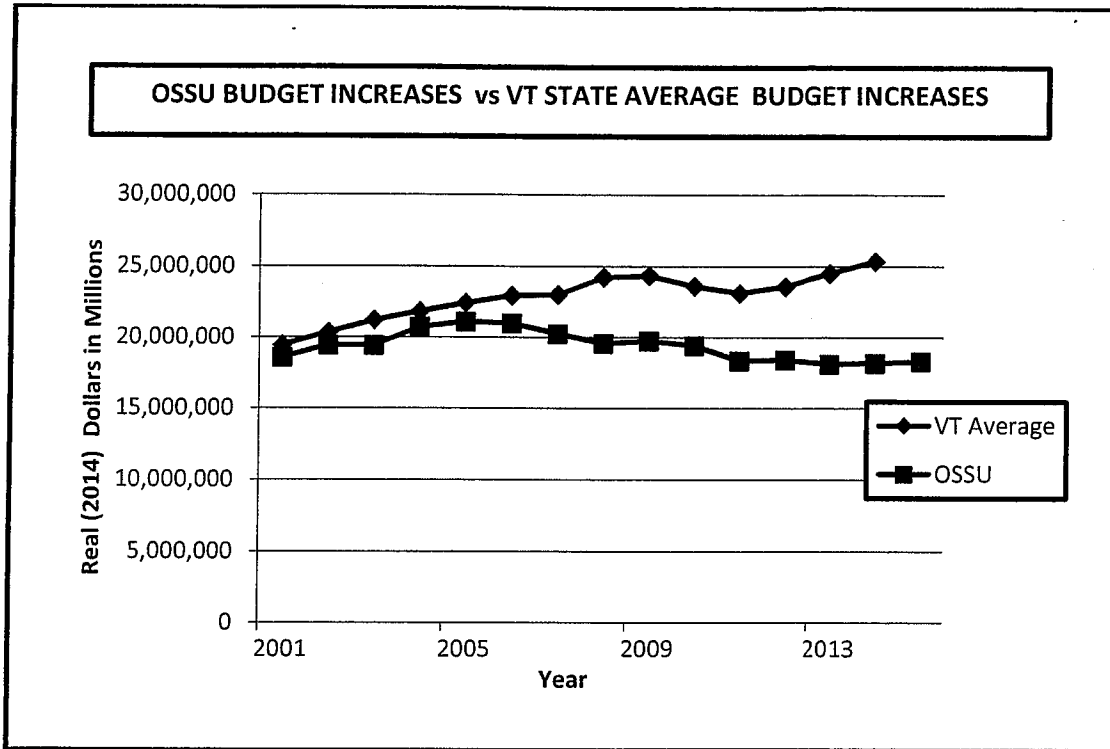


## ORANGE SOUTHWEST SUPERVISORY UNION – 2015/2016 BUDGET SUMMARY

The school boards and administration of the Orange Southwest Supervisory Union (OSSU) are proud to present the 2015/2016 budgets. For many years, we have maintained strong fiscal control over expenditures. The chart below compares budget increases of the OSSU to the rest of Vermont’s school districts from 2001 to 2015. In real (2014) dollars, the OSSU has not increased its expenditures over the past decade. If the OSSU had of increased its expenditures at the same rate as the rest of Vermont’s school districts, we would have expended over \$40,000,000 more than we have.



During the past decade, the OSSU School Boards have worked collaboratively to realize significant savings. Our goal has been to collaborate in as many business areas as possible, while maintaining the local community values and cultures in our schools. To that end, the OSSU has successfully collaborated in Special Education, Finance, Transportation, Facilities Management, Technology, and Food Services resulting in significant efficiencies and cost savings. The impact of these savings has allowed us to maintain and expand our educational offerings to students without increasing costs and taxes.

In 2014, the average Vermont school budget increased by 3.5% and in 2015 another 4% increase is anticipated. By Comparison, the proposed OSSU school budgets represent a 0.72% increase from the previous year and since 2006/2007, OSSU school budgets have increased, on average, by 0.3%. A review of audited expenditures in the table below demonstrates that actual spending of OSSU schools decreased by \$178,192 from 2006/2007 to 2013/ 2014.

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
SCHOOL	2006-2007	2008-2009	%	2009-2010	%	2010-2011	%	2011-2012	%	2012-2013	%	2013-2014	%
Braintree	1,513,083	1,479,572	(2)	1,482,450	0	1,379,798	(7)	1,395,315	1	1,332,421	(5)	1,335,975	0.27
Brookfield	1,371,525	1,350,989	4	1,300,096	(4)	1,310,005	1	1,326,248	1	1,337,282	1	1,327,116	(0.76)
Randolph	4,322,513	4,221,357	(2)	4,256,563	1	4,357,832	2	4,273,716	(2)	4,346,847	2	4,430,531	1.93
RUHS	7,905,989	8,019,764	1	7,893,129	(2)	7,867,287	(0)	7,970,352	1	7,792,797	(2)	7,862,959	0.90
RTCC	2,704,183	2,662,082	1	2,704,260	2	2,710,974	0	2,505,350	(8)	2,801,444	3	2,682,510	(4.25)
TOTAL	17,817,293	17,733,764	0	17,636,498	(1)	17,625,896	(0)	17,381,931	(1)	17,610,791	1	17,639,101	0.16

Property tax has been a constant and long-term contentious issue in Vermont. The OSSU boards have purposely acted to ensure its school budgets have had as little negative tax impact on our communities as possible. The chart below demonstrates the tax impact of school budgets on each town over the past four years.

Town	2012	2013	2014	2015	Net Tax Impact
Braintree	-1.8	0	-0.5	3.6	1.3
Brookfield	-2.8	-3.4	1.5	-0.04	-4.74
Randolph	-7.2	0	-0.6	3.2	-4.6

The tax impacts shown above only reflect the local school budgets' impact on the local tax rate. The data does not reflect the impacts of municipal budgets, legislative decisions, or other school district spending throughout Vermont, all of which significantly impacts our local property tax rates.

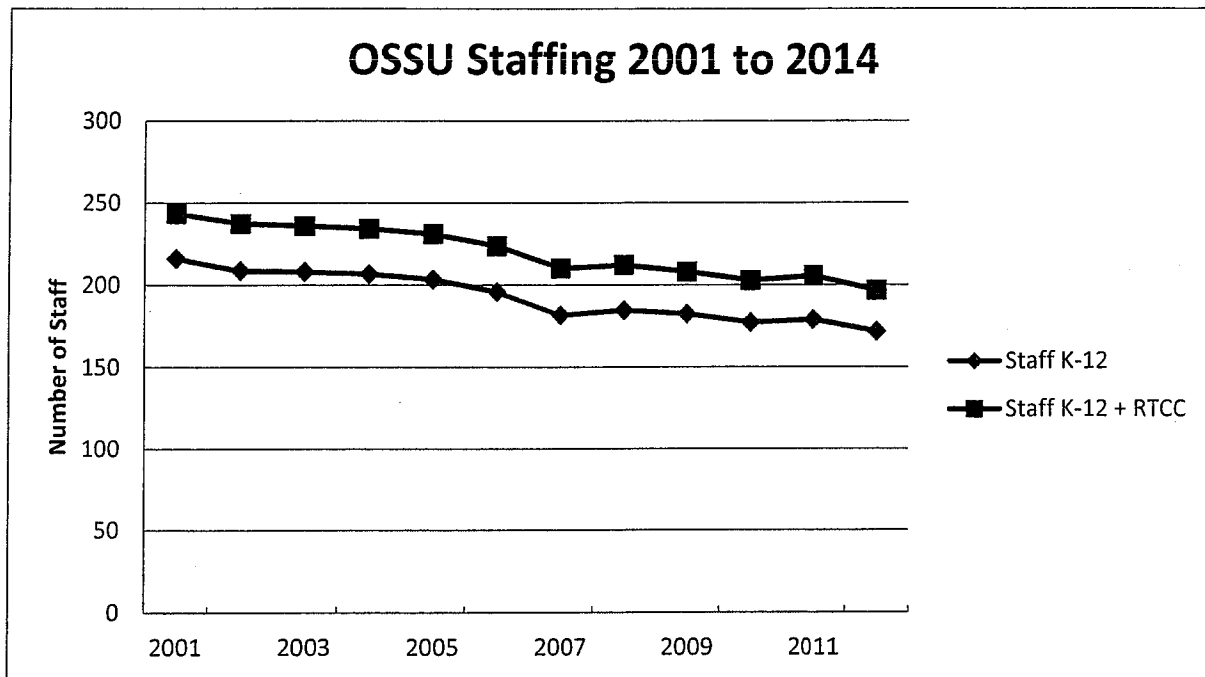
#### HOW OSSU BUDGETS ALIGN TO OUR GOALS

**Staffing** our schools with highly qualified people that are competitively compensated is essential for students to reach their potential and to succeed academically. Simply put, our people are the most important resource we have and without them we could not begin to rigorously pursue our goals in the areas of **Critical Thinking, Foundational Knowledge, Adaptability, and Technological Literacy**. In terms of our overall expenditures, approximately 80% of our fixed costs are attributed to salaries and benefits. The 2015/2016 proposed budgets includes reductions in staffing in response to a continued slow decline in student enrollment. "Right-sizing" staffing levels is an essential component of any successful organization and one that the OSSU has employed for over a decade. In total, the 2015/2016 budgets reflect a reduction of 6.45 FTE staff positions. The Brookfield School budget, due to a large student enrollment decrease, will realize a 1.2 FTE reduction, the Braintree School budget contains a 0.1 FTE staff reduction, Randolph Elementary School will reduce 1.1 FTE staff, and RUHS will reduce 4.25 FTE staff (0.8 FTE administration, 0.25 FTE teaching, 3.0 FTE support staff). Below is more general staffing data.

- All teachers in the OSSU hold professional teaching licenses through Vermont's Agency of Education. The OSSU hosts two regional collaboratives (VIP and RAVEN) that serve 21 sending towns. Both programs employed one teacher that is licensed by the Vermont Agency of

Education, but is not considered HQT. Additionally, in 2013/2014, Brookfield school employed two part-time teachers that held Vermont teaching licenses but were not HQT.

- All staffing and related expenditures are competitive with state and regional averages
- Since 2004, the OSSU has realized a 20% reduction in students and has responded by reducing its workforce by 20%. It is essential for any organization to remain “right-sized” to maintain effective and efficient use of resources.
- Despite staff reductions, we’ve continued to expand staff professional development. For example, in recent years, we shifted resources to create Mathematics and Literacy coaches. In future years, we plan to expand this model to include Science. Curriculum coordination across schools and grades is a primary goal of the school district. I am pleased to state strong progress has been made toward this goal; however, the shift to the newly, Federally created Common Core Standards (CCS) has required us to take a step backwards so we can realign the work of the past five years to the new standards. The 2015/2016 budgets provide nearly \$138,600 for professional development.



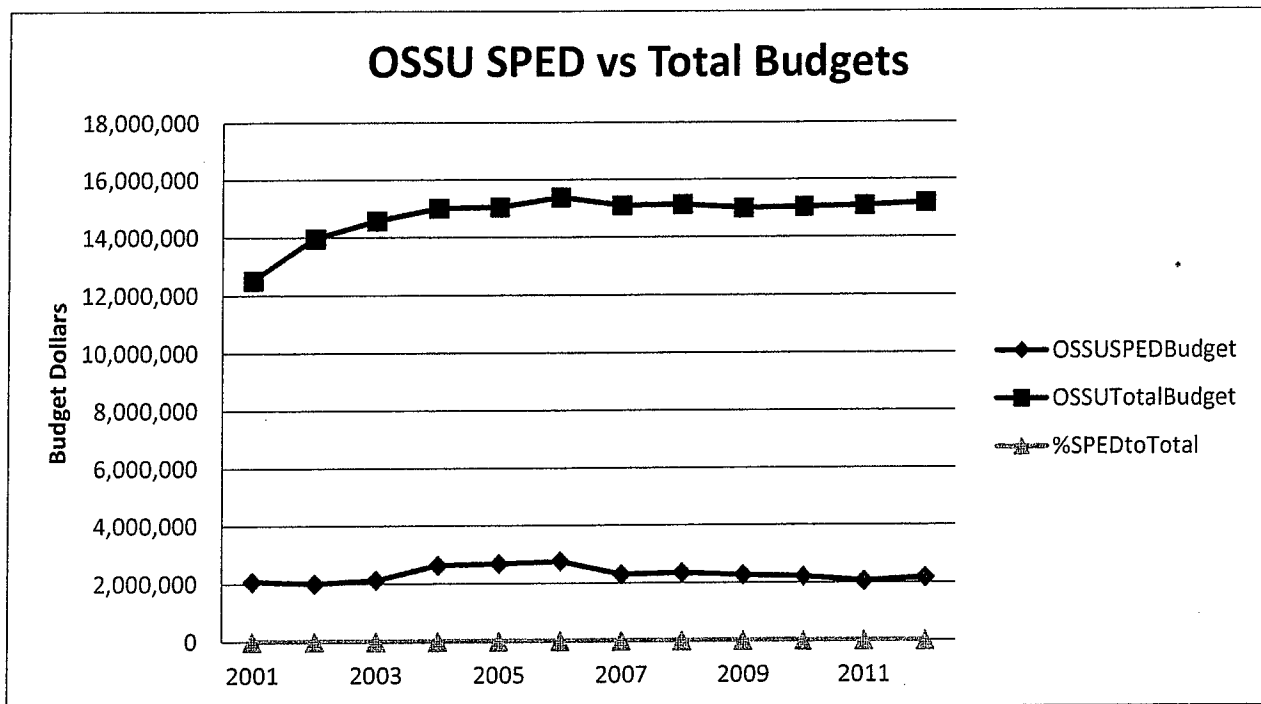
**Technology** is playing a growing role in education and represents an essential medium for preparing students for the 21<sup>st</sup> Century. Technology expenditures center on professional development, software and hardware, maintenance, and network administration. All schools are wireless and we are quickly approaching our goal of creating an environment of 100% access to digital learning devices.

- \$449,629 is budgeted for technology, including \$256,000 for staffing (salaries and benefits). The remainder is allocated to equipment, connectivity, digital and virtual learning, and data management.
- During the summer and fall of 2014, the OSSU continued to upgrade all schools to fiber networks, thereby significantly increasing its bandwidth and speed of connectivity. The upgrade

was largely completed in preparation for the new Common Core Standards and Smarter Balance Assessments (new Federal requirements).

**Special Education** services enable our school district to meet its legal obligations under the Elementary and Secondary Education Act of 1965 (ESEA). ESEA ensures that students with disabilities receive an Equal Educational Opportunity. Throughout Vermont, Special Education costs have continued to rise despite overall student enrollment decreases. The OSSU, in comparison, has properly managed its Special Education services keeping them in-line with overall budget costs. As a result, the cost of Special Education services as a percentage of overall expenditures has not increased.

- \$2.317 million is budgeted for special education services
- Approximately 18% of students receive special education services; however, 32% of students receive support services above and beyond the regular classroom
- \$231,000 is allocated for Occupational Therapy, Speech, Tutorials, and Testing services
- Federal Flow Through grants add nearly \$155,795 to offset special needs costs.



**Consolidated Federal Programs (CFP) Grants** are monies provided through the Federal government and are used to assist district academic and professional development needs. The major support categories for CFP grants include:

- \$82,459 to fund improvements and coordination in Mathematics
- \$15,000 to fund new teacher mentoring (legally required)
- \$90,612 to fund technology integration
- \$91,250 to fund improvements and coordination in Literacy

**Materials and Supplies** are an essential component of our budgets and ensure staff and students have the necessary resources to complete their work.

- \$374,971 is budgeted for materials and supplies

**Facility Management** is a significant budgetary allocation for all school districts. Modern, clean, and safe facilities are primary indicators of a successful school. Investing in school facilities ensures that our town's most valuable resources are maintained and directly linked to improved student learning outcomes, pride and morale, and reduced vandalism.

- \$1.279 million is budgeted for facilities maintenance for Brookfield, Braintree, Randolph, RUHS, RTCC, and the Central Office.
- Key, planned expenditures include renovations to the Central Office, continued improvements to our school security systems, completing the second stage of roof replacement at RTCC and the final stage of roof replacement at RUHS.

**Summary:** Completing the 2015/2016 budgetary process was not easy: there were significant cost impacts facing school districts, including a 4.5% increase in health care premiums, 7% increases in utilities, 7% increases in fuel costs, general inflationary impacts (CPI = 1.7% before seasonal adjustments), and Collective Bargaining Agreement (CBA) commitments ranging from 1% to 3.5%. Despite these budgetary challenges, the 2015/2016 proposed budgets for Braintree, Brookfield, Randolph, Randolph Union High School, and RTCC represent a 0.72% increase over the previous year.

- Brookfield School = -7.00% decrease
- Braintree School = -0.20% decrease
- Randolph School = +0.79% increase
- RUHS = +1.80% increase
- RTCC = +1.33% increase

**Innovation and Creativity in the OSSU:** As you are aware, for two years the OSSU has been working with Middlebury College and Middlebury Interactive to create a comprehensive full-day, full-year Foreign Language Immersion (Spanish) program at the Randolph Technical Career Center (RTCC). This innovative program began in the fall of 2014 and using Middlebury College's state-of-the-art curriculum, teacher professional development, student assessments, and serves the 7 sending high schools for the region. Students successfully completing the program will be guaranteed enrollment in Middlebury College's summer language institute. The program is the first of its kind in Vermont and provides students in the central Vermont region access to a world class foreign language education program.

To further move our teaching-learning environment into the 21<sup>st</sup> Century, RUHS implemented a Problem Based Learning (PBL) laboratory in the fall of 2014. The PBL required teams of students from Grades 9 through 12 to work collaboratively to solve real-life local, regional, national, and international problems. The student teams are required to develop a methodology to solve identified problems, propose a financial plan to cover expenses, and develop a community engagement plan in order to demonstrate

their work to our tax payers. RUHS also implemented a new middle-years' STREAM (Science, Technology, Reading, Engineering, Arts, Mathematics) laboratory in the fall of 2014.

Lastly, the OSSU expanded its early education services beginning in the fall of 2014 in preparation for a new legislative mandate. This fall, OSSU began providing early education services to 27 three and four year old students. Our long term goal is to improve the Kindergarten readiness of our local children. There is substantial research demonstrating that investments in early education result in better student outcomes and graduation rates.