

1 Introduced by Committee on Education

2 Date:

3 Subject: Education; school district consolidation; Acts 153, 156, and 46

4 Statement of purpose of bill as introduced: This bill proposes to: (1) provide
5 greater flexibility for school district consolidation by providing tax incentives
6 for a side-by-side regional educational district structure where one side does
7 not operate all elementary and secondary grades; (2) provide greater flexibility
8 for school district consolidation by providing tax incentives for a side-by-side
9 regional educational district structure where three or more school districts
10 merge and the newly merged district, together with a preexisting district, are
11 members of the same supervisory union at the completion of the process;
12 (3) extend the final date for voter approval of a merger and the date by which a
13 school district is required to make a governance proposal to the Secretary of
14 Education for a school district that has previously had a merger proposal
15 rejected by voters or wishes to add a new school district as a member of its
16 study committee; (4) provide transition facilitation grants to all school districts
17 that consolidate into a preferred governance structure and to a district that has
18 consolidated and, at the request of the State Board of Education, merges with
19 another district; (5) allow fees for consulting services to be used by a study
20 committee recommending consolidation for the cost of community outreach;
21 (6) require the State Board of Education to act on applications for supervisory

1 union adjustments within 60 days of receipt; and (7) make certain technical
2 and clarifying changes.

3 An act relating to school district consolidation and amendments to
4 Acts 153, 156, and 46

5 It is hereby enacted by the General Assembly of the State of Vermont:

6 * * * Side-by-Side Structures * * *

7 Sec. 1. 2012 Acts and Resolves No. 156, Sec. 15 is amended to read:

8 Sec. 15. TWO OR MORE MERGERS; REGIONAL EDUCATION
9 DISTRICT INCENTIVES

10 (a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) of No.
11 153 of the Acts of the 2009 Adj. Sess. (2010) that requires a single regional
12 education district (“RED”) to have an average daily membership of at least
13 1,250 or result from the merger of at least four districts, or both, two or more
14 new districts shall be eligible jointly for the incentives provided in ~~Sec. 4 of~~
15 No. 153, Sec. 4 if:

16 * * *

17 (3) ~~one of the new districts provides education in all elementary and~~
18 ~~secondary grades by operating one or more schools and the other new district~~
19 ~~or districts pay tuition for students in one or more grades~~ each new district has

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

11 Sec. 2. THREE-BY-ONE SIDE-BY-SIDE STRUCTURE; REGIONAL
12 EDUCATION DISTRICT INCENTIVES

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

19 (1) The new district is formed by the merger of at least three existing
20 districts (Merged District) and, together with an existing (Existing District), are

1 members of the same supervisory union following the merger (Three-by-One
2 Side-by-Side Structure).

3 (2) The Existing District is either:

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

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

10 (3) The Merged District and the Existing District each has a model of
11 operating schools or paying tuition that is different from the model of the
12 other, which may include;

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 Three-by-One Side-by-Side Structure meets all criteria for RED
20 formation other than the size criterion of 2010 Acts and Resolves No. 153,

1 Sec. 3(a)(1) (average daily membership of at least 1,250) and otherwise as
2 provided in this section.

3 (5) The Three-by-One Side-by-Side Structure jointly have an average
4 daily membership of at least 900 [consider whether to include this
5 requirement].

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

11 [(7) The districts proposing to merge into the Merged District receive
12 final approval from their electorate for the merger proposal on or before
13 [_____], and the Merged District becomes fully operational on or before July
14 1, 2019.]

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

18 (c) The 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.

1 consulting services necessary to analyze the advisability of creating a union
2 school district or a unified union school district, ~~and~~ to prepare the report
3 required by 16 V.S.A. § 706b, and to conduct community outreach, including
4 communications with voters. Community outreach materials shall be limited
5 to those that are reasonably designed to inform, educate, and explain to the
6 electorate a study committee’s position on the matter.

7 * * *

8 Sec. 7. 2015 Acts and Resolves No. 46, Sec. 10 is amended to read:

9 Sec. 10. TRANSITION TO SUSTAINABLE GOVERNANCE

10 STRUCTURES; PROPOSAL; FINAL PLAN

11 * * *

12 (d) A school district that has received or is eligible to receive tax incentives
13 under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or
14 2015 Acts and Resolves No. 46, and that, at the request of the State Board,
15 agrees by vote of its electorate to merge with another school district, shall
16 receive a supplemental Transitional Facilitation Grant of \$10,000.00 to defray
17 the costs of integration. Notwithstanding any provision to the contrary in
18 16 V.S.A. § 4025, the Secretary of Education shall pay the board of the school
19 district the supplemental Transition Facilitation Grant from the Education
20 Fund.

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

6
7 * * * Applications for Adjustments to Supervisory Union Boundaries * * *

8 Sec. 8. 16 V.S.A. § 261 is amended to read:

9 § 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY

10 UNIONS

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

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

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

2 Sec. 11. AVAILABILITY OF TAX AND OTHER INCENTIVES

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

7 Sec. 12. 2015 Acts and Resolves No. 46, Sec. 23 is amended to read:

8 Sec. 23. DECLINING ENROLLMENT; TRANSITION

9 (a) If a district's equalized pupils in fiscal year 2016 do not reflect any
10 adjustment pursuant to 16 V.S.A. § 4010(f), then Sec. 22 of this act shall apply
11 to the district in fiscal year 2017 and after.

12 (b) If a district's equalized pupils in fiscal year 2016 reflect adjustment
13 pursuant to 16 V.S.A. § 4010(f), then, notwithstanding the provisions of
14 § 4010(f) as amended by this act:

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

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

19 (c) Notwithstanding the provisions of subsections (a) and (b) of this
20 section, if a district is actively engaged in merger discussions with one or more
21 other districts regarding the formation of a regional education district (RED) or

1 other form of unified union school district pursuant to 16 V.S.A. chapter 11,
2 then Sec. 22 of this act shall apply to the district in fiscal year 2018 and after,
3 and each of the dates in subsection (b) of this section shall be adjusted
4 accordingly. A district shall be “actively engaged in merger discussions”
5 pursuant to this subsection (c) if on or before July 1, 2016, it has formed a
6 study committee pursuant to 16 V.S.A. chapter 11. Until such time as Sec. 22
7 of this act shall apply to the district, the district’s equalized pupil count shall be
8 calculated under 16 V.S.A. § 4010(f), as in effect on June 30, 2016.

9 * * * Effective Date * * *

10 Sec. 13. EFFECTIVE DATE

11 This act shall take effect on passage.