

H.361

An act relating to making amendments to education funding, education spending, and education governance

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Findings * * *

Sec. 1. FINDINGS

(a) Vermont's kindergarten through grade 12 student population has declined from 103,000 in fiscal year 1997 to 78,300 in fiscal year 2015.

(b) The number of school-related personnel has not decreased in proportion to the decline in student population.

(c) The proportion of Vermont students with severe emotional needs has increased from 1.5 percent of the population in fiscal year 1997 to 2.3 percent in fiscal year 2015. In addition, the proportion of students from families in crisis due to loss of employment, opiate addiction, and other factors has also increased during this time period, requiring the State's public schools to fulfill an array of human services functions.

(d) From July 1997 through July 2014, the number of Vermont children ages 6 through 17 residing with families receiving nutrition benefits has increased by 47 percent, from 13,000 to 19,200. While other factors affect student academic performance, studies demonstrate that when the percentage

of students in a school who are living in poverty increases, student performance and achievement have a tendency to decrease.

(e) With 13 different types of school district governance structures, elementary and secondary education in Vermont lacks cohesive governance and delivery systems. As a result, many school districts:

(1) are not well-suited to achieve economies of scale; and

(2) lack the flexibility to manage, share, and transfer resources, including personnel, with other school districts and to provide students with a variety of high quality educational opportunities.

(f) 16 V.S.A. § 4010(f) was enacted in 1999 to protect school districts, particularly small school districts, from large, sudden tax increases due to declining student populations. The steady, continued decline in some districts, together with the compounding effect of the legislation as written, has inflated the equalized pupil count in some districts by as much as 77 percent, resulting in artificially low tax rates in those communities.

(g) National literature suggests that the optimal size for student learning is in elementary schools of 300 to 500 students and in high schools of 600 to 900 students. In Vermont, the smallest elementary school has a total enrollment of 15 students (kindergarten–grade 6) and the smallest high school has a total enrollment of 55 students (grades 9–12). Of the 300 public schools in

Vermont, 205 have 300 or fewer enrolled students and 64 have 100 or fewer enrolled students. Of those 64 schools, 16 have 50 or fewer enrolled students.

(h) National literature suggests that the optimal size for a school district in terms of financial efficiencies is between 2,000 and 4,000 students. The smallest Vermont school district has an average daily membership (ADM) of six students, with 79 districts having an ADM of 100 or fewer students. Four Vermont school districts have an ADM that exceeds 2,000 students.

(i) Vermont recognizes the important role that a small school plays in the social and educational fabric of its community. It is not the State's intent to close its small schools, but rather to ensure that those schools have the opportunity to enjoy the expanded educational opportunities and economies of scale that are available to schools within larger, more flexible governance models.

(j) The presence of multiple public schools within a single district not only supports flexibility in the management and sharing of resources, but it promotes innovation. For example, individual schools within a district can more easily develop a specialized focus, which, in turn, increases opportunities for students to choose the school best suited to their needs and interests.

* * * Preferred Education Governance Structure; Alternative Structure * * *

Sec. 2. PREFERRED EDUCATION GOVERNANCE STRUCTURE;

ALTERNATIVE STRUCTURE

(a) Preferred structure: prekindergarten–grade 12 district. In order to provide substantial equity in the quality and variety of educational opportunities statewide; to maximize operational efficiencies through increased flexibility to manage, share, and transfer resources; and to promote transparency and accountability, the preferred education governance structure in Vermont is a school district that:

(1) is responsible for the education of all resident prekindergarten through grade 12 students;

(2) is its own supervisory district;

(3) has a minimum average daily membership of 900; and

(4) is organized and operates according to one of the four most common governance structures:

(A) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 12;

(B) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 8 and pays tuition for all resident students in grade 9 through grade 12;

(C) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 6 and pays tuition for all resident students in grade 7 through grade 12; or

(D) a district that operates no schools and pays tuition for all resident students in prekindergarten through grade 12.

(b) Alternative structure: supervisory union. A single prekindergarten–grade 12 district as envisioned in subsection (a) of this section may not be possible or the best model to achieve Vermont’s education goals in all regions of the State. In such situations, a supervisory union composed of multiple member districts, each with its separate school board, can meet the State’s goals, particularly if:

(1) the member districts consider themselves to be collectively responsible for the education of all prekindergarten through grade 12 students residing in the supervisory union;

(2) the supervisory union operates in a manner that maximizes efficiencies through economies of scale and flexible management, transfer, and sharing of nonfinancial resources among the member districts; and

(3) the supervisory union has the smallest number of member school districts practicable, achieved wherever possible by the merger of districts with similar operating and tuitioning patterns.

* * * Intent; Protections * * *

Sec. 3. SCHOOL CLOSURE; SMALL SCHOOLS; TUITION PAYMENT;
SCHOOL OPERATION; PROTECTIONS; INTENT

(a) School closure; intent. It is not the State's intent to close schools and nothing in this act shall be construed to require, encourage, or contemplate the closure of schools in Vermont.

(b) Small schools; intent. As stated in Sec. 1 (findings), it is not the State's intent to close its small schools, but rather to ensure that those schools have the opportunity to enjoy the expanded educational opportunities and economies of scale that are available to schools within larger, more flexible governance models.

(c) Tuition payment; school operation; protection; intent.

(1) Tuition payment; protection. All governance transitions contemplated pursuant to this act shall preserve the ability of a district that, as of the effective date of this section, provides for the education of all resident students in one or more grades by paying tuition on the students' behalf, to continue to provide education by paying tuition on behalf of all students in the grade or grades if it chooses to do so and shall not require the district to limit the options available to students if it ceases to exist as a discrete entity and realigns into a supervisory district or union school district.

(2) School operation; protection. All governance transitions contemplated pursuant to this act shall preserve the ability of a district that, as of the effective date of this section, provides for the education of all resident students in one or more grades by operating a school offering the grade or grades, to continue to provide education by operating a school for all students in the grade or grades if it chooses to do so and shall not require the district to pay tuition for students if it ceases to exist as a discrete entity and realigns into a supervisory district or union school district.

(3) Tuition payment; school operation; intent. Nothing in this act shall be construed to restrict or repeal, or to authorize, encourage, or contemplate the restriction or repeal of, the ability of a school district that, as of the effective date of this section, provides for the education of all resident students in one or more grades:

(A) by paying tuition on the students' behalf, to continue to provide education by paying tuition on behalf of all students in the grade or grades; or

(B) by operating a school offering the grade or grades, to continue to provide education by operating a school for all students in the grade or grades.

* * * Voluntary Mergers; Incentives; REDS * * *

Sec. 4. 2010 Acts and Resolves No. 153, Sec. 2(a), as amended by 2012

Acts and Resolves No. 156, Sec. 1, is further amended to read:

(a) Program created. There is created a school district merger incentive

program under which the incentives outlined in Sec. 4 of this act shall be available to each new unified union school district created pursuant to Sec. 3 of this act and to each new district created under Sec. 3 of this act by the merger of districts that provide education by paying tuition; and to the Vermont members of any new interstate school district if the Vermont members jointly satisfy the size criterion of Sec. 3(a)(1) of this act and the new, merged district meets all other requirements of Sec. 3 of this act. Incentives shall be available, however, only if the effective date of merger ~~is on or before July 1, 2017~~ on which the new district becomes operational is on or before July 1, 2020.

Sec. 5. 2010 Acts and Resolves No. 153, Sec. 4, as amended by 2012 Acts and Resolves No. 156, Sec. 13, is further amended to read:

Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

* * *

(h) ~~This section is repealed on July 1, 2017.~~ [Repealed.]

* * * Accelerated Activity; Enhanced Incentives * * *

Sec. 6. ACCELERATED MERGER; SUPERVISORY UNION BECOMING
A SUPERVISORY DISTRICT; INCENTIVES; REPORT

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

(1) is formed by merging the governance structures of all member districts of a supervisory union into one unified union school district pursuant

to the processes and requirements of 16 V.S.A. chapter 11; and, in addition,
could include merger with a neighboring supervisory district;

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

(3) is responsible for the education of all resident prekindergarten
through grade 12 students;

(4) is its own supervisory district;

(5) has a minimum average daily membership of 900 in its first year of
operation; and

(6) is organized and operates according to one of the following common
governance structures:

(A) a district that operates a school or schools for all resident students
in prekindergarten or kindergarten through grade 12;

(B) a district that operates a school or schools for all resident students
in prekindergarten or kindergarten through grade 8 and pays tuition for all
resident students in grade 9 through grade 12; or

(C) a district that operates a school or schools for all resident students
in prekindergarten or kindergarten through grade 6 and pays tuition for resident
students in grade 7 through grade 12;

(7) demonstrates in the study committee report presented to the State Board and district voters pursuant to 16 V.S.A. chapter 11 that the proposed governance changes will result in:

(A) increased equity in the quality and variety of educational opportunities;

(B) increased operational efficiencies, through enhanced flexibility to manage, share, and transfer resources;

(C) increased transparency and accountability; and

(D) reduced expenditures per equalized pupil;

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

(9) provides data as requested by the Agency of Education and otherwise assists the Agency to assess whether and to what extent the consolidation of its governance results in increased educational opportunities, operational efficiencies, transparency, and accountability.

(b) A newly formed school district that meets the criteria set forth in subsection (a) shall receive the following:

(1) Decreased equalized homestead property tax rate or accelerated action incentive grant. A new district's plan of merger shall provide whether, upon creation of the new district, the district shall receive decreased equalized homestead property tax rates during the first five years of operation pursuant to

subdivision (A) or an incentive grant during the first year of operation pursuant to subdivision (B):

(A)(i) Decreased homestead property tax rates. Subject to the provisions of subdivision (iii) of this subdivision (A) and notwithstanding any other provision of law, the new district's equalized homestead property tax rate shall be:

(I) decreased by \$0.10 in the first fiscal year of operation;

(II) decreased by \$0.10 in the second fiscal year of operation;

(III) decreased by \$0.08 in the third fiscal year of operation;

(IV) decreased by \$0.06 in the fourth fiscal year of

operation; and

(V) decreased by \$0.04 in the fifth fiscal year of operation.

(ii) The household income percentage shall be calculated accordingly.

(iii) During the years in which a new district's equalized homestead property tax rate is decreased pursuant to this subdivision (A), the rate for each town within the new district shall not increase by more than five percent in a single year. The household income percentage shall be calculated accordingly.

(B) Accelerated action incentive grant. During the first fiscal year of operation, the Secretary of Education shall pay to the new district's board an

accelerated action incentive grant from the Education Fund equal to \$400.00 multiplied by the total number of resident students in the new district in that year. The grant shall be in addition to funds received under 16 V.S.A. § 4028.

(C) Common level of appraisal. Regardless of whether a new district chooses to receive decreased homestead property tax rates or an accelerated action incentive grant, on and after the effective date of merger, the common level of appraisal shall be calculated independently for each town within the new district for purposes of determining the homestead property tax rate for each town.

(2) Merger support grant. Notwithstanding any provision of law to the contrary, if the districts forming the new district include at least one “eligible school district,” as defined in 16 V.S.A. § 4015, that received a small school support grant under section 4015 in fiscal year 2016, then the new district shall receive an annual merger support grant in each of the first five fiscal years after it begins operation in an amount equal to the small school support grant received by the eligible school district in fiscal year 2016. If more than one merging district was an eligible school district, then the merger support grant shall be in an amount equal to the total combined small school support grants they received in fiscal year 2016.

(3) Transition facilitation grant. After voter approval of the plan of merger, the Secretary of Education shall pay the transitional board of the new

district a transition facilitation grant from the Education Fund equal to the lesser of:

(A) five percent of the base education amount established in 16 V.S.A. § 4001(13) multiplied by the greater of either the combined enrollment or the average daily membership of the merging districts on October 1 of the year in which the successful vote is taken; or

(B) \$150,000.00.

(c) If a new district that receives incentives under this section also meets the eligibility criteria to receive incentives as a regional education district (RED), then the district shall not receive the incentives available to a RED pursuant to 2010 Acts and Resolves No. 153, subsections 4(a), (d), (e) or (g), as amended by 2012 Acts and Resolves No. 156, Sec. 13.

(d) The Secretary of Education, in collaboration with other entities such as the University of Vermont or the Regional Educational Laboratory–Northeast and Islands, shall collect and analyze data from the new districts created under this section regarding issues including educational opportunities, operational efficiencies, transparency, and accountability following merger. Beginning on January 15, 2016, and annually through January 2021, the Secretary shall submit a report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance regarding the districts pursuing merger under this

section, conclusions drawn from the data collected, and any recommendations for legislative action.

* * * Facilitating Voluntary Governance Transitions; Supervisory

Union Boundaries * * *

Sec. 7. 16 V.S.A. § 261 is amended to read:

§ 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY

UNIONS

(a) The State Board shall review on its own initiative or when requested as per subsection (b) of this section and may regroup the supervisory unions of the State or create new supervisory unions in such manner as to afford increased efficiency or greater convenience and economy and to facilitate ~~K-12~~ prekindergarten through grade 12 curriculum planning and coordination as changed conditions may seem to require.

(b)(1) Any school district that has so voted at its annual school district meeting, if said meeting has been properly warned regarding such a vote, may ~~apply to~~ request that the State Board of education for adjustment of adjust the existing boundaries of the supervisory union of which it is a ~~component~~ member district.

(2) Any group of school districts that have so voted at their respective annual school district meeting, regardless of whether the districts are members of the same supervisory union, may request that the State Board adjust existing

supervisory union boundaries and move one or more nonrequesting districts to a different supervisory union if such adjustment would assist the requesting districts to realign their governance structures into a unified union school district pursuant to chapter 11 of this title.

(3) The State Board shall give timely consideration to ~~such~~ requests made pursuant to this subsection and may regroup the school districts of the area so as to ensure reasonable supervision of all public schools therein.

(c) The State Board may designate any school district, including a unified union district, as a supervisory district if it will ~~offer schools in grades K-12~~ provide for the education of all resident students in prekindergarten through grade 12 and is large enough to support the planning and administrative functions of a supervisory union.

(d) Upon application by a supervisory union board, the State Board may waive any requirements of chapter 5 or 7 of this title with respect to the supervisory union board structure, board composition, or board meetings, or the staffing pattern of the supervisory union, if it can be demonstrated that such a waiver will result in efficient and effective operations of the supervisory union; will not result in any disproportionate representation; and is otherwise in the public interest.

* * * Merger Support Grants; Small Schools Grants * * *

Sec. 8. MERGER SUPPORT GRANT

(a) Notwithstanding any provision of law to the contrary and subject to subsection (b) of this section, if the districts creating a union school district pursuant to 16 V.S.A. chapter 11 include at least one “eligible school district,” as defined in 16 V.S.A. § 4015, that received a small school support grant under section 4015 in fiscal year 2016, then the new union school district shall receive an annual merger support grant in each of the first five fiscal years after it begins operation in an amount equal to the small school support grant received by the eligible school district in fiscal year 2016. If more than one merging district was an eligible school district, then the merger support grant shall be in an amount equal to the total combined small school support grants they received in fiscal year 2016.

(b) This section shall apply only to a union school district that:

(1) is responsible for the education of all resident prekindergarten through grade 12 students;

(2) is its own supervisory district;

(3) has a minimum average daily membership of 900 in its first year of operation; and

(4) is organized and operates according to one of the following common governance structures:

(A) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 12;

(B) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 8 and pays tuition for all resident students in grade 9 through grade 12; or

(C) a district that operates a school or schools for all resident students in prekindergarten or kindergarten through grade 6 and pays tuition for resident students in grade 7 through grade 12;

(5) obtains a favorable vote of all “necessary” districts on or after July 1, 2015; and

(6) becomes operational after July 1, 2017, and on or before July 1, 2020.

Sec. 9. [Deleted.]

Sec. 10. [Deleted.]

* * * Declining Enrollment; Equalized Pupils; 3.5 Percent Limit * * *

Sec. 11. 16 V.S.A. § 4010(f) is amended to read:

(f) For purposes of the calculation under this section, a district’s equalized pupils shall in no case be less than 96 and one-half percent of the ~~district’s~~ actual number of equalized pupils in the district in the previous year, prior to making any adjustment under this subsection.

Sec. 12. DECLINING ENROLLMENT; TRANSITION

(a) If a district's equalized pupils in fiscal year 2016 do not reflect any adjustment pursuant to 16 V.S.A. § 4010(f), then Sec. 11 of this act shall apply to the district in fiscal year 2017 and after.

(b) If a district's equalized pupils in fiscal year 2016 reflect adjustment pursuant to 16 V.S.A. § 4010(f), then, notwithstanding the provisions of § 4010(f) as amended by this act:

(1) in fiscal year 2017, the district's equalized pupils shall in no case be less than 90 percent of the district's equalized pupils in the previous year; and

(2) in fiscal year 2018, the district's equalized pupils shall in no case be less than 80 percent of the district's equalized pupils in the previous year.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, if a district is actively engaged in merger discussions with one or more other districts regarding the formation of a regional education district (RED) or other form of unified union school district pursuant to 16 V.S.A. chapter 11, then Sec. 11 of this act shall apply to the district in fiscal year 2018 and after, and each of the dates in subsection (b) of this section shall be adjusted accordingly. A district shall be "actively engaged in merger discussions" pursuant to this subsection (c) if on or before July 1, 2016 it has formed a study committee pursuant to 16 V.S.A. chapter 11.

Sec. 13. REPEAL

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

Sec. 14. DECLINING ENROLLMENT; 3.5 PERCENT HOLD-HARMLESS;
GRANDFATHERED DISTRICTS

Beginning in fiscal year 2021, for purposes of determining weighted membership under 16 V.S.A. § 4010, a district's equalized pupils shall in no case be less than 96 and one-half percent of the actual number of equalized pupils in the district in the previous year, prior to making any adjustment under this section, if the district, on or before July 1, 2020:

(1) became eligible to receive incentives pursuant to Sec. 6 of this act (accelerated activity);

(2) met each of the criteria listed in Sec. 8(b)(1)–(5) of this act, regardless of whether the new district is eligible for a merger support grant, and became an operational unified union school district; or

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

* * * Current Incentives for Other Joint Activity * * *

Sec. 15. CURRENT INCENTIVES FOR JOINT ACTIVITY; LIMITATIONS
ON APPLICABILITY

(a) Notwithstanding the provisions of the following sections of law, the grants and reimbursements authorized by those sections shall be available only as provided in subsection (b) of this section:

(1) 2012 Acts and Resolves No. 156, Sec. 2 (reimbursement of fees of up to \$5,000.00 incurred by school districts or supervisory unions for initial exploration of joint activity).

(2) 2012 Acts and Resolves No. 156, Sec. 4 (reimbursement of analysis or transition costs of up to \$10,000.00 incurred by school districts or supervisory unions for joint activity other than a merger).

(3) 2012 Acts and Resolves No. 156, Sec. 5 (reimbursement of fees of up to \$20,000.00 incurred by supervisory unions for analysis relating to the advisability of merger of supervisory unions).

(4) 2012 Acts and Resolves No. 156, Sec. 6 (transition facilitation grant of \$150,000.00 for the successful merger of two or more supervisory unions).

(5) 2012 Acts and Resolves No. 156, Sec. 9 (reimbursement of fees of up to \$20,000.00 incurred by school districts for analysis relating to the advisability of merger other than a regional education district (RED)).

(6) 2012 Acts and Resolves No. 156, Sec. 11 (transition facilitation grant of the lesser of \$150,000.00 or five percent of the base education amount multiplied by the combined enrollment for the successful merger of two or more districts other than a RED).

(b) A group of districts or supervisory unions shall receive one or more of the incentives listed in subsection (a) of this section only if it:

(1) meets the specific eligibility criteria for the incentive; and

(2) completes the specific requirements for eligibility on or before

December 31, 2015.

* * * Supervisory Unions; Local Education Agency * * *

Sec. 16. 16 V.S.A. § 43(c) is amended to read:

(c) For purposes of determining pupil performance and application of consequences for failure to meet standards and for provision of compensatory and remedial services pursuant to 20 U.S.C. §§ 6311-6318, a ~~school district~~ supervisory union shall be a local education agency.

* * * Duties of Supervisory Unions; Failure to Comply; Tax Rates * * *

Sec. 17. 16 V.S.A. § 261a(c) is added to read:

(c)(1) After notice to the boards of a supervisory union and its member districts, the opportunity for a period of remediation, and the opportunity for a hearing, if the Secretary determines that a supervisory union or any one of its member districts is failing to comply with the any provision of subsection (a)

of this section, then the Secretary shall notify the board of the supervisory union and the board of each of its member districts that the education property tax rates for nonresidential and homestead property shall be increased by five percent in each district within the supervisory union and the household income percentage shall be adjusted accordingly in the next fiscal year for which tax rates will be calculated. The districts' actual tax rates shall be increased by five percent, and the household income percentage adjusted, in each subsequent fiscal year until the fiscal year following the one in which the Secretary determines that the supervisory union and its districts are in compliance. If the Secretary determines that the failure to comply with the provisions of subsection (a) of this section is solely the result of the actions of the board of one member district, then the tax increase in this subsection (c) shall apply only to the tax rates for that district. Subject to Vermont Rule of Civil Procedure 75, the Secretary's determination shall be final.

* * * Transition of Employees * * *

Sec. 18. 16 V.S.A. chapter 53, subchapter 3 is added to read:

Subchapter 3. TRANSITION OF EMPLOYEES

§ 1801. DEFINITIONS

As used in this subchapter:

(1) "New District" means a district created by the realignment or merger of two or more current districts into a new supervisory district, union school

district, or any other form of merged or realigned district authorized by law, including by chapter 11, subchapter 1, of this title, regardless of whether one or more of the districts creating the New District (a Realigning District) is a town school district, a city school district, an incorporated school district, a union school district, a unified union school district, or a supervisory district.

(2) “New SU” means a supervisory union created from the merger or realignment of two or more current supervisory unions or of all or some of the districts in one or more current supervisory unions (a Realigning SU). “New SU” also means a supervisory union created by the State Board’s adjustment of the borders of one or more current supervisory unions or parts of supervisory unions pursuant to section 261 of this title or otherwise, regardless of whether the New SU is known by the name of one of the current supervisory unions or the adjustment is otherwise structured or considered to be one in which one current supervisory union (the Absorbing SU) is absorbing one or more other supervisory unions or parts of supervisory unions into the Absorbing SU.

(3) “Employees of a Realigning Entity” means the licensed and nonlicensed employees of a Realigning District or Realigning SU, or both, that create the New District or New SU, and includes employees of an Absorbing SU and employees of a Realigning SU whose functions will be performed by employees of a New District that is a supervisory district.

(4) "System" shall mean the Vermont Municipal Employees' Retirement System created pursuant to 24 V.S.A. chapter 125.

(5) "Transitional Board" means the board created prior to the first day of a New District's or a New SU's existence in order to transition to the new structure by negotiating and entering into contracts, preparing an initial proposed budget, adopting policies, and otherwise planning for implementation of the New District or New SU, and includes the board of an Absorbing District to which members from the other Realigning SU or SUs have been added in order to perform transitional responsibilities.

§ 1802. TRANSITION OF EMPLOYEES TO NEWLY CREATED
EMPLOYER

(a) Prior to the first day of a New District's or a new SU's existence, upon creation of the Transitional Board, the Board shall:

(1) appoint a negotiations council for the New District or New SU for the purpose of negotiating with future employees' representatives; and

(2) recognize the representatives of the Employees of the Realigning Districts or Realigning SUs as the recognized representatives of the employees of the New District or New SU.

(b) Negotiations shall commence within 90 days after formation of the Transitional Board and shall be conducted pursuant to the provisions of chapter

57 of this title for teachers and administrators and pursuant to 21 V.S.A.
chapter 22 for other employees.

(c) An Employee of a Realigning District or Realigning SU who was not a
probationary employee shall not be considered a probationary employee of the
New District or New SU.

(d) If a new agreement is not ratified by both parties prior to the first day of
the New District's or New SU's existence, then:

(1) the parties shall comply with the existing agreements in place for
Employees of the Realigning Districts or the Realigning SUs until a new
agreement is reached;

(2) the parties shall adhere to the provisions of an agreement among the
Employees of the Realigning Districts or the Realigning SUs, as represented
by their respective recognized representatives, regarding how provisions under
the existing contracts regarding issues of seniority, reduction in force, layoff,
and recall will be reconciled during the period prior to ratification of a new
agreement; and

(3) a new employee beginning employment after the first day of the
New District's or New SU's existence shall be covered by the agreement in
effect that applies to the largest bargaining unit for Employees of the
Realigning Districts in the New District or for Employees of the Realigning
SU in the New SU.

(e) On the first day of its existence, the New District or New SU shall assume the obligations of existing individual employment contracts, including accrued leaves and associated benefits, with the Employees of the Realigning Districts.

§ 1803. VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

(a) A New District or New SU, on the first day of its existence, shall assume the responsibilities of any one or more of the Realigning Districts or Realigning SUs that have been participants in the system; provided, however, that this subsection shall not be construed to extend benefits to an employee who would not otherwise be a member of the system under any other provision of law.

(b) The existing membership and benefits of an Employee of a Realigning District or a Realigning SU shall not be impaired or reduced either by negotiations with the New District or New SU under 21 V.S.A. chapter 22 or otherwise.

(c) In addition to general responsibility for the operation of the System pursuant to 24 V.S.A. § 5062(a), the responsibility for implementation of all sections of this subchapter relating to the System is vested in the Retirement Board.

* * * Unified Union School District; Definition * * *

Sec. 19. 16 V.S.A. § 722 is amended to read:

§ 722. UNIFIED UNION DISTRICTS

~~If a union school district is organized to operate grades kindergarten through 12, it~~ (a) A union school district shall be known as a unified union district if it provides for the education of resident prekindergarten–grade 12 students, whether by:

(1) operating a school or schools for all grades;

(2) operating a school or schools for all students in one or more grades and paying tuition for all students in the remaining grade or grades; or

(3) paying tuition for all grades.

(b) On the date the unified union district becomes operative, unless another date is specified in the study committee report, it shall supplant all other school districts within its borders, and they shall cease to exist.

(c) If provided for in the committee report, the unified union school district ~~school~~ board may be elected and may conduct business for the limited purpose of preparing for the transition to unified union district administration while the proposed member school districts continue to operate schools.

(d) The functions of the legislative branch of each preexisting school district in warning meetings and conducting elections of unified union school district board members shall be performed by the corresponding board of

alderpersons of a city or city council, the selectboard of a town, or the trustees of an incorporated school district as appropriate.

* * * Agencies of Human Services and of Education;

Coordination; Report * * *

Sec. 20. COORDINATION OF EDUCATIONAL AND SOCIAL
SERVICES; REPORT

(a) The Secretaries of Education and of Human Services, in consultation with school districts, supervisory unions, social service providers, and other interested parties, shall develop a plan for maximizing collaboration and coordination between the Agencies in delivering social services to Vermont public school students and their families. The plan shall:

(1) propose ways to improve access to and quality of social services provided to Vermont public school students and their families through systems-level planning and integration;

(2) propose sustainable ways to increase efficiencies in delivering social services to Vermont public school students and their families while maintaining access and quality, including ways to promote effective communication between the Agencies at the State and local levels;

(3) consider ways in which schools and social service providers can share services, personnel, and other resources, including the use of available space in school buildings by Agency of Human Services personnel;

(4) identify the amounts and sources of spending by the Agency of Human Services and the education system to provide social services to families with school-age children; and

(5) identify any barriers to increased efficiency, statutory or otherwise and including federal and State privacy protections, and propose ways to address these barriers, including any recommendations for legislative action.

(b) On or before January 15, 2016, the Secretaries shall present their plan and recommendations to the Senate Committees on Education and on Health and Welfare and the House Committees on Education and on Human Services.

Sec. 20a. REPORT ON METRICS FOR EVALUATION

(a) On or before December 15, 2015, the Agency of Education shall report to the General Assembly with recommendations for establishing a consistent method of evaluating the performance of:

(1) pre-kindergarten programs in each school district; and

(2) special education programs in each supervisory union or school district.

(b) The recommendations under subsection (a) of this section shall consider the findings of the report required under 2014 Acts and Resolves No. 95, Sec. 79a and shall be consistent with the efforts taken by the Agency to develop consistent longitudinal student and financial data in 2014 Acts and Resolves No. 179, Secs. E.500.1 through E.500.3, allowing for

district-to-district comparisons to support education-related decisions at the State and local level.

* * * Quality Assurance; Accountability * * *

Sec. 21. 16 V.S.A. § 165(b)(1)–(4) are amended and subdivision (5) is added to read:

(1) the Agency continue to provide technical assistance for one more cycle of review;

(2) the State Board adjust supervisory union boundaries or responsibilities of the superintendency pursuant to section 261 of this title;

(3) the Secretary assume administrative control of an individual school, school district, or supervisory union, including budgetary control to ensure sound financial practices, only to the extent necessary to correct deficiencies; ~~or~~

(4) the State Board close ~~the~~ an individual school or schools and require that the school district pay tuition to another public school or an approved independent school pursuant to chapter 21 of this title; or

(5) the State Board require two or more school districts to consolidate their governance structures.

Sec. 22. QUALITY ASSURANCE; ACCOUNTABILITY

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

(1) the discussions, studies, and activity among districts to move voluntarily toward creating a unified union school district as set forth in Sec. 2(a) (preferred governance structure) of this act;

(2) the data collected from districts that vote prior to July 1, 2016, to merge into that preferred governance structure pursuant to Sec. 6 (accelerated activity) of this act and from other districts that have merged or do merge into a regional education district (RED) and their variations or that otherwise merge into the preferred governance structure set forth in Sec. 2(a) of this act; and

(3) the data and other information collected in connection with the Education Quality Standards, and related on-site education quality reviews, including data and information regarding the equity of educational opportunities, academic outcomes, personalization of learning, a safe school climate, high quality staffing, and financial efficiency.

* * * Transition to Sustainable Governance Structures * * *

Sec. 23. VOLUNTARY SELF-EVALUATION, MEETINGS, AND

DECLARATION

(a) The board of each school district in the State that has a governance structure different from the preferred structure set forth in Sec. 2(a) of this act or that does not expect to move or will not be moving into the preferred structure on or before July 1, 2020, may choose to pursue one or more of the following actions:

(1) Self-evaluation. The board may choose to evaluate the quality and variety of educational opportunities the district offers and the district's operational efficiencies, including its flexibility to manage, share, and transfer nonfinancial resources with other districts.

(2) Meetings.

(A) The board may choose to meet with the boards of one or more other districts, including those representing districts that have similar patterns of school operation and tuition payment, to discuss ways to promote improvement throughout the region in connection with:

(i) the quality, variety, and equity of available educational opportunities;

(ii) operational efficiencies, including the flexibility to manage, share, and transfer resources; and

(iii) transparency and accountability.

(B) The districts would not need to be contiguous and would not need to be within the same supervisory union.

(3) Declaration. A board of a district, solely on behalf of its own district or jointly with the boards of other districts, may choose to submit a letter to the Secretary of Education and the State Board of Education on or before June 30, 2017, that:

(A) declares the district's intention to retain its current governance structure or to work with other districts to form a different governance structure or otherwise enter into joint activity;

(B) demonstrates, through reference to enrollment projections, student-to-staff ratios, the comprehensive data collected pursuant to 16 V.S.A. § 165, and otherwise, how the intention stated in subdivision (A) of this subdivision supports the district's or districts' ability to:

(i) provide high-quality and varied educational opportunities that are substantially equitable when compared to opportunities available statewide;

(ii) to maximize operational efficiencies through increased flexibility to manage, share, and transfer resources among educational units;
and

(iii) to promote transparency and accountability; and

(C) identifies detailed actions it would take to continue to improve its performance in each of the three areas set forth in subdivisions (B)(i)–(iii).

Sec. 24. TRANSITION TO SUSTAINABLE GOVERNANCE

STRUCTURES

(a) Goals; Secretary's proposal. In order to provide substantial equity in the quality and variety of educational opportunities statewide; to maximize operational efficiencies through increased flexibility to manage, share, and

transfer resources; and to promote transparency and accountability, the

Secretary of Education shall:

(1) Review the governance structures of the school districts and supervisory unions of the State as they will exist, or are anticipated to exist, on July 1, 2020. This review shall include consideration of any declarations submitted by districts or groups of districts pursuant to Sec. 23 of this act and conversations with those and other districts.

(2) On or before April 1, 2018, shall develop, publish on the Agency's website, and present a proposed plan to the State Board of Education that, to the extent necessary to promote the purpose stated at the beginning of this subsection (a), would move districts into the more sustainable, preferred model of governance set forth in Sec. 2(a) of this act. If it is not possible or practicable to develop a proposal that realigns districts, where necessary, in a manner that adheres to the protections of Sec. 3(c) (protection for tuition-paying and operating districts) or that otherwise meets all aspects of Sec. 2(a), then the proposal may include alternative governance structures as necessary, such as a supervisory union with member districts or a unified union school district with a smaller average daily membership; provided, however, that any proposed alternative governance structure shall be designed to:

(A) ensure adherence to the protections of Sec. 3(c); and

(B) promote equity of educational opportunities, financial efficiencies, accountability, and transparency in a sustainable governance structure.

(b) State Board's proposed plan. On or before December 31, 2018, the State Board shall review and analyze the Secretary's proposal under the provisions in subsection (a) of this section, may take testimony or ask for additional information from districts and supervisory unions, shall approve the proposal in either its original form or in an amended form that adheres to the provisions of subsection (a), and shall present to the General Assembly and publish on the Agency of Education's website a proposed plan realigning districts and supervisory unions where necessary.

(c) General Assembly. Upon review of the State Board's proposed plan and receipt of testimony from the public and interested parties, it is the intent of the General Assembly in 2015 that the 2019–2020 General Assembly shall enact the proposed plan either in its original form or in an amended form that:

(1) adheres to the provisions of subsection (a) of this section; and
(2) establishes a date by which any new districts and expanded or otherwise realigned supervisory unions that might be created under this section shall be operational.

(d) Applicability. This section shall not apply to:

(1) interstate school districts;

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

(3) districts that, between June 30, 2013, and July 2, 2020, have voluntarily created and have begun or will begin to operate as a unified union school district that:

(A) is a regional education district (RED) or a district eligible to receive RED incentives; or

(B) is formed pursuant to the preferred structure set forth Sec. 2(a) of this act.

* * * Education Technical Assistant; Position * * *

Sec. 25. EDUCATION TECHNICAL ASSISTANT

There is established one (1) new limited service exempt position – Education Technical Assistant – in the Agency of Education, authorized for fiscal years 2016 and 2017. The Education Technical Assistant shall work directly with school districts and supervisory unions to provide information and assistance regarding fiscal and demographic projections and the options available to address any necessary systems changes. The Agency’s authority to hire an individual for this purpose is contingent on its ability to obtain funding for the position solely through nonstate sources.

* * * Yield; Dollar Equivalent * * *

Sec. 26. 16 V.S.A. § 4001(13) is amended to read:

(13) “Base education amount” means a number used to calculate ~~tax~~ rates. ~~The base education amount is~~ categorical grants awarded under this title that is equal to \$6,800.00 per equalized pupil, adjusted as required under section 4011 of this title.

Sec. 27. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

* * *

(13)(A) “~~District~~ Education property tax spending adjustment” means the greater of: one or a fraction in which the numerator is the district’s education spending plus excess spending, per equalized pupil, for the school year; and the denominator is the ~~base education amount~~ property dollar equivalent yield for the school year, as defined in ~~16 V.S.A. § 4001 subdivision (15) of this section.~~ For a district that pays tuition to a public school or an approved independent school, or both, for all of its resident students in any year and which has decided by a majority vote of its school board to opt into this provision, the district spending adjustment shall be the average of the district spending adjustment calculated under this subdivision for the previous year and for the current year. Any district opting for a two-year average under this subdivision may not opt out of such treatment, and

~~the averaging shall continue until the district no longer qualifies for such treatment.~~

(B) "Education income tax spending adjustment" means the greater of: one or a fraction in which the numerator is the district's education spending plus excess spending, per equalized pupil, for the school year; and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.

* * *

(15) "Property dollar equivalent yield" means the amount of spending per equalized pupil that would result if the homestead tax rate were \$1.00 per \$100.00 of equalized education property value, and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.

(16) "Income dollar equivalent yield" means the amount of spending per equalized pupil that would result if the applicable percentage in subdivision 6066(a)(2) of this title were 2.0 percent, and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.

Sec. 28. 32 V.S.A. § 5402 is amended to read:

§ 5402. EDUCATION PROPERTY TAX LIABILITY

(a) A ~~Statewide~~ statewide education tax is imposed on all nonresidential and homestead property at the following rates:

- (1) The tax rate for nonresidential property shall be \$1.59 per \$100.00.

(2) The tax rate for homestead property shall be ~~\$1.10~~ \$1.00 multiplied by the ~~district~~ education property tax spending adjustment for the municipality, per \$100.00, of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality which is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section.

(b) The ~~Statewide~~ statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section, divided by the municipality's most recent common level of appraisal. The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonresidential rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonresidential property and without regard to any other tax classification of the property. Tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the municipality's most recent common level of appraisal, multiplied by the current grand list value of the property to be taxed.

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonresidential property.

(3) If a district has not voted a budget by June 30, an interim homestead education tax shall be imposed at the base rate determined under subdivision (a)(2) of this section, divided by the municipality's most recent common level of appraisal, but without regard to any ~~district~~ spending adjustment under subdivision 5401(13) of this title. Within 30 days after a budget is adopted and the deadline for reconsideration has passed, the Commissioner shall determine the municipality's homestead tax rate as required under subdivision (1) of this subsection.

* * *

(d) A municipality which has upon its grand list an operating electric generating plant subject to the tax under chapter 213 of this title shall be subject to the nonresidential education property tax at three-quarters of the rate provided in subdivision (a)(1) of this section, as adjusted under section 5402b of this chapter; and shall be subject to the homestead education property tax at three-quarters of the base rate provided in subdivision (a)(2) of this section, as adjusted under section 5402b of this chapter, and multiplied by its ~~district~~ spending adjustment under subdivision 5401(13) of this title.

(e) The Commissioner of Taxes shall determine a homestead education tax rate for each municipality which is a member of a union or unified union school district as follows:

(1) For a municipality which is a member of a unified union school district, use the base rate determined under subdivision (a)(2) of this section and a ~~district~~ spending adjustment under subdivision 5401(13) of this title based upon the education spending per equalized pupil of the unified union.

(2) For a municipality which is a member of a union school district:

(A) Determine the municipal district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a ~~district~~ spending adjustment under subdivision 5401(13) of this title based on the education spending per total equalized pupil in the municipality who attends a school other than the union school.

(B) Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a ~~district~~ spending adjustment under subdivision 5401(13) of this title based on the education spending per equalized pupil of the union school district.

* * *

Sec. 29. 32 V.S.A. § 6066(a)(2) is amended to read:

(2) “Applicable percentage” in this section means two percent, multiplied by the ~~district~~ education income tax spending adjustment under subdivision 5401(13)(B) of this title for the property tax year which begins in the claim year for the municipality in which the homestead residence is

located; ~~but in no event shall the applicable percentage be less than two percent.~~

Sec. 30. REVISION AUTHORITY

Notwithstanding 4 V.S.A. § 424, the Office of Legislative Council is authorized to change all instances in statute of the term “applicable percentage” to “income percentage” in 32 V.S.A. chapters 135 and 154.

Sec. 31. 16 V.S.A. § 4031 is amended to read:

§ 4031. UNORGANIZED TOWNS AND GORES

(a) For a municipality that as of January 1, 2004 is an unorganized town or gore, its ~~district~~ education property tax spending adjustment under 32 V.S.A. § 5401(13) shall be one for purposes of determining the tax rate under 32 V.S.A. § 5402(a)(2).

(b) For purposes of a claim for property tax adjustment under 32 V.S.A. chapter 154 by a taxpayer in a municipality affected under this section, the applicable percentage shall not be multiplied by a spending adjustment under 32 V.S.A. § 5401(13).

Sec. 32. 32 V.S.A. § 5402b is amended to read:

§ 5402b. STATEWIDE EDUCATION TAX RATE ADJUSTMENTS

YIELDS; RECOMMENDATION OF THE COMMISSIONER

~~(a) Annually, by December 1, the Commissioner of Taxes shall recommend to the General Assembly, after consultation with the Agency of Education, the~~

~~Secretary of Administration, and the Joint Fiscal Office, the following adjustments in the statewide education tax rates under subdivisions 5402(a)(1) and (2) of this title:~~

~~(1) If there is a projected balance in the Education Fund Budget Stabilization Reserve in excess of the five percent level authorized under 16 V.S.A. § 4026, the Commissioner shall recommend a reduction, for the following fiscal year only, in the statewide education tax rates which will retain the projected Education Fund Budget Stabilization Reserve at the five percent maximum level authorized and raise at least 34 percent of projected education spending from the tax on nonresidential property; and~~

~~(2) If there is a projected balance in the Education Fund Budget Stabilization Reserve of less than the three and one half percent level required under 16 V.S.A. § 4026, the Commissioner shall recommend an increase, for the following fiscal year only, in the statewide education tax rates which will retain the projected Education Fund Budget Stabilization Reserve at no less than the three and one half percent minimum level authorized under 16 V.S.A. § 4026, and raise at least 34 percent of projected education spending from the tax rate on nonresidential property.~~

~~(3) In any year following a year in which the nonresidential rate produced an amount of revenues insufficient to support 34 percent of education fund spending in the previous fiscal year, the Commissioner shall determine~~

~~and recommend an adjustment in the nonresidential rate sufficient to raise at least 34 percent of projected education spending from the tax rate on nonresidential property.~~

~~(4) If in any year in which the nonresidential rate is less than the statewide average homestead rate, the Commissioner of Taxes shall determine the factors contributing to the deviation in the proportionality of the nonresidential and homestead rates and make a recommendation for adjusting statewide education tax rates accordingly.~~

~~(b) If the Commissioner makes a recommendation to the General Assembly to adjust the education tax rates under section 5402 of this title, the Commissioner shall also recommend a proportional adjustment to the applicable percentage base for homestead income based adjustments under section 6066 of this title, but the applicable percentage base shall not be adjusted below 1.94 percent.~~

(a) Annually, no later than December 1, the Commissioner of Taxes, after consultation with the Secretary of Education, the Secretary of Administration, and the Joint Fiscal Office, shall calculate and recommend a property dollar equivalent yield and an income dollar equivalent yield for the following fiscal year. In making these calculations, the Commissioner shall assume:

(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is 1.00 per \$100.00 of equalized education property value;

(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;

(3) the statutory reserves under 16 V.S.A. § 4026 and this section were maintained at five percent; and

(4) the percentage change in the median education tax bill applied to nonresidential property, the percentage change in the median education tax bill of homestead property, and the percentage change in the median education tax bill for taxpayers who claim an adjustment under subsection 6066(a) of this title are equal.

(b) For each fiscal year, the General Assembly shall set a property dollar equivalent yield and an income dollar equivalent yield, consistent with the definitions in this chapter.

* * * Fiscal Year 2016 Education Property Tax Rates, Applicable Percentage,
and Base Education Amount * * *

Sec. 33. FISCAL YEAR 2016 EDUCATION PROPERTY TAX RATES
AND APPLICABLE PERCENTAGE

(a) For fiscal year 2016 only, the education property tax imposed under 32 V.S.A. § 5402(a) shall be reduced from the rates of \$1.59 and \$1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be \$1.535 per \$100.00; and

(2) the tax rate for homestead property shall be \$0.99 multiplied by the district spending adjustment for the municipality per \$100.00 of equalized property value as most recently determined under 32 V.S.A. § 5405.

(b) For claims filed in 2015 only, “applicable percentage” in 32 V.S.A. § 6066(a)(2) shall be reduced from 2.0 percent and instead shall be 1.80 percent multiplied by the fiscal year 2015 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.80 percent.

Sec. 34. FISCAL YEAR 2016 BASE EDUCATION AMOUNT

As provided in 16 V.S.A. § 4011(b), the base education amount for fiscal year 2016 shall be \$9,459.00.

Sec. 34a. 32 V.S.A. § 6061 is amended to read:

§ 6061. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context requires otherwise:

* * *

(5) “Modified adjusted gross income” means “federal adjusted gross income”:

* * *

(E) with the addition of an asset adjustment of $\frac{1}{2}$ x the sum of interest and dividend income included in household income above \$10,000.00

for claimants under ~~age~~ 65 years of age, regardless of whether that dividend or interest income is included in federal adjusted gross income.

* * *

Sec. 34b. REPORT ON HOUSEHOLD ASSETS

On or before January 15, 2016, the Commissioner of Taxes, in conjunction with its Tax Advisory Board, shall report to the General Assembly with recommendations for how to measure total household assets, in addition to household income, as a criterion for eligibility for statewide education property tax adjustments in 32 V.S.A. chapter 154.

Sec. 35. [Deleted.]

Sec. 36. [Deleted.]

* * * Socioeconomic Isolation * * *

Sec. 37. SOCIOECONOMIC ISOLATION OF SCHOOL DISTRICTS

On or before January 15, 2016, the Secretary of Education shall:

(1) develop and establish guidelines and procedures by which the Agency and the State Board of Education can minimize the possibility that voluntary mergers and other education governance changes authorized, contemplated, or incentivized by this act will result in the isolation of districts with low fiscal capacity or with high percentages of students from economically deprived backgrounds; and

(2) report to the Senate and House Committees on Education, and to other standing committees upon request, regarding guidelines and procedures designed to minimize the possibility of such isolation and any requests for legislative action.

Sec. 38. [Deleted.]

* * * Effective Dates * * *

Sec. 39. EFFECTIVE DATES

(a) Sec. 1 (findings) shall take effect on passage.

(b) Sec. 2 (preferred governance structure) shall take effect on passage.

(c) Sec. 3 (intent) shall take effect on passage.

(d) Secs. 4 and 5 (REDs; incentives; dates) shall take effect on passage.

(e) Sec. 6 (accelerated activity; increased incentives) shall take effect on passage.

(f) Sec. 7 (supervisory union boundaries) shall take effect on passage.

(g) [Deleted.]

(h) [Deleted.]

(i) Secs. 11 and 12 (declining enrollment; hold-harmless provision; transition) shall take effect on July 1, 2016.

(j) Sec. 13 (declining enrollment; hold-harmless provision; repeal) shall take effect on July 1, 2020.

(k) Sec. 14 (declining enrollment; hold-harmless provision; exception) shall take effect on July 1, 2020.

(l) Sec. 15 (existing incentives; applicability) shall take effect on July 1, 2015.

(m) Sec. 16 (supervisory unions; local education agency) shall take effect on July 1, 2016.

(n) Sec. 17 (supervisory union duties; failure to comply; tax rates) shall take effect on July 1, 2016; provided, however, that tax rates shall not be increased pursuant to this section prior to fiscal year 2018.

(o) Sec. 18 (transition of employees) shall take effect on passage and shall apply to a New District or New SU that has its first day of operation on or after that date; provided, however, that this section shall not apply to the transition of employees to the new joint contract school scheduled to be operated by the Pomfret and Bridgewater school districts beginning in the 2015–2016 academic year.

(p) Sec. 19 (unified union school district; definition) shall take effect on passage.

(q) Secs. 20 (Agencies of Education and of Human Services; coordination) and 20a (report) shall take effect on passage.

(r) Sec. 21 (authorities of State Board of Education) shall take effect on July 1, 2020.

(s) Sec. 22 (review of data) shall take effect on July 1, 2015.

(t) Sec. 23 (optional self-evaluation, meetings, and proposal) shall take effect on July 1, 2015.

(u) Sec. 24 (optional self-evaluation; transition to sustainable governance structures) shall take effect on July 1, 2015.

(v) Sec. 25 (limited service exempt position) shall take effect on July 1, 2015.

(w) This section (effective dates) shall take effect on passage.

(x) Secs. 26–32 (yield; dollar equivalent) shall take effect on July 1, 2015, and apply to fiscal year 2017 and after.

(y) Secs. 33–34 (fiscal year 2016; tax rates; base education amount) shall take effect on July 1, 2015, and apply to fiscal year 2016.

(z) [Deleted.]

(aa) Sec. 37 (socioeconomic isolation) shall take effect on passage.

(bb) [Deleted.]

(cc) Sec. 34a (interest and dividend income) shall take effect on January 1, 2016, and apply to claims filed in 2016 and after.

(dd) Sec. 34b (asset report) shall take effect on passage.