

Act No. __ of 2015 (H.361)
Timeline *draft!*

Phase 1 – Accelerated Activity – Merger into Preferred District Structure:

- *Deadlines:*
 - approval by electorate: July 1, 2015 – **June 30, 2016**
 - operational: on or before **July 1, 2017**
- *Who:* all districts in an existing Supervisory Union (& may incorporate an existing SD)
- *Criteria:*
 - preK-12 district (unified union school district per 16 V.S.A. ch. 11) that either:
 - operates PreK/K–12
 - operates PreK/K–8; tuitions 9–12
 - operates PreK/K–6; tuitions 7–12
 - is its own Supervisory District
 - 900 ADM minimum
 - demonstrates ability to meet stated goals
 - provides data to Secretary / AOE
- *Incentives:*
 - homestead property tax rate reduction during first 5 years of operation:
 - \$.10 / \$.08 / \$.06 / \$.04 / \$.02
 - Income-payers percentage adjusted accordingly
 - Rate in any former district cannot increase by >5%
 - Merger Support Grant:
 - Existing Small School Grants transformed into Merger Support Grant
 - Paid annually unless and until small school closed (but paid for life of bond if closed due to building consolidation)
 - Transition Facilitation Grant – in first year of operation equal to LESSER of:
 - \$150,000 OR
 - 5% of base education amount multiplied by new districts' ADM
 - exempted from paying back % of state construction aid if close a building
 - continues to be eligible for 3.5% hold-harmless when protection repealed FY21
 - not subject to any reorganization by State Board of Ed in 2019
- *Sources:* Act No. __ (H.361), Secs. 6, 10, 13, and 25 (2015)

Phase 2 – Regional Education District and its Three Exceptions/Variations:

- (1) *side-by-side operating / non-or-partially operating PreK-12 mergers in an SU*
- (2) *majority of districts sending to union HS form union elementary school district*
- (3) *MUUSD*

- *Deadlines:*
 - approval by electorate: **July 1, 2017**
 - operational: on or before **July 1, 2019**
- *Who:* Districts, regardless of whether in same SU
- *Criteria (except as altered in the 3 exceptions/variations):*
 - preK-12 district (unified union school district per 16 V.S.A. ch. 11) that either:
 - operates PreK/K–12
 - operates PreK/K–6; tuitions 7–12
 - tuitions PreK/K–12
 - 1,250 ADM minimum OR Merger of 4 districts
- *Incentives:*
 - option of one of following:
 - homestead property tax rate reduction during first 4 years of operation:
 - \$.08 / \$.06 / \$.04 / \$.02
 - Income-payers percentage adjusted accordingly
 - Rate in any former district cannot increase OR decrease by >5%
 - \$400 multiplied by new districts' ADM in first year of operation
 - Merger Support Grant:
 - Existing Small School Grants transformed into Merger Support Grant
 - Paid annually unless and until small school closed (but paid for life of bond if closed due to building consolidation)
 - Transition Facilitation Grant – in first year of operation equal to LESSER of:
 - \$150,000 OR
 - 5% of base education amount multiplied by new districts' ADM
 - exempted from paying back % of state construction aid if close a building
 - continues to be eligible for 3.5% hold-harmless when protection repealed FY21
 - not subject to any reorganization by State Board of Ed in 2019
- *Sources:* Act No. 153, Secs. 2, 3, and 4 (2010) (as amended);
Act No. 156, Secs. 1, 15, 16, and 17 (as amended in 2013) (2012)
Act No. __ (H.361), Secs. 10, 13, 15, 16, 17, and 25 (2015)

Phase 3 – Merger into Preferred District Structure (after Accelerated Activity deadlines):

- *Deadlines:*
 - approval by electorate: **no deadline**
 - operational: on or before **July 1, 2019**
- *Who*: districts, regardless of whether in same SU or are contiguous
- *Criteria*: same as in Accelerated Activity (Phase 1) except deadlines and data submission
- *Incentives:*
 - homestead property tax rate reduction during first 4 years of operation:
 - \$.08 / \$.06 / \$.04 / \$.02
 - Income-payers percentage adjusted accordingly
 - Rate in any former district cannot increase OR decrease by >5%
 - Merger Support Grant:
 - Existing Small School Grants transformed into Merger Support Grant
 - Paid annually unless and until small school closed (but paid for life of bond if closed due to building consolidation)
 - continues to be eligible for 3.5% hold-harmless when protection repealed FY21
 - not subject to any reorganization by State Board of Ed in 2019
- *Sources*: Act No. __ (H.361), Secs. 7, 10, and 25 (2015) (note: Sec. 13 construction repayment exemption if not a RED is repealed 7/1/17)

Phase 4 – Proposals by Other Districts and Secretary; State Board of Ed’s Plan:

- *Deadlines:*
 - **November 30, 2017** – districts that have not been moving toward merger, or had a failed vote, or otherwise don’t expect to be in a preferred structure by **July 1, 2019**:
 - self-evaluation
 - meetings with other districts
 - submit proposal to Secretary / SBE regarding EITHER:
 - retaining structure OR
 - forming a different structure with other districts OR
 - working with other districts (*e.g.*, contracts)
 - **June 1, 2018** – Secretary’s creates proposed plan as necessary & submits to SBE
 - **November 30, 2018** – SBE issues plan to merge / realign as necessary
 - after testimony; additional data; etc.
 - plan will not affect:
 - interstate school district (2)
 - career technical center school district (3)
 - voluntarily created unified union school district that is operational between June 30, 2013 and July 2, 2019
- *Sources*: Act No. __ (H.361), Secs. 9 and 10 (2015)

Other Dates:

December 31, 2015:

- \$150,000 Transition Facilitation Grant for merger of multiple SUs or of multiple districts:
 - eligibility expires if merger does not also meet the requirements of a regional education district or one of its variations (see Phase 2 below) OR of the preferred district mergers contemplated in this act (Phase 1 or 3 below)
 - (eligibility deadline originally was 7/1/17; Act No. 156, Secs. 6 and 11 (2012))
- *note* that all other Act 153/156 financial incentives (*e.g.*, reimbursement) continue

July 1, 2016 – Fiscal Year 2017:

- 3.5% calculation – “tail” removed (or transition year #1) – applies in FY17
- variable 2% spending growth cap – applies in FY17

July 1, 2017 – Fiscal Year 2018:

- 3.5% calculation – “tail” removed (transition year #2) – applies in FY18
- variable 2% spending growth cap – applies in FY18
- 5% Tax Increase – failure to follow law re: SU duties – FY18 is earliest it can apply

July 1, 2018 – Fiscal Year 2019:

- 3.5% calculation – “tail” removed (fully removed if transitioning) – applies in FY19
- Small School Guidelines – SBE publishes for annual determinations in FY20 and after

7/1/19– Fiscal Year 2020 :

- New sustainable governance models become operational throughout the State
- Small Schools Grants –
 - unless paid in perpetuity as a Merger Incentive Grant (Phases 1, 2, and 3 above)
 - available only upon annual determination that small school is EITHER:
 - geographically isolated from another school with capacity OR
 - academically excellent and operationally efficient
- EQS Consequences – clarification of SBE’s existing authority and new SBE authority for districts that are not moving toward meeting EQS (Sec. 40)

July 1, 2020 – Fiscal Year 2021:

- 3.5% calculation – hold-harmless provision repealed except if voluntarily merged per Phases 1, 2, or 3 above (Secs. 24 and 25)