

1 Introduced by Committee on Education

2 Date:

3 Subject: Education; school district consolidation; Act 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 three or more
7 school districts merge and the newly merged district, together with a
8 preexisting district, are members of the same supervisory union at the
9 completion of the consolidation process, (2) provide transition facilitation
10 grants to all school districts that consolidate into a preferred governance
11 structure and to a district that has consolidated and, at the direction of the State
12 Board of Education, merges with another district, (3) extend the date by which
13 a school district that has made good faith efforts but has failed to consolidate is
14 required to make a governance proposal to the Secretary of Education, (4)
15 exempt a school district that has consolidated into an alternative governance
16 structure from the requirement to make a governance proposal to the Secretary
17 of Education and to be subject to the State Board of Education's final
18 governance plan, (5) extend the final date for voter approval of an alternative
19 governance structure for a school district that has previously had a governance
20 structure proposal rejected by voters or wishes to add a new school district as a
21 member of its study committee, (6) allow fees for consulting services to be

1 used by a school district considering consolidation for the cost of community
2 engagement, (7) clarify that alternative governance structures that become
3 fully operational on or before July 1, 2019 qualify for tax and other incentives,
4 (8) clarify the application of the declining student hold-harmless provision, and
5 (9) require the State Board of Education to act on applications for supervisory
6 union adjustments within 60 days of receipt.

7 An act relating to school district consolidation and amendments to Act 46

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

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

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

11 DISTRICT INCENTIVES

12 (a) Notwithstanding ~~Sec. 3(a)(1) of No. 153 of the Acts of the 2009~~
13 ~~Adj. Sess. (2010)~~ 2010 Acts and Resolves No. 153, Sec. 3(a)(1) that requires a
14 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, ~~two or more~~ each new districts district shall be eligible ~~jointly~~ for the
17 incentives provided in ~~Sec. 4 of No. 153, Sec. 4~~ if:

18 (1) Either:

19 (A) two or more new districts are formed (each a Merged District)

20 and are members of the same supervisory union at the completion of the

1 consolidation process, with each new district is Merged District formed by the
2 merger of at least two existing districts (Dual Merger Model); or

3 (B)(i) one district is newly formed by the merger of at least three
4 existing districts (Merged District) and the other district is an existing district
5 (Existing District), and the Merged District and the Existing District are
6 members of the same supervisory union at the completion of the consolidation
7 process (Single Merger Model); and

8 (ii) the Existing District is either geographically isolated, due to
9 lengthy driving times or inhospitable travel routes between the Existing
10 District's school or schools and the nearest school in which there is excess
11 capacity, or structurally isolated, because all adjoining school districts have
12 operating or tuitioning models that differ from the Existing District;

13 (2) each new district meets Each Merged District in the Dual Merger
14 Model and each of the Merged District and the Existing District in the Single
15 Merger Model meet all criteria for RED formation other than the size criterion
16 of 2010 Acts and Resolves No. 153, Sec. 3(a)(1) of No. 153; (average daily
17 membership of at least 1,250) and otherwise as provided in this section.

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

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 section 4025 of this title, the Secretary of
7 Education shall pay the transitional board of the new district a Transition
8 Facilitation Grant 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 * * *

1 Sec. 3. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

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

3 (a) ~~On or before November 30, 2017, the~~ The board of each school district
4 in the State that (i) has a governance structure different from the preferred
5 structure identified in Sec. 5(b) of this act (Education District), or that does not
6 expect to become or will not become an Education District on or before July 1,
7 2019, or (ii) does not qualify for an exemption under Sec. 10(c) of this act,
8 shall perform, by the date specified in subsection (b) of this section, each of the
9 following actions.

10 * * *

11 (b) The date by which school districts are required to take the actions
12 required under subsection (a) of this section is:

13 (1) [], for school districts that have, on or after July 1, 2015:

14 (A) formed a study committee under 16 V.S.A. § 706;

15 (B) considered one or more merger proposals that would satisfy the
16 criteria of section 5(b) of this act, the creation of an Education District; and

17 (C) concluded that an alternative governance structure is better suited
18 to the member districts than an Education District and will meet the goals set
19 forth in Sec. 2 of this act; or

20 (2) November 30, 2017, for school districts that have not taken the
21 actions set forth in subdivision (1) of this subsection.

1 Sec. 4. 2015 Acts and Resolves No. 46, Sec. 10 is amended to read:

2 Sec. 10. TRANSITION TO SUSTAINABLE GOVERNANCE

3 STRUCTURES; PROPOSAL; FINAL PLAN

4 * * *

5 (c) Applicability. This section shall not apply to:

6 * * *

7 (3) a district that, between June 30, 2013 and July 2, 2019, ~~began to~~
8 ~~operate as a unified union school district and:~~

9 (A) voluntarily merged into the preferred education governance
10 structure, an Education District, as set forth Sec. 5(b) of this act; or

11 (B) is a regional education district or a member of any other district
12 eligible to receive incentives governance structure formed pursuant to 2010
13 Acts and Resolves No. 153, as amended by 2012 Acts and Resolves No. 156
14 and as further amended by this act, or pursuant to 2012 Acts and Resolves No.
15 156 as amended by this act.

16 (d) A school district that is exempt under subdivision (c)(3) of this section
17 and that, as a result of State Board action under subsection (b) of this section,
18 merges with another school district, shall receive a Transitional Facilitation
19 Grant. Notwithstanding any provision to the contrary in section 4025 of this
20 title, the Secretary of Education shall pay the board of the eligible school

1 district a Transition Facilitation Grant from the Education Fund equal to
2 \$10,000.00 to defray the costs of integration.

3 Sec. 5. 2010 Acts and Resolves No. 153, Sec. 2, as amended by 2012 Acts and
4 Resolves No. 156, Sec. 1, as amended by 2015 Acts and Resolves No. 46,
5 Sec. 16, is further amended to read:

6 Sec. 2. SCHOOL DISTRICT MERGER INCENTIVE PROGRAM

7 (a) Program created. There is created a school district merger incentive
8 program under which the incentives outlined in Sec. 4 of this act shall be
9 available to each new unified union school district created pursuant to Sec. 3 of
10 this act and to each new district created under Sec. 3 of this act by the merger
11 of districts that provide education by paying tuition; and to the Vermont
12 members of any new interstate school district if the Vermont members jointly
13 satisfy the size criterion of Sec. 3(a)(1) of this act and the new, merged district
14 meets all other requirements of Sec. 3 of this act. Incentives shall be available,
15 however, only if the merger receives final approval of the electorate prior to
16 July 1, 2017 and the new district formed by the merger becomes fully
17 operational on or before July 1, 2019, provided, however, that the date by
18 which final approval of the electorate is required shall be extended to
19 November 30, 2017 for a school district that:

1 one-half upon submission of the final report pursuant to 16 V.S.A. § 706c,
2 provided that no payment shall cause the total amount paid to exceed the
3 \$20,000.00 limit.

4 (c) Any transition facilitation grant funds paid to the union school board
5 pursuant to Sec. 11 of this act shall be reduced by the total amount of
6 reimbursement provided under this section.

7 (d) A regional education district (“RED”) receiving incentives pursuant to
8 Sec. 4 of No. 153 of the Acts of the 2009 Adj. Sess. (2010) as amended by this
9 act is not eligible to receive reimbursement under this section.

10 (e) ~~This section is repealed on July 1, 2017.~~ [Repealed.]

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

12 Sec. 15. TWO OR MORE MERGERS; REGIONAL EDUCATION
13 DISTRICT INCENTIVES

14 * * *

15 (b) ~~This section is repealed on July 1, 2017.~~ [Repealed.]

16 Sec. 8. 2012 Acts and Resolves No. 156, Sec. 16 is amended to read:

17 Sec. 16. UNION ELEMENTARY SCHOOL DISTRICTS; REGIONAL
18 EDUCATION DISTRICT INCENTIVES

19 * * *

20 (b) ~~This section is repealed on July 1, 2017.~~ [Repealed.]

1 Sec. 9. 2012 Acts and Resolves No. 156, Sec. 17 is amended to read:

2 Sec. 17. MODIFIED UNIFIED UNION SCHOOL DISTRICT

3 * * *

4 (d) ~~This section is repealed on July 1, 2017.~~ [Repealed.]

5 Sec. 10. 2015 Acts and Resolves No. 46, Sec. 23 is amended to read:

6 Sec. 23. DECLINING ENROLLMENT; TRANSITION

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

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

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

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

17 (c) Notwithstanding the provisions of subsections (a) and (b) of this
18 section, if a district is actively engaged in merger discussions with one or more
19 other districts regarding the formation of a regional education district (RED) or
20 other form of unified union school district pursuant to 16 V.S.A. chapter 11,
21 then Sec. 22 of this act shall apply to the district in fiscal year 2018 and after,

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

7 Sec. 11. 16 V.S.A. § 261 is amended to read:

8 § 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY
9 UNIONS

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

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

20 (2) Any group of school districts that have so voted at their respective
21 annual school district meeting, regardless of whether the districts are members

1 of the same supervisory union, may request that the State Board adjust existing
2 supervisory union boundaries and move one or more nonrequesting districts to
3 a different supervisory union if such adjustment would assist the requesting
4 districts to realign their governance structures into a unified union school
5 district pursuant to chapter 11 of this title.

6 (3) The State Board shall ~~give timely consideration to requests~~ act on a
7 request made pursuant to this subsection within 60 days of receipt of the
8 request and may regroup the school districts of the area so as to ensure
9 reasonable supervision of all public schools therein.

10 * * *

11 Sec. 12. EFFECTIVE DATE

12 This act shall take effect on passage.