- 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
- 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
- merge and the newly merged district, together with a preexisting district, are
- 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
- school district is required to make a governance proposal to the Secretary of
- Education for a school district that has previously had a merger proposal
- rejected by voters or wishes to add a new school district as a member of its
- 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
- consolidated and, at the request of the State Board of Education, merges with
- another district; (5) allow fees for consulting services to be used by a study
- 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 |
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| 2 | and clarifying changes. |
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| 3 4 | An act relating to school district consolidation and amendments to 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 |
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| 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 |
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| 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 |
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| 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 | <u>1, 2019.]</u> |
| 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 | * * * Time Extension for Qualifying Districts * * * |
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| 2 | Sec. 3. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read: |
| 3 | Sec. 9 SELF-EVALUATION, MEETINGS, AND PROPOSAL |
| 4 | (a) On Subject to subsection (b) of this section, on or before November 30, |
| 5 | 2017, the board of each school district in the State that: |
| 6 | (1) has a governance structure different from the preferred structure |
| 7 | identified in Sec. 5(b) of this act (Education District), or that does not expect to |
| 8 | become or will not become an Education District on or before July 1, 2019; or |
| 9 | (2) does not qualify for an exemption under Sec. 10(c) of this act, shall |
| 10 | perform each of the following actions. |
| 11 | * * * |
| 12 | (b) The date by which a qualifying district must take the actions required |
| 13 | by subsection (a) of this section is extended from November 30, 2017 to |
| 14 | [January 31, 2018]. A qualifying district is a district that: |
| 15 | (1) proposed a school district consolidation plan under 2010 Acts and |
| 16 | Resolves No. 153, as amended, or 2012 Acts and Resolves No. 156, as |
| 17 | amended, which was rejected by voters; or |
| 18 | (2) if a member of a study committee formed under 16 V.S.A. § 706 |
| 19 | provides to the Secretary a declaration that another school district wants to join |
| 20 | the district's study committee, signed by each member of the study committee |
| 21 | and the district that proposes to join the study committee. |

| 1 | Sec. 4. TIME EXTENSION FOR VOTE OF ELECTORATE |
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| 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; or |
| 9 | (2) if a member of a study committee formed under 16 V.S.A. § 706, |
| 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. |
| 13 | * * * Grants and Fee Reimbursement * * * |
| 14 | Sec. 5. 2015 Acts and Resolves No. 46, Sec. 7 is amended to read: |
| 15 | Sec. 7. SCHOOL DISTRICTS CREATED AFTER DEADLINE FOR |
| 16 | ACCELERATED ACTIVITY; TAX INCENTIVES; SMALL |
| 17 | SCHOOL SUPPORT; JOINT CONTRACT SCHOOLS |
| 18 | * * * |
| 19 | (b) A newly formed school district that meets the criteria set forth in |
| 20 | subsection (a) of this section shall receive the following: |
| 21 | * * * |

| 1 | (3) Transition Facilitation Grant. |
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| 2 | (A) After voter approval of the plan of merger, notwithstanding any |
| 3 | provision to the contrary in 16 V.S.A. § 4025, the Secretary of Education shall |
| 4 | pay the transitional board of the new district a Transition Facilitation Grant |
| 5 | from the Education Fund equal to the lesser of: |
| 6 | (i) five percent of the base education amount established in |
| 7 | 16 V.S.A. § 4001(13) multiplied by the greater of either the combined |
| 8 | enrollment or the average daily membership of the merging districts on |
| 9 | October 1 of the year in which the successful vote is taken; or |
| 10 | (ii) \$150,000.00. |
| 11 | (B) A Transition Facilitation Grant awarded under this subdivision |
| 12 | (3) shall be reduced by the total amount of reimbursement paid for consulting |
| 13 | services, analysis, and transition costs pursuant to 2012 Acts and Resolves |
| 14 | No. 156, Secs. 2, 4, and 9. |
| 15 | * * * |
| 16 | Sec. 6. 2012 Acts and Resolves No. 156, Sec. 9, is amended to read: |
| 17 | Sec. 9. REIMBURSEMENT OF FEES FOR CONSULTING SERVICES; |
| 18 | MERGER; SCHOOL DISTRICTS; SUNSET |
| 19 | (a) From the education fund Education Fund, the commissioner of |
| 20 | education Secretary of Education shall reimburse up to \$20,000.00 of fees paid |
| 21 | by a study committee established under 16 V.S.A. § 706 for legal and other |

| 1 | consulting services necessary to analyze the advisability of creating a union |
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| 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 | <u>Fund.</u> |

| 1 | (e) Notwithstanding the requirement in subdivision (a)(3) of this section |
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| 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 | (2) Any group of school districts that have so voted at their respective |
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| 2 | annual school district meeting, regardless of whether the districts are members |
| 3 | of the same supervisory union, may request that the State Board adjust existing |
| 4 | supervisory union boundaries and move one or more nonrequesting districts to |
| 5 | a different supervisory union if such adjustment would assist the requesting |
| 6 | districts to realign their governance structures into a unified union school |
| 7 | district pursuant to chapter 11 of this title. |
| 8 | (3) The State Board shall give timely consideration to requests act on a |
| 9 | request made pursuant to this subsection within 60 days of receipt of the |
| 10 | request and may regroup the school districts of the area so as to ensure |
| 11 | reasonable supervision of all public schools therein. |
| 12 | * * * |
| 13 | * * * Technical Corrections; Clarifications * * * |
| 14 | Sec. 9. 2012 Acts and Resolves No. 156, Sec. 16 is amended to read: |
| 15 | Sec. 16. UNION ELEMENTARY SCHOOL DISTRICTS; REGIONAL |
| 16 | EDUCATION DISTRICT INCENTIVES |
| 17 | * * * |
| 18 | (b) This section is repealed on July 1, 2017 2019. |
| 19 | Sec. 10. 2012 Acts and Resolves No. 156, Sec. 17 is amended to read: |
| 20 | Sec. 17. MODIFIED UNIFIED UNION SCHOOL DISTRICT |
| 21 | * * * |

| 1 | (d) This section is repealed on July 1, 2017 2019. |
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| 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, |
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| 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. <u>Until such time as Sec. 22</u> |
| 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. |