

1 S.158

2 Introduced by Senator Cummings

3 Referred to Committee on

4 Date:

5 Subject: Education; governance and funding

6 Statement of purpose of bill as introduced: This bill proposes to make  
7 amendments to Act 46 and to address the transfer of property and debt of  
8 merged school districts.

9 An act relating to amendments to Act 46 and transferring the property and  
10 debt of merged districts

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 \* \* \* Amendments to Act 46 \* \* \*

13 Sec. 1. 2015 Acts and Resolves No. 46, Sec. 5 is amended to read:

14 Sec. 5. PREFERRED EDUCATION GOVERNANCE STRUCTURE;

15 ALTERNATIVE STRUCTURE

16 (a) On or before ~~July 1, 2019~~ July 1, 2021, the State shall provide  
17 educational opportunities through sustainable governance structures designed  
18 to meet the goals set forth in Sec. 2 of this act pursuant to one of the models  
19 described in this section.

20 \* \* \*

1 Sec. 2. 2015 Acts and Resolves No. 46, Sec. 6 is amended to read:

2 Sec. 6. ACCELERATED ACTIVITY; SUPERVISORY UNION  
3 BECOMING A SUPERVISORY DISTRICT; ENHANCED TAX  
4 INCENTIVES; SMALL SCHOOL SUPPORT; DATA AND  
5 REPORT

6 (a) A newly formed school district shall receive the incentives set forth in  
7 subsection (b) of this section if it:

8 (1) is formed by merging the governance structures of all member  
9 districts of a supervisory union into one unified union school district pursuant  
10 to the processes and requirements of 16 V.S.A. chapter 11, and also could  
11 include merger with a neighboring supervisory district;

12 (2) obtains an affirmative vote of all “necessary” districts on or after  
13 July 1, 2015, and prior to ~~July 1, 2016~~ July 1, 2018;

14 \* \* \*

15 (8) becomes operational on or before ~~July 1, 2017~~ July 1, 2019; and

16 \* \* \*

17 (d) The Secretary of Education, in collaboration with other entities such as  
18 the University of Vermont or the Regional Educational Laboratory–Northeast  
19 and Islands, shall collect and analyze data from the new districts created under  
20 this section regarding educational opportunities, operational efficiencies,  
21 transparency, accountability, and other issues following merger. Beginning on

1 January 15, 2016, and annually through January ~~2021~~ 2023, the Secretary shall  
2 submit a report to the House and Senate Committees on Education and on  
3 Appropriations, the House Committee on Ways and Means, and the Senate  
4 Committee on Finance regarding the districts merging under this section,  
5 conclusions drawn from the data collected, and any recommendations for  
6 legislative action.

7 Sec. 3. 2015 Acts and Resolves No. 46, Sec. 7 is amended to read:

8 Sec. 7. SCHOOL DISTRICTS CREATED AFTER DEADLINE FOR  
9 ACCELERATED ACTIVITY; TAX INCENTIVES; SMALL  
10 SCHOOL SUPPORT; JOINT CONTRACT SCHOOLS

11 (a) A newly formed school district shall receive the incentives set forth in  
12 subsection (b) of this section if it:

13 (1) is formed pursuant to the processes and requirements of 16 V.S.A.  
14 chapter 11 (union school district formation);

15 (2) obtains a favorable vote of all “necessary” districts, which do not  
16 need to be contiguous or within the same supervisory union, on or after  
17 July 1, 2015;

18 (3) meets the criteria for an accelerated merger set forth in subdivisions  
19 6(a)(3) through (7) of this act; and

20 (4) becomes operational after ~~July 1, 2017~~ July 1, 2019, and on or  
21 before ~~July 1, 2019~~ July 1, 2021.

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\* \* \*

(d) Notwithstanding other provisions of law to the contrary, if two or more districts enter into a contract pursuant to 16 V.S.A. chapter 11, subchapter 1 to operate a school jointly, and if at least one of the districts was an “eligible school district” that received a small school support grant in the fiscal year two years prior to the effective date of the contract, then the contracting school districts, as a single unit, shall receive annual merger support grants pursuant to the provisions of subdivision (b)(2) of this section; provided, however, that this section shall apply only to contracting districts that receive a favorable vote of all affected districts to enter into a finalized contract after the effective date of this section and on or before ~~July 1, 2017~~ July 1, 2019.

Sec. 4. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

Sec. 9. SELF-EVALUATION, MEETINGS, AND PROPOSAL

(a) On or before ~~November 30, 2017~~ November 30, 2019, the board of each school district in the State that has a governance structure different from the preferred structure identified in Sec. 5(b) of this act (Education District), or that does not expect to become or will not become an Education District on or before ~~July 1, 2019~~ July 1, 2021, shall perform each of the following actions.

\* \* \*

1 Sec. 5. 2015 Acts and Resolves No. 46, Sec. 10 is amended to read:

2 Sec. 10. TRANSITION TO SUSTAINABLE GOVERNANCE  
3 STRUCTURES; PROPOSAL; FINAL PLAN

4 (a) Secretary of Education's proposal. In order to provide educational  
5 opportunities through sustainable governance structures designed to meet the  
6 goals set forth in Sec. 2 of this act pursuant to one of the models described in  
7 Sec. 5, the Secretary shall:

8 (1) Review the governance structures of the school districts and  
9 supervisory unions of the State as they will exist, or are anticipated to exist, on  
10 ~~July 1, 2019~~ July 1, 2021. This review shall include consideration of any  
11 proposals submitted by districts or groups of districts pursuant to Sec. 9 of this  
12 act and conversations with those and other districts.

13 (2) On or before ~~June 1, 2018~~ June 1, 2020, shall develop, publish on  
14 the Agency of Education's website, and present to the State Board of  
15 Education a proposed plan that, to the extent necessary to promote the purpose  
16 stated at the beginning of this subsection (a), would move districts into the  
17 more sustainable, preferred model of governance set forth in Sec. 5(b) of this  
18 act (Education District). If it is not possible or practicable to develop a  
19 proposal that realigns some districts, where necessary, into an Education  
20 District in a manner that adheres to the protections of Sec. 4 of this act  
21 (protection for tuition-paying and operating districts) or that otherwise meets

1 all aspects of Sec. 5(b), then the proposal may also include alternative  
2 governance structures as necessary, such as a supervisory union with member  
3 districts or a unified union school district with a smaller average daily  
4 membership; provided, however, that any proposed alternative governance  
5 structure shall be designed to:

6 (A) ensure adherence to the protections of Sec. 4 of this act; and

7 (B) promote the purpose stated at the beginning of this subsection (a).

8 (b) State Board's plan. On or before ~~November 30, 2018~~ November 30,  
9 2020, the State Board shall review and analyze the Secretary's proposal under  
10 the provisions in subsection (a) of this section, may take testimony or ask for  
11 additional information from districts and supervisory unions, shall approve the  
12 proposal either in its original form or in an amended form that adheres to the  
13 provisions of subsection (a) of this section, and shall publish on the Agency's  
14 website its order merging and realigning districts and supervisory unions  
15 where necessary.

16 (c) Applicability. This section shall not apply to:

17 (1) an interstate school district;

18 (2) a regional career technical center school district formed under  
19 16 V.S.A. chapter 37, subchapter 5A; or

20 (3) a district that, between June 30, 2013 and ~~July 2, 2019~~ July 2, 2021,  
21 began to operate as a unified union school district and:

1 (A) voluntarily merged into the preferred education governance  
2 structure, an Education District, as set forth Sec. 5(b) of this act; or

3 (B) is a regional education district or any other district eligible to  
4 receive incentives pursuant to 2010 Acts and Resolves No. 153, as amended by  
5 2012 Acts and Resolves No. 156.

6 Sec. 6. 2015 Acts and Resolves No. 46, Sec. 11 is amended to read:

7 Sec. 11. QUALITY ASSURANCE; ACCOUNTABILITY; DATA  
8 COLLECTION

9 The Secretary of Education shall regularly review, evaluate, and keep the  
10 State Board of Education apprised of the following:

11 (1) the discussions, studies, and activity among districts to move  
12 voluntarily toward creating the preferred education governance structure, an  
13 Education District, as set forth Sec. 5(b) of this act;

14 (2) the data collected from districts that vote prior to ~~July 1, 2016~~ July 1,  
15 2018 to merge into a supervisory district pursuant to Sec. 6 (accelerated  
16 activity) of this act and from other districts that have merged or do merge into  
17 a regional education district or one of its variations or into an Education  
18 District as otherwise provided in this act; and

19 (3) the data and other information collected in connection with the  
20 Education Quality Standards, and related on-site education quality reviews,  
21 including data and information regarding the equity of educational

1 opportunities, academic outcomes, personalization of learning, a safe school  
2 climate, high-quality staffing, and financial efficiency.

3 Sec. 7. 2015 Acts and Resolves No. 46, Sec. 13 is amended to read:

4 Sec. 13. REFUND UPON SALE OF SCHOOL BUILDINGS  
5 REQUIREMENT; NEW SCHOOL DISTRICTS; JOINT  
6 CONTRACT SCHOOLS

7 (a) Notwithstanding 16 V.S.A. § 3448(b), the refund upon sale requirement  
8 shall not apply to:

9 (1) a union school district created under 16 V.S.A. chapter 11 that  
10 becomes operational on or after July 1, 2015; and

11 (2) two or more districts that, on or after July 1, 2015, enter into a  
12 contract pursuant to 16 V.S.A. chapter 11, subchapter 1 to operate a school  
13 jointly.

14 (b) As used in subsection (a) of this section, a union school district  
15 established under 16 V.S.A. chapter 11 includes a school district voluntarily  
16 created pursuant to the provisions of this act, or a regional education district or  
17 any other district eligible to receive incentives pursuant to 2010 Acts and  
18 Resolves No. 153, as amended by 2012 Acts and Resolves No. 156 and 2013  
19 Acts and Resolves No. 56.

20 (c) This section is repealed on ~~July 1, 2017~~ July 1, 2019.



1 Sec. 8. 2015 Acts and Resolves No. 46, Sec. 21 is amended to read:

2 Sec. 21. SMALL SCHOOL SUPPORT; METRICS

3 On or before ~~July 1, 2018~~ July 1, 2020, the State Board of Education shall  
4 adopt and publish metrics by which it will make determinations whether to  
5 award small school support grants pursuant to 16 V.S.A. § 4015 on and after  
6 ~~July 1, 2019~~ July 1, 2021, as amended by Sec. 20 of this act.

7 Sec. 9. 2015 Acts and Resolves No. 46, Sec. 24 is amended to read:

8 Sec. 24. REPEAL

9 16 V.S.A. § 4010(f) (declining enrollment; hold-harmless provision) is  
10 repealed on ~~July 1, 2020~~ July 1, 2022.

11 Sec. 10. 2015 Acts and Resolves No. 46, Sec. 25 is amended to read:

12 Sec. 25. DECLINING ENROLLMENT; 3.5 PERCENT

13 HOLD-HARMLESS; GRANDFATHERED DISTRICTS

14 Beginning in fiscal year ~~2021~~ 2023, for purposes of determining weighted  
15 membership under 16 V.S.A. § 4010, a district's equalized pupils shall in no  
16 case be less than 96 and one-half percent of the actual number of equalized  
17 pupils in the district in the previous year, prior to making any adjustment under  
18 this section, if the district, on or before ~~July 1, 2019~~ July 1, 2021:

19 (1) became eligible to receive incentives pursuant to Sec. 6 or 7 of this  
20 act or otherwise voluntarily merged into an Education District as defined in  
21 Sec. 5(b) of this act; or

1 (2) became eligible to receive incentives pursuant to 2010 Acts and  
2 Resolves No. 153, Sec. 4, as amended by 2012 Acts and Resolves No. 156,  
3 Sec. 13, and further amended by this act (regional education districts and  
4 eligible variations).

5 Sec. 11. REPEAL

6 2015 Acts and Resolves No. 46, Sec. 37 is repealed.

7 Sec. 12. REPEAL

8 2015 Acts and Resolves No. 46, Sec. 38 is repealed.

9 Sec. 13. 2015 Acts and Resolves No. 46, Sec. 52 is amended to read:

10 Sec. 52. EFFECTIVE DATES

11 \* \* \*

12 (d) Sec 20 (small school support) shall take effect on ~~July 1, 2019~~ July 1,  
13 2021, and shall apply to grants made in fiscal year ~~2020~~ 2022 and after.

14 \* \* \*

15 (g) Secs. 24 and 25 (declining enrollment; hold-harmless provision; repeal;  
16 exception) shall take effect on ~~July 1, 2020~~ July 1, 2022.

17 \* \* \*

18 (k) ~~Secs. 37 and 38 (cost containment; education spending; allowable~~  
19 ~~growth) shall take effect on July 1, 2015, and shall apply to fiscal years 2017~~  
20 ~~and 2018. [Repealed.]~~

21 \* \* \*

1                   \* \* \* Transfer of Assets and Debt Belonging to  
2                                   Merged School Districts \* \* \*

3       Sec. 14. TRANSFER OF PROPERTY AND DEBT OF MERGED  
4                   DISTRICTS

5           (a) Notwithstanding any other provision of law, under 16 V.S.A.  
6           § 706b(6)–(8) a study committee report may provide terms for transferring the  
7           ownership of capital assets, and the liability for any associated debt, from the  
8           merging districts to the towns within the merging district where those assets  
9           are fixed. A study committee report may also provide terms for leases that the  
10           new union district established under 16 V.S.A. chapter 11 shall enter into for  
11           these same capital assets.

12           (b) A transfer of assets included in a study committee report under this  
13           section and approved under 16 V.S.A. chapter 11 shall not be considered a sale  
14           for the purpose of the refund upon sale requirement of 16 V.S.A. § 3448(b).

15           (c) As used in this section, a union school district established under  
16           16 V.S.A. chapter 11 includes a school district voluntarily created pursuant to  
17           2015 Acts and Resolves No. 46, Sec. 6 or 7, or a regional education district, or  
18           any other district eligible to receive incentives pursuant to 2010 Acts and  
19           Resolves No. 153, as amended by 2012 Acts and Resolves No. 156 and 2013  
20           Acts and Resolves No. 56.

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\* \* \* Effective Date \* \* \*

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Sec. 15. EFFECTIVE DATE

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This act shall take effect on passage.