

1 H.513

2 Representative Sharpe of Bristol moves to amend the amendment offered by  
3 Rep. Conlon of Cornwall as follows:

4 First: By striking Sec. 7 (Effective Dates), with its reader assistance, in its  
5 entirety.

6 Second: By adding 25 new sections, to be Secs. 7–31, with reader  
7 assistances, to read:

8 \* \* \* Act 46 Findings and Purpose \* \* \*

9 Sec. 7. FINDINGS AND PURPOSE

10 (a) 2015 Acts and Resolves No. 46 established a multi-year, phased process  
11 that provides multiple opportunities for school districts to unify existing  
12 governance units into more “sustainable governance structures” designed to  
13 meet the General Assembly’s identified educational and fiscal goals while  
14 recognizing and reflecting local priorities. It has been the General Assembly’s  
15 intent to revitalize Vermont’s small schools – to promote equity in their  
16 offerings and stability in their finances – through these changes in governance.

17 (b) While Vermont generally does an excellent job educating our children,  
18 we fall short in two critical areas. First, we are not as successful as we need to  
19 be in educating children from families with low income, and second, while we  
20 have a very high graduation rate from our high schools, not enough of our

1 graduates continue their education. Fulfilling the goals of Act 46 is a critical  
2 step in addressing these shortcomings.

3 (c) As of Town Meeting Day 2017, voters in 96 Vermont towns have voted  
4 to merge 104 school districts into these slightly larger, more sustainable  
5 governance structures, resulting in the creation of 20 new unified union  
6 districts (serving prekindergarten–grade 12 students). As a result,  
7 approximately 60 percent of Vermont’s school-age children live or will soon  
8 live in districts that satisfy the goals of Act 46.

9 (d) These slightly larger, more flexible unified union districts have begun  
10 to realize distinct benefits, including the ability to offer kindergarten–grade 8  
11 choice among elementary schools within the new district boundaries; greater  
12 flexibility in sharing students, staff, and resources among individual schools;  
13 the elimination of bureaucratic redundancies; and the flexibility to create  
14 magnet academies, focusing on a particular area of specialization by school.

15 (e) Significant areas of the State, however, have experienced difficulty  
16 satisfying the goals of Act 46. The range of complications is varied, including  
17 operating or tuitioning models that differ among adjoining districts, geographic  
18 isolation due to lengthy driving times or inhospitable travel routes between  
19 proposed merger partners, and greatly differing levels of debt per equalized  
20 pupil between districts involved in merger study committees.



1 a model of operating schools or paying tuition that is different from the model  
2 of the other, which may include:

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

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

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

9 \* \* \*

10 (b) The incentives provided under this act shall be available only if the new  
11 districts receive final approval of their electorate on or before November 30,  
12 2017. This section is repealed on July 1, ~~2017~~ 2019.

13 Sec. 9. THREE-BY-ONE SIDE-BY-SIDE STRUCTURE; EXEMPTION  
14 FROM STATEWIDE PLAN

15 (a) If the conditions of this section are met, the Merged District and the  
16 Existing District or Districts shall be exempt from the requirement under 2015  
17 Acts and Resolves No. 46, Secs. 9 and 10, to self-evaluate and make a proposal  
18 to the Secretary of Education and State Board of Education and from the State  
19 Board's statewide plan.

20 (1) The new district is formed by the merger of at least three existing  
21 districts (Merged District) and, together with one or two existing districts (each

1 an Existing District), are, following the receipt of all approvals required under  
2 this section, members of the same supervisory union (Three-by-One Side-by-  
3 Side Structure).

4 (2) As of March 7, 2017, town meeting day, each Existing District is  
5 either:

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

10 (B) structurally isolated, because all adjoining school districts have  
11 operating or tuitioning models that differ from the Existing District.

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

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

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

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

5           (4) Each Existing District and the districts proposing to merge into the  
6 Merged District jointly submit a proposal to the State Board after the effective  
7 date of this section and demonstrate in their proposal that:

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

11           (B) each Existing District meets one or more of the criteria set forth  
12 in subdivision (2) of this subsection (a);

13           (C) each Existing District has a detailed action plan it proposes to  
14 take to continue to improve its performance in connection with each of the  
15 goals set forth in 2015 Acts and Resolves No. 46, Sec. 2.

16           (5) Each Existing District and the districts proposing to merge into the  
17 Merged District obtain State Board approval of their proposal to form the  
18 proposed Three-by-One Side-by-Side Structure.

19           (6) Each Existing District obtains the approval of its electorate to be an  
20 Existing District in the proposed Three-by-One Side-by-Side Structure on or  
21 before November 30, 2017.

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

5           (8) The Three-by-One Side-by-Side Structure is formed on or before  
6           November 30, 2019 in the manner approved by the State Board.

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

9           (1) districts that have not received, as of the effective date of this  
10          section, approval from their electorate to merge, regardless of whether the  
11          Merged District will be eligible to receive incentives under 2010 Acts and  
12          Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and  
13          Resolves No. 46, each as amended; and

14          (2) districts that received, on or after July 1, 2010 but prior to the  
15          effective date of this section, approval from their electorate to merge but are  
16          not operational as a Merged District as of the effective date of this section,  
17          regardless of whether the Merged District is eligible to receive incentives  
18          under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or  
19          2015 Acts and Resolves No. 46, each as amended.

20          (c) The formation of a Three-by-One Side-by-Side Structure shall not  
21          entitle the Merged District or an Existing District to qualify for the incentives

1 provided in 2010 Acts and Resolves No. 153, Sec. 4. However, a Merged  
2 District that is otherwise entitled to incentives under 2010 Acts and Resolves  
3 No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46,  
4 each as amended, shall not lose these incentives due to its participation as a  
5 member of a Three-by-One Side-by-Side Structure.

6 Sec. 10. TWO-BY-TWO-BY-ONE SIDE-BY-SIDE STRUCTURE;

7 REGIONAL EDUCATION DISTRICT INCENTIVES

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

14 (1) Each new district is formed by the merger of at least two existing  
15 districts (each a Merged District) and, together with an Existing District, are,  
16 following the receipt of all approvals required under this section, members of  
17 the same supervisory union (Two-by-Two-by-One Side-by-Side Structure).

18 (2) As of March 7, 2017, town meeting day, the Existing District is  
19 either:

20 (A) geographically isolated, due to lengthy driving times or  
21 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; or

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

5 (3) Each Merged District and the Existing District, following the receipt  
6 of all approvals required under this section, have a model of operating schools  
7 or paying tuition that is different from the model of each other. These  
8 models are:

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

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

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

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

19 (5) The Existing District and the districts proposing to merge into the  
20 Merged Districts jointly submit a proposal to the State Board after the effective  
21 date of this section and demonstrate in their proposal that:

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

4           (B) the Existing District meets one or more of the criteria set forth in  
5           subdivision (2) of this subsection (a); and

6           (C) the Existing District has a detailed action plan it proposes to take  
7           to continue to improve its performance in connection with each of the goals set  
8           forth in 2015 Acts and Resolves No. 46, Sec. 2.

9           (6) The Existing District and the districts proposing to merge into the  
10          Merged Districts obtain State Board approval of their proposal to form the  
11          proposed Two-by-Two-by-One Side-by-Side Structure.

12          (7) The Existing District obtains the approval of its electorate to be an  
13          Existing District in the proposed Two-by-Two-by-One Side-by-Side Structure  
14          on or before November 30, 2017.

15          (8) The districts proposing to merge into each Merged District receive  
16          final approval from their electorate for the merger proposal on or before  
17          November 30, 2017, and each Merged District becomes fully operational on or  
18          before July 1, 2019.

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

20          (10) The Two-by-Two-by-One Side-by-Side Structure is formed on or  
21          before November 30, 2019 in the manner approved by the State Board.

1        (b) The districts that are proposing to merge into the Merged Districts may  
2        include:

3            (1) districts that have not received, as of the effective date of this  
4        section, approval from their electorate to merge, regardless of whether the  
5        Merged District will be eligible to receive incentives under 2010 Acts and  
6        Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and  
7        Resolves No. 46, each as amended; and

8            (2) districts that received, on or after July 1, 2010 but prior to the  
9        effective date of this section, approval from their electorate to merge but are  
10       not operational as a Merged District as of the effective date of this section,  
11       regardless of whether the Merged District is eligible to receive incentives  
12       under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or  
13       2015 Acts and Resolves No. 46, each as amended.

14        (c) If the conditions of this section are met, the incentives provided in 2010  
15       Acts and Resolves No. 153, Sec. 4 shall be available to each Merged District,  
16       unless the Merged District has already received incentives under 2010 Acts  
17       and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and  
18       Resolves No. 46, each as amended. These incentives shall not be available to  
19       the Existing District.

20        (d) If the conditions of this section are met, the Existing District shall be  
21       exempt from the requirement under 2015 Acts and Resolves No. 46, Secs. 9

1 and 10, to self-evaluate and make a proposal to the Secretary of Education and  
2 State Board of Education and exempt from the State Board's statewide plan.

3 \* \* \* Withdrawal from Union School District \* \* \*

4 Sec. 11. TEMPORARY AUTHORITY TO WITHDRAW FROM UNION  
5 SCHOOL DISTRICT

6 (a) Notwithstanding any provision of 16 V.S.A. § 721a to the contrary, a  
7 school district may withdraw from a union high school district without  
8 approval by the remaining members of the union high school district upon the  
9 following conditions:

10 (1) The school district proposing to withdraw from the union high  
11 school district operates a school or schools for all resident students in  
12 prekindergarten through grade 6 and pays tuition for resident students in grade  
13 7 through grade 12.

14 (2) At least one year has elapsed since the union high school district  
15 became a body politic and corporate as provided in 16 V.S.A. § 706g.

16 (3) A majority of the voters of the school district proposing to withdraw  
17 from the union high school district present and voting at a school district  
18 meeting duly warned for that purpose votes to withdraw from the union high  
19 school district. The clerk of the school district shall certify the vote to the  
20 Secretary of State, who shall record the certificate in his or her office and shall

1 give notice of the vote to the Secretary of Education and to the other members  
2 of the union high school district.

3 (4) The State Board approves the withdrawal based on a  
4 recommendation from the Secretary of Education.

5 (5) The withdrawal process is completed on or before July 1, 2019.

6 (b) In making his or her recommendation, the Secretary of Education shall  
7 assess whether:

8 (1) students in the withdrawing school district would attend a school that  
9 complies with the rules adopted by the State Board pertaining to educational  
10 programs; and

11 (2) it is in the best interests of the State, the students, and the districts  
12 remaining in the union high school district for the union to continue to exist.

13 (c) The State Board shall:

14 (1) consider the recommendation of the Secretary and any other  
15 information it deems appropriate;

16 (2) hold a public meeting within 60 days of receiving the  
17 recommendation of the Secretary, and provide due notice of this meeting to the  
18 Secretary and all members of the union high school district;

19 (3) within 10 days of the meeting, notify the Secretary and all members  
20 of the union high school district of its decision;



1 member districts, each with its separate school board, ~~can~~ may meet the State's  
2 goals, particularly if:

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

6 (2) the supervisory union operates in a manner that complies with its  
7 obligations under 16 V.S.A. § 261a and that maximizes efficiencies through  
8 economies of scale and the flexible management, transfer, and sharing of  
9 nonfinancial resources among the member districts, which may include a  
10 common personnel system, with the goal of increasing the ratio of students to  
11 full-time equivalent staff;

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

15 (4) the supervisory union has the smallest number of member school  
16 districts practicable after consideration of greatly differing levels of  
17 indebtedness among the member districts; and

18 ~~(4)(5)~~ the combined average daily membership of all member districts is  
19 not less than ~~1,100~~ 900.



1 form a study committee under 16 V.S.A. § 706b and to draft Articles of  
2 Agreement for the new district. During this period, the study committee shall  
3 hold at least one public hearing to consider and take comments on the draft  
4 Articles of Agreement.

5 (f) If the study committee formed under subsection (e) of this section does  
6 not approve Articles of Agreement within the 90-day period provided in that  
7 subsection, the provisions in the default Articles of Agreement included in the  
8 statewide plan shall apply to the new district.

9 ~~(e)~~(g) Applicability. This section shall not apply to:

10 (1) an interstate school district;

11 (2) a regional career technical center school district formed under  
12 16 V.S.A. chapter 37, subchapter 5A; or

13 (3) a district that, between June 30, 2013 and July 2, 2019, began to  
14 operate as a unified union school district and:

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

17 (B) is a regional education district or any other district eligible to  
18 receive incentives pursuant to 2010 Acts and Resolves No. 153, as amended by  
19 2012 Acts and Resolves No. 156.

1                   \* \* \* Deadline for Small School Support Metrics \* \* \*

2           Sec. 15. 2015 Acts and Resolves No. 46, Sec. 21 is amended to read:

3                   Sec. 21. SMALL SCHOOL SUPPORT; METRICS

4                   On or before July 1, 2018, the State Board of Education shall adopt and  
5           publish metrics by which it will make determinations whether to award small  
6           school support grants pursuant to 16 V.S.A. § 4015 on and after July 1, 2019,  
7           as amended by Sec. 20 of this act; provided, however, that on or before  
8           September 30, 2017, the State Board shall publish a list of districts that it  
9           determines to be geographically isolated pursuant to that section as amended  
10           by Sec. 20 of this act.

11                   \* \* \* Time Extension for Qualifying Districts \* \* \*

12           Sec. 16. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

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

14                   (a) On or before ~~November 30, 2017~~ the date that is the earlier of six  
15           months after the date the State Board's rules on the process for submitting  
16           alternative governance proposals take effect or January 31, 2018, the board of  
17           each school district in the State that has a governance structure different from  
18           the preferred structure identified in Sec. 5(b) of this act (Education District), or  
19           that does not expect to become or will not become an Education District on or  
20           before July 1, 2019, shall perform each of the following actions, unless the  
21           district qualifies for an exemption under Sec. 10(g) of this act.

1       Sec. 17. TIME EXTENSION FOR VOTE OF ELECTORATE

2           Notwithstanding any provision of law to the contrary, the date by which a  
3           qualifying district must receive final approval from the electorate for its merger  
4           proposal is extended from July 1, 2017 to November 30, 2017. A qualifying  
5           district is a district that:

6           (1) proposed a school district consolidation plan under 2010 Acts and  
7           Resolves No. 153, as amended, or 2012 Acts and Resolves No. 156, as  
8           amended, which was rejected by voters;

9           (2) is a member of a study committee formed under 16 V.S.A. § 706 that  
10          provides to the Secretary a declaration that another school district wants to join  
11          the district's study committee, signed by each member of the study committee  
12          and the district that proposes to join the study committee; or

13          (3) is a member of a supervisory union that, on or after July 1, 2010,  
14          combined with another supervisory union.

15                           \* \* \* Grants and Fee Reimbursement \* \* \*

16       Sec. 18. 2015 Acts and Resolves No. 46, Sec. 7 is amended to read:

17           Sec. 7. SCHOOL DISTRICTS CREATED AFTER DEADLINE FOR  
18                           ACCELERATED ACTIVITY; TAX INCENTIVES; SMALL  
19                           SCHOOL SUPPORT; JOINT CONTRACT SCHOOLS

20   \* \* \*

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

3 \* \* \*

4 (3) Transition Facilitation Grant.

5 (A) After voter approval of the plan of merger, notwithstanding any  
6 provision to the contrary in 16 V.S.A. § 4025, the Secretary of Education shall  
7 pay the transitional board of the new district a Transition Facilitation Grant  
8 from the Education Fund equal to the lesser of:

9 (i) five percent of the base education amount established in  
10 16 V.S.A. § 4001(13) multiplied by the greater of either the combined  
11 enrollment or the average daily membership of the merging districts on  
12 October 1 of the year in which the successful vote is taken; or

13 (ii) \$150,000.00.

14 (B) A Transition Facilitation Grant awarded under this subdivision  
15 (3) shall be reduced by the total amount of reimbursement paid for consulting  
16 services, analysis, and transition costs pursuant to 2012 Acts and Resolves  
17 No. 156, Secs. 2, 4, and 9.

18 \* \* \*

1 Sec. 19. 2012 Acts and Resolves No. 156, Sec. 9 is amended to read:

2 Sec. 9. REIMBURSEMENT OF FEES FOR CONSULTING SERVICES;  
3 MERGER; SCHOOL DISTRICTS; SUNSET

4 (a) From the ~~education fund~~ Education Fund, the ~~commissioner of~~  
5 ~~education~~ Secretary of Education shall reimburse up to \$20,000.00 of fees paid  
6 by a study committee established under 16 V.S.A. § 706 for legal and other  
7 consulting services necessary to analyze the advisability of creating a union  
8 school district or a unified union school district ~~and~~, to prepare the report  
9 required by 16 V.S.A. § 706b, and to conduct community outreach, including  
10 communications with voters. Community outreach materials shall be limited  
11 to those that are reasonably designed to inform and educate. Not more than 30  
12 percent of the reimbursement amount provided by the Secretary under this  
13 section shall be used for the purpose of community outreach.

14 \* \* \*

15 Sec. 20. 2015 Acts and Resolves No. 46, Sec. 10 is amended to read:

16 Sec. 10. TRANSITION TO SUSTAINABLE GOVERNANCE  
17 STRUCTURES; PROPOSAL; FINAL PLAN

18 \* \* \*

19 (d)(1) The Secretary of Education shall make a supplemental Transitional  
20 Facilitation Grant of \$10,000.00 to a school district that:

1           (A) has received or is eligible to receive tax incentives under 2010  
2           Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts  
3           and Resolves No. 46, each as amended (a qualifying school district); and

4           (B) either on its own initiative or at the request of the State Board,  
5           agrees by vote of its electorate to merge with another school district (a  
6           qualifying merger).

7           (2) A qualifying school district shall use the grant funding to defray the  
8           cost of integration. The Secretary shall pay the grant amount to a qualifying  
9           school district for each qualifying merger with a school district even if multiple  
10           qualifying mergers are effective on the same date. The Secretary shall pay the  
11           grant amount not later than 30 days after all required approvals are obtained.

12           (3) Notwithstanding any provision to the contrary in 16 V.S.A. § 4025,  
13           the Secretary of Education shall pay the supplemental Transition Facilitation  
14           Grant from the Education Fund.

15           (4) The supplemental Transition Facilitation Grant shall be available for  
16           a qualifying merger initiated by a qualifying school district only if the merger  
17           is scheduled to take effect on or before November 30, 2018.

18           \* \* \* Applications for Adjustments to Supervisory Union Boundaries \* \* \*

19           Sec. 21. 16 V.S.A. § 261 is amended to read:

20           § 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY

21           UNIONS

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

7 (b)(1) Any school district that has so voted at its annual school district  
8 meeting, if said meeting has been properly warned regarding such a vote, may  
9 request that the State Board adjust the existing boundaries of the supervisory  
10 union of which it is a member district.

11 (2) Any group of school districts that have so voted at their respective  
12 annual school district meeting, regardless of whether the districts are members  
13 of the same supervisory union, may request that the State Board adjust existing  
14 supervisory union boundaries and move one or more nonrequesting districts to  
15 a different supervisory union if such adjustment would assist the requesting  
16 districts to realign their governance structures into a unified union school  
17 district pursuant to chapter 11 of this title.

18 (3) The State Board shall ~~give timely consideration to requests~~ act on a  
19 request made pursuant to this subsection within 75 days of receipt of the  
20 request and may regroup the school districts of the area so as to ensure  
21 reasonable supervision of all public schools therein.

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\* \* \*

\* \* \* Technical Corrections; Clarifications \* \* \*

Sec. 22. 2012 Acts and Resolves No. 156, Sec. 16 is amended to read:

Sec. 16. UNION ELEMENTARY SCHOOL DISTRICTS; REGIONAL  
EDUCATION DISTRICT INCENTIVES

\* \* \*

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

Sec. 23. 2012 Acts and Resolves No. 156, Sec. 17 is amended to read:

Sec. 17. MODIFIED UNIFIED UNION SCHOOL DISTRICT

\* \* \*

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

Sec. 24. AVAILABILITY OF TAX AND OTHER INCENTIVES

The tax and other incentives under 2010 Acts and Resolves No. 153, as amended, and 2012 Acts and Resolves No. 156, as amended, shall be available only if the new governance structure formed under those acts becomes fully operational on or before July 1, 2019.

Sec. 25. 2015 Acts and Resolves No. 46, Sec. 23 is amended to read:

Sec. 23. 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. 22 of this act shall apply to the district in fiscal year 2017 and after.

1 (b) If a district’s equalized pupils in fiscal year 2016 reflect adjustment  
2 pursuant to 16 V.S.A. § 4010(f), then, notwithstanding the provisions of  
3 § 4010(f) as amended by this act:

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

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

8 (c) Notwithstanding the provisions of subsections (a) and (b) of this  
9 section, if a district is actively engaged in merger discussions with one or more  
10 other districts regarding the formation of a regional education district (RED) or  
11 other form of unified union school district pursuant to 16 V.S.A. chapter 11,  
12 then Sec. 22 of this act shall apply to the district in fiscal year 2018 and after,  
13 and each of the dates in subsection (b) of this section shall be adjusted  
14 accordingly. A district shall be “actively engaged in merger discussions”  
15 pursuant to this subsection (c) if on or before July 1, 2016, it has formed a  
16 study committee pursuant to 16 V.S.A. chapter 11. Until such time as Sec. 22  
17 of this act shall apply to the district, the district’s equalized pupil count shall be  
18 calculated under 16 V.S.A. § 4010(f), as in effect on June 30, 2016.

1       Sec. 26. QUALIFICATION FOR INCENTIVES; ASSIGNMENT TO A  
2                   SUPERVISORY UNION BY THE STATE BOARD

3           Notwithstanding any requirement under 2015 Acts and Resolves No. 46,  
4           Secs. 6 and 7 that the newly formed school district be its own supervisory  
5           district, the newly formed school district shall qualify for the incentives under  
6           this section even if it is assigned to a supervisory union by the State Board of  
7           Education and that assignment by the State Board is not made at the request of  
8           the school district.

9                           \* \* \* State Board Rulemaking Authority \* \* \*

10       Sec. 27. 2015 Acts and Resolves No. 46, Sec. 8 is amended to read:

11       Sec. 8. EVALUATION BY THE STATE BOARD OF EDUCATION

12                           \* \* \*

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

16                           \* \* \* Tax Provisions \* \* \*

17       Sec. 28. CALCULATION OF EDUCATION PROPERTY TAX SPENDING  
18                   ADJUSTMENT AND EDUCATION INCOME TAX SPENDING  
19                   ADJUSTMENT FOR CERTAIN SCHOOL DISTRICTS

20       (a) Under this section, a qualifying school district is a school district:

1           (1) that operates no schools and pays tuition for all resident students in  
2           prekindergarten through grade 12;

3           (2) that, on or before November 15, 2017, obtains final approval from its  
4           electorate to consolidate with an existing unified union school district that is  
5           eligible to receive incentives under 2010 Acts and Resolves No. 153  
6           (consolidated district), as amended; and

7           (3) for which either:

8           (A) the education property tax spending adjustment under 32 V.S.A.  
9           § 5401(13)(A) for the district’s fiscal year 2017 exceeded the district’s  
10           education property tax spending adjustment for the district’s 2015 fiscal year  
11           by more than 100 percent; or

12           (B) the education income tax spending adjustment under 32 V.S.A.  
13           § 5401(13)(B) for the district’s fiscal year 2017 exceeded the district’s  
14           education income tax spending adjustment for the district’s 2015 fiscal year by  
15           more than 100 percent.

16           (b) Notwithstanding any provision of law to the contrary:

17           (1) for the first year in which the consolidated district’s equalized  
18           homestead tax rate or household income percentage is reduced under 2010  
19           Acts and Resolves No. 153, as amended, the equalized homestead tax rate and  
20           household income percentage for the town associated with the qualifying  
21           district shall be set at the average equalized homestead tax rate and household

1 income percentage of the towns associated with the other districts that merge  
2 into the consolidated district; and

3 (2) 2010 Acts and Resolves No. 153, Sec. 4(a)(2), which limits the  
4 amount by which tax rates are permitted to change, shall not apply to the town  
5 associated with the qualifying district for the first year for which the  
6 consolidated district's equalized homestead tax rate or household income  
7 percentage is reduced under that act.

8 Sec. 29. MODIFIED UNIFIED UNION SCHOOL DISTRICTS; TAX RATE  
9 CALCULATIONS

10 The tax rate provisions in 2010 Acts and Resolves No. 155, Sec. 13(a)(1),  
11 as amended, shall not apply to the calculation of tax rates in a member of a  
12 modified unified union school district (MUUSD) formed under 2012 Acts and  
13 Resolves No. 156, Sec. 17, as amended, if that member is a member for fewer  
14 than all grades, prekindergarten through grade 12. This section shall apply to  
15 the calculation of taxes in any MUUSD that began full operation after July 1,  
16 2015.

17 \* \* \* Elections to Unified Union School District Board \* \* \*

18 Sec. 30. ELECTIONS TO UNIFIED UNION SCHOOL DISTRICT BOARD

19 (a) Notwithstanding any provision to the contrary under 16 V.S.A. § 706k,  
20 the election of a director on the board of a unified union school district who is  
21 to serve on the board after expiration of the term for an initial director shall be

1 held at the unified union school district's annual meeting in accordance with  
2 the district's articles of agreement.

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

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

13 \* \* \* Effective Dates \* \* \*

14 Sec. 31. EFFECTIVE DATES

15 (a) This section and Secs. 2 and 4–30 shall take effect on passage.

16 (b) Sec. 1 (criminal record checks) shall take effect on passage and shall  
17 apply to persons hired or contracted with after June 30, 2017 and to persons  
18 who apply for or renew child care provider license after June 30, 2017.

19 (c) Sec. 3 (surety bond; postsecondary institutions) shall take effect on  
20 October 1, 2017.