

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Education to which was referred Senate Bill No. 122
3 entitled “An act relating to increased flexibility for school district mergers”
4 respectfully reports that it has considered the same and recommends that the
5 House propose to the Senate that the bill be amended as follows:

6 First: By striking out Sec. 1 in its entirety with its reader assistance and
7 inserting in lieu thereof the following:

8 * * * Findings **and Purpose** * * *

9 Sec. 1. 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, we do not inspire

1 enough of our graduates to continue their education. Fulfilling the goals of Act
2 46 is a critical 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 (f) This act is designed to make useful changes to the merger time lines and
2 allowable governance structures under Act 46 without weakening or
3 eliminating the Act’s fundamental phased merger and incentive structures and
4 requirements. Nothing in this act should suggest that it is acceptable for a
5 school district to fail to take reasonable and robust action to seek to meet the
6 goals of Act 46.

7 Second: By striking out Sec. 3 in its entirety and inserting in lieu thereof a
8 new Sec. 3 to read as follows:

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

10 REGIONAL EDUCATION DISTRICT INCENTIVES

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

17 (1) The new district was, or is to be, formed by the merger of at least
18 three districts and satisfies one of the conditions under subdivisions (5)(A)–(C)
19 of this subsection (Merged District), and, together with at least one existing
20 district (Existing District), is, or after all required approvals are obtained under

1 this section becomes, a member of the same supervisory union (Three-by-One
2 Side-by-Side Structure).

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

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

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

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

16 (3) The Merged District and each Existing District has, or will have after
17 all required approvals are obtained under this section, a model of operating
18 schools or paying tuition that is different from the model of the other;
19 provided, however, that if two or more Existing Districts are members of the
20 Three-by-One Side-by-Side Structure, each Existing District may have the

1 same model of operating schools or paying tuition as the other Existing District
2 or Existing Districts. These models are:

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

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

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

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

5 (C) a Merged District, formed on or after July 1, 2010 by the merger
6 of at least three districts, that did not receive and is not eligible to receive
7 incentives under these acts but would be eligible to receive incentives under
8 this section by meeting the requirements of this section.

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

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

18 (b) The incentives provided in 2010 Acts and Resolves No. 153, Sec. 4
19 shall be available to the Merged District and shall not be available to the
20 Existing District. If the Merged District has already received incentives under
21 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015

1 Acts and Resolves No. 46, each as amended, it shall not be eligible for further
2 incentives under this section.

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

7 Third: By striking out Secs. 4 (Two-By-Two-By-One-Side-By-Side
8 Structure) and 9 (Grant for School Districts Created After Deadline for
9 Accelerated Activity) in their entirety.

10 Fourth: By renumbering the remaining sections to be numerically correct.

11 Fifth: By inserting a new section, to be Sec. 15, to read:

12 Sec. 15. 2015 Acts and Resolves No. 46, Sec. 7 is amended to read:

13 Sec. 7. SCHOOL DISTRICTS CREATED AFTER DEADLINE FOR
14 ACCELERATED ACTIVITY; TAX INCENTIVES; SMALL
15 SCHOOL SUPPORT; JOINT CONTRACT SCHOOLS

16 * * *

17 (e) Notwithstanding the requirement in subdivision (a)(3) of this section
18 that the newly formed school district be its own supervisory district, the newly
19 formed school district shall qualify for the incentives under this section even if
20 it is assigned to a supervisory union by the State Board of Education and that
21 assignment by the State Board is not made at the request of the school district.

1 and by renumbering the remaining section to be numerically correct

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3

4 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE