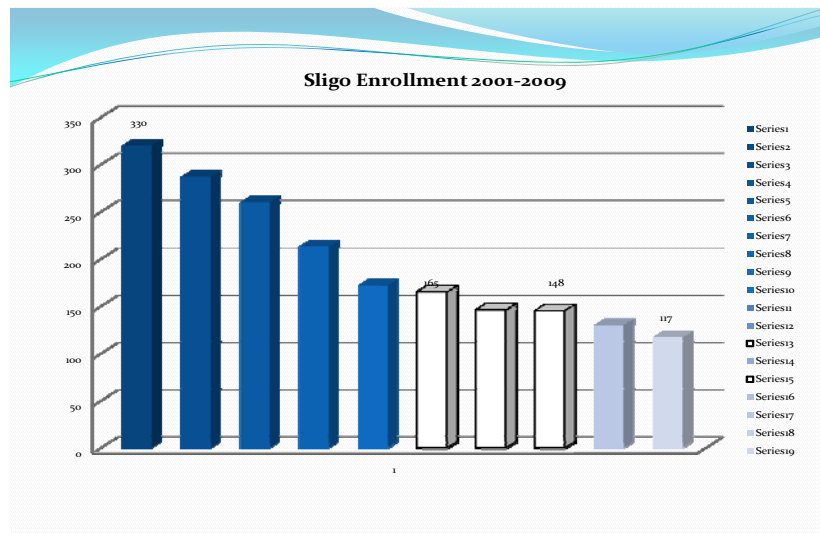


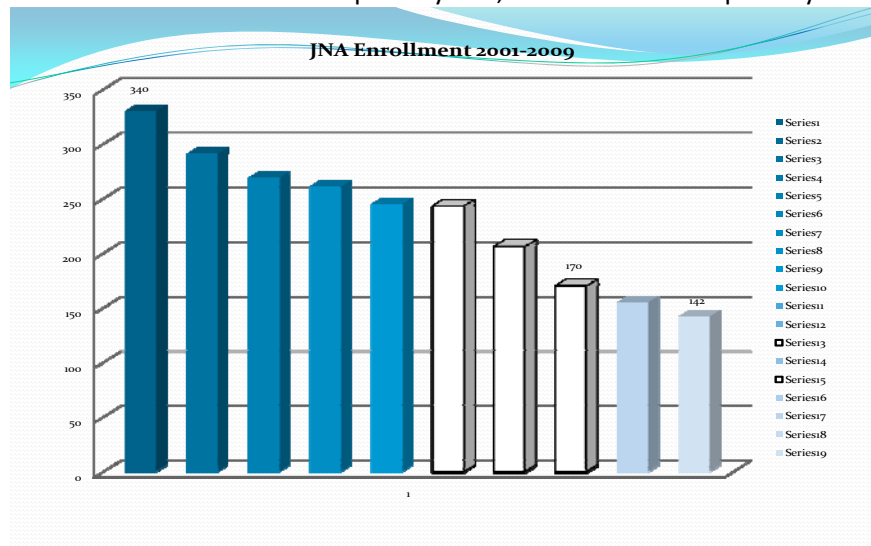
JNA/SAS Merger Recommendation Talking Points for Presentation to Boards/Constituents June 29, 2009

1. Why are we considering Merger of JNA/SAS?
 - a. GC, CUConference, R&H have all moved
 - b. Employees have left the area, never to return.
 - c. Declining enrollment, particularly of JNA
 - d. Financial concerns – Operations and capital improvements
 - e. Maintaining/improving quality of education, particularly with specialty teachers
 - f. Affordability and need for worthy student aid
 - g. Improved facilities and equipment

2. SAS enrollment: down 10.4% over past 7 years; down 5.2% over past 3 years



JNA enrollment: down 8.4% past 7 years; down 20.6% over past 3 years




3. TA's enrollment has declined 170 students (40 %) in past 7 years
4. What can be done that will a "Game Changing Event" to turn-around continued decline in enrollment? A merged JNA/SAS school may be our best hope.
5. Set up JNA/SAS Merger Committee to consider merger – two objectives
 - a. To propose an Operational Design of a new high-quality Adventist Elementary School to replace JNA & SAS
 - b. To make recommendations to facilitate discussions and decisions regarding a possible merger of JNA & SAS
6. Must the merger happen? Can each school continue as it is? Yes, but **risks to both schools**
 - a. Financial concerns at JNA – Student A/C receivable \$100,000 and church subsidies behind \$100,000
 - b. Debt of \$285,000 at JNA – Boiler, bus, and to Potomac Conference
 - c. Reduced specialty teachers at JNA next year- Part-time Music and Learning Specialist
 - d. SAS: Same specialty teachers as last year: music, art, PE, computers.
 - e. Need for capital improvements – both schools
 - f. Need for student aid – both schools
7. The proposed new merged school model has been developed by the Merger Committee and presented at four Town Hall meetings.
 - a. The attendees at the 4 Town Hall meetings were asked to vote on the merger: 71 percent of all attending favored the merger. 89 percent of the SAS constituent church members favored the merger and 67 percent of the JNA constituent church members favored the merger.
 - b. The JNA teachers were asked how they felt about the merger: 7 of 8 of the returning teachers favored the merger and 2 of the 3 non-returning teachers favored the merger.
 - c. The SAS Board voted unanimously to recommend the merger to the Sligo Church Board
 - d. On June 22, 2009, the JNA School Board VOTED to recommend the Merger of JNA/SAS to their constituent churches.
 - e. The Sligo Church Board voted on June 25 to recommend the merger to the Sligo Church Constituents at their Business Meeting to be held on July 9
 - f. JNA constituent churches will consider the matter during July.
8. Is there enough space for the two schools on the Sligo School site?
 - a. Projected capacity – 350
 - b. 17 Specialty classrooms, plus science, music, library, etc.
 - c. Classroom sizes K-8: Two classrooms with 15, 18, 15, 22, 18, 15, 23, 17, 20 each
 - d. Move Child Development Center to TA for more classes
9. Projected teachers, staffing, and administration of Merged school
 - a. Enrollment projected to be 300 (currently 326 at JNA/SAS combined)
 - b. 20 FT: 14 classroom, principal and 5 FT specialty teachers
 - c. 5 Special teachers – PE, Music, IT, Spiritual Coach, Library/Art
 - d. 9 Teacher Aids – 1 for each grade level
 - e. Treasurer, secretary, maintenance, Child Development Center (CDC) manager – will be hired locally as contract employees
 - f. Selection of teachers and staff – Hire those with skill sets from existing employees
 - g. TAPS Board and PC will make these selections in January 2010
10. What will be done at the new merged school to create a strong school?
 - a. Increased emphasis on spiritual development of each child – FT Spiritual Coach
 - i. Build relationships with the "Coach"
 - ii. Groups assemblies and classroom worships

- iii. Discipleship programs for youth
- iv. Coordination of spiritual program of school – during school and weekends
- v. Build relationships with parents/families
- vi. Counseling available for students/parents
- b. Safety for each child – physical, spiritual, social
 - i. Security Fence/Gates installed on Carroll Avenue and perimeter of campus
 - ii. Additional security cameras added and guard station
 - iii. Traffic flow and drop-off points engineered for school
 - iv. Provide school transportation for students
- c. Improved academics – as good or better than other schools
 - i. Building-wide implementation of differentiated instruction to meet unique learning style needs of all children through in-service training, modeling, team planning and professional reading
 - ii. Improvement of student writing skills through writing tests (Accelerated Reader, ERB), writing curriculum mapping, and writing portfolios for grades 3 - 8
 - iii. Complete implementation of NAD Pathways Reading program K-8th, through in-service training of all teachers in Pathways program, DIBELS (Dynamic Indicators of Basic Early Literacy Skills) testing, and increased reading instruction time.
 - iv. Improvement of student achievement in math computation, concepts, and problem solving through in-service training, increase use of math manipulative materials, increase the use of technology to build math skills, testing (Accelerated Math), increase math instructional time.
 - v. Achievements will be measured by improvement of student and school scores on all three parts of ITBS test.
 - vi. Students will develop study skills, use tutors and special ed. teachers.
 - vii. New textbooks and teaching supplies
 - viii. Training and use of additional computers, SmartBoards and student response units
 - ix. Departmentalization teaching
 - x. Use of 9 adults teacher aids – one for each grade level
 - xi. Classes at TA for 8th grade students for High School credits
- d. If Merger is approved in September, the Merger Committee recommends the following physical changes to be accomplished by August 2010 – approximately \$500,000 to be borrowed against assets of JNA:
 - i. Upgrade technology – computers, OH projectors, classroom audio
 - ii. Relocation of Child Development Center at TA w/ private entrance, play areas
 - iii. Remodel front entrance and office
 - iv. Replace windows for efficiencies
 - v. HVAC system
 - vi. Carpet, white boards, library upgrades
- e. Co-curricular Clubs and Organizations
 - i. Drama team, math club, science club, safety patrol club, reading club, praise team
 - ii. Choir, band, handbells, chimes, steel drums, strings, music lessons, art, media design
 - iii. Tie in with TA programs in music, gymnastics, drama, athletics
 - iv. Athletics: Varsity sports, cheer leading, intramurals, shared facilities with TA

- v. NJHS (National Junior Honor Society); NEHS (National Elementary Honor Society)
 - f. Financial assistance to worthy students – Endowment Funds & Church support
 - i. Scholarships for academic performance and citizenship
 - ii. Endowment Funds from proceeds of JNA property
 - iii. Campaign for student aid from all SDA churches in area
 - iv. Fundraising programs and efforts – Home and School Association
 - v. Student Aid based on justified need
 - g. Marketing Plans to grow merged school
 - i. Coordinated marketing plan for SDA schools in metro area
 - ii. What is TA doing? Growth of TA will impact growth
 - iii. Open house events for parents - one each month
 - iv. Individualized, personalized instruction for each child
 - v. Church visitations with music groups, praise teams, drama team
 - vi. Satisfied parents and students
 - vii. School profile brochures showing achievements of students and school
 - viii. Active and dedicated Home & School leaders
 - ix. Community service activities – publicity
 - x. Healthy hot food from cafeteria – but make it Healthy!
 - xi. Transportation available
11. Benefits of Merger:
- a. Save both of our schools while providing financial stability
 - b. Keep quality education affordable.
 - c. Schools cannot provide quality education separately – decline WILL follow loss of quality
 - d. Efficiencies of combining – principal, secretary, treasurer, utilities (\$125K), maintenance
 - e. Availability of resources – Cap Ex for improvements and Endowment for Aid
 - f. Shared use of TA facilities and programs
 - g. One-stop for Adventist education – Pre-school through 12th grade
 - h. Merger now will give us best chance of continued strength. Declining enrollment over next few years will result in a weaker school if merged then.
12. Disadvantages of Merger
- a. Loss of separate cultures – Heritage and uniqueness of each school
 - b. Loss of control by Sligo
 - c. Loss of an local option – JNA vs. SAS
 - d. What will happen to JNA building?? TBD, but will move slowly.
13. Guarantees of the Potomac Conference if the Merger occurs:
- a. The PC Executive Committee will commit to holding the current constituent churches of the two schools (as of September 9, 2009) responsible for continuing current subsidies through June 30, 2013.
 - b. The PC subsidy to will continue at the same level (or greater if enrollment increases) through June 30, 2013 as determined by the current formula – Based on enrollment of JNA and Sligo and current per student subsidy as of January 15, 2010.
 - c. The number of teachers will remain constant (or increase if enrollment grows) through June 30, 2013 as determined by the current formula – 1 teacher for each 14 students, based on enrollment of JNA and Sligo as of January 15, 2010.
 - d. When the sale of the JNA property is completed, the distribution of equity will be as follows:
 - i. All debts will be paid first.

- ii. The remaining proceeds will be used for capital improvements and/or establishing an Endowment to be used exclusively for student aid.

14. Projected Budget for TAPS



TAPS Pro Forma Budget (000)

Tuition (300 @ \$4,200)	1,260	
PC Subsidy (300 @ \$1,400)	420	
Church Subsidies	335	
Rental Income/CDC Net	210	
Professional Salaries (20@\$70k)	1,400	
Teacher Assistants (9 @ \$15,000)	135	
Local Hires (Sec, treas, maint, cust.)	165	
Utilities, grounds, maintenance	215	
Instructional/office materials	135	
Miscellaneous	125	
Depreciation	50	
Totals	2,225	2,225

15. Next Steps

- a. Sligo Church select date for SAS Constituency meeting – recommend during the last week of August (after school has started). Meeting to be held by September 5, 2009
- b. JNA Board select date for JNA Constituency meeting – recommend during the last week of August (after school has started). Meeting to be held by September 5, 2009
The JNA School Board has selected Thursday, August 27, 2009, for their constituency meeting: 7:00 p.m.
- c. All 10 Constituent Church Boards select delegates to their Constituency meetings - suggested target date of **before July 31.**

16. Guidelines for Constituency Meetings

Notice of Meeting

Each school must notify each church board at least 3 weeks prior to the scheduled meeting of the constituency session. In addition, each parent of a student who was enrolled when the year ended 2009 (except 8th grade parents) must also be sent a letter with 3 weeks notice of the constituency session. Notices must also appear in each constituent church bulletin on at least 3 consecutive Sabbaths prior to the meeting. The letter and the announcement must include the time, date, place and purpose for the meeting.

The letter would also state that the constituency session is open to all stakeholders in the school, but only properly selected delegates will have voting privileges.

Delegate Selection

Members of the school board are ex officio voting delegates to the constituency session.

Members of the Conference K-12 Board are also ex officio voting delegates to the constituency session.

****Both groups above would be sent a letter announcing the meeting and letting them know they are voting delegates at least 3 weeks in advance of the meeting.**

At Large delegates come from the constituent churches (or in the case of Sligo, the one church). Only Potomac Conference churches can have delegates. Each church is given 1 delegate and 1 additional delegate for each 75 members (rounded up to the nearest next 75).

SAS Delegates-at-Large: 40

JNA Delegates-at-Large: 45

Capital Spanish – 9

Hyattsville – 2

Hyattsville Spanish – 2

Metro DC Spanish – 2

Mount Rainier Spanish - 2

Silver Spring Spanish – 4

Takoma Park – 17

Wheaton – 5

Wheaton Spanish – 2

Quorum

15 delegates who are not employed by the school or the conference OR the spouse of such employee OR an officer of the school board.

Voting

No person can vote absentee or by proxy.

Every question is decided by a simple majority of delegates present. Voting takes place by a show of hands, unless the chair decides for a secret ballot or the delegates move to have a secret ballot.

17. Post-decision Actions and Processes by Constituent Churches and Potomac Conference
 - a. Potomac Conference will Draft Constitution and Bylaws; approved by Constituent Church Boards
 - b. Constitution and Bylaws to include
 - i. Valuation and contribution of assets
 - ii. Responsibilities for current liabilities
 - iii. Governance proportions for school board
 - iv. Responsibilities for capital improvements and operational deficits
 - v. Dissolution procedures
 - vi. Performance requirements for continued constituent churches
 - vii. Entry and exit procedures for constituent churches
 - c. Selection of School Board
 - d. Selection of Staffing – completed by January 2010