

**Washington West Supervisory Union**

**Act 46 Study Committee Report**

**&**

**Articles of Agreement**

**Final Report**

**As Approved by the Vermont State Board of Education**

**On April 19, 2016**

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## **Washington West Supervisory Union**

### **Proudly serving the following communities:**

Duxbury (Member U-45)  
Fayston  
Moretown  
Waitsfield  
Warren  
Waterbury (Member U-45)

### **Act 46 Study Committee Members:**

Duxbury - Sam Jackson  
Fayston - Jill Ellis  
Harwood ex officio - Garrett MacCurtain (Waterbury)  
Harwood ex officio - Rosemarie White (Warren)  
Moretown - Gabe Gilman (Chair)  
Waitsfield - Christine Sullivan (Vice Chair)  
Warren - Alycia Biondo and Rob Rosen  
Waterbury - Jason Gibbs (at large member)  
Waterbury - Alex Thomsen

All committee members were also school board members for their local communities, or on the Harwood Union High School board.

Thank you to Dale Smeltzer for taking minutes.

**Superintendent - Brigid Scheffert Nease**

**Chief Financial Officer - Michelle Baker**

**Act 46 Consultants - Jeff Maher and Walter Nardelli**

**Attorney - Chris Leopold**

## **Introduction**

The member towns of Washington West Supervisory Union are located in central Vermont, along the scenic Route 100 corridor. Those located in the Mad River Valley, Warren, Fayston, Waitsfield, and Moretown, are geographically separate from other Vermont school districts, and to a certain extent the other WWSU member towns of Waterbury and Duxbury, which comprise their own pre-K through 8 union school district (U-45). To date, the geographic and political makeup of WWSU has led not only to unique cultures at each school, but differences in curriculum and governance style. Each member town of WWSU takes pride in its school, local culture, and sense of uniqueness. As in any other Vermont locality there is strong interest in continued independence, local control, connections to school governance, and maintenance of inherent cultures. These, along with disparities in equalized pupils and per pupil spending, lingering discontent with the after effects of Acts 60 and 68, and the emotions around district bonds, both encumbered and anticipated, have presented obstacles on the path to consolidation, and threatened prospects for a successful merger. In spite of these challenges, the members of the WWSU Act 46 Study Committee have come together and created a project they believe to be the best interests of all member communities.

It seems unlikely the member boards would have been at the table discussing merger had they not felt a sense of immediacy created by Act 46. Acting on the belief that each town's electorate should have the opportunity to vote on an agreement projected to provide tax stability and yield substantial, if unequal, tax savings, we have found common ground discussing the educational opportunities these and increased efficiencies could bring to the children in each of our schools, and at every grade level. Of great interest is the goal of creating equity in the curriculum at the elementary schools to insure better parity when students enter the middle school and high school levels. There is hope that we would have the opportunity to add programming and enrich both the educational and extracurricular experiences at all levels, but especially the middle and high schools. And, although initial projections are limited, we believe we can create efficiencies that will bring taxpayers relief from steep and continued increases in education tax rates by the time merger incentives expire.

## **The Challenge**

All WWSU schools strive to offer a high quality education. However, this is threatened by an ongoing decrease, predicted to continue, in the student population in nearly every elementary school district. The problem is amplified at Harwood Union High School, which suffers the combined effect of declining enrollment. Harwood's problems impact the budget of every member town of the SU, even those with a stable student population. In fiscal year 2009, Harwood apportioned its budget among 850 equalized pupils. In fiscal year 2016, equalized pupils at Harwood fell to 707. The costs of labor, including salaries and benefits, which represent about 75% of the budget, grow every year. A level service budget, one that maintains staffing, services, and programming from one year to the next, for a consistent number of students leads to increased per pupil spending. Funding that same budget for fewer students

magnifies the increase. The tax rate, generated as a function of per pupil spending, climbs. Oftentimes this is due in part to a penalty on too high an increase in per pupil spending. In order to limit increases in per pupil expenditures, teaching positions and programming must be eliminated. In spite of these types of cuts at Harwood per pupil spending there has risen more than 30% since FY 2012.

As the costs of maintaining programming increase, Harwood's enrollment and budget challenges are poised to negatively impact quality, and with that the community at large. The building is aging and its learning labs are outdated (a bond is anticipated to address these issues). Enrichment and extracurricular opportunities suffer every year that budget cuts are imposed. Other top tier high schools across the state are adding Advanced Placement (AP) classes, languages, and Science, Technology, Engineering, and Math (STEM) programs, and offering extra-curricular activities like speech and debate team, future engineers of America, and robotics and coding clubs. A high school only able to offer the minimum should concern everyone as the quality of education offered at the local high school can impact property values more than any other single factor. Many families move into the towns of WWSU for the elementary experience. We want them to remain for their children's high school education, and to attract others to the region for the quality of education we offer pre-k through 12.

Most of our elementary schools also face challenges caused by unstable and declining enrollment. Peer groups are too small, and student to teacher ratios too low. In order to maximize per pupil spending, school boards are faced with making choices that focus on limiting budget growth and minimizing tax increases rather than improving classroom learning and the overall quality of education. And, when budgets are cut, there is no guarantee there will be a corresponding tax break for the local community. This further threatens the quality of education in our local schools. We do not have equity in curriculum and enrichment activities. Individual school boards do not realize the full extent to which inequity exists because they are isolated from fellow boards. Furthermore there is no consistency across the SU in our elementary schools when it comes to the impacts felt by declining student population.

We have a collective responsibility to maximize efficiencies across our SU to the greatest extent possible and to improve the educational experience overall at the most reasonable cost we can realize for our taxpayers. We need to insure equality in the education our children receive and invest in our high school in order to improve the education available there.

### **Act 46 - a Possible Solution?**

The WWSU Executive Board and Act 46 Study Committee have been meeting jointly twice a month since this past September, usually on the 2nd and 4th Wednesdays, from 5:30-9:30, in the Harwood Union School Library. In order to determine how best to proceed, along with administration and consultants, they have been studying the law and its expected implications for the seven schools in Washington West. The Study committee has studied the challenges inherent in operating a number of smaller and medium sized schools with declining student

population in general, and the impact it will have on Harwood long term. The Committee has focused on arriving at solutions that align with the desired outcomes of Act 46:

- Provide equity in the quality and variety of educational opportunities
- Lead students to meet or exceed the Educational Quality Standards (EQS)
- Maximize operational efficiencies through the greater flexibility to manage, share, and transfer resources with the goal of increasing district wide student to staff ratios
- Promote transparency and accountability

All at a cost that taxpayers, parents, and other stakeholders value.

## **Background**

In 1997, the Brigham decision declared that Vermont's then locally based system of education funding was not constitutional. Education needed to be more equitably funded in order to provide all students greater and more equal access to a quality education. The legislature responded to Brigham with Acts 60 and 68, which created a statewide funding system and attempted to equalize spending, imposed penalties for going over spending limits, and intended to insulate lower income and non-resident homeowners from the steep increases in education property taxes. Prior to Brigham, when all spending was local, tax and educational inequality existed across WWSU. Some towns were "gold" towns with higher property values and a stronger business base, and some were not. Population differences created disparities in per pupil spending among towns. Therefore, as we transitioned to a statewide funding system, member towns fared differently under the legislation. Feelings, which still swirl around the impact on local spending decisions and tax rates, have influenced the Act 46 merger discussion.

Since 2000, Vermont as a whole has experienced a decline in student enrollment. We have about 20,000 fewer students; the number of faculty has remained stable. Our statewide funding system more heavily weights certain types of students, which lowers tax rates for their districts. Due to socio-economic makeup in WWSU, unlike in many other districts, our number of equalized pupils is roughly equal to our number of actual pupils. Therefore, we receive limited relief for our declining enrollment under the current system, which is unlikely to change.

While the state has experienced declining enrollment, the federal government and state legislature have been creating higher expectations for Vermont schools and students, and we have been faced with new challenges. We have adopted the Education Quality Standards and enacted Act 77, which addresses personal learning goals and proficiency based advancement. Act 166, which provides universal access to preschool education for 3, 4, and 5 year old children not in kindergarten, has been enacted to insure that all children receive a quality preschool experience that prepares them for kindergarten. In addition to the significant cost pressures on budgets, our schools have been impacted by an increase in poverty and addiction rates statewide. There has been growing inequity in student opportunities and outcomes. There is a high rate of leadership and board member turnover, which threaten continuity and quality in education. While the intent of equalizing resources and in theory, opportunity, was to create more consistent outcomes statewide, they have failed to materialize. The legislature continues to look for ways to improve the situation.

Vermont passed Act 153 in 2010, and Act 156 in 2012. Both were intended to encourage voluntary merger of local school districts into unified union (pre-k through 12) school districts, that had the potential to be their own supervisory districts. One Regional Education District (RED), the Mountain Towns USD, was formed. One RED variation, Mount Mansfield Modified Unified Union School District (MUUSD), was also formed. In addition, Act 153 requires that districts centralize services such as special education and transportation at the SU level. Failure to comply with this requirement by the end of fiscal year 2017, could result in the assessment of a 5% penalty on school district taxes. In our own supervisory union, the centralization of transportation has been completed and special education services have been moved into the WWSU budget for FY 2017.

Act 46 was passed in the spring of 2015. It created a multi-year process to unify existing educational governance structures, where necessary and practicable, into more sustainable systems that are better designed to meet the goals described in the legislation. It encourages school districts to voluntarily merge into larger and more common governance models, one of which can be a supervisory union with all or a majority of member districts merging into a unified district. To this end, it incorporated the earlier merger incentive programs of Acts 153 and 156. Incentives include: reductions in the unified district's homestead property tax rate in either the first four or five years of a new district's operation; a transition facilitation grant; transformation of small schools grants into permanent annual merger support grants; and continued access to protections against declines in student enrollment (phantom students). Several districts in our SU benefit from small schools grants and phantom students.

By the fall of 2017, districts not pursuing voluntary merger, or not expecting to achieve voluntary merger before July 1, 2019, must evaluate their ability to meet or exceed state goals and propose whether to maintain their current structure or somehow work with one or more other districts in order to achieve those goals. Act 46 authorizes the State Board of Education, in 2018, to determine whether to merge any remaining districts that have not already done so. Involuntary merger offers no opportunity to take advantage of the tax incentives, transition grants, and permanent merger support grants. In addition phantom students will be phased out for all districts that do not voluntarily merge. Given our current structure and relationship, it is likely we will be merged involuntarily if we haven't already done so ourselves before the described deadlines.

There are four paths for the districts of Washington West Supervisory Union:

- **Accelerated Merger:** All districts within the SU merge into a single unified union school district that is its own supervisory district. The voters of each district must approve merger on or before June 30, 2016. All districts of the SU must vote in the affirmative. The new district must be operational on July 1, 2017, with a single budget for FY 2018. Beginning in the first year of operation, a reduction of the homestead property tax rate will be applied for the first five years in the following manner: \$.10/.08/.06/.04/.02. A new

unified district would continue to receive the small schools grant in the form of a merger support grant and to have protection against declining enrollment.<sup>1</sup> A grant of \$150,000, minus previously received study committee grant funds, will be available to support transition.

- REDs and RED Variations: The second phase of voluntary merger includes several options for incentivized merger. Each must be approved by voters before July 1, 2017, and become operational before July 1, 2019, with all or a majority of the districts merged.<sup>2</sup> One of the options in this phase, a Modified Unified Union School District (MUUSD) can be created when all member districts of a union high school vote on a proposed merger, but only a majority of them approve the merger. Under this option, the supervisory union remains and the MUUSD and the elementary school districts that did not approve the merger are its member districts. Beginning with the first year of operation, the reduction of the homestead tax rate will be applied for the first four years in the following manner: \$.08/.06/.04/.02. The MUUSD will receive an annual merger support grant equal to the small schools grant formerly received by any district that approved merger. In addition, the MUUSD will continue to receive protection against declining enrollment. A grant of \$150,000, minus previously received study committee grant funds will be available to support transition. The phase two incentives would also be available in Washington West if all districts were to approve a merger after June 30, 2016, but before July 1, 2017, and the Unified District was operational before July 1, 2019.
- Conventional Merger: The third and final phase of incentives would be available to the districts in Washington West only if all of the member districts of the union high school approve a merger after June 30, 2017, for a new district that must be operational before July 1, 2019. Phase three incentives are identical to phase two incentives, except that the transition facilitation grant is not available.
- Self-Assessment: If we do nothing, each district must evaluate its current ability to meet or exceed the education quality, equity, and finance goals outlined in Act 46, and meet with the boards of one or more other districts in or outside the SU to discuss ways to promote improvement towards meeting the goals throughout the region. In addition, we must submit a report by November 30, 2017, to the State Board of Education and Secretary of Education showing how we will meet the quality and cost objectives identified by the state and indicate how we can achieve this in the current structure or by working together in different ways.
  - That we provide equity in the quality and variety of educational opportunities to all of our students.

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<sup>1</sup> Currently, two schools in WWSU receive small schools grants totalling about \$107,000 in FY 2016.

<sup>2</sup> WWSU has written Articles of Agreement, which in the case of majority, but not unanimous, consent of the member districts will allow for merger into the MUUSD structure, with the corresponding benefits, on an accelerated timeline.



- That our decisions and organizational structures lead students to meet or exceed EQS.
- That we have maximized operational efficiencies through greater flexibility to manage, share, and transfer resources from school to school, with a goal of increasing district level student to staff ratios.
- That we promote transparency and accountability, both to the member districts and to the community at large.
- That we have an ADM of 1,100 or more.
- That we have the smallest number of districts practicable.
- That we can demonstrate we operate with a collective responsibility for all pre-k through 12 students in the SU.
- That we provide all of this at a cost taxpayers, parents, and other stakeholders value.
- That our current structure is the best means to achieve these goals.

In 2018, the State Board of Education will develop a statewide plan that transitions all unmerged districts into sustainable governance structures, to the extent necessary and practicable, if they don't have a plan to do so by FY 2019. If we fail to act, we will no longer be able to determine the terms under which this will be done. We will have lost the opportunity to take advantage of the tax incentives. We will lose the small schools grants and protection against declines in student enrollment and, along with them, access to transition facilitation grants. In our current governance structure, many of the services we provide already operate under a consolidated model. We know the current model is not sustainable due to the inherent costs and redundancies in continuing to operate as separate districts. Therefore, it is highly likely the State Board of Education will merge us if we cannot merge ourselves.

Along with the tax incentives, an accelerated merger or MUUSD would offer many benefits. First among them is the ability to address the existing issues, described in this report, in a more timely manner. Being able to combine capacity would provide elasticity to change and respond locally within the current SU boundaries to: future declining enrollment, potential increases in per pupil cost, and quality issues that may arise. We would be able to offer elementary school choice, which would allow children to attend the nearest school with no negative financial consequences to the home school. We could possibly save on busing. Costs for special education would be spread over a bigger base. No one school's budget would be hit hard should a student with costly needs enter its system. Spikes in the tax rate created by issues like this and swings in population would be stabilized by spreading the cost across a wider base.

### **Executive Summary**

In the fall of 2015, a group of 9 residents, representing the member town districts of Duxbury, Fayston, Moretown, Waitsfield, Warren, and Waterbury, convened as a merger Study Committee to consider the question, "Should our communities create a unified school district?" This was done with the mutual understanding that as individual districts, costs created under the current model are no longer sustainable. In the interim, the Committee:

- Continued to ask questions relevant to our situation.
- Listened to presentations by the superintendent and WWSU business manager, supported with evidence.
- Studied how other supervisory unions and districts had addressed the issue of merger while focussing on educational and financial gains.
- Examined detailed analyses of potential cost savings that could be generated both by budget reductions, which could only be achieved through a merger, and the Act 46 incentives. These were prepared and presented by the business manager.
- Pledged early on to bring the question of accelerated merger to a vote in WWSU communities.
- Listened to and discussed presentations on the possible educational gains for students which could be brought to fruition only through merger.
- Expressed concerns over loss of local control and community input, and unequal tax impacts.
- Discussed financial details, including Act 46 incentives, current indebtedness, possible construction projects to the Warren School and Harwood Union High School, and the tax implications these would have for all the communities in the new district.
- Discussed how declining enrollment at HUHS was eroding quality and educational opportunities at the school and inhibiting the school's ability to create a 21st century education for all students, as well as how a perceived lack of quality education would continue to negatively impact property values and future enrollment.
- Raised, discussed, and sought answers to legal questions from counsel in an attempt to determine their ramifications on the merger process. Many of these specifically related to the already existing union between Duxbury and Waterbury (U-45)<sup>3</sup>, their corresponding "ghost boards," the fate of currently existing maintenance reserve funds, and the nature of continued relationships with currently existing 501(c)3 organizations at each school.
- Discussed a means through which local communities could still have a voice and influence within the unified district.

In December 2015, work commenced on draft Articles of Agreement. These were first approved on February 18, 2016, with additional changes and editing completed in time for review at the April 19, State Board of Education meeting, in anticipation of a June 7th vote.

### **Continued Educational Excellence**

Our member communities are proud of the education provided to students in their schools. We have high quality teachers, support staff, school administrators, and supervisory union leaders, dedicated volunteers and parents, and overwhelming community support. Upon conclusion of its

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<sup>3</sup> Waterbury/Duxbury have a union school system Pre-K through 8. Their votes, by Australian ballot, are co-mingled before being counted. For the purpose of a merger vote the towns will vote, and have their votes counted, separately, but their results must be the same. If one town votes no, that would nullify a yes vote by the other. A successful vote by them and a majority of all the voting districts would dissolve their currently existing union and ghost boards.

study, the Committee believes that the formation of a unified school district pre-kindergarten through grade 12 would expand the quality of education and opportunity for students in our communities. We hope the long term educational and financial benefits of the merger outweigh fears of changes which could be brought about by merger, and a reluctance to take on any bond debt already encumbered or otherwise. Certain changes, such as school closure, which many perceive to be the intent of a merger, already have the potential to happen in the current model and ahead of the dates described in the articles of agreement<sup>4</sup> as instability could be more drastic with smaller districts. We believe that together we can improve education for all students and bring tax relief and stability to our member communities.

### **Increased Educational Opportunities**

Through merger we believe the following educational opportunities and improvements are possible:

- Parents could exercise intra-district school choice without financial consequences for any one school. Students could possibly choose to attend any of our schools. Taking into consideration the needs of sending and receiving schools, parents might be able to choose the school closest to their homes or places of work. For those without their own means of transportation, coordinated busing would allow students to access choice.
- We would have increased capacity and better flexibility among schools to share staffing, especially when it is necessary to address serious and continued declines in enrollment. This would better enable us to optimize student to staff ratios, not only in the interest of reducing spending, but also to provide more robust peer groups in our schools and classrooms. We currently have, and have seen several times in recent years, elementary school classrooms with 8 to 11 students and middle school classrooms of 14 to 15 students. Most larger school districts in Vermont are able to offer research supported classrooms of 18-20 in grades K-2; 18-22 in grades 3-4; 20-25 in grades 5-6; and 24-28 in grades 7-8.
- We would be able to share resources across schools when feasible. As an example, we could buy one expensive science kit instead of six, share physical education equipment, specialized technology, floor cleaning machines and maintenance equipment, software and operating systems, and numerous other items that would not need to be duplicated for the programs and services we provide.
- We would be able to innovate the sharing and restructuring of what we do now. Learning units and modules could be created and delivered in such a way that they can be rotated through schools, avoiding the purchase of expensive learning materials in duplicate. We could restructure the grade formations in buildings. We could merge both middle schools into Crosetts Brook, or merge student bodies across two campuses, which could allow for specialized academies. We could create grade specific buildings in some of the Mad

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<sup>4</sup> The articles of agreement specify the Unified District cannot close a school within its first four years of operation unless agreed to by the electorate of the town in which the school is located.

River Valley schools in order to address declining enrollment and create healthy class sizes.

- It is important to note that we might choose not to implement any of these ideas. However, it is only through merger that we could consider their feasibility as affordable measures of improving opportunity and achieving cost savings in light of the reality of declining enrollment. If we fail to merge, there will be little opportunity to realize cost savings, through efficiencies, that will continue to be necessitated by loss of students. Given financial realities, the opportunity to improve quality and equity is unlikely to materialize.
- We could provide more equitable learning opportunities for students in all towns of residence. For example, if we value elementary level foreign language instruction, we would offer it to all students in grades K-6 in all our schools, with the same amount of instruction at the designated intervals. At the present time, foreign language is not available in all of our elementary schools, which leads to disparity, based on town of residence, when students reach high school. The intent of unification is to create a pre-k through 12 continuum that guarantees an equitable educational experience so that all students have the skills to more equally access the high school curriculum and opportunities beyond.
- Schools could continue to enjoy events and experiences unique to each, supported by their respective parent-teacher groups and other 501(c)3 organizations, which would help preserve the culture and feel of each. Act 46 is not trying to create identical schools.

### **Financial Incentives**

Through merger, the following savings are possible:

- Education tax rates would still be determined using the existing formula, however, the state would reduce the Unified District homestead rate \$.10, in the first year, then \$.08/.06/.04/.02 in the following years.
- We would indefinitely keep the small schools grant money currently received by Fayston and Moretown as merger support grant money.
- We would be protected from some of the actual costs of declining enrollment in future years by being eligible to continue to include phantom students in our calculations indefinitely. Currently, three of our towns receive this protection with the Harwood Union budget being the biggest beneficiary.
- Although the legislature recently changed the conditions by which each district's Allowable Growth Penalty (AGP) is calculated, and repealed it for fiscal year 2018, it is expected to be replaced with some other form of cost containment measure for FY 2018. According to the provisions of Act 46, merged districts would be exempt in FY 2018.

### **Projected Savings and Efficiencies**

One of the most obvious areas in which we could achieve efficiencies and savings would be through the shift to one board and one budget. Including the ghost boards of Duxbury and Waterbury, we currently have nine member boards, many of which have difficulty attracting and

retaining members. The new Unified District board would require fewer members from each town and would likely be made up of a more robust membership with heavier interest and investment in the education at our local schools. Our administrative and business leaders would have to attend fewer meetings, which would allow for them to better use their time attending to Unified District matters. Our business office would only have to prepare one budget instead of seven and would not have to spend time allocating portions of our central office budget and SU spending to individual schools. Paring down their workload through merger could lead to a more efficient and possibly, smaller, central office.

While the initial savings made possible through merger are limited and mostly related to the inherent savings of only having one board and one budget, we have identified additional areas in which we might be able to achieve efficiencies and cost savings. Once the parameters of an actual merger are realized, further savings could be identified.

**Annual Savings Made Possible Through Merger**

Town treasurer services and expenses	\$4,500
Board secretary expense	\$12,000
One audit instead of seven	\$14,000
Board member dues/fees, and expenses	\$14,310
Board Insurance	\$15,000
Additional EEE grant income <sup>5</sup>	\$6,000
<b>Total</b>	<b>\$65,810</b>

**Potential Additional Savings for Future Consideration**

Potential annual cost reduction in relocating unified district offices into Harwood school	\$35,000/yr.
Food services cost to general fund, which could be reduced through efficiencies and/or contracting out (currently operating at a loss in every SU school)	Current annual loss of \$131,205

<sup>5</sup> WWSU currently has some individual school districts that do not incur enough EEE expenditures to earn their full EEE grant. Other districts have EEE expenditures greater than the EEE grant they receive. Combining EEE expenditures would allow the Unified District to capture EEE grant revenue closer to total SU expenditures.

Contracted maintenance and operations throughout SU which could be reduced through sharing	Currently \$358,606 (plus 19.21 FTE who could be better utilized to reduce redundancies)
Annual equipment costs, which could be reduced by avoiding duplicate purchases	Currently \$45,000
Potential savings associated with more flexible staffing	TBD
Potential savings with Special Education out of district placements	TBD

Another area in which to explore potential savings is class size. There has been a decrease in student population in most of our schools, Warren Elementary being the exception. Class sizes should be brought into alignment with the Vermont Quality Standards. Not only would it save money, but some of the potential savings could be redirected into insuring equity of education for all students, and meeting or exceeding the Quality Standards, while lowering per pupil expenditure. Many times over the past five years there have only been 8 to 11 students in several classrooms at different schools throughout the SU. These micro-classrooms tend not to be the rich learning or social environments we seek for our children, and drive up per pupil spending. Additionally, for budgetary reasons, schools have combined three grades in one classroom. Due to challenges created by this model, and poor learning outcomes, it has been abandoned for FY '18. Merger would allow us to pursue better options.

### Conclusion

The Act 46 Study Committee has worked both to address financial questions and to consider education quality. While the majority of this report, the articles, and appendices address the financial outcomes of the proposed merger, we don't want to lose sight of the benefits it could bring to our local education system. The overriding fear is that a failure to create stability in education tax rates will erode the quality of education available to our children. Therefore it is impossible to address the one without first addressing the other. Boards do not want to make decisions that jeopardize the long term futures of our local schools, but if we are forced to continue to create budgets in a stressed system that is what we fear could happen. The membership of our committee realizes that the proposed governance merger and shift to one board, one budget challenges some of the ideas some people have about their local education system. While we can't allay all concerns about the uncertainties change will bring, we can speak to the fact that even with a large board format, membership is comprised of individuals committed to children and the education they receive in local schools. Membership of that board can discuss topics in a way that is sensitive to all voices, and can reach consensus on divisive issues in a way that takes into consideration all viewpoints. In drafting the following Articles of Agreement, the Study Committee considered each issue brought forward as a concern of local boards and communities, and we believe, reached an agreement that would protect each without hampering the work of any future board.