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**Exhibit A (VSBA)**

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

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

(A) geographically isolated, due to lengthy driving times or inhospitable travel routes between the Existing District's school or schools and the nearest school in which there is excess capacity as determined by the State 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 Merged District, or the districts that  
2           are proposing to merge into the Merged District, jointly submit a proposal to  
3           the State Board and demonstrate in their report that the Three-by-One Side-by-  
4           Side Structure is better suited to them than a governance structure described in  
5           2015 Acts and Resolves No. 46, Sec. 6 and will meet the goals set forth in Sec.  
6           2 of that act. The Merged District or the districts that are proposing to merge  
7           into the Merged District may include:

8           (A) districts that have not received approval from their electorate to  
9           merge and would be eligible to receive incentives under this section by  
10           meeting the requirements of this section:

11           (B) districts that have received approval from their electorate to  
12           merge and are eligible to receive incentives under 2010 Acts and Resolves  
13           No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46,  
14           each as amended, but are not operational as of the effective date of this section;  
15           and

16           (C) districts that have received, on or after July 1, 2010, approval  
17           from their electorate to merge, are not eligible to receive incentives under these  
18           acts but are not operational and would be eligible to receive incentives under  
19           this section by meeting the requirements of this section.

20           (6) The districts proposing to merge into the Merged District receive  
21           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 incentives provided in 2010 Acts and Resolves No. 153, Sec. 4  
4 shall be available to the Merged District and shall not be available to the  
5 Existing District. If the Merged District has already received incentives under  
6 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015  
7 Acts and Resolves No. 46, each as amended, it shall not be eligible for further  
8 incentives under this section.

9 (c) An Existing District shall be exempt from the requirement under 2015  
10 Acts and Resolves No. 46, Secs. 9 and 10, to self-evaluate and make a proposal  
11 to the Secretary of Education and State Board of Education and from the State  
12 Board's plan if it:

13 (1) presents a proposal to be an Existing District to the State Board of  
14 Education as required by subdivision (a)(5) of this section after the effective  
15 date of this section and, if it is proposing to join districts that have received  
16 approval from their electorate to merge and that has formed a transitional  
17 board, that includes with the proposal a statement signed by the chair of the  
18 transitional board stating that the board voted to support the Existing District's  
19 proposal.

20 (2) demonstrates how it meets one or more of the criteria set forth in  
21 subdivision (a)(2) of this section;

1           (3) identifies detailed actions it proposes to take to continue to improve  
2           its performance in connection with each of the goals set forth in 2015 Acts and  
3           Resolves No. 46, Sec. 2 as required by Sec. 9(a)(3)(B)-(C) of that act; and

4           (4) obtains State Board approval of its proposal to be an Existing  
5           District.

6           Sec. 4. 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 (Existing  
16                   District), are members of the same supervisory union following the merger  
17                   (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;

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

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

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

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

19 (4) The Two-by-Two-by-One Side-by-Side Structure meets all criteria  
20 for RED formation other than the size criterion of 2010 Acts and Resolves

1 No. 153, Sec. 3(a)(1) (average daily membership of at least 1,250) and  
2 otherwise as provided in this section.

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

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

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

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

16 (c) [CONFORMING CHANGES WOULD BE MADE] The Existing  
17 District shall be exempt from the requirement under 2015 Acts and Resolves  
18 No. 46, Secs. 9 and 10 to self-evaluate and make a proposal to the Secretary of  
19 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. These models are:

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

19 (B) operating a school or schools for all resident students in some  
20 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.

(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, which may include a common personnel system;

(2) the supervisory union operates in a manner that maximizes efficiencies through economies of scale and the flexible management, transfer, and sharing of nonfinancial resources among the member districts, including compliance with the special education requirements of 2010 Acts and Resolves No. 153;

(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 the relative levels of indebtedness  
3           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. Sibilio)**

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.

9