

Regional Education Districts (REDs)

(some highlights – does not include all provisions)

CRITERIA TO RECEIVE INCENTIVES

- School districts (from one or more SUs) may merge to form a “RED”
 - Contiguity not required
- No less than 1250 ADM or the merger of at least 4 districts or both
 - Exception #1: 2 or more side-by-side REDS
 - Each of which is merger of at least two districts
 - At least one of the REDS operates PK-12
 - All together, the new REDs satisfy the 1250 ADM criterion
 - After merger, all REDs are part of same SU
 - Exception #2: Union Elementary District
 - Merger into union elementary school by a majority of the members that are already part of a union high school district
 - Exception #3: Modified Unified Union School District
 - (Mount Mansfield USD in the Chittenden East SU))
 - ALSO: May obtain waiver for ADM / 4 districts
- Provides for K-12 to resident students
 - Exception #1: Districts may merge and receive incentives if they pay tuition for secondary students if, when merged, the RED will provide K-6 for resident students, will not operate 7-12 school, and either:
 - Will designate a public or approved independent high school OR
 - Will pay tuition for its 7-12 grade students
 - Exception #2: Districts may merge and receive incentives if they do not operate any schools and will continue to pay tuition for all students
- Merger plan must include a cost-benefit analysis
- State Board of Ed either designates RED as its own Supervisory District or assigns it to an SU
 - Assigns any remaining districts from a former SU to an SU
- No school closed in first 4 years unless the voters in the town in which it is located consent
- Single elected school board
 - Opportunities for local participation as determined by voters at formation
- Grandfathering: If the voters of a district accept fewer options than they had before merger, then the RED pays tuition for students already enrolled in schools to which the RED wouldn't otherwise automatically pay tuition
- If in the future a RED wants to limit enrollment options, each town votes per 16 V.S.A. § 706n(a)
- Statewide public high school choice and access to technical education are required
- Effective date of merger = 07/01/17

INCENTIVES

- Multi-Year Budgets Possible
- Tax Rates OR Incentive Grant
 - Tax Rates:
 - Equalized homestead property tax rate is reduced by \$0.08 in year 1; \$0.06 in year 2; \$0.04 in year 3; \$0.02 in year 4
 - Equalized property tax rate cannot decrease / increase by more than 5% annually during those 4 years
 - Grant of \$400 per pupil in first year of operation
 - Regardless of which chooses, CLA calculated independently for each town
- Capital Debt: From FY18 forward, if a merging district has approved capital construction debt for which state aid remains due, then the state will pay the interest on the state portion of the debt
- Sale of Buildings: If the voters of the merging districts decide to sell a school building as part of the merger plan, then no portion of State construction aid needs to be refunded
- Merger Support Grants: Merging districts become ineligible for small school grants (small school grants are based on district #s), so grants in same amount become Merger Support Grants for first five fiscal years
- Consulting Services Grant: up to \$20,000 reimbursement for costs of analysis leading to merger
- Transition Facilitation Grant:
 - the lesser of either
 - 5% of the base education amount multiplied by the greater of the combined enrollment or the combined ADM; OR
 - \$150,000
 - reduced by any amount received as Consulting Services Grant

(Note: this incentive existed before REDs were in a possibility)