

1 TO THE HONORABLE SENATE:

2 The Committee on Education to which was referred House Bill No. 513
3 entitled “An act relating to making miscellaneous changes to education law”
4 respectfully reports that it has considered the same and recommends that the
5 Senate propose to the House that the bill be amended by striking out all after
6 the enacting clause and inserting in lieu thereof the following:

7 * * * Approved Independent Schools Study Committee * * *

8 Sec. 1. APPROVED INDEPENDENT SCHOOLS STUDY COMMITTEE

9 (a) Creation. There is created the Approved Independent Schools Study
10 Committee to consider and make recommendations on the criteria to be used
11 by the State Board of Education for designation as an “approved” independent
12 school.

13 (b) Membership. The Committee shall be composed of the following ten
14 members:

15 (1) one current member of the House of Representatives who shall be
16 appointed by the Speaker of the House;

17 (2) one current member of the Senate who shall be appointed by the
18 Committee on Committees;

19 (3) the Chair of the State Board of Education or designee;

20 (4) the Secretary of Education or designee;

1 (5) the Executive Director of the Vermont Superintendent’s Association
2 or designee;

3 (6) the Executive Director of the Vermont School Boards Association or
4 designee;

5 (7) the Executive Director of the Vermont Independent Schools
6 Association or designee;

7 (8) two representatives of approved independent schools, who shall be
8 chosen by the Executive Director of the Vermont Independent Schools
9 Association; and

10 (9) the Executive Director of the Vermont Council of Special Education
11 Administrators or designee.

12 (c) Powers and duties. The Committee shall consider and make
13 recommendations on the criteria to be used by the State Board of Education for
14 designation as an “approved” independent school, including the following
15 criteria:

16 (1) the school’s enrollment policy and any limitation on a student’s
17 ability to enroll;

18 (2) how the school should be required to deliver special education
19 services and which categories of these services; and

1 (3) the scope and nature of financial information and special education
2 information that should be required to be reported by the school to the State
3 Board or Agency of Education.

4 (d) Assistance. The Committee shall have the administrative, technical,
5 and legal assistance of the Agency of Education.

6 (e) Report. On or before January 15, 2018, the Committee shall submit a
7 written report to the House and Senate Committees on Education with its
8 findings and any recommendations, including recommendations for any
9 amendments to legislation.

10 (f) Meetings.

11 (1) The Secretary of Education shall call the first meeting of the
12 Committee to occur on or before May 30, 2017.

13 (2) The Committee shall select a chair from among its members at the
14 first meeting.

15 (3) A majority of the membership shall constitute a quorum.

16 (4) The Committee shall cease to exist on January 16, 2018.

17 (g) Reimbursement.

18 (1) For attendance at meetings during adjournment of the General
19 Assembly, legislative members of the Committee shall be entitled to per diem
20 compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for
21 no more than seven meetings.

1 (2) Other members of the Committee who are not employees of the State
2 of Vermont and who are not otherwise compensated or reimbursed for their
3 attendance shall be entitled to per diem compensation and reimbursement of
4 expenses pursuant to 32 V.S.A. § 1010 for no more than seven meetings.

5 * * * Educational and Training Programs for College Credit * * *

6 Sec. 2. APPROPRIATION TO THE VERMONT STATE COLLEGES
7 TO EXPAND EDUCATION AND TRAINING EVALUATION
8 SERVICES PROGRAM

9 The sum of \$20,000.00 is appropriated from the Next Generation Initiative
10 Fund created pursuant to 16 V.S.A. § 2887 to the Vermont State Colleges for
11 the purpose of providing funding for the Colleges' Education and Training
12 Evaluation Services Program. The Vermont State Colleges shall use the
13 appropriation to evaluate or reevaluate educational and training programs for
14 college credit at no cost or at a reduced cost to the programs being evaluated.
15 The Vermont State Colleges shall identify training programs in the skilled
16 trades, including the plumbing and electrical trades, to receive these evaluation
17 services. The Vermont State Colleges shall, on or before January 15, 2018,
18 issue a report to the House and Senate Committees on Education describing
19 how the funds appropriated pursuant to this section have been spent, how any
20 remaining funds appropriated pursuant to this section will be spent, and the

1 number and nature of the programs evaluated or reevaluated and the results of
2 the evaluations.

3 * * * Student Enrollment; Small School Grant * * *

4 Sec. 3. 16 V.S.A. § 4015 is amended to read:

5 § 4015. SMALL SCHOOL SUPPORT

6 (a) In this section:

7 (1) “Eligible school district” means a school district that operates at least
8 one school; and

9 (A) has a two-year average combined enrollment of fewer than 100
10 students in all the schools operated by the district; or

11 (B) has an average grade size of 20 or fewer.

12 (2) “Enrollment” means the number of students who are enrolled in a
13 school operated by the district on October 1. A student shall be counted as one
14 whether the student is enrolled as a full-time or part-time student. Students
15 enrolled in prekindergarten programs shall not be counted.

16 (3) “Two-year average enrollment” means the average enrollment of the
17 two most recently completed school years.

18 (4) “Average grade size” means two-year average enrollment divided by
19 the number of grades taught in the district on October 1. For purposes of this
20 calculation, kindergarten and prekindergarten programs shall be counted
21 together as one grade.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

* * *

* * * Vermont Standards Board for Professional Educators * * *

Sec. 4. 16 V.S.A. § 1693 is amended to read:

§ 1693. STANDARDS BOARD FOR PROFESSIONAL EDUCATORS

(a) There is hereby established the Vermont Standards Board for Professional Educators comprising 13 members as follows: seven teachers, two administrators, one of whom shall be a school superintendent, one public member, one school board member, one representative of educator preparation programs from a public institution of higher education, and one representative of educator preparation programs from a private institution of higher education.

* * *

Sec. 5. TRANSITIONAL PROVISION

A superintendent shall be appointed to the Vermont Standards Board for Professional Educators upon the next expiration of the term of a member who is serving on the Board as an administrator.

* * * Speech-Language Pathologists * * *

Sec. 6. 26 V.S.A. § 4451 is amended to read:

§ 4451. DEFINITIONS

As used in this chapter:

* * *

1 (5) “Educational speech-language pathologist” means a speech-language
2 pathologist who is employed by a supervisory union or public school district in
3 Vermont or an independent school approved for special education purposes for
4 the purpose of providing speech-language pathology.

5 (6) “Secretary” means the Secretary of State.

6 ~~(6)~~(7) “Speech-language pathologist” means a person licensed to
7 practice speech-language pathology under this chapter, but shall not include an
8 educational speech-language pathologist.

9 ~~(7)~~(8) “Speech-language pathology” means the application of principles,
10 methods, and procedures related to the development and disorders of human
11 communication, which include any and all conditions that impede the normal
12 process of human communication.

13 Sec. 7. 26 V.S.A. § 4454 is amended to read:

14 § 4454. CONSTRUCTION

15 (a) This chapter shall not be construed to limit or restrict in any way the
16 right of a practitioner of another occupation that is regulated by this State from
17 performing services within the scope of his or her professional practice.

18 (b) This chapter shall not be construed to apply to an educational speech-
19 language pathologist, except to the extent that an educational speech-language
20 pathologist provides speech-language pathology services outside a school
21 environment. An educational speech-language pathologist shall be subject to

1 the licensing, training, and professional standards provisions of 16 V.S.A.
2 chapter 51. To the extent that an educational speech-language pathologist
3 provides speech-language pathology services outside a school environment, the
4 educational speech-language pathologist shall be subject to the licensing,
5 training, and professional standards provisions of this chapter.

6 Sec. 8. TRANSITIONAL PROVISION

7 An individual holding an educator license with an endorsement for
8 educational speech-language pathologist from the Agency of Education shall
9 retain that endorsement and shall renew it with the Agency as required by law,
10 in addition to licensure with the Agency of Education.

11 * * * Renewal of Principal's Contracts * * *

12 Sec. 9. 16 V.S.A. § 243(c) is amended to read:

13 (c) Renewal and nonrenewal. A principal who has been continuously
14 employed for more than two years in the same position has the right either to
15 have his or her contract renewed, or to receive written notice of nonrenewal ~~at~~
16 ~~least 90 days before~~ on or before February 1 of the year in which the existing
17 contract expires. Nonrenewal may be based upon elimination of the position,
18 performance deficiencies, or other reasons. The written notice shall recite the
19 grounds for nonrenewal. If nonrenewal is based on performance deficiencies,
20 the written notice shall be accompanied by an evaluation performed by the
21 superintendent. At its discretion, the school board may allow a period of

1 remediation of performance deficiencies prior to issuance of the written notice.
2 After receiving such a notice, the principal may request in writing, and shall be
3 granted, a meeting with the school board. Such request shall be delivered
4 within 15 days of delivery of notice of nonrenewal, and the meeting shall be
5 held within 15 days of delivery of the request for a meeting. At the meeting,
6 the school board shall explain its position, and the principal shall be allowed to
7 respond. The principal and any member of the board may present written
8 information or oral information through statements of others, and the principal
9 and the board may be represented by counsel. The meeting shall be in
10 executive session unless both parties agree in writing that it be open to the
11 public. After the meeting, the school board shall decide whether or not to offer
12 the principal an opportunity to renew his or her contract. The school board
13 shall issue its decision in writing within five days. The decision of the school
14 board shall be final.

15 * * * Postsecondary Schools * * *

16 Sec. 10. 16 V.S.A § 176(d) is amended to read:

17 (d) Exemptions. The following are exempt from the requirements of this
18 section except for the requirements of subdivision (c)(1)(C) of this section:

19 * * *

20 (4) Postsecondary schools that are accredited. The following
21 postsecondary institutions are accredited, meet the criteria for exempt status,

1 and are authorized to operate educational programs beyond secondary
2 education, including programs leading to a degree or certificate: Bennington
3 College, ~~Burlington College~~, Champlain College, College of St. Joseph,
4 Goddard College, Green Mountain College, Landmark College, Marlboro
5 College, Middlebury College, New England Culinary Institute, Norwich
6 University, Saint Michael’s College, SIT Graduate Institute, Southern Vermont
7 College, Sterling College, Vermont College of Fine Arts, and Vermont Law
8 School. This authorization is provided solely to the extent necessary to ensure
9 institutional compliance with federal financial aid-related regulations, and it
10 does not affect, rescind, or supersede any preexisting authorizations, charters,
11 or other forms of recognition or authorization.

12 * * *

13 * * * Educational Opportunities * * *

14 Sec. 11. 16 V.S.A § 165(b) is amended to read:

15 (b) ~~Every two years~~ Annually, the Secretary shall determine whether
16 students in each Vermont public school are provided educational opportunities
17 substantially equal to those provided in other public schools. If the Secretary
18 determines that a school is not meeting the education quality standards listed in
19 subsection (a) of this section or that the school is making insufficient progress
20 in improving student performance in relation to the standards for student
21 performance set forth in subdivision 164(9) of this title, he or she shall

1 describe in writing actions that a district must take in order to meet either or
2 both sets of standards and shall provide technical assistance to the school. If
3 the school fails to meet the standards or make sufficient progress ~~by the end of~~
4 ~~the next two year period~~ within two years of the determination, the Secretary
5 shall recommend to the State Board one or more of the following actions:

6 * * *

7 * * * Local Education Agency * * *

8 Sec. 12. 16 V.S.A. § 563 is amended to read:

9 § 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

10 The school board of a school district, in addition to other duties and
11 authority specifically assigned by law:

12 * * *

13 (26) ~~Shall carry out the duties of a local education agency, as that term~~
14 ~~is defined in 20 U.S.C. § 7801(26), for purposes of determining student~~
15 ~~performance and application of consequences for failure to meet standards and~~
16 ~~for provision of compensatory and remedial services pursuant to 20 U.S.C.~~
17 ~~§§ 6311-6318. [Repealed.]~~

18 * * *

1 the Commissioner for Children and Families shall make the final decision. As
2 used in this section, “school of origin” means the school in which the child was
3 enrolled at the time of placement into custody of the Commissioner for
4 Children and Families, or in the case of a student already in the custody of the
5 Commissioner for Children and Families, the school the student most recently
6 attended.

7 (2) If a student is a State-placed student pursuant to subdivision
8 11(a)(28)(D)(i)(I) of this title, then the Department for Children and Families
9 shall ~~assume responsibility~~ be responsible for the student’s transportation to
10 and from school, unless the receiving district chooses to provide transportation.

11 (3) A State-placed student not in the legal custody of the Commissioner
12 for Children and Families, other than one placed in a 24-hour residential
13 facility and except as otherwise provided in this subsection, shall be educated
14 by the school district in which the student is living unless an alternative plan or
15 facility for the education of the student is agreed upon by the Secretary. In the
16 case of dispute as to where a State-placed student is living, the Secretary shall
17 conduct a hearing to determine which school district is responsible for
18 educating the student. The Secretary’s decision shall be final.

19 (4) A student who is in temporary legal custody pursuant to 33 V.S.A.
20 § 5308(b)(3) or (4) and is a State-placed student pursuant to subdivision
21 11(a)(28)(D)(i)(II) of this title, shall be enrolled, at the temporary legal

1 and another school district agree that the child’s attendance in school in that
2 school district will be in the best interests of the child ~~in that continuity of~~
3 ~~education will be provided and transportation will not be unduly burdensome~~
4 ~~to the school district.~~ A “child of homeless parents” means a child whose
5 parents:

6 * * *

7 * * * Early College * * *

8 Sec. 14. REPEAL

9 16 V.S.A § 4011(e) (early college) is repealed.

10 Sec. 15. 16 V.S.A § 946 is added to read:

11 § 946. EARLY COLLEGE

12 (a) For each grade 12 Vermont student enrolled, the Secretary shall pay an
13 amount equal to 87 percent of the base education amount to:

14 (1) the Vermont Academy of Science and Technology (VAST); and

15 (2) an early college program other than the VAST program that is

16 developed and operated or overseen by the University of Vermont, by one of

17 the Vermont State Colleges, or by an accredited private postsecondary school

18 located in Vermont and that is approved for operation by the Secretary;

19 provided, however, when making a payment under this subdivision (2), the

20 Secretary shall not pay more than the tuition charged by the institution.

1 (b) The Secretary shall make the payment pursuant to subsection (a) of this
2 section directly to the postsecondary institution, which shall accept the amount
3 as full payment of the student’s tuition.

4 (c) A student on whose behalf the Secretary makes a payment pursuant to
5 subsection (a) of this subsection:

6 (1) shall be enrolled as a full-time student in the institution receiving the
7 payment for the academic year for which payment is made;

8 (2) shall not be enrolled concurrently in a secondary school operated by
9 the student’s district of residence or to which the district pays tuition on the
10 student’s behalf; and

11 (3) shall not be included in the average daily membership of any school
12 district for the academic year for which payment is made; provided, however,
13 that if more than five percent of the grade 12 students residing in a district
14 enroll in an early college program, then the district may include the number of
15 students in excess of five percent in its average daily membership; but further
16 provided that a student in grade 12 enrolled in a college program shall be
17 included in the percentage calculation only if, for the previous academic year,
18 the student was enrolled in a school maintained by the district or was a student
19 for whom the district paid tuition to a public or approved independent school.

1 (d) A postsecondary institution shall not accept a student into an early
2 college program unless enrollment in an early college program was an element
3 of the student’s personalized learning plan.

4 Sec. 16. REPEAL

5 16 V.S.A § 4011a (early college program; report; appropriations) is
6 repealed.

7 Sec. 17. 16 V.S.A § 947 is added to read:

8 § 947. EARLY COLLEGE PROGRAM; REPORT; APPROPRIATION

9 (a) Notwithstanding 2 V.S.A. § 20(d), any postsecondary institution
10 receiving funds pursuant to section 946 of this title shall report annually in
11 January to the Senate and House Committees on Education regarding the level
12 of participation in the institution’s early college program, the success in
13 achieving the stated goals of the program to enhance secondary students’
14 educational experiences and prepare them for success in college and beyond,
15 and the specific results for participating students relating to programmatic
16 goals.

17 (b) In the budget submitted annually to the General Assembly pursuant to
18 32 V.S.A. chapter 5, the Governor shall include the recommended
19 appropriation for all early college programs to be funded pursuant to section
20 946 of this title, including the VAST program, as a distinct amount.

1 * * * Agency Of Education Report; English Language Learners * * *

2 Sec. 20. AGENCY OF EDUCATION REPORT; ENGLISH LANGUAGE
3 LEARNERS

4 As part of the management of federal funds for students for whom English
5 is not the primary language, the Agency of Education shall convene a meeting
6 of representatives from the supervisory unions and supervisory districts that
7 receive these funds. The purposes of the meeting shall be to explore ways to
8 reduce barriers to the use of funds available under the federal Elementary and
9 Secondary Education Act and help the supervisory unions and supervisory
10 districts develop strategies for best meeting the needs of students for whom
11 English is not the primary language as permitted under federal and State law.
12 In addition, the meeting participants shall discuss the weighting formulas for
13 students from economically deprived backgrounds and students for whom
14 English is not the primary language, and whether these formulas should be
15 revised. The meeting shall include those responsible for the administration of
16 the appropriate federal funds for the supervisory unions and supervisory
17 districts and shall take place prior to the creation of budgets for the next school
18 year. The Agency of Education shall report the results of the meeting to the
19 Senate Committee on Education on or before January 15, 2018.

1 * * * Prekindergarten Programs; STARS ratings * * *

2 Sec. 21. 16 V.S.A. § 829(c) is amended to read:

3 (c) Prequalification. Pursuant to rules jointly developed and overseen by
4 the Secretaries of Education and of Human Services and adopted by the State
5 Board pursuant to 3 V.S.A. chapter 25, the Agencies jointly may determine
6 that a private or public provider of prekindergarten education is qualified for
7 purposes of this section and include the provider in a publicly accessible
8 database of prequalified providers. At a minimum, the rules shall define the
9 process by which a provider applies for and maintains prequalification status,
10 shall identify the minimum quality standards for prequalification, and shall
11 include the following requirements:

12 (1) A program of prekindergarten education, whether provided by a
13 school district or a private provider, shall have received:

14 (A) National Association for the Education of Young Children
15 (NAEYC) accreditation; or

16 (B) at least four stars in the Department for Children and Families'
17 STARS system ~~with at least two points in each of the five arenas~~; or

18 (C) three stars in the STARS system if the provider has developed a
19 plan, approved by the Commissioner for Children and Families and the
20 Secretary of Education, to achieve four or more stars in no more than two years

1 with at least two points in each of the five arenas, and the provider has met
2 intermediate milestones.

3 * * *

4 * * * Act 46 Findings * * *

5 Sec. 22. ACT 46 FINDINGS

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

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

19 (c) These slightly larger, more flexible unified union districts have begun to
20 realize distinct benefits, including the ability to offer kindergarten–grade 8
21 choice among elementary schools within the new district boundaries; greater

1 flexibility in sharing students, staff, and resources among individual schools;
2 the elimination of bureaucratic redundancies; and the flexibility to create
3 magnet academies, focusing on a particular area of specialization by school.

4 (d) Significant areas of the State, however, have experienced difficulty
5 satisfying the goals of Act 46. The range of complications is varied, including
6 operating or tuitioning models that differ among adjoining districts, geographic
7 isolation due to lengthy driving times or inhospitable travel routes between
8 proposed merger partners, and greatly differing levels of debt per equalized
9 pupil between districts involved in merger study committees. This act is
10 designed to make useful changes to the merger time lines and allowable
11 governance structures under Act 46 without weakening or eliminating the
12 Act’s fundamental phased merger and incentive structures and requirements.

13 * * * Side-by-Side Structures * * *

14 Sec. 23. 2012 Acts and Resolves No. 156, Sec. 15 is amended to read:

15 Sec. 15. TWO OR MORE MERGERS; REGIONAL EDUCATION

16 DISTRICT INCENTIVES

17 (a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) of No.
18 153 of the Acts of the 2009 Adj. Sess. (2010) that requires a single regional
19 education district (“RED”) to have an average daily membership of at least
20 1,250 or result from the merger of at least four districts, or both, two or more

1 new districts shall be eligible jointly for the incentives provided in ~~Sec. 4 of~~
2 No. 153, Sec. 4 if:

3 * * *

4 (3) ~~one of the new districts provides education in all elementary and~~
5 ~~secondary grades by operating one or more schools and the other new district~~
6 ~~or districts pay tuition for students in one or more grades; each new district has~~
7 a model of operating schools or paying tuition that is different from the model
8 of the other, which may include:

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 * * *

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

17 Sec. 24. THREE-BY-ONE SIDE-BY-SIDE STRUCTURE; REGIONAL
18 EDUCATION DISTRICT INCENTIVES

19 (a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) that
20 requires a single regional education district (RED) to have an average daily
21 membership of at least 1,250 or result from the merger of at least four districts,

1 or both, a new district shall be eligible for the incentives provided in No. 153,
2 Sec. 4 as amended by 2012 Acts and Resolves No. 156 and 2015 Acts and
3 Resolves No. 46 if:

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

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

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

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

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

1 (3) The Merged District and the Existing District each has a model of
2 operating schools or paying tuition that is different from the model of the
3 other. These models are:

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

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

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

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

14 (5) The districts seeking approval of their proposed Three-by-One Side-
15 by-Side Structure demonstrate in their report presented to the State Board that
16 this structure is better suited to them than a governance structure described in
17 2015 Acts and Resolves No. 46, Sec. 6, and will meet the goals set forth in
18 Sec. 2 of that Act.

19 (6) The districts proposing to merge into the Merged District receive
20 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.

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

10 Sec. 25. TWO-BY-TWO-BY-ONE SIDE-BY-SIDE STRUCTURE;

11 REGIONAL EDUCATION DISTRICT INCENTIVES

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

18 (1) Each new district is formed by the merger of at least two existing
19 districts (each a Merged District) and, together with an existing (Existing
20 District), are members of the same supervisory union following the merger
21 (Two-by-Two-by-One Side-by-Side Structure).

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

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

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

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

14 (3) Each Merged District and the Existing District has a model of
15 operating schools or paying tuition that is different from the model of each
16 other. 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 Two-by-Two-by-One Side-by-Side Structure meets all criteria
4 for RED formation other than the size criterion of 2010 Acts and Resolves
5 No. 153, Sec. 3(a)(1) (average daily membership of at least 1,250) and
6 otherwise as provided in this section.

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

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

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

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

20 (c) The Existing District shall be exempt from the requirement under 2015
21 Acts and Resolves No. 46, Secs. 9 and 10 to self-evaluate and make a proposal

1 to the Secretary of Education and State Board of Education and from the State
2 Board's plan.

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

4 Sec. 26. 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 (4) if it approves the withdrawal, declare the membership of the
2 withdrawing school district in the union high school district terminated as of
3 July 1 immediately following, or as soon after July 1 as the financial
4 obligations of the withdrawing school district have been paid to, or an
5 agreement has been made with, the union high school district in an amount to
6 satisfy those obligations; and

7 (5) file the declaration with the Secretary of State, the clerk of the
8 withdrawing school district, and the clerk of the union high school district
9 concerned.

10 Sec. 27. REPEAL

11 Sec. 26 of this act is repealed on July 2, 2019.

12 * * * Time Extension for Qualifying Districts * * *

13 Sec. 28. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

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

15 (a) ~~On~~ Subject to subsection (b) of this section, on or before November 30,
16 2017, the board of each school district in the State that:

17 (1) has a governance structure different from the preferred structure
18 identified in Sec. 5(b) of this act (Education District), or that does not expect to
19 become or will not become an Education District on or before July 1, 2019; or

20 (2) does not qualify for an exemption under Sec. 10(c) of this act, shall
21 perform each of the following actions-:

1 ~~(1)~~(A) Self-evaluation. The board shall evaluate its current ability to
2 meet or exceed each of the goals set forth in Sec. 2 of this act.

3 ~~(2)~~(B) Meetings.

4 ~~(A)~~(i) The board shall meet with the boards of one or more other
5 districts, including those representing districts that have similar patterns of
6 school operation and tuition payment, to discuss ways to promote
7 improvement throughout the region in connection with the goals set forth in
8 Sec. 2 of this act.

9 ~~(B)~~(ii) The districts do not need to be contiguous and do not need to
10 be within the same supervisory union.

11 ~~(3)~~(C) Proposal. The board of the district, solely on behalf of its own
12 district or jointly with the boards of other districts, shall submit a proposal to
13 the Secretary of Education and the State Board of Education in which the
14 district:

15 ~~(A)~~(i) proposes to retain its current governance structure, to work
16 with other districts to form a different governance structure, or to enter into
17 another model of joint activity;

18 ~~(B)~~(ii) demonstrates, through reference to enrollment projections,
19 student-to-staff ratios, the comprehensive data collected pursuant to 16 V.S.A.
20 § 165, and otherwise, how the proposal in subdivision ~~(A)~~(i) of this

1 subdivision ~~(3)~~(C) supports the district's or districts' ability to meet or exceed
2 each of the goals set forth in Sec. 2 of this act; ~~and~~

3 ~~(C)~~(iii) identifies detailed actions it proposes to take to continue to
4 improve its performance in connection with each of the goals set forth in Sec. 2
5 of this act; and

6 (iv) describes its history of merger, consolidation, or other models
7 of joint activity with other school districts before the enactment of this act, and
8 its consideration of merger, consolidation, or other models of joint activity
9 with other school districts on or after the enactment of this act.

10 (b) The date by which a qualifying district must take the actions required
11 by subsection (a) of this section is extended from November 30, 2017 to
12 January 31, 2018. A qualifying district is a district that:

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

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

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

1 Sec. 29. 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. 30. 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 * * *

19 (e) Notwithstanding the requirement in subdivision (a)(3) of this section
20 that the newly formed school district be its own supervisory district, the newly
21 formed school district shall qualify for the incentives under this section even if

1 it is assigned to a supervisory union by the State Board of Education and that
2 assignment by the State Board is not made at the request of the school district.

3 Sec. 31. 2012 Acts and Resolves No. 156, Sec. 9 is amended to read:

4 Sec. 9. REIMBURSEMENT OF FEES FOR CONSULTING SERVICES;
5 MERGER; SCHOOL DISTRICTS; SUNSET

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

16 * * *

17 Sec. 32. 2015 Acts and Resolves No. 46, Sec. 10 is amended to read:

18 Sec. 10. TRANSITION TO SUSTAINABLE GOVERNANCE
19 STRUCTURES; PROPOSAL; FINAL PLAN

20 * * *

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

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

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

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

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

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

1 * * * Applications for Adjustments to Supervisory Union Boundaries * * *

2 Sec. 33. 16 V.S.A. § 261 is amended to read:

3 § 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY

4 UNIONS

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

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

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

1 Sec. 37. 2015 Acts and Resolves No. 46, Sec. 23 is amended to read:

2 Sec. 23. DECLINING ENROLLMENT; TRANSITION

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

6 (b) If a district's equalized pupils in fiscal year 2016 reflect adjustment
7 pursuant to 16 V.S.A. § 4010(f), then, notwithstanding the provisions of
8 § 4010(f) as amended by this act:

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

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

13 (c) Notwithstanding the provisions of subsections (a) and (b) of this
14 section, if a district is actively engaged in merger discussions with one or more
15 other districts regarding the formation of a regional education district (RED) or
16 other form of unified union school district pursuant to 16 V.S.A. chapter 11,
17 then Sec. 22 of this act shall apply to the district in fiscal year 2018 and after,
18 and each of the dates in subsection (b) of this section shall be adjusted
19 accordingly. A district shall be "actively engaged in merger discussions"
20 pursuant to this subsection (c) if on or before July 1, 2016, it has formed a
21 study committee pursuant to 16 V.S.A. chapter 11. Until such time as Sec. 22

1 of this act shall apply to the district, the district’s equalized pupil count shall be
2 calculated under 16 V.S.A. § 4010(f), as in effect on June 30, 2016.

3 * * * Effective Dates * * *

4 Sec. 38. EFFECTIVE DATES

5 (a) This section and Secs. 1–5, 9–12, and 14–37 shall take effect on
6 passage.

7 (b) Secs. 6–8 (speech-language pathologists) shall take effect on January 1,
8 2018.

9 (c) Sec. 13 (State-placed students) shall take effect beginning with the
10 2017–2018 school year.

11
12
13 (Committee vote: _____)

14 _____

15 Senator _____

16 FOR THE COMMITTEE