

1 **Exhibit A (VSBA)**

2
3 Sec. 3. THREE-BY-ONE SIDE-BY-SIDE STRUCTURE; REGIONAL
4 EDUCATION DISTRICT INCENTIVES

5 (a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) that
6 requires a single regional education district (RED) to have an average daily
7 membership of at least 1,250 or result from the merger of at least four districts,
8 or both, a new district shall be eligible for the incentives provided in No. 153,
9 Sec. 4 as amended by 2012 Acts and Resolves No. 156 and 2015 Acts and
10 Resolves No. 46 if:

11 (1) The new district is formed by the merger of at least three existing
12 districts (Merged District) and, together with an existing district (Existing
13 District), are members of the same supervisory union following the merger
14 (Three-by-One Side-by-Side Structure).

15 (2) As of March 7, 2017 (Town Meeting Day), the Existing District is
16 either:

17 (A) geographically isolated, due to lengthy driving times or
18 inhospitable travel routes between the Existing District's school or schools and
19 the nearest school in which there is excess capacity as determined by the State
20 Board of Education;

1 (B) structurally isolated, because all adjoining school districts have
2 operating or tuitioning models that differ from the Existing District; or

3 (C) unable to reach agreement to consolidate with one or more other
4 adjoining school districts because the school districts that adjoin the Existing
5 District have greatly differing levels of indebtedness per equalized pupil, as
6 defined in 16 V.S.A. § 4001(3), from that of the Existing District as
7 determined by the State Board of Education.

8 (3) The Merged District and the Existing District each has a model of
9 operating schools or paying tuition that is different from the model of the
10 other. These models are:

11 (A) operating a school or schools for all resident students in
12 prekindergarten through grade 12;

13 (B) operating a school or schools for all resident students in some
14 grades and paying tuition for resident students in the other grades; or

15 (C) operating no schools and paying tuition for all resident students
16 in prekindergarten through grade 12.

17 (4) The Three-by-One Side-by-Side Structure meets all criteria for RED
18 formation other than the size criterion of 2010 Acts and Resolves No. 153,
19 Sec. 3(a)(1) (average daily membership of at least 1,250) and otherwise as
20 provided in this section.

1 (5) The Existing District and the districts proposing to merge into the
2 Merged District jointly submit a proposal to the State Board after the effective
3 date of this section and demonstrate in their report that:

4 (A) the Three-by-One Side-by-Side Structure is better suited to them
5 than a governance structure described in 2015 Acts and Resolves No. 46,
6 Sec. 6 and will meet the goals set forth in Sec. 2 of that act;

7 (B) the Existing District meets one or more of the criteria set forth in
8 subdivision (a)(2) of this section;

9 (C) the Existing District has a detailed action plan it proposes to take
10 to continue to improve its performance in connection with each of the goals set
11 forth in 2015 Acts and Resolves No. 46, Sec. 2 as required by Sec. 9(a)(3)(B)-
12 (C) of that act.

13 (6) The Existing District and the districts proposing to merge into the
14 Merged District obtain State Board approval of their proposal to form the
15 proposed Three-by-One Side-by-Side Structure.

16 (7) The Existing District obtains the approval of its electorate to be an
17 Existing District in the proposed Three-by-One Side-by-Side Structure on or
18 before November 30, 2017.

19 (8) The districts proposing to merge into the Merged District receive
20 final approval from their electorate for the merger proposal on or before

1 November 30, 2017, and the Merged District becomes fully operational on or
2 before July 1, 2019.

3 (b) The districts that are proposing to merge into the Merged District
4 may include:

5 (1) districts that:

6 (A) have not received, as of the effective date of this section,
7 approval from their electorate to merge; and

8 (B) would be eligible to receive incentives under this section by
9 meeting the requirements of this section;

10 (2) districts that:

11 (A) received, before the effective date of this section, approval from
12 their electorate to merge; and

13 (B) are eligible to receive incentives under 2010 Acts and Resolves
14 No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46,
15 each as amended, but are not operational as a Merged District as of the
16 effective date of this section; and

17 (3) districts that:

18 (A) have received, on or after July 1, 2010 but prior to the effective
19 date of this section, approval from their electorate to merge.;

20 (B) are not eligible to receive incentives under 2010 Acts and
21 Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and

1 Resolves No. 46, each as amended but are not operational as a Merged District
2 as of the effective date of this section; and

3 (C) would be eligible to receive incentives under this section by
4 meeting the requirements of this section.

5 (c) If the conditions of this section are met, the incentives provided in 2010
6 Acts and Resolves No. 153, Sec. 4 shall be available to the Merged District,
7 unless the Merged District has already received incentives under 2010 Acts
8 and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and
9 Resolves No. 46, each as amended. These incentives shall not be available to
10 the Existing District.

11 (d) If the conditions of this section are met, the Existing District shall be
12 exempt from the requirement under 2015 Acts and Resolves No. 46, Secs. 9
13 and 10, to self-evaluate and make a proposal to the Secretary of Education and
14 State Board of Education and from the State Board's plan.

15 Sec. 4. TWO-BY-TWO-BY-ONE SIDE-BY-SIDE STRUCTURE;

16 REGIONAL EDUCATION DISTRICT INCENTIVES

17 (a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) that
18 requires a single regional education district (RED) to have an average daily
19 membership of at least 1,250 or result from the merger of at least four districts,
20 or both, two or more new districts shall be eligible for the incentives provided

1 in No. 153, Sec. 4 as amended by 2012 Acts and Resolves No. 156 and 2015
2 Acts and Resolves No. 46 if:

3 (1) Each new district is formed by the merger of at least two existing
4 districts (each a Merged District) and, together with an existing (Existing
5 District), are members of the same supervisory union following the merger
6 (Two-by-Two-by-One Side-by-Side Structure).

7 (2) As of March 7, 2017 (Town Meeting Day), the Existing District is
8 either:

9 (A) geographically isolated, due to lengthy driving times or
10 inhospitable travel routes between the Existing District’s school or schools and
11 the nearest school in which there is excess capacity as determined by the State
12 Board of Education;

13 (B) structurally isolated, because all adjoining school districts have
14 operating or tuitioning models that differ from the Existing District; or

15 (C) unable to reach agreement to consolidate with one or more other
16 adjoining school districts because the school districts that adjoin the Existing
17 District have greatly differing levels of indebtedness per equalized pupil, as
18 defined in 16 V.S.A. § 4001(3), from that of the Existing District as
19 determined by the State Board of Education.

1 (3) Each Merged District and the Existing District has a model of
2 operating schools or paying tuition that is different from the model of each
3 other. These models are:

4 (A) operating a school or schools for all resident students in
5 prekindergarten through grade 12;

6 (B) operating a school or schools for all resident students in some
7 grades and paying tuition for resident students in the other grades; or

8 (C) operating no schools and paying tuition for all resident students
9 in prekindergarten through grade 12.

10 (4) The Two-by-Two-by-One Side-by-Side Structure meets all criteria
11 for RED formation other than the size criterion of 2010 Acts and Resolves
12 No. 153, Sec. 3(a)(1) (average daily membership of at least 1,250) and
13 otherwise as provided in this section.

14 (5) The districts seeking approval of their proposed Two-by-Two-by-
15 One Side-by-Side Structure demonstrate in their report presented to the State
16 Board that this structure is better suited to them than a governance structure
17 described in 2015 Acts and Resolves No. 46, Sec. 6, and will meet the goals set
18 forth in Sec. 2 of that act.

19 (6) Each Merged District has the same effective date of merger.

20 (7) The districts proposing to merge into each Merged District receive
21 final approval from their electorate for the merger proposal on or before

1 November 30, 2017, and each Merged District becomes fully operational on or
2 before July 1, 2019.

3 (b) The incentives provided in 2010 Acts and Resolves No. 153, Sec. 4
4 shall be available to each Merged District and shall not be available to the
5 Existing District.

6 (c) **[CONFORMING CHANGES WOULD BE MADE]** The Existing
7 District shall be exempt from the requirement under 2015 Acts and Resolves
8 No. 46, Secs. 9 and 10 to self-evaluate and make a proposal to the Secretary of
9 Education and State Board of Education and from the State Board’s plan.

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Exhibit B (Rep. Joseph)

Sec. 3. THREE-BY-ONE SIDE-BY-SIDE STRUCTURE;

REGIONAL EDUCATION DISTRICT INCENTIVES

(a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) that requires a single regional education district (RED) to have an average daily membership of at least 1,250 or result from the merger of at least four districts, or both, a new district shall be eligible for the incentives provided in No. 153, Sec. 4 as amended by 2012 Acts and Resolves No. 156 and 2015 Acts and Resolves No. 46 if:

(1) The new district was, or is to be, formed by the merger of at least three districts and satisfies one of the conditions under subdivisions (5)(A)–(C) of this subsection (Merged District), and, together with one or two existing district (each an Existing District), is, or after all required approvals are obtained under this section becomes, a member of the same supervisory union (Three-by-One Side-by-Side Structure).

(2) As of March 7, 2017 (Town Meeting Day), each Existing District was either:

(A) geographically isolated, due to lengthy driving times or inhospitable travel routes between the Existing District’s school or schools and

1 the nearest school in which there is excess capacity as determined by the State
2 Board of Education;

3 (B) structurally isolated, because all adjoining school districts have
4 operating or tuitioning models that differ from the Existing District; or

5 (C) unable to reach agreement to consolidate with one or more other
6 adjoining school districts because the school districts that adjoin the Existing
7 District have greatly differing levels of indebtedness per equalized pupil, as
8 defined in 16 V.S.A. § 4001(3), from that of the Existing District as
9 determined by the State Board of Education.

10 (3) The Merged District and each Existing District has, or will have after
11 all required approvals are obtained under this section, a model of operating
12 schools or paying tuition that is different from the model of the other;
13 provided, however, that if two or more Existing Districts are members of the
14 Three-by-One Side-by-Side Structure, each Existing District may have the
15 same model of operating schools or paying tuition as the other Existing District
16 or Existing Districts if they are geographically isolated from each other, within
17 the meaning of subdivision (a)(2)(A) of this section. These models are:

18 (A) operating a school or schools for all resident students in
19 prekindergarten through grade 12;

20 (B) operating a school or schools for all resident students in some
21 grades and paying tuition for resident students in the other grades; or

1 (C) operating no schools and paying tuition for all resident students
2 in prekindergarten through grade 12.

3 (4) The Three-by-One Side-by-Side Structure meets all criteria for RED
4 formation other than the size criterion of 2010 Acts and Resolves No. 153,
5 Sec. 3(a)(1) (average daily membership of at least 1,250) and otherwise as
6 provided in this section.

7 (5) The Existing District or Existing Districts, and the Merged District
8 or the districts that are proposing to merge into the Merged District, jointly
9 submit a proposal to the State Board and demonstrate in their report that the
10 Three-by-One Side-by-Side Structure is better suited to them than a
11 governance structure described in 2015 Acts and Resolves No. 46, Sec. 6 and
12 will meet the goals set forth in Sec. 2 of that act. The Merged District or the
13 districts that are proposing to merge into the Merged District may include:

14 (A) districts that have not merged and would be eligible to receive
15 incentives under this section by meeting the requirements of this section;

16 (B) a Merged District that was formed by the merger of at least three
17 districts and that received or is eligible to receive incentives under 2010 Acts
18 and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and
19 Resolves No. 46, each as amended; and

20 (C) a Merged District, formed on or after July 1, 2010 by the merger
21 of at least three districts, that did not receive and is not eligible to receive

1 incentives under these acts but would be eligible to receive incentives under
2 this section by meeting the requirements of this section.

3 (6) The districts that merged into the Merged District received, or the
4 districts proposing to merge into the Merged District receive, final approval
5 from their electorate for the merger proposal on or before November 30, 2017,
6 and the Merged District became or becomes fully operational on or before
7 July 1, 2019.

8 (7) Each Existing District proposing to be a member of the Three-by-
9 One Side-by-Side Structure receives final approval from its electorate for the
10 proposal to be a member of the Three-by-One Side-by-Side Structure on or
11 before November 30, 2017.

12 (b) The incentives provided in 2010 Acts and Resolves No. 153, Sec. 4
13 shall be available to the Merged District and shall not be available to the
14 Existing District. If the Merged District has already received incentives under
15 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015
16 Acts and Resolves No. 46, each as amended, it shall not be eligible for further
17 incentives under this section.

18 (c) Each Existing District shall be exempt from the requirement under 2015
19 Acts and Resolves No. 46, Secs. 9 and 10 to self-evaluate and make a proposal
20 to the Secretary of Education and State Board of Education and from the State
21 Board's plan.

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Exhibit C (VSBA)

Sec. 19. STATEWIDE PLAN; ARTICLES OF AGREEMENT

(a) The final statewide education governance plan required by 2015 Acts and Resolves No. 46, Sec. 10(b), shall include Articles of Agreement to be used by all new unified union school districts created under the plan until the board of the new district votes to approve new or amended articles.

(b) After the State Board of Education issues the statewide plan, districts subject to merger shall have 90 days to form a study committee under 16 V.S.A. 706-(b) and to draft Articles of Agreement for the new district. During this period, the Study Committee shall hold at least one public hearing to consider and take comments on the draft Articles of Agreement.

(c) If the study committee formed under subsection (b) does not approve Articles of Agreement within the 90 days provided, the provisions in the Articles of Agreement included in the final statewide plan shall apply to the new district.

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Exhibit D (Rep. Ancel)

Sec. 20. 2015 Acts and Resolves No. 46, Sec. 5(c), is amended to read:

(c) Alternative structure: supervisory union with member districts. An Education District as envisioned in subsection (b) 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~~ may 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 complies with its obligations under 16 V.S.A. § 261a and that maximizes efficiencies through economies of scale and the flexible management, transfer, and sharing of nonfinancial resources among the member districts, which may include a common personnel system, with the goal of increasing the ratio of students to full-time equivalent staff;

(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; ~~and~~

1 (4) the supervisory union has the smallest number of member school
2 districts practicable after consideration of ~~greatly differing~~ levels of
3 indebtedness among the member districts; and

4 ~~(4)~~(5) the combined average daily membership of all member districts is
5 not less than 1,100.

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Exhibit E (Rep. Yacovone)

Sec. 21. ELMORE-MORRISTOWN UNIFIED UNION SCHOOL
DISTRICT; SMALL SCHOOL SUPPORT

Notwithstanding any provision of law to the contrary, the Elmore-
Morristown Unified Union School District shall be entitled to and shall receive
an annual merger support grant to the same extent and on the same terms as if
the District was formed under Sec. 7 of 2015 Acts and Resolves No. 46.

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Exhibit F (Rep. Giambatista)

Sec. 22. ELECTIONS TO UNIFIED UNION SCHOOL DISTRICT BOARD

(a) Notwithstanding any provision to the contrary under 16 V.S.A. § 706k, the election of a director on the board of a unified union school district who is to serve on the board after expiration of the term for an initial director shall be held at the unified union school district’s annual meeting in accordance with the district’s articles of agreement.

(b) Notwithstanding any provision to the contrary under 16 V.S.A. § 706l, if a vacancy occurs on the board of a unified union school district and the vacancy is in a seat that is allocated to a specific town, the clerk shall immediately notify the selectboard of the town. Within 30 days of the receipt of that notice, the unified union school district board, in consultation with the selectboard, shall appoint a person who is otherwise eligible to serve as a member of the unified union school district board to fill the vacancy until an election is held in accordance with the unified union school district’s articles of agreement.

(c) This section is repealed on July 1, 2018.

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Exhibit G (Rep. Greshin)

Sec. 23. MODIFIED UNIFIED UNION SCHOOL DISTRICTS; TAX RATE
CALCULATIONS

The tax rate provisions in 2010 Acts and Resolves No. 155, Sec. 13(a)(1), as amended, shall not apply to the calculation of tax rates in a member of a modified unified union school district (MUUSD) formed under 2012 Acts and Resolves No. 156, Sec. 17, as amended, if that member is a member for fewer than all grades, prekindergarten through Grade 12. This section shall apply to the calculation of taxes in any MUUSD that began full operation after July 1, 2015.

1 **Exhibit H (Rep. Sibia)**

2
3 Sec. 24. ESTABLISHMENT OF EXTRAORDINARY SMALL SCHOOL
4 GRANT PROGRAM

5 (a) Findings.

6 (1) Vermont’s kindergarten through grade 12 student population has
7 declined from 103,000 in fiscal year 1997 to 76,300 in fiscal year 2017.

8 (2) Vermont recognizes the important role that a small school plays in
9 the social and educational fabric of its community. However, rural school
10 districts have found it particularly challenging to maintain their small schools
11 and provide high quality education to their students because of the decline in
12 Vermont’s student population.

13 (3) The General Assembly has encouraged, through incentive programs
14 established in 2010, 2012, and 2015, school districts to unify existing
15 governance units into more “sustainable governance structures” designed to
16 meet the General Assembly’s identified educational and fiscal goals.

17 (4) Certain rural districts were early in recognizing their challenges and
18 on their own initiative, and without receiving incentives from the State, formed
19 joint contract schools with other school districts. As a consequence, these
20 districts received less in small school grant support than they would have
21 received had they not formed a joint contract school.

1 (b) Goal. The goal of this section is to ensure that a school district that
2 formed a joint contract school, received less in small school grant support than
3 it would have received had it not formed a joint contract school, and that
4 merges under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves
5 No. 156, or 2015 Acts and Resolves No. 46, receive extraordinary small school
6 grant funding to offset lost funding due to the formation of the joint contract
7 school.

8 (c) Definitions. As used in this section:

9 (1) A “qualifying school district” means the following school districts:

10 (A) Bridgewater;

11 (B) Brookline;

12 (C) Newfane;

13 (D) Pomfret;

14 (E) Whitingham; and

15 (F) Wilmington.

16 (2) A “qualifying merger” means a new governance structure formed by
17 the merger of a qualifying school district and another school district that
18 becomes operational on or before December 1, 2017 under 2010 Acts and
19 Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and
20 Resolves No. 46, each as amended.

1 (d) Extraordinary Small School Grant Program created. Notwithstanding
2 any provision to the contrary of 16 V.S.A. § 4015, there is created the
3 Extraordinary Small School Grant Program (Grant Program) for the purpose of
4 providing supplemental education funding for qualifying school districts that
5 shall be administrated and funded in accordance with this section.

6 (e) Administration. The Secretary of Education shall administer the Grant
7 Program and shall award grants to qualifying school districts.

8 (f) One-time merger grant. If a qualifying school district merges with
9 another school district in a qualifying merger, the Secretary shall award a one-
10 time merger grant under the Grant Program to the newly merged district within
11 30 days following the qualifying merger. The amount of the grant shall equal
12 the amount of small school support funding the qualifying school district
13 would have received under 16 V.S.A. § 4015 had it not contracted to form a
14 joint contract school for the period beginning on the date the qualifying school
15 district contracted to form a joint contract school and ending on the date of the
16 qualifying merger, minus the amount, if any, the district received in small
17 school grants under 16 V.S.A. § 4015 during this period.

18 (g) Ongoing merger support grant.

19 (1) Notwithstanding any provision of law to the contrary, if a qualifying
20 school district merges with another school district in a qualifying merger, the
21 Secretary shall award an annual merger support grant under the Grant Program

1 to the newly merged district in an amount equal to the small school support
2 grant the qualifying district received in the fiscal year immediately prior to the
3 year in which the qualifying district formed a joint contract school. The
4 amount of annual merger support grants for the qualifying districts, if a
5 qualifying district merges in a qualifying merger, shall be:

6 (A) Bridgewater: \$62,161.00

7 (B) Brookline: \$53,672.00

8 (C) Newfane: \$72,466.00

9 (D) Pomfret: \$85,525.00

10 (E) Whitingham: \$54,900.00

11 (F) Wilmington: \$0.00

12 (2) If more than one qualifying district is part of a qualifying merger,
13 then the merger support grant shall be in an amount equal to the total combined
14 small school support grants each qualifying district received in the fiscal year
15 immediately prior to the year in which the qualifying district formed a joint
16 contract school.

17 (3) Payment of the grant under subdivision (1) of this subsection shall
18 continue annually unless explicitly repealed by the General Assembly;
19 provided, however, that the Secretary shall discontinue payment of the grant in
20 the fiscal year following closure of the joint contract school; and further
21 provided that if a joint contract school building is closed in order to consolidate

1 with another school into a renovated or new school building, then the Secretary
2 shall continue to pay the grant during the repayment term of any bonded
3 indebtedness incurred in connection with the consolidation-related renovation
4 or construction.

5 (h) Funding. Notwithstanding any provision to the contrary of 16 V.S.A.
6 § 4025(d), the Grant Program shall be funded by appropriations from the
7 Education Fund, which shall be paid to the Secretary of Education for
8 administration under this section.

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Exhibit I (VSBA)

* * * State Board Rulemaking Authority * * *

Sec. 13. 2015 Acts and Resolves No. 46, Sec. 8, is amended to read:

Sec. 8. EVALUATION BY THE STATE BOARD OF EDUCATION

* * *

(c) The State Board may adopt rules designed to assist districts in submitting alternative structure proposals, but shall not by rule or otherwise impose more stringent requirements than those in this act.