will continually work to develop and implement creative structures for ensuring ongoing opportunities for local input on policy and budget development.</p> <p>Article 15. Renaming the New District</p> <p>It is understood that the current name for the new unified union district, the “Orange/Washington Unified Union School District,” is provisional for the purposes of legal identification in these articles and may be changed by a majority vote of school directors of the new unified union district.</p>	
--	---	--

**ORANGE WASHINGTON UNIFIED SCHOOL DISTRICT
ACT 46 STUDY COMMITTEE – FINAL REPORT
MARCH 14, 2017**

Committee Members

Chair: Alan Small - Orange School Board
Vice Chair: Lee Gardner - Washington School Board
Clerk: Jen Trombly - Washington School Board

Members

Tim Belden - Washington Community Representative
Traci Clark - Washington Community Representative
Genevieve Faherty - Orange Community Representative
Jessie Foster - Orange School Board
Sue Perreault - Orange Community Representative

Administrative and Consultant Support

Susette Bollard – Superintendent of Schools
Chris Lacarno – Business Manager, Orange North/Washington South
Michaela Martin – Curriculum Coordinator, Orange North/Washington South
Peter Clarke – Act 46 Consultant

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 district.

As this study committee confronted the questions raised by this law, we spent a lot of time defining our aspirations as a potentially merged district while also trying to understand how we could best structure ourselves to achieve those aspirations, as well as, the goals of the law. During the course of completing this work, we became very excited by the potential of creating not only better educational programs for our children, but fashioning more supportive, nurturing school configurations more precisely attuned to the holistic and evolving needs of our children. At the same time, we believed it essential to create operating models that were fiscally sound and would ensure a sustainable future for our schools. In that spirit, we believe we have crafted a thoughtful and compelling vision for our new district.

Central to realizing these goals in Orange and Washington is our Committee’s core recommendation to use the opportunity afforded our communities through unification, to restructure our existing PreK-8 schools to create one PreK-4 Lower School and one 5-8 Upper School that together, under the governance of a single school board representing both communities, will serve all of our children in the communities of Washington and Orange Vermont.

The Committee believes that restructuring our current PreK-8 schools, while maintaining High School Choice for all students, is the best answer to the central questions at the heart of our study committee process:

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?

Educationally, this plan will enable our schools to:

- a. Return to single grade-level classroom configurations
- b. Align curriculum and instruction across the District
- c. Tailor each school’s programs to the developmental needs of a more focused group of students.
- d. Initiate new programs at grades 5-8, that will ensure a smoother transition to High School.

- e. Create a more efficient and effective model for delivering specialized instruction to meet the needs of students at each grade level.
- f. Continue to offer High School choice!

Furthermore, restructuring the delivery of instruction in Orange and Washington will enable the unified district to increase program offerings in Music, Foreign Language, and Library Media Services with no additional cost to taxpayers:

- a. Music: All students in grades 5-8 could benefit from the addition of a new instrumental/choral program that will include instrumental lessons and ensemble instruction.
- b. Foreign Language: All students in grades 5-8 could benefit from the addition of a Foreign Language program with instruction offered twice a week.
- c. Library Media: Both schools will now benefit from a full time, shared library media specialist.

Operationally, unification makes possible:

- a. Unified governance and leadership structures that together can plan, develop, and assess innovative instructional programs for all our children on behalf of students, parents, and taxpayers alike.
- b. Increased opportunities for resource sharing
- c. Lower administrative costs at the supervisory union level
- d. Enhanced educational opportunities that will result from reinvesting local operational savings into existing instructional programs.
- e. A more unified, coordinated approach to teacher development
- f. The delivery of more efficient, cost effective instructional programs that will ensure the long-term sustainability of our communities' schools.

Finally, the Committee viewed this proposed merger within the context of a long history of mutual cooperation that has always existed between our two 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 the new Orange/Washington Unified Union School District. We see merging the educational interests and aspirations we all share for our children as the next logical step forward, a step into a future shaped by both communities working together for the benefit of all our children.

LAWYERS CERTIFICATION LETTER

ZALINGER CAMERON & LAMBEK, P.C.

PHILIP H. ZALINGER, JR.
J. SCOTT CAMERON
BERNARD D. LAMBEK
PATRICIA K. TURLEY

STEPHEN L. CUSICK

ATTORNEYS AT LAW
140 MAIN STREET
MONTPELIER, VERMONT 05602
TELEPHONE 802-223-1000 FACSIMILE 802-223-5271

OF COUNSEL
ROBERT HALPERT
JOHN C. PAGE

PARALEGAL
KAREN M. GRAMER

March 14, 2017

Stephan Morse, Chair
Vermont Board of Education
219 North Main Street, Suite 402
Barre, VT 05641

Rebecca Holcombe, Secretary
Vermont Agency of Education
219 North Main Street, Suite 402
Barre, VT 05641

RE: Proposed Orange Washington Unified Union School District

Dear Board Chair Morse and Secretary Holcombe:

This office represents the Orange North Supervisory Union and its member districts. This letter is written on behalf of the Orange-Washington Act 46 Study Committee which is recommending formation of a unified union district consisting of the Orange School District and the Washington School District.

I am writing to address the constitutionality of board member allocation among the two towns that will be members of the proposed Orange Washington Unified Union School District. The Articles of Agreement provide for formation of a six (6) member governing board with members having equal (non-weighted) votes. Using the most recent census data, board members will be allocated to the town on the basis of population. The initial allocation is for the Town of Orange to have three (3) members and the Town of Washington to have three (3) members.

Elected governmental boards are to be composed of members, who, ideally, represent similar numbers of constituents, based on population, to meet the Equal Protection Clause of the U.S. Constitution. The combined population of the two member town of the Orange Washington Unified Union School District is 2111, based on the most recent census numbers. Each member of the six-member board would represent a population of 352 under an ideal calculation. The two towns have similar but not identical populations of 1072 for the town of Orange and 1039 for the town of Washington.

ZALINGER CAMERON & LAMBEK, P.C.

Board Chair Morse and Secretary Holcombe

March 14, 2017

Page Two

The proposed allocation results in the following representational proportions:

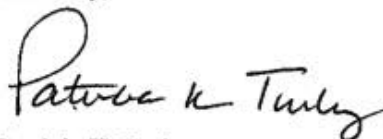
		Pop. Per Member	Deviation from Ideal 352
Orange	3	357	-1.4%
Washington	3	346	+ 1.7

The U.S. Supreme Court has recognized that a level of deviation from the ideal is permissible, where the allocations are made to preserve representations along historic political boundaries such as cities and towns. *Brown v. Thomson*, 462 U.S. 835 (1983). Here, there is no significant deviation, as each deviation is less than 2% from the ideal, with a maximum deviation of 3.1%.

The important role of Vermont towns in the organization and governance of their public schools is found in the Vermont Constitution which provides that “. . . a competent number of schools ought to be maintained in each town . . .” (Section II, Section 68). Vermont law also requires that school district boards meet the proportionality requirements of the Equal Protection Clause of the U.S. Constitution (16 V.S.A. 706b(b)(9)). Town members have traditionally had an important relationship with their local schools, evidenced by their long-standing support. The allocation of the board members of the proposed district preserves the policy of local structure within established political boundaries. The proposed board member allocation meets the constitutional standards of the U.S. Constitution and the laws of the State of Vermont without any significant deviation.

It is my opinion that the method for allocating the six members of the proposed board satisfies the requirements of the Equal Protection Clause of the U.S. Constitution and the laws of the State of Vermont.

Sincerely,



Patricia K. Turley

cc: Susette Bollard, ONSU Superintendent

TABLE OF CONTENTS

A. Executive Summary	Page 3
B. Lawyers Certification Letter	Page 5
C. Educational Vision for Unification	Page 8
• A Comprehensive Vision for a new Unified Union.	Page 12
• A Statement of Guiding Principles for Unification.	Page 12
• Analysis of Student Performance/Achievement	Page 13
• Enhancing Programmatic Opportunity	Page 17
• Analysis of Reorganizational Strategies	Page 17
• Promoting Operational Transparency and Accountability	Page 26
• Recommendations for Fostering Community Identity and Culture.	Page 28
D. Maximizing Efficiencies	Page 29
E. Financial Models and Tax Projections	Page 33
F. Transition Plan	Page 42
G. Merging Alone	Page 44
H. Articles of Agreement	Page 47
I. Appendices	Page 52

ORANGE/WASHINGTON DISTRICT UNIFICATION A NEW VISION FOR DELIVERING A QUALITY EDUCATION TO ALL STUDENTS

Overview:

Act 46 is a far-reaching piece of legislation designed to encourage the elementary districts in Orange North to explore the potential benefits of unifying their existing governance structures into a single school board responsible for serving every student in the Orange and Washington School Districts. 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.

In the Spring of 2016, the school boards of Orange and Washington voted to form a 706 Study Committee to explore and assess whether a merger of their two PreK-8 operating districts might be educationally and fiscally advisable given the requirements of Act 46. Both districts have close community ties and have studied unification in the past and proposed such a step on two previous occasions. To facilitate the study, the committee secured a consultant, Mr. Peter A. Clarke, from the *Act 46 Project*, a joint initiative of the Vermont School Boards Association, Vermont Superintendents Association, and Vermont School Board's Insurance Trust.

Over the past 11 months, the committee met bi-weekly in open session. The Committee has maintained a transparent record of its work through ongoing postings to the S.U.'s website of its meeting schedule, minutes, working documents, and draft findings. Prior to the completion of this report, the committee held multiple public forums in both their towns on a variety of issues related to district unification to elicit comment on its findings and recommendation. The Committee greatly appreciates the feedback of community members on their work and has used public comment to revise and strengthen its final report. Finally, the Committee submitted its final report to both the Orange and Washington school boards for final review and comment. ***(See Appendix 10)***

On February 22, 2017, the Orange/Washington Joint 706 Study Committee voted unanimously to accept this Report and Articles of Agreement. Upon approval by the State Board of Education, the question of whether to form a Unified School District will be presented to voters of the Orange and Washington school communities on May 2, 2017.

Focus of Deliberations:

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 achieving these goals in Orange and Washington is our communities' desire, through district unification, to restructure our existing PreK-8 schools to create one PreK-4 Lower School and one 5-8 Upper School that together, under the governance of a single school board representing both communities, would serve all of the children in the communities of Washington and Orange Vermont.

The committee believes that restructuring our current PreK-8 schools **while maintaining High School Choice** for all students is the best answer to the central questions at the heart of our study committee process:

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?

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 two districts but to provide voters with concrete examples of how a unified district might in fact operate. 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, including an analysis of Restructuring Opportunities designed to Strengthen and Sustain the Delivery of a Quality Education for Every Student in Orange and Washington.

- **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. Merging Alone:** Remaining as a Unified District in the Orange North Supervisory Union
- F.** Specific **Articles of Agreement** for consideration by the voters of each sending district as required by law.

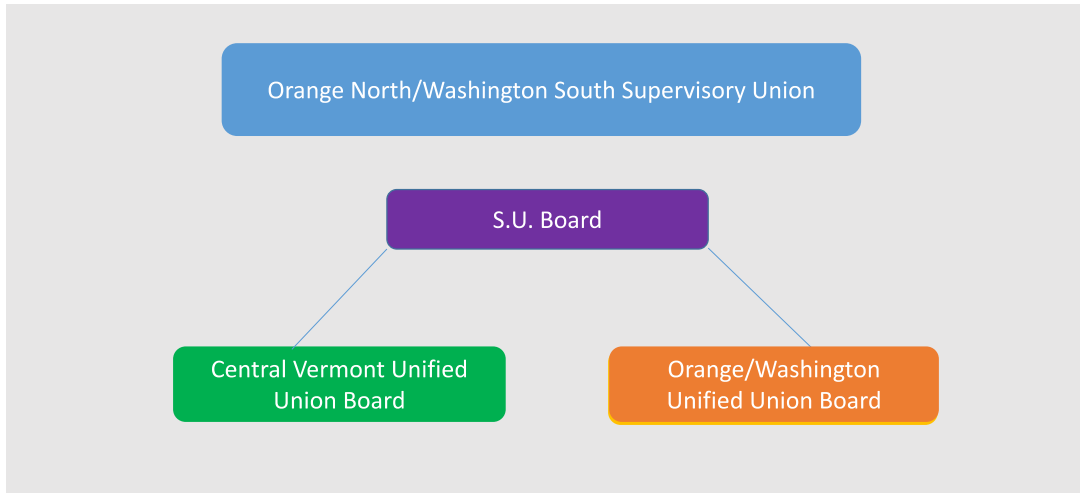
Final Note - Neighboring Districts: Forming a Side-by-Side

As a current member of the Orange North Supervisory Union, it is the intention and hope of the Orange/Washington Joint 706 Study Committee to form a new Regional Educational District, identified under Act 156 as a **Side-by-Side**, in conjunction with the PreK-12 districts of Northfield and Williamstown who are undertaking their own joint 706 process to determine whether they wish to merge together into a new unified union district.

A Side-by-Side Regional Education District (R.E.D) under Act 156 is a supervisory union formed by the merger of two (or more) PreK-12 operating Districts (Northfield and Williamstown) and two (or more) similarly structured tuition districts (Orange and Washington) and is eligible to receive incentives under the law.

If the communities of Orange and Washington vote to form a unified union district and the communities of Northfield and Williamstown vote to approve their own separate unified union district (the Central Vermont Unified Union School District), under the law, a new Supervisory Union most likely will be formed to take the place of the existing Orange North and Washington South Supervisory Unions. Because there are so many different merger proposals moving forward in Central Vermont, the final determination on Supervisory Union boundaries will not be decided until the state-wide plan. However, if both unification measures pass, the new unified districts will be in the same Supervisory Union and the proposed name for the new union will be decided at that time. In any case, at a minimum it is expected that the new supervisory union will most likely result in the consolidation of the two-existing administrative central offices currently serving two separate Supervisory Unions, resulting in the creation of a single central office serving the new supervisory union.

Side-By-Side Governance Model



It is the recommendation of the Committee that should the Central Vermont Unified Union (Northfield and Williamstown) fail to be approved by voters, that the unification of Orange and Washington into a single unified union district under the governance of a single school board proceed as planned given the real educational, operational, and fiscal benefits outlined in this report.

If such an outcome were to come to pass, the new unified district would remain in the current Orange North Supervisory Union pending any changes that might arise due to the creation of the new State-wide plan in 2018 by the State Board of Education. An outline of the benefits of Orange and Washington merging – even without receiving state incentives – is outlined later in this report.

Finally, at the beginning of this process a discussion was held with representatives from the Twin River School District. The result of those deliberations was that the educational interests of merger interests were not in alignment. In addition, the geographic distance was determined to make real collaboration over educational matters problematic. To our knowledge, Twin Rivers and all other neighboring districts are engaged in their own exploratory or 706 studies and therefore were not part of this joint merger study.

PART A: AN EDUCATIONAL VISION FOR UNIFICATION

SECTION 1: GUIDING PRINCIPLES FOR UNIFICATION

Introductory Note:

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.

SECTION 1: GUIDING PRINCIPLES FOR UNIFICATION

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 these guiding principles of educational governance, the Committee is seeking to articulate what they believe 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. Develop strategies that ensure a sustainable educational center in each of the communities that make up the new district.
- b. Maintain traditional structures for discussion and approval of the district's educational budget at the annual meeting of the unified union school district.
- c. Preserve and strengthen polices that put children first; raise their academic performance; holistically address their academic, emotional, and social needs; and to do so at a cost that is both sustainable and affordable. (e.g. class size)
- d. Foster patterns of leadership that inspire a love of learning in children.
- e. Preserve and strengthen the importance of the arts in every child's education.
- f. Adopt policies across the new district that ensure equitable opportunities for all students, efficient use of resources, and flexibility in support of local initiatives and school-based innovation.
- g. Offer programs that provide value to students at a cost that community members are able to support.
- h. Ensure that there will be no reduction in current services and quality for the purpose of achieving educational equity.
- i. Work to create new opportunities for teacher growth, development and collaboration.
- j. Continue to promote transparent systems of governance that encourage community input, are understandable, and allow for accountability to the public.

- k. Develop new and proactive strategies that foster communication and community building within the new district and ensure community input in board deliberations.

**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 Orange and Washington.

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 preserve and strengthen policies that put children first; raise their academic performance; holistically address their academic, emotional, and social needs; and to do so at a cost that is both sustainable and affordable.”

Maximizing student potential should be the central goal of unification. In exploring this issue, the Committee found:

- a. Real variability in student performance within and between the schools in Orange and Washington. **(See Appendix 7)**
- b. Too many cases where the size of the actual student cohort in a given grade level, or disaggregated group (e.g. free and reduced lunch or special education) made it impossible to get reliable data on how students were actually performing.
- c. The size of the students cohorts drove the development of multi-grade classrooms that potentially changed configurations each year. Class configurations were decided by student numbers and not based on any educational or multi-age philosophy.

In addition, the Committee found that the number of students in a given grade cohort drove the classroom configurations rather than the educational needs of students

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 both Orange and Washington schools have a unique profile of educational strengths and opportunities for students and families. However, each has instructional challenges that require creative, thoughtful, and focused attention/support if our young people are to reach their true potential, and if our schools are to rank with the best in Vermont. *(See Figure 1)*

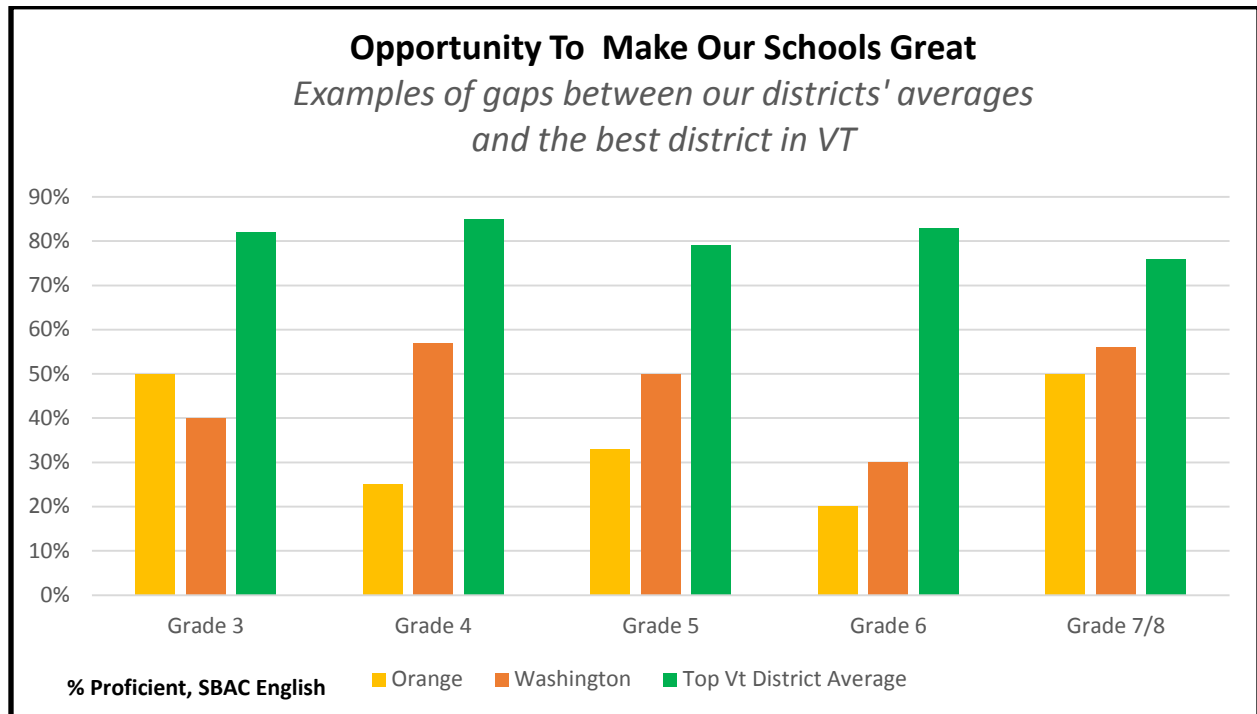


Figure 1

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

In recent years, the Orange North Supervisory Union has approached the challenge of meeting the needs of all students as if it were a single school district. The Supervisory Union has built a strong and effective multi-tiered system of supports in each of the four schools that make up Orange North with a focus on both the academic and social-emotional development of every young person in our care. During the process of building an effective Multi-Tiered System of Supports (MTSS) program, a commitment was made to ensure all students were receiving

effective tier 1 instruction while working to build capacity for tier 2 interventions. All professional learning is research-based and common to all teachers across the supervisory union. It includes an embedded coaching component to support initial implementation and assist in implementation with fidelity. Teachers are expected to be experts in their content areas to support high quality universal instruction and the ability to differentiate and provide intervention. To support this, with the exception of Pre-Kindergarten and Kindergarten, no teacher in the ONSU teaches more than two content areas. An articulated curriculum based on the Common Core with clear targets and learning progressions was developed by teacher teams with representation from all four schools. The curriculum is monitored for fidelity of implementation through direct observation, formal supervision, and evaluation processes. ONSU has an articulated Universal Assessment System for the purpose of monitoring student learning throughout the year with data teams meeting once a week in all schools to monitor and respond to each student's rate of progress at the universal, targeted and intensive level.

Looking to the future, the Committee believes that unification creates 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. Reallocating funds that are saved as a result of unification to support enhanced instruction in the arts, foreign language, and library media,
- b. Single grade level classes operating within a developmentally appropriate team,
- c. Creating developmentally appropriate cultures in the new lower and upper schools (PreK-4 and 5-8), with increased opportunities for gifted learners, struggling learners, students with disabilities and student leadership,
- d. Larger grade level cohorts that increase diversity and expand social-emotional learning opportunities, and
- e. Giving all students access to both town's public resources.

In addition to these important steps forward, the Committee believes that the creation of a single unified school board will create new opportunities in **strategic governance and accountability** (PreK-8) to address both the existing and emerging needs of students, as well as, 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:
 1. Sharing educational resources across buildings.
 2. Sharing best instructional practices.
 3. Improved technology education and equitable access to technology resources such as laptops, tablets, and interactive boards.
 4. 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:
 - 1. Fosters opportunities to share expertise, best practice, diverse thinking, and new/emerging instructional visions (mentoring, teacher leadership).
 - 2. 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 what are now distinct school programs to:
 - 1. Enhance opportunities for professional collaboration across schools,
 - 2. Share staff across schools (e.g., world languages, music education, technology education, special education),
 - 3. Improve opportunities for differentiating instruction for all students,
 - 4. Increase opportunities for student leadership,
 - 5. Share specialized resources more easily (e.g., Occupational Therapy, Physical Therapy, English Language Learning, alternative educational programming, 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

- G. Optimizing instructional resources to make the delivery of a quality education more efficient and cost effective.

Summary Conclusion:

In summary, this committee sees tremendous potential for improving the performance outcomes of our students in our two districts. There is no reason we should accept 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 the 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:

While the Committee did not find substantive differences in the variety and quality of the educational opportunities currently being offered to students in Orange and Washington, there is clearly a desire on the part of parents and educators to **expand** those opportunities, particularly in the performing arts and foreign language. The mutual challenge facing both districts has historically been to programmatically meet the new and emerging needs of students within the fiscal realities of dropping enrollments and increased costs.

For the Committee, the central opportunity of merging Orange and Washington into one unified district is the ability to create better, more effective educational delivery models that provide greater instructional opportunities for all our students through a more efficient use of existing resources! Something that neither district could accomplish on its own.

Restructuring the Delivery of Elementary Education in Orange/Washington:

***“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”
(Act 46, Goal #3)***

An analysis of the enrollment and staffing patterns at each grade level in each elementary school revealed real opportunities for enhancing instruction by optimizing class sizes and **returning to a single grade instructional model** with teaming and content specialists. Returning to single grade classrooms is the preferred goal of both parents and teachers in both Orange and Washington.

In exploring specific ways that a unified district might achieve this goal, the Committee examined two specific options for restructuring the delivery of elementary education in a new unified district to enhance its instructional programs:

Option 1: Create one combined PreK-8 elementary school for all students by closing one or both of its existing facilities.

or

Option 2: Create two vertically aligned elementary schools – a PreK-4 lower school and a grade 5-8 Upper School within the existing buildings in each community.

Option 1: Combining Elementary Schools

As a practical matter, this could be achieved by either:

- A. Constructing a brand new elementary school in a new location and closing the existing school facilities in both Orange and Washington, or
- B. Closing one of the existing facilities and renovating the other to handle the total combined elementary school population in both communities.

A. Constructing a New Elementary School

The Committee investigated the feasibility of building a new elementary school to serve the combined educational needs of students in Orange and Washington and concluded that while educationally attractive, the cost of pursuing such an option was prohibitively expensive at this time. A rough estimate for construction of a new elementary school designed to serve 200+ students, based on a projected construction cost of \$225.00 per square foot = \$11 million. ***(See Appendix 9)***

Summary Conclusion:

After weighing the potential costs and educational benefits of undertaking new construction, the Committee concluded that this option did not meet the goal of achieving educational excellence “at a cost that parents, voters, and taxpayers value.”

B. Closing One School/Renovating the Other

Aside from the politically sensitive issue of closing a school and the future use of that facility, the Committee’s preliminary examination of this option revealed pragmatic considerations that would make a full-scale renovation project at either elementary school costly for taxpayers. Among these considerations were:

Property/Outside Space:

Washington School is the only facility where there is the space/land to accommodate a larger student body.

Water and Sewage:

The Washington School is on town water not a well. In Orange, it is unclear whether the current well can support 200 kids. In the past, the facility has “run out” of water from time to time as it is – adding 100 kids would be problematic.

ADA Issues/Building Codes:

Neither school is fully ADA compliant; any major renovation would require the district to fully bring the facility up to code. From an ADA perspective, the district would probably choose to renovate the Washington School as it is a single level facility, making ADA issues easier to address than the multi-level structure at Orange Central. Using Orange Elementary School as the core facility would at a minimum result in the construction of an elevator to provide access to the entire facility

Educational Code Issues:

Educational quality standards require a certain minimum number of square feet per student (250 square feet). Combining the student populations of both schools would result in a major renovation that would need to include additional classroom spaces and increases in the square footage for common areas including: Gym, Cafeteria, and Lavatory space.

Future Operational Expenses:

The current facility/operational budget for each school is around \$150,000. Closing one school would save the new school district \$150,000, but raises the question of who would own and/or maintain the facility that would no longer be needed for delivering educational services. Should the Town of Orange or Washington exercise its option to buy whichever school was closed, the local municipal budget would have to pick up the expense of heat, water, lights, cleaning, grounds maintenance (mowing and plowing). This cost is estimated, at a minimum to be between \$50,000 to \$75,000 per year of additional expense to the taxpayers of that community, and begs the question of use.

Finally, adding on to an existing school, would likely lead to hiring additional custodial staff.

Summary Conclusion:

It was the Committee's finding that closing one school and renovating another to accommodate a larger student population was not only cost prohibitive, but did not result in the requisite enhancement of either instruction or program opportunity to justify such a large investment on the part of the taxpayers in Orange and Washington.

Option 2: Restructuring the Educational Delivery Model at Both Schools

As the most feasible and cost effective approach to improving educational opportunity for the students in Orange and Washington, the Committee explored in depth the educational, social, and emotional benefits of using both communities' existing facilities and creating two new elementary schools; a Prek-4 primary school and a grade 5-8 upper elementary school. Those instructional and programmatic opportunities are outlined below:

A New Vision for PreK-8 Education:

Orange/Washington Lower School PreK-4

Meeting the Needs of All Students:

Academic:

- Specific educational and social/emotional focus on the developmental needs of children.
- Greater opportunities to respond creatively to periodic fluctuations in existing class sizes at each grade level.
- Schedules that match the specific goals of a primary education, including longer blocks of time for deeper content coverage, inquiry, interdisciplinary study, school-wide learning activities, and service learning.
- Schedules that provide for ½ hour of daily intervention and enrichment
- Focus on developing instructional activities that better match the developmental needs of students.
- The creation of content specialists within grade level cluster teams beginning in grade 1.
- Vertical Team Alignment (PreK-K; 1-2; 3-4) within grade level clusters to maintain and strengthen content specialties and increased individuation, intervention, and enrichment.
- Maintain and enhance opportunities for team teaching.
- Provide a unified arts program for all K-4 students in Library/Media, Art, Music.
- Enhance current programs in Health and Physical Education

Social Emotional:

- Greater capacity to develop a targeted, developmentally appropriate, school-wide approach to building a nurturing and positive school climate.
- The enhancement and implementation of an age-appropriate social/emotional curriculum
- Continued consultation and student support through a local Mental Health provider.

School Leadership:

- Development of a school leadership model focused on the specified needs of children (Pre-K-4) and the professional development needs of their teachers.

Parental/Community Involvement:

- Creating a primary school serving children in both Orange and Washington will create a greater critical mass of parent resources for each school and foster greater parental involvement due to shared interests.

Facility Enhancement:

- Restructuring the educational focus and use of each building will enable educators and parents to redesign facilities targeted to the interests and needs of primary school age children.

After School Programs:

- Creating a single primary school for children across the district will create a critical mass of students leading to better more varied after school programming.

Health Care:

- Capacity to share nursing resources; RN/LPN combination for both schools

Enhanced/Targeted Student Support and Enrichment for Students:***Academic:***

- Strengthen intensive Math and Literacy (Reading/Writing) intervention and Enrichment – 30 minutes per day, 5 days a week.
- Targeted support of interventionists specialized in PreK-4 instruction.
- Greater capacity to focus and deliver specialized instruction for students in need of IEP services.
- Consolidating current special needs populations among the districts existing schools will enable more targeted and cost effective delivery models.

Social Emotional:

- Maintain current models of Student and Family Support.
- Enhance current delivery of wrap around support of students with social emotional needs through more focused programming.

**Orange/Washington Upper School
Grade 5-8**

Meeting the Needs of All Students:

Academic:

- Specific educational and social/emotional focus on the developmental needs of children grades 5-8.
- Greater opportunities to respond creatively to periodic fluctuations in existing class sizes at each grade level.
- Schedules that support longer blocks of time for deeper content coverage, inquiry, interdisciplinary study, school-wide learning activities, and service learning.
- Focus on developing instructional activities that better match the developmental needs of students.
- The creation of content specialists within grade level cluster teams.
- Vertical Team Alignment (5-6; 7-8) within grade level clusters to maintain and strengthen content specialties and increased individuation, intervention, and enrichment.
- Maintain and enhance opportunities for team teaching.
- ½ hour daily focus on instructional intervention and enrichment
- Capacity to offer (in-school) accelerated math offerings in grade 8 – e.g. Algebra 1
- Provide a unified arts program for all students in Library/Media, Art, Music, and Foreign Language.
- Enhance current programs in Health and Physical Education
- Enhance partnerships for local educational institutions (e.g. Tech Week) in support of Personalized Learning Plans, particularly beginning in grade 7.

Social Emotional:

- Greater capacity to develop a targeted, developmentally appropriate, school-wide approach to building a nurturing and positive school climate.
- The enhancement and implementation of an age-appropriate social/emotional curriculum
- Continued consultation and student support through Washington County Mental Health
- Capacity to create instructional climate and approach that supports a smoother transition to high school (particularly in the 7-8 team)
- Creation of peer support and leadership programs for upper school students

School Leadership:

- Development of a school leadership model focused on the needs of children grades 5-8 and the professional development needs of their teachers.

Parental/Community Involvement:

- Creating a single upper school for children across the district will create a greater critical mass of parent resources for each school and foster greater parental involvement due to shared interests.

Facility Enhancement:

- Restructuring the educational focus and use of each building will enable educators and parents to redesign facilities targeted to the interests and needs of primary school age children.

After School Programs:

- Creating a single upper school for children across the district will create a critical mass of students leading to better more varied after school programming.

Health Care:

- Capacity to share nursing resources; RN/LPN combination for both schools

Enhanced/Targeted Student Support and Enrichment for Students:***Academic:***

- Strengthen intensive Math and Literacy (Reading/Writing) intervention and Enrichment – 30 minutes per day, 5 days a week.
- Targeted support of interventionists specialized in 5-8 instruction.
- Greater capacity to focus and deliver specialized instruction for students in need of IEP services; Consolidating current special needs populations among the districts existing schools will enable more targeted and cost effective delivery models.

Social Emotional:

- Maintain current models of Student and Family Support.
- Enhance current delivery of wrap around support of students with social emotional needs through more focused programming.
- Greater critical mass of students who need specialized programs and enrichment opportunities; including the creation of student support and leadership programs.

Restructuring – Investing in Our Students’ Futures

A. Staffing/Cost Analysis

In addition, to creating schools specifically designed to meet the needs of the students in their care, an analysis of the cost of restructuring revealed significant savings could be realized by optimizing existing student-teacher ratios – savings that could be re-invested to give students greater access to a higher quality and variety of educational programming.

Restructuring Orange Center School/ Washington Village School Staffing and Program Analysis

	OCS Current Staff	WVS Current Staff	New Structure	Increase/ Decrease
PreK – 4 Universal	4.0	4.0	6.0	-2.0
Grades 5 - 8	2.0	2.0	4.0	0
Intervention (reading)	1.0	.30	1.0	-.30
Intervention (math)	.50	.50	1.0	0
Special Ed/ SLP (ONSU)	1.0 SpEd/ .50 SLP	1.0 SpEd/ .50 SLP	3.0	0
Nursing (ONSU)	.50	.50	1.0	0
PE/ Health (2/wk. PE) (1/wk. Health)	.50	.50	1.0	0
Art (1/wk.)	.20	.20	.40	0
Music (General Music 1/wk. K-8) (Add Instrumental and Chorus 2/wk. 5-8)	.20	.20	.60	+.20
Library/ Media Specialist	.30	.50	1.0	+.20
Foreign Language (Add 2/wk. 5-8)	.20	0	.40 (Upper only)	+.20
Coordinator of Student Support	.50	.50	1.0	0
P.B.I.S. Analyst	1.0	1.0	2.0	0
Principals	1.0	1.0	2.0	0
Current Total	13.4	12.7		
New Total	26.1		24.4	-1.7

B. Increased Program Opportunities and Operating Savings due to Restructuring:

Restructuring the delivery of instruction in Orange and Washington will enable the new district to increase program offerings in:

1. **Music:** All students in grades 5-8 will benefit from the addition of a new instrumental/choral program that will include instrumental lessons and ensemble instruction.
2. **Foreign Language:** All students in grades 5-8 will benefit from the addition of a Foreign Language program where instruction is offered twice a week.
3. **Library Media:** Both schools will now benefit from a full time, shared library media specialist.

C. Cost Savings due to Restructuring: \$145,000 (ongoing)

In addition to expanding the program opportunities afforded in Orange and Washington and addressing existing equity issues within those opportunities, **restructuring the districts' two elementary schools would result in an ongoing budgetary savings of 1.7 FTE or \$145,000** that could be reinvested to meet additional transportation costs and/or upgrade, over time, the facilities in both schools.

D. Upgrading Existing Facilities:

In order to fully realize the benefit of restructuring the districts' current educational programs, the Committee recommends that the new district re-invest money that is saved due to restructuring and/or some of the tax savings due to merger incentives to upgrade, over time, the following instructional areas:

- Science Lab (5-8)
- Gym (5-8)
- Soundproofing (Music – both schools)
- Art Equipment (both schools)

Summary Conclusion:

Restructuring the delivery of elementary education in Orange and Washington would result not only in single grade elementary classrooms, but increased program opportunities in Music, Foreign Language, and Library Media Services for students with no additional cost to taxpayers. It should be noted, as well, that restructuring also eliminates the need to duplicate specialized facilities in both schools (e.g. science labs, PreK classrooms, etc.)

**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) focused on the unique needs of small schools.
 - 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) that reflect the strategic goals of the new district will lead to the creation of a single budget and maintain 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)

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. Restructuring Existing PreK-8 Schools into a PreK-4 and a grade 5-8 School to Create More Sustainable/Cost Effective Educational Programs**
- II. State Tax Incentives over 4 years; Merger Implementation Grants**
- III. Larger Scale Purchasing/Contract Negotiation with Private Vendors**
 - a. Technology
 - b. Books & supplies
 - c. Maintenance needs
 - d. Fuel/energy costs
- IV. 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
- V. 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
- VI. 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: \$77,500 (ongoing)

The creation of a Side-by-Side Supervisory Union between Orange North and Washington South with the merging of two central offices into one, is estimated to save about \$310,000 union-wide. The projected savings for Washington and Orange in year one (ongoing) is approximately \$77,500 (25% of Average Daily Membership) and the savings for Northfield and Williamstown in year one (ongoing) is approximately \$232,700 (75% of ADM). *(See Appendix 1)*

Potential Savings - Central Office Unification:	
Northfield/Williamstown:	\$232,700
Orange/Washington:	\$77,500

Potential Cost Savings over 5 years = \$387,500

2. Cost Savings due to Restructuring: \$145,000 (ongoing)

In addition to expanding the program opportunities afforded in Orange and Washington and addressing existing equity issues in those opportunities, the restructuring the districts' two elementary schools would result in an ongoing budgetary savings of 1.7 FTE or \$145,000 that could be reinvested to upgrade, over time, the facilities in both schools.

Potential cost savings over five years = \$725,000.

3. Additional Savings through Maximizing Efficiencies: ~\$20,000/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 = \$100,000

PROJECTED REVENUES/ SAVINGS DUE TO MERGER INCENTIVES:

1. Merger Financial Incentives: ~\$1,244,419

The Committee also considered and estimated the impact the incentives embedded in Act 46 would provide for the 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 resulted in an estimated reduction in total property taxes of ~\$1,244,419. (\$521,164 Orange and Washington \$723,255).

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 the report on page 42.

Currently the Orange School District receives a yearly grant of \$116,579; The Washington School District receives a yearly grant of \$119,145.

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 \$942,896 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 – \$1,244,419 (including approximately \$100,000 due to operational savings)
- Maintaining Small Schools Grants: \$942,896 (
- Restructuring Elementary School: \$725,000
- Unification of Central Office: \$387,500;

<p>Total Cost Savings and Projected Revenues Due to Merger with Incentives over 5 years: \$3,299,815</p>

The Committee believes that the 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 both districts. 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 (Orange/Washington and Northfield/Williamstown) 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 Orange and Washington 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 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.

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 five-year average change rate in Educational Spending and Equalized Pupil Counts based on the specific data from FY12 and FY17.

	2017	
	EdSpending	EqPupils
Orange	\$2,232,574	164.60
Washington	\$1,774,476	128.45
	\$4,007,050	293.05

	2012	
	EdSpending	EqPupils
Orange	\$1,984,924	156.81
Washington	\$1,546,695	113.76
	\$3,531,619	270.57

Rate of Increase for Model

	EdSpending	EqPupils
Orange	2.38%	0.97%
Washington	2.79%	2.46%
TOTAL (aggregate)	2.56%	1.61%

After considering the historical rates of change in Educational Spending and the historical growth decline in equalized pupils, the Committee set the change rates for these projections as follows:

Changes:

	EdSplnc	EqPuplnc	GL Inc
Orange	2.38%	0.97%	0%
Washington	2.79%	2.46%	0%
Unified District	2.00%		

None of operational savings outlined earlier in this report (unification of central offices or the restructuring of the towns elementary schools) 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:

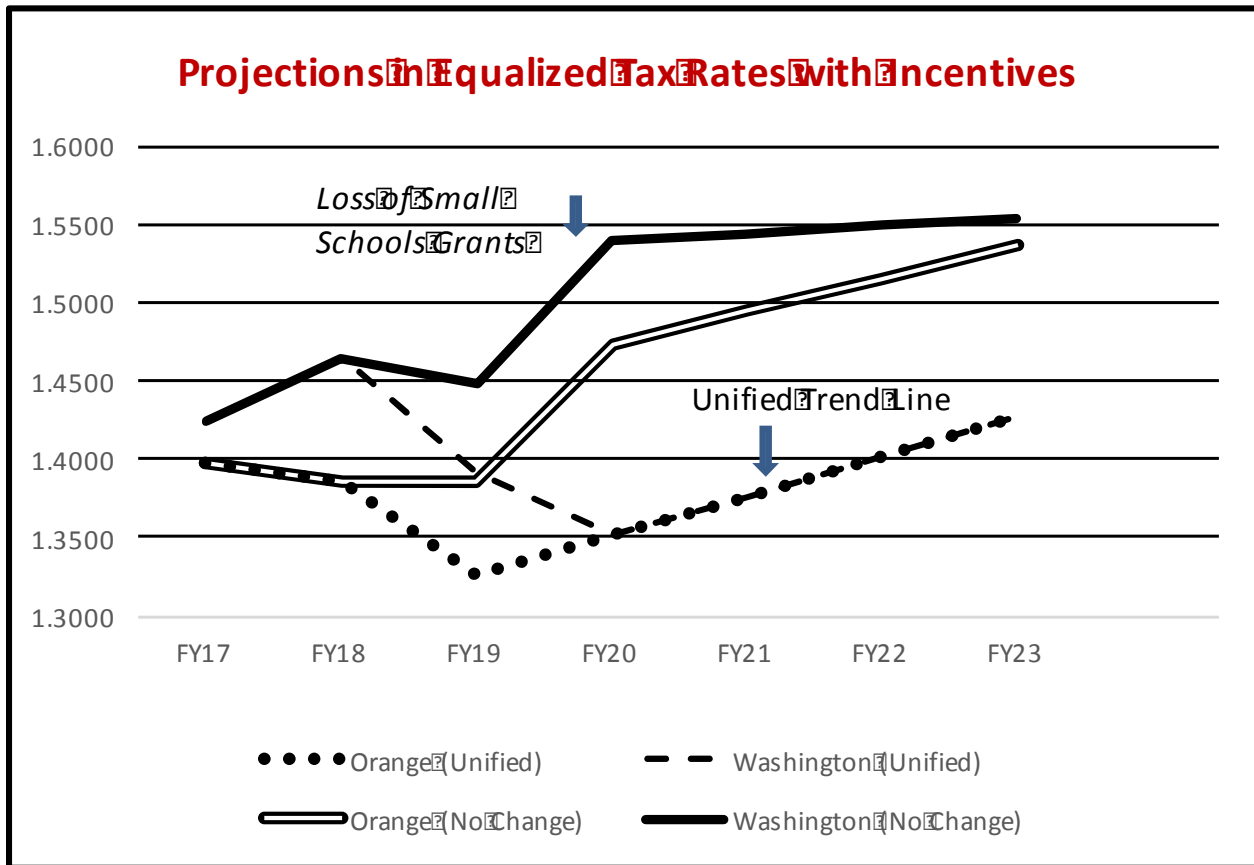
*These financial projections do not specifically model for individuals who qualify for income sensitivity on their property taxes the specific tax savings due to the tax incentives on the homestead tax rate over 4 years (8,6,4,2 cents) granted to communities/districts that elect to merge. However, both 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.***

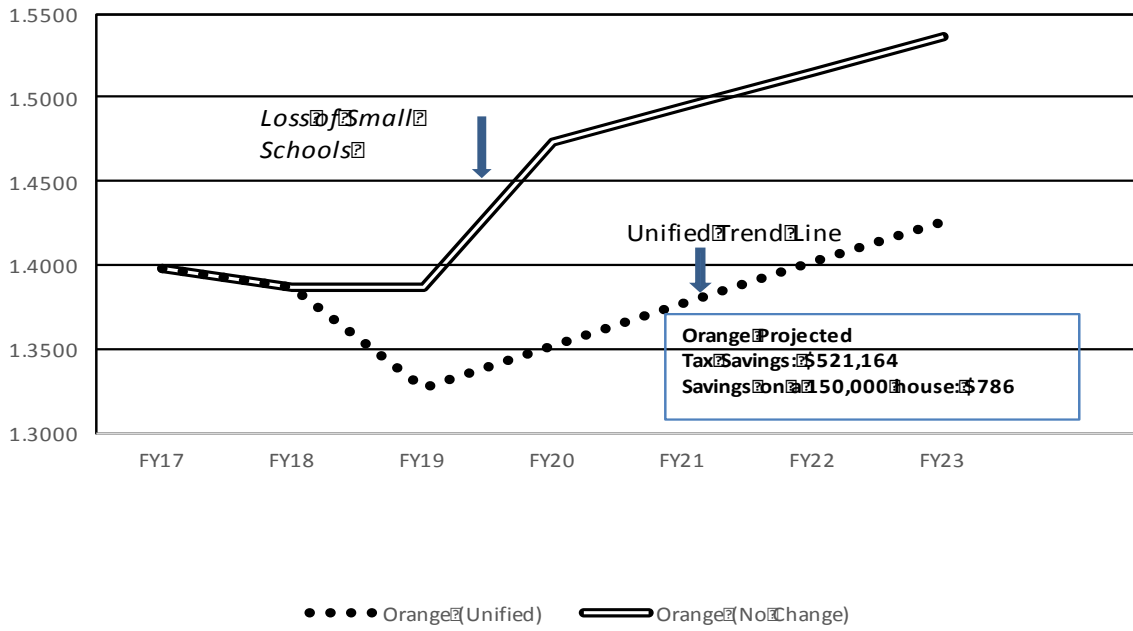
RESULTS:

Unified Union		FY17	FY18	FY19	FY20	FY21	FY22	FY23	Total
Orange									
	Homestead Tax Rate	\$1.3982	\$1.3864	\$1.3265	\$1.3516	\$1.3766	\$1.4015	\$1.4264	
	Tax \$ (homestead)	\$1,371,495.78	\$1,378,633	\$1,319,069	\$1,344,028	\$1,368,888	\$1,393,649	\$1,418,409	
	Tax savings due to unification	\$0.00	\$0	\$59,465	\$121,615	\$117,240	\$113,262	\$109,583	\$521,164
	Tax \$ on \$150K home	\$2,097.30	\$2,080	\$1,990	\$2,027	\$2,065	\$2,102	\$2,140	
	Tax savings on \$150K home	\$0.00	\$0	\$90	\$183	\$177	\$171	\$165	\$786
Washington									
	Homestead Tax Rate	\$1.4240	\$1.4644	\$1.3912	\$1.3516	\$1.3766	\$1.4015	\$1.4264	
	Tax \$ (homestead)	\$1,480,467.30	\$1,535,867	\$1,459,095	\$1,417,562	\$1,443,782	\$1,469,897	\$1,496,013	
	Tax savings due to unification	\$0.00	\$0	\$60,831	\$197,070	\$175,989	\$155,118	\$134,247	\$723,255
	Tax \$ on \$150K home	\$2,136.00	\$2,197	\$2,087	\$2,027	\$2,065	\$2,102	\$2,140	
	Tax savings on \$150K home	\$0.00	\$0	\$87	\$282	\$252	\$222	\$192	\$1,034
Unified Merger Totals									
	Tax \$ Raised in Town	\$2,851,963.07	\$2,914,501	\$2,778,164	\$2,761,590	\$2,812,670	\$2,863,546	\$2,914,422	\$17,044,893
	Tax savings due to unification	\$0.00	\$0	\$120,296	\$318,685	\$293,229	\$268,380	\$243,829	\$1,244,419
No Change			FY17	FY18	FY19	FY20	FY21	FY22	Total
Orange									
	Homestead Tax Rate	\$1.3982	\$1.3864	\$1.3863	\$1.4739	\$1.4945	\$1.5154	\$1.5366	
	Tax \$ (homestead)	\$1,371,495.78	\$1,378,633	\$1,378,534	\$1,465,643	\$1,486,128	\$1,506,911	\$1,527,992	
	Tax savings due to unification								
	Tax \$ on \$150K home	\$2,097.30	\$2,080	\$2,079	\$2,211	\$2,242	\$2,273	\$2,305	
	Tax savings on \$150K home								
Washington									
	Homestead Tax Rate	\$1.4240	\$1.4644	\$1.4492	\$1.5395	\$1.5444	\$1.5494	\$1.5544	
	Tax \$ (homestead)	\$1,480,467.30	\$1,535,867	\$1,519,925	\$1,614,632	\$1,619,771	\$1,625,015	\$1,630,259	
	Tax savings due to unification								
	Tax \$ on \$150K home	\$2,136.00	\$2,197	\$2,174	\$2,309	\$2,317	\$2,324	\$2,332	
	Tax savings on \$150K home								

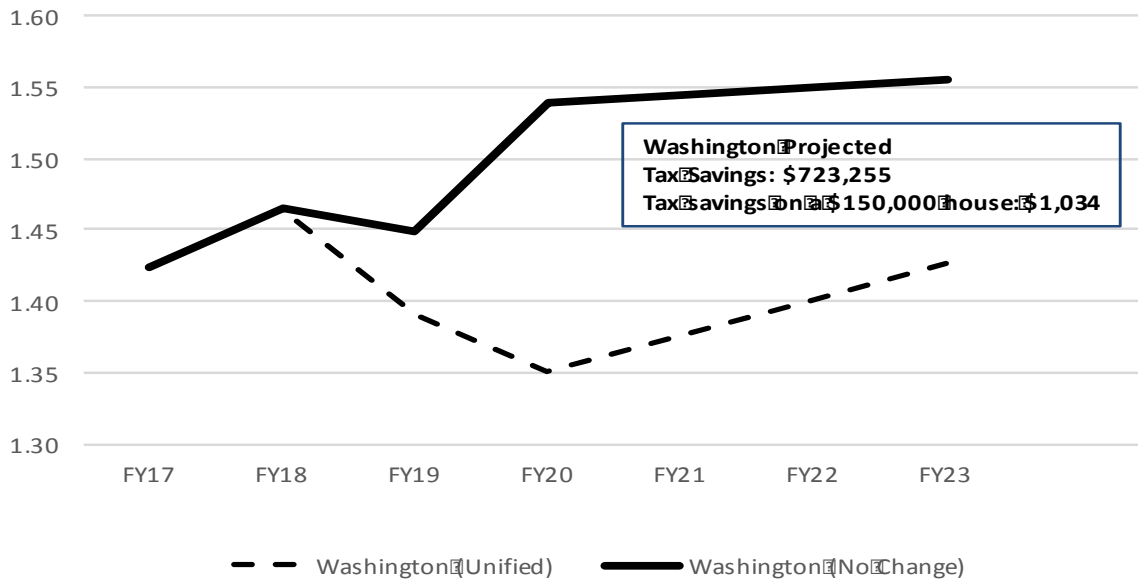
Equalized Homestead Tax Rates							
	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Unified, effective FY19							
Orange (Unified)	1.3982	1.3864	1.3265	1.3516	1.3766	1.4015	1.4264
Washington (Unified)	1.4240	1.4644	1.3912	1.3516	1.3766	1.4015	1.4264
No Change							
Orange (No Change)	1.3982	1.3864	1.3863	1.4739	1.4945	1.5154	1.5366
Washington (No Change)	1.4240	1.4644	1.4492	1.5395	1.5444	1.5494	1.5544



Projections of Equalized Tax Rates with Incentives



Projections of Equalized Tax Rates with Incentives



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 Orange and Washington 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 2%. FY2019 is the assumed date that the new district comes into existence. The estimated educational spending per equalized pupil in year one is \$14,172.06. For FY18, the educational spending per equalized pupil in Orange is \$13,969.04; in Washington \$14,754.95.
9. The law says that the homestead tax rate can only go up or down 5% from the current homestead rate. In the model, Washington does not get the full benefit of the 8 cent 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, both districts get the full benefit of the remaining tax incentives
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 \$1,244,418 or ~9% reduction in the total taxes paid during the first five years of operation of the new unified district.

12. The projected cost saving and projected revenues due to merging with Incentives totaled \$3,299,815
 - Tax Incentives with an operational efficiency of .5% savings on the annual growth rate – \$1,244,419 (including approximately \$100,000 due to operational savings)
 - Maintaining Small Schools Grants) - \$942,896
 - Restructuring Elementary School: \$725,000
 - Unification of Central Office: \$387,500;

PART D: TRANSITION PLANNING

Upon an affirmative vote of the electorate in both Orange and Washington on May 2, 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 Orange Washington 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 Orange Washington 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 Orange Washington Unified Union School District annual meeting.
- d. Transacting any other lawful business that comes before the Board.

The authority exercised by new Orange Washington 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 Orange and Washington 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.

In summary, an affirmative vote of the electorate in both Orange and Washington would also result in, but not be limited to, the following:

- a. Employees throughout the current individual school districts (Orange and Washington) 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 Orange Washington 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, Orange and Washington would continue to govern their respective districts and/or schools. The existing districts could continue after July 1, 2018 only to conclude any final business (audits, etc.).

**PART E: MERGING ALONE (NO APPROVED SIDE-BY-SIDE)
BECOMING A UNIFIED DISTRICT IN THE ORANGE NORTH SUPERVISORY UNION**

A merger between the Orange and Washington school districts **without** a corresponding merger by Northfield and Williamstown that would result in the creation of a Side-by-Side Supervisory Union under Act 156 would result in a merger for Orange and Washington that would no longer be eligible for state incentives under the law. **The educational benefits of merging the Orange and Washington school district remain as outlined in this report.** The financial benefits, however, change because a simple merger between Orange and Washington is not an incentivized merger under Act 153 or Act 46, nor is the new district guaranteed to continue to receive its small schools grants in the form of Merger Support Grants.

Therefore, the newly merged district would remain in the Orange North Supervisory Union and would no longer benefit from the projected cost and revenue savings outlined earlier in this report due to:

- Tax Incentives with an operational efficiency of .5% savings on the annual growth rate – \$1,244,419 (with ~\$100,000 due to operational savings)
- Maintaining Small Schools Grants: \$942,896
- Unification of Central Office: \$387,500;

The Total Cost Savings and Projected Revenues Due to Merger with Incentives over 5 years equals \$2,574,815.

The projected “savings” of merging alone, however, over the same 5-year time period (2019 – 2023) would equal:

- Restructuring Elementary School: \$725,000
- Maximized Operational Efficiencies: \$100,000

Total Savings Due to Merger without Incentives over 5 years equals ~\$825,000

Small Schools Grants:

The biggest loss of revenue in having to merge “alone” results from the potential loss of both districts’ small school’s grants if Orange and Washington are unable to merge as part of a larger Regional Education District (A side-by-side Supervisory Union). Both districts individually or the

new unified district could apply for the continuance of each school's small schools grants, but it is uncertain if they would be continued under the law:

“Beginning in Fiscal Year 2020, if a district’s **Small School Support Grant** has not been converted into an annual Merger Support Grant through voluntarily merger (into an incentivized merger), then the district will be eligible to receive a Small School Support Grant if **both** of the following two factors are met:

- The district operates a school that has an average grade size of 20 or fewer students; and
- The State Board of Education determines annually (based on metrics it will adopt and publish by 7/1/18) that the district is eligible for the Grant because of either:
 - the lengthy driving times or inhospitable routes to the nearest school with excess capacity; **or**
 - the academic excellence and operational efficiency of the small school, which is based upon consideration of the following factors:
 - the school’s measurable success in providing a variety of high quality educational opportunities
 - the percentage of students in the school from economically deprived backgrounds and the student’s measurable success in achieving positive outcomes
 - the school’s high student-to-staff ratios; and of the district’s participation in a merger study committee and submission of the committee’s report to the State Board. “¹

While there are no guarantees, merging may present the new district with a stronger argument for maintaining the small schools grants currently funding both elementary schools.

1. The new district will continue to operate schools with average grade sizes of 20 or fewer students.
2. The operative language for driving time or inhospitable roots is “to the nearest school with excess capacity”. Under those guidelines, an initial survey of nearby elementary schools is that none currently have the capacity to handle the combined elementary population of the new district.

The result of failing to merge is that a local elementary school might very well have the capacity to handle one school while another local school might have the capacity to handle the other,

¹ Small Schools Grants and Merger Support Grants Information from AOE”, from AOE website. *Note: This document is provided by the AOE for guidance only and does not have the force of law. See the underlying statute and/or Acts for more detail.*

making it more difficult for either school to make a credible case, under current law, for keeping its grants. In addition, as this merger proposal demonstrates, both Orange and Washington have the capacity to merge with each other, making the case for keeping the grants as unmerged districts that much more difficult to advance successfully.

In summary, failing to merge makes the case for maintaining these grants extremely difficult to make; merging, however, may create a more credible argument for meeting the State's eligibility requirement that no neighboring elementary school/district has the capacity to serve the joint student population of the newly unified district, thereby making more likely that both schools might be able to maintain this essential source of state funding.

**PART F: ARTICLES OF AGREEMENT
THE ORANGE WASHINGTON UNIFIED UNION SCHOOL DISTRICT**

The joint Orange/Washington Act 46 Study Committee recommends the following Articles of Agreement by each necessary school district for the creation of a Pre-Kindergarten through grade 8 unified union school district to be provisionally named the “Orange Washington Unified Union School District.” *(See Article 15)*

Article 1. Necessary and Advisable Forming School Districts

The School Districts of Orange and Washington are necessary for the establishment of the Orange Washington Unified Union School District. The above referenced school districts are hereinafter referred to as the “Forming Districts”.

There are no districts named “advisable” to this proposal.

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 each Member District voting in a meeting for adoption of this article and said votes become final per 16 V.S.A. 706g.

If the Unified District is formed and if, the voters of the Northfield School District and the Williamstown School district vote to approve the formation of the Central Vermont 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.

Article 3. Grades to Operate

The Orange Washington Unified Union School District will operate grades Pre-Kindergarten through grade 8 pay tuition for students in grades 9-12.

Article 4. Proposed New School Construction

No New Schools are proposed to be constructed at this time.

Article 5. Plan for First Year of Operation

The Orange Washington 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 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 the 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 Orange Washington 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 Orange Washington 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 local purposes will be transferred to the Orange Washington Unified Union School District, and will be applied for their original established purposes unless otherwise determined through appropriate legal procedures.

C. Restricted Funds:

The forming school districts will transfer to the Orange Washington 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 Orange Washington Unified Union School District, for the sum of one dollar, and subject to the encumbrances of record, all of 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 Orange Washington Unified Union 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 Orange Washington 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 a 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 Orange Washington Unified Union Board of School Directors

Article 8. Board of School Directors Representation

The Orange Washington Unified Union Board of School Directors shall be composed of six (6) 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 two resident representatives.

Based on the 2010 census, the new unified union board will consist of three (3) representatives residing in and representing the town of Orange; three (3) representatives residing in and representing the Town of Washington.

The Orange and Washington ratio of directors are consistent with current census figures. Each time there is a new decennial census, the proportionality reflected in the specific number of directors allocated to each municipality shall be aligned to the new counts as necessary.

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 (Orange Washington 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
Orange	1	1	1
Washington	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 Orange Washington Unified 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 union’s school district 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 Orange Washington Unified Union School District will be duly warned and presented to the voters of each town school district on May 2, 2017. The vote shall take place in each of the school districts by Australian ballot.

Article 11. Commencement of Operations

Upon an affirmative vote of the electorates of the forming districts and upon compliance with 16 VSA – 706g, the Orange Washington Unified Union School District shall have and exercise all of the authority which is necessary for it to prepare for full educational operations beginning on July 1, 2018. The Orange Washington 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 Orange Washington 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 Orange Washington 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 Orange Washington Unified Union School District. The Forming School Districts of Orange and Washington shall cease all operations within a reasonable timeframe of the completion of all outstanding business by each member school district, but in no event any later than January 31, 2019.

Article 12. Annual Meeting

In the event of a successful vote on unification by Australian ballot, the new unified union district will continue to hold an annual school district meeting for the purpose of approving annual budgets and special articles by floor vote. Electing school directors will be done by Australian ballot. The annual meeting of the new unified district will be scheduled so as not to conflict with the annual Municipal Town Meetings being held in each community.

Article 13: School Restructuring

It is the expressed will of the voters, that the new Orange Washington Unified Union school board undertake the necessary planning during the 2017-2018 transition year to accomplish the task of restructuring the current PreK-8 delivery models in each town into one PreK-4 Primary School and one 5-8 Upper Elementary School utilizing the existing facilities/schools within each community, while continuing school choice for grades 9-12.

Article 14: Local Input

During the transition year and throughout the life of the new district, the new unified board will continually work to develop and implement creative structures for ensuring ongoing opportunities for local input on policy and budget development.

Article 15. Renaming the New District

It is understood that the current name for the new unified union district, the “Orange/Washington Unified Union School District,” is provisional for the purposes of legal identification in these articles and may be changed by a majority vote of school directors of the new unified union district.

APPENDICES

Appendix 1: Proposed Savings in Supervisory Union Staff WSSU / ONSU Central Office Merger

Washington South Supervisory Union #43 - Current		
<u>Position:</u>	<u>FTE</u>	<u>Salary & Benefits FY17:</u>
Superintendent	1.00	\$134,708
Business Manager	0.50	\$- (contracted with ONSU)
Bookkeeper	1.00	\$64,496
Human Resources	0.50	\$22,964
Curriculum Coordinator	0.50	\$- (contracted with ONSU)
Special Education Director	1.00	\$109,932
Receptionist	0.50	\$12,636
Administrative assistant - Superintendent	1.00	\$65,607
Administrative assistant - Sped Director	0.50	\$12,636
Facility / Transportation Director	1.00	\$62,853
After School Program Director	1.00	\$61,193
Food Service Director	1.00	\$67,736
Technology Coordinator	1.00	\$68,119
Technology Support Specialist (1)	1.00	\$53,474
Technology Support Specialist (1)	1.00	\$40,890
	FTE	Salary & Benefits FY17:
Total WSSU Staff - Central Office Only:	12.50	\$777,244

Orange North Supervisory Union #29 – Current		
<u>Position:</u>	<u>FTE</u>	<u>Salary & Benefits FY17:</u>
Superintendent	1.00	\$145,226
Business Manager	0.50	\$110,926 (Cost Shared with WSSU)

<i>Bookkeeper</i>	<i>1.00</i>	<i>\$63,296</i>
<i>Human Resources</i>	<i>0.00</i>	<i>\$-</i>
<i>Curriculum Coordinator</i>	<i>0.50</i>	<i>\$114,667 (Cost Shared with WSSU)</i>
<i>Special Education Director</i>	<i>1.00</i>	<i>\$105,785</i>
<i>Receptionist</i>	<i>0.00</i>	<i>\$-</i>
<i>Administrative assistant - Superintendent</i>	<i>1.00</i>	<i>\$63,296</i>
<i>Administrative assistant - Sped Director</i>	<i>1.00</i>	<i>\$58,078</i>
<i>Facility / Transportation Director</i>	<i>0.00</i>	<i>\$-</i>
<i>After School Program Director</i>	<i>0.00</i>	<i>\$-</i>
<i>Food Service Director</i>	<i>0.00</i>	<i>\$-</i>
<i>Technology Coordinator</i>	<i>0.00</i>	<i>\$-</i>
<i>Technology Support Specialist (1)</i>	<i>1.00</i>	<i>\$54,504</i>
<i>Technology Support Specialist (1)</i>	<i>1.00</i>	<i>\$54,504</i>
<i>Total ONSU Staff - Central Office Only:</i>	<u><i>FTE</i></u>	<u><i>Salary & Benefits FY17:</i></u>
	<i>8.00</i>	<i>\$770,282</i>
<i>Combined Cost Two SU's</i>	<i>20.50</i>	

New Unified Supervisory Union – Proposed Staffing

<i>Superintendent</i>		1.00	\$145,226
<i>Business Manager</i>		1.00	\$110,926
<i>Bookkeeper</i>		1.00	\$64,496
<i>Bookkeeper</i>		1.00	\$63,296
<i>Human Resources</i>		1.00	\$45,928
<i>Curriculum Coordinator</i>		1.00	\$114,667
<i>Special Education Director</i>		1.00	\$105,785
<i>Special Education Director</i>		0.50	\$52,893
<i>Administrative assistant - Superintendent</i>		1.00	\$65,607
<i>Administrative assistant - Sped Director</i>		1.00	\$58,078
<i>Facility / Transportation Director</i>		1.00	\$62,853
<i>After School Program Director</i>		1.00	\$75,000
<i>Food Service Director</i>		0.00	\$-
<i>Technology Coordinator</i>		1.00	\$68,119
<i>Technology Support Specialist (1)</i>		1.00	\$53,474
<i>Technology Support Specialist (1)</i>		1.00	\$40,890
<i>Technology Support Specialist (1)</i>		1.00	\$54,504
<i>Technology Support Specialist (1)</i>		1.00	\$54,504
Total Central Office Staff - NEW SU Office Only:		16.5	\$1,236,246
Combined SU Central Office Expenses FY17:			\$1,547,526
Hypothetical SU Central Office Expense Combined:			\$1,236,246
Potential Savings with NEW SU Staffing Patterns			\$310,280

Note: The creation of a Side-by-Side Supervisory Union between Orange North and Washington South with the merging of two central offices into one, is estimated to save about \$310,000 union-wide. The projected savings for Washington and Orange in year one (ongoing) is approximately \$77,500 (25% of ADM) and the savings for Northfield and Williamstown in year one (ongoing) is approximately \$250,500 (75% of ADM).

Central Office Unification Savings:

<p>Northfield/Williamstown: \$232,700 Orange/Washington: \$77,500</p>
--

Appendix 2: Assets and Liabilities – As of September 15, 2016

General Fund:

Washington began the new fiscal year with a \$292,779 Fund Balance **Surplus** while Orange also began the new fiscal year with a \$101,657 Fund Balance **Surplus**.

Points to remember:

- Washington has budgeted \$89,000 of any Fund Balance for use in FY17 operations. The balance was budgeted in the FY18 budget.
- Orange has budgeted the \$101,657 in FY18 budget.

Food Service:

Washington ended FY16 with a \$27,220 deficit. Hiring a food service management company will ensure that deficit does not grow.

Orange ended FY16 with a \$39,319 deficit. Hiring a food service management company will ensure that deficit does not grow.

Recommendation: Continue to contract out food service in FY18 and beyond so we stop piling up these deficits.

Reserve Accounts:

Orange has:

- Capital Improvement Fund: 26,252
- Bus Fund: \$24,750.

Washington has:

- Capital Improvement Fund: \$86,612
- Library Fund: \$4,143
- Tech Fund: \$11,841
- Blanchard Artist Fund: 2,044.

Scholarships: None for either district that the SU/School District oversees.

Long term Debt: None for either District

Short Term Debt:

Both school districts took out Tax Anticipation Notes (TAN's) on July 1st.

- Washington: \$175,000
- Orange: \$275,000

Appendix 3: Real Property

Summary of Land and Building Value - 2016			
Orange/Washington			
<u>District</u>		<u>Acres</u>	<u>Value</u>
Washington		4.3	\$3,290,000
Orange		4.5	\$3,914,900

Washington Total: \$3,290,000
Buildings: \$2,921,100
Property: \$191,000
Site Improvements: \$113,400
Computer Equipment: \$54,500
Books and Papers: \$2,500
Mobile: \$7,500

Orange Total: \$3,914,900
Buildings: \$3,527,300
Property: \$239,000
Site Improvements: \$69,400
Computer Equipment: \$66,700
Books and Papers: \$2,500
Mobile: \$5,000
Quebec Bread Oven: \$5,000

Appendix 4. Enrollment/Staffing Patterns

Analysis – Class Sizes and Staffing for Orange and Washington Elementary Schools Orange/Washington Joint 706 Committee: November 2016

Grade	Orange		Washington	
	Students	Teachers	Students	Teacher
PreK	0	0	23	.5 FTE*
K	11	1.0 FTE	10	1.0 FTE
1	5		12	
2	13	1.0 FTE	5	2.0 FTE
3	19	2.0 FTE	7	
4	10		9	
5	12	2.0 FTE	8	2.0 FTE
6	11		10	
7	15		10	
8	2		11	
Total	98		105	

*Plus, additional .5 FTE from a partnership with Capstone Community Action (Head Start)

Analysis - Enrollment Trends 2006-2017 and 2012-2017

Past 10 years (September/October 2016)

	K-12 Enrollment From 06-07 to 16-17 (September 6, 2016)		
	2006-2007	2016-2017	% Change
Orange School	134	142	+6%
Washington School	121	131	+8%

Past Five Years (September/October 2016)

	K-12 Enrollment From FY' 12-13 to FY'16-17		
	2012-2013	2016-2017	% Change
Orange School	148	142	-4%
Washington School	127	131	+3%

Note: Actual enrollment; Not equalized pupils or ADM; does not include PreK.

**Appendix 5. Changes in Education Spending Minus Revenues
and Equalized Pupil Counts 2012-2017**

2017			
		Ed Spending Minus Revenues	Equalized Pupil Counts
	Orange	\$2,232,574	164.60
	Washington	\$1,774,476	128.45
		\$4,007,050	293.05
2012			
		Ed Spending Minus Revenues	Equalized Pupil Counts
	Orange	\$1,984,924	156.81
	Washington	\$1,546,695	113.76
		\$3,531,619	270.57
Average Rate of Increase per year: 2012-2017			
		Ed Spending Minus Revenues	Equalized Pupil Counts
	Orange	2.38%	0.97%
	Washington	2.79%	2.46%
	TOTAL (aggregate)	2.56%	1.61%

Appendix 6. Changes in Equalized Spending per Equalized Pupil 2012-2016

	FY13	FY14	FY15	FY16	FY17	% Change
Orange School	\$13,672.51	\$13,662.21	\$13,395.10	\$12,790.92	\$13,563.63	(-0.01%)
Washington School	\$13,185.01	\$12,991.37	\$12,817.37	\$13,514.05	\$13,814.53	(0.05%)

Appendix 7. SBAC Results 2015 and 2016

Orange Center School SBAC 2016

English Language Arts

Orange Center Grade	2014-2015	2015-2016	Increase or Decrease	State Average 2016
3- 10 Students	10%	50%	+40%	54%
4- 12 Students	15%	25%	+10%	54%
5- 12 Students	21%	33%	+12%	58%
6- 15 Students	50%	20%	-30%	56%
7/8 18 Students	50%	50%	0%	59%

Mathematics

Grade	2014-2015	2015-2016	Increase of Decrease	2016 State Average
3- 10 Students	0%	60%	+60%	56%
4-12 Students	15%	9%	-6%	50%
5- 12 Students	21%	9%	-12%	43%
6- 15 Students	0%	7%	+7%	56%
7/8-18 Students	43%	46%	+1%	44%

**Washington Village School SBAC
2016**

English Language Arts

Grade	2014-2015	2015-2016	Growth/Decline	State Average 2016
3	63% *8 Students	40% 10 Students	-23%	54%
4	10% 10 Students	57% *7 Students	+ 47%	54%
5	Under 10 students	50% 10 Students	+17%	58%
6	25% *8 Students	30% 10 Students	+5%	56%
7	0% 12 Students	71% *7 Students	+71%	58%
8	33% * 6 Students	45% 11 Students	+12%	59%

* not reportable to public- less than 10 students

Math

Grade	2014-2015	2015-2016	Growth/Decline	State Average 2016
3	100% *8 Students	80% 10 Students	-20%	56%
4	0% 10 Students	57% * 7 Students	+57%	50%
5	33% *9 Students	0% 10 Students	-33%	43%
6	25% *8 Students	20% 10 Students	-5%	41%
7	17% 12 Students	43% *7 Students	+36%	46%
8	67% *6 Students	82% 11 Students	+ 15%	44%

Vermont Statewide Averages of Students Who Scored Proficient or Above

Grade		2015 English Vermont	2016 English Vermont		2015 Math Vermont	2016 Math Vermont
3	All	51%	54%		51%	56%
	Not Free & R	64%	65%		64%	67%
	Free and R	45%	39%		35%	41%
	Special Ed	12%	14%		15%	18%
4	All	51%	54%		44%	50%
	Not Free & R	62%	66%		56%	62%
	Free and R	35%	37%		29%	32%
	Special Ed	11%	13%		10%	14%
5	All	56%	58%		41%	43%
	Not Free & R	69%	68%		52%	53%
	Free and R	39%	42%		25%	28%
	Special Ed	11%	14%		6%	10%
6	All	53%	56%		47%	41%
	Not Free & R	65%	67%		48%	51%
	Free and R	35%	39%		21%	25%
	Special Ed	7%	11%		3%	5%
7	All	55%	58%		43%	46%
	Not Free & R	66%	69%		53%	56%
	Free and R	36%	39%		26%	28%
	Special Ed	8%	9%		3%	6%
8	All	53%	59%		40%	44%
	Not Free & R	63%	68%		49%	54%
	Free and R	36%	41%		24%	26%
	Special Ed	8%	11%		3%	4%
11	All	57%	57%		37%	37%
	Not Free & R	65%	65%		44%	45%
	Free and R	39%	38%		20%	19%
	Special Ed	10%	10%		2%	1%

**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 8. School Profiles 2015 and 2016

Free and Reduced % By School

	2014-2015	2015-2016
Orange School	56% (State Average 39%)	56% (State Average 38%)
Washington School	47% (State Average 39%)	36% (State Average 38%)

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

	2014-2015	2015-2016
Orange School	18% (State Average 24%)	17% (State Average 27%)
Washington School	17% (State Average 24%)	N/A

Appendix 9. Rough Estimate of Constructing New Elementary School for all Washington and Orange Students

ITEM	COST	SUBCOSTS	ASSUMPTIONS
CONSTRUCTION AND SITE (Hard Costs...)			
Construction Estimate (Building)	\$7,200,000		200 students @ 160 sf ea x \$225/sf
Site Development			
Land Acquisition		\$0	build on one of the two sites
Wastewater System		\$100,000	Municipal extension
Water Supply and storage		\$100,000	Municipal extension
Power Service Extension		\$20,000	3 Phase available at existing school
Generator and Fire Pump		\$20,000	Assume adequate pressure and flow
Exterior Lighting		\$50,000	20 @ 2500 ea
Stormwater Treatment		\$100,000	Combination of new tech and detention
Parking and Drives		\$500,000	200 spaces
General Grading		\$50,000	
Ballfields		\$750,000	3 @ \$250,000 ea
Running Track		\$0	Not desired
Prime Ag, Wetlands, Wildlife Habitat, etc.		\$50,000	Allowance for mitigation of one or more
Blasting		\$0	Assumed not required
Site Development Subtotal	\$1,740,000		
10% Contingency (Building and Site)	\$894,000		
Construction Subtotal	\$9,834,000		
FEES			
A/E Design Fees (% or fixed basis)	\$625,800		7%
Permit Fees	\$57,600		
Fire Safety Permit (0.008/\$1)		\$57,600	
Act 250 Permit		\$0	Permit req'd but municipal projects fee exempt
Zoning/Local		\$0	Waived as municipal project or negligible
Permitting	\$50,000		W/W, Stormwater, Act 250, etc.
Traffic Study	\$0		Assumed not required
Transportation Impact Fees	\$0		Assumed not applicable
Clerk of the Works	\$112,500		1.5 years at \$75,000/year
LEED Consultant	\$0		Assumed not pursued
Lead/Asbestos Consultant/Monitoring	\$0		New Building = no hazardous materials
Construction Testing Services	\$25,000		Concrete, soils, steel
HVAC/lighting Commissioning	\$100,000		Mid-range scope

Legal Services	\$20,000		
Surveying*	\$15,000		Allowance
Soil Borings*	\$10,000		Allowance
Fees Subtotal	\$1,015,900		
MISCELLANEOUS COSTS			
Moving/Storage Expenses*	\$50,000		Allowance to move stuff from multiple locations
Interim Financing*	\$0		No Ed Dept. funding to wait on
Builders Risk Insurance*	\$0		By GC with new construction
Other	\$10,000		Printing, Advertising, etc.
Subtotal	\$60,000		
OWNER PURCHASES			
FF&E (Furnishings, Fixtures and Equipment)*	\$250,000		Some new, some reused
Phone System*	\$0		Included in Building Cost
Subtotal	\$250,000		
TOTAL PROJECT BUDGET	\$11,159,900		

Estimate Provided by Black River Design, Montpelier Vt.

Appendix 10. Schedule of Committee Meetings and Public Forums

04/13/16	Wed	<u>Orange Washington Act 46 Study Committee Meeting</u> <i>Orange Center School</i> 6:00pm - 8:00pm	Uncategorized Events	Apr 12, 16
05/05/16	Thu	<u>Orange-Washington Merger Study Committee</u> <i>Washington Village School</i> 6:00pm - 8:00pm	Agenda Packets	Jan 12
05/26/16	Thu	<u>Orange Washington Merger Meeting</u> <i>Orange Center School</i> 6:00pm - 8:10pm	Agenda Packets	May 23, 16
06/27/16	Mon	<u>Orange Washington Study Committee Meeting</u> <i>Washington Village School</i> 6:00pm - 8:00pm	Agenda Packets	Jun 24, 16
07/21/16	Thu	<u>Orange Washington Merger Study Committee</u> <i>Orange Center School</i> 6:00pm - 8:00pm	Agenda Packets	Jul 20, 16
08/08/16	Mon	<u>Orange-Washington Merger Study Committee</u> <i>Washington Village School</i> 6:00pm - 8:00pm	Agenda Packets	Jan 12
08/29/16	Mon	<u>Orange Washington Merger Committee Meeting</u> <i>Orange Center School</i> 6:00pm - 8:00pm	Agenda Packets	Aug 26, 16
09/15/16	Thu	<u>Orange-Washington Study Committee Meeting</u> <i>Washington Village School</i> 6:00pm - 8:00pm	Agenda Packets	Sep 14, 16
10/04/16	Tue	<u>Orange Washington Merger Study Committee Meeting</u> <i>Orange Center School</i> 6:00pm - 8:00pm	Agenda Packets	Oct 3, 16
10/24/16	Mon	<u>Orange Washington Merger Study Committee Meeting</u> <i>Washington Village School</i> 6:00pm - 8:00pm	Agenda Packets	Oct 19, 16
11/09/16	Wed	<u>Orange-Washington Merger Committee Forum</u> <i>Orange Center School</i> 6:00pm - 7:00pm	Agenda Packets	Jan 12
11/14/16	Mon	<u>Orange Washington Study Committee Meeting</u> <i>WVS</i> 6:00pm - 8:00pm	Agenda Packets	Nov 10, 16
11/29/16	Tue	<u>Orange/Washington Merger Committee Meeting</u> <i>Orange Center School</i> 6:00pm - 8:00pm	Uncategorized Events	Nov 15, 16
12/06/16	Tue	<u>Orange/Washington Merger Community Community Forum</u> <i>Washington Village School</i> 6:00pm - 7:00pm	Uncategorized Events	Nov 30, 16
12/15/16	Thu	<u>Orange Washington Merger Study Committee Meeting</u> <i>Orange Center School</i> 6:00pm - 8:00pm	Agenda Packets	Dec 13, 16
01/03/17	Tue	<u>CANCELLED because of weather- Orange-Washington Merger Study Committee Meeting</u>	Agenda Packets	Jan 3

	<i>Williamstown Middle High School</i>		
	<i>6:00pm - 8:00pm</i>		
01/19/17 Thu	<u>**POSTPONED** Orange-Washington Merger Study Committee Meeti</u>	Agenda Packets	Jan 18
	<i>Washington Village School</i>		
	<i>5:00pm - 5:55pm</i>		
02/01/17 Wed	<u>Orange-Washington Merger Study Committee Meeting</u>	Agenda Packets	Jan 30
	<i>Washington Village School</i>		
	<i>6:00pm - 8:00pm</i>		
02/13/17 Mon	<u>Orange-Washington Merger Study Committee</u>	Uncategorized Events	Feb 14
	<i>Orange Center School</i>		
	<i>6:00pm - 8:00pm</i>		
02/22/17 Wed	<u>Orange-Washington Merger Study Committee</u>	Uncategorized Events	Feb 20
	<i>Washington Village School</i>		
	<i>6:00pm - 8:00pm</i>		

Appendix 11. Sample Warning

WARNING

The voters of the _____ Town School District are hereby notified and warned to meet on the 2nd day of May, 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 voters of the _____ Town School District vote to form the Orange Washington Unified Union School District ("Unified District") on the following terms:

1. The School Districts of Orange and Washington are necessary for the establishment of the Orange Washington Unified Union School District and are hereinafter referred to as the "Forming Districts."
2. The Unified District shall be formed and the terms hereby voted shall become effective on the date this article is approved by a majority vote of the electorate of each Forming District voting in a meeting for adoption of this article and said votes become final pursuant to 16 V.S.A. 706g. The Unified District will assume full operations on July 1, 2018.

If the Unified District is formed and if the voters of the Northfield School District and the Williamstown School District vote to approve the formation of the Central Vermont 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.

3. The name of the Unified District shall provisionally be the Orange Washington Unified Union School District.
4. The Orange Washington Unified Union School District will operate grades Pre-Kindergarten through grade 8 and offer parental choice for grades 9-12.
5. The Orange Washington 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 District is providing full educational services and operations.
6. The Orange Washington 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.

The Orange Washington 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 local purposes will be transferred to the Orange Washington Unified Union School District, and will be applied for their original established purposes unless otherwise determined through appropriate legal procedures.

The Forming Districts will transfer to the Orange Washington 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.

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

8. The Orange Washington Union School District shall be governed by a six (6) member Board of Directors elected by Australian ballot for three-year terms, except for those initially elected at the time of the formation of the new Unified District:

- A. Three (3) residing in and representing the Town of Orange; and
- B. Three (3) residing in and representing the Town of Washington.

9. An initial Board of Directors shall be elected at the town school district special meetings to be held on May 2, 2017. The terms of the initial Board of Directors are set forth in the Articles of the Agreement. Upon expiration of the respective terms of the initial Board of Directors, successors shall be elected for terms as specified by law.

10. The Articles of Agreement and the Final Report of the Act 46 Study Committee which is on file at the offices of the Orange North Supervisory Union shall govern the Unified District.

ARTICLE II

To elect three (3) Directors to serve on the Orange Washington Unified Union School District Board from the date of the organization meeting for terms as provided in the Final Report, from the following nominees:

1. (name)
- 2.
- 3.
- 4.
- 5.