

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 school
20 district considering 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 and
2 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. TWO OR MORE MERGERS; REGIONAL EDUCATION

8 DISTRICT INCENTIVES

9 Two or more new districts shall be eligible jointly for the incentives
10 provided in 2010 Acts and Resolves No. 153, Sec. 4 if the conditions of 2012
11 Acts and Resolves 156, Sec. 15 are satisfied, except that each new district may
12 operate a school or schools for all resident students in prekindergarten through
13 grade 12, operate a school or schools for all resident students in some grades
14 and pay tuition for resident students in the other grades, or operate no schools
15 and pay tuition for all resident students in prekindergarten through grade
16 12. [Note—AOE and VSBA do not believe the 1,250 ADM applies; therefore,
17 not changed to 900]

18 Sec. 2. ONE OR MORE MERGERS; REGIONAL EDUCATION

19 DISTRICT INCENTIVES

1 (a) Notwithstanding 2010 Acts and Resolves No. 153, Sec. 3(a)(1) that
2 requires a single regional education district (RED) to have an average daily
3 membership of at least 1,250 or result from the merger of at least four districts,
4 or both, a new district shall be eligible for the incentives provided in No. 153,
5 Sec. 4 if:

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

9 (2) The Existing District is either geographically isolated, due to lengthy
10 driving times or inhospitable travel routes between the Existing District's
11 school or schools and the nearest school in which there is excess capacity as
12 determined by the State Board of Education, or structurally isolated, because
13 all adjoining school districts have operating or tuitioning models that differ
14 from the Existing District.

15 (3) The Merged District and the Existing District meet all criteria for
16 RED formation other than the size criterion of 2010 Acts and Resolves
17 No. 153, Sec. 3(a)(1) (average daily membership of at least 1,250) and
18 otherwise as provided in this section.

19 (4) The Merged District and the Existing District jointly have an average
20 daily membership of at least 900 [consider whether to include this
21 requirement].

1 (b) Each Merged District and Existing District may operate a school or
2 schools for all resident students in prekindergarten through grade 12, operate a
3 school or schools for all resident students in some grades and pay tuition for
4 resident students in the other grades, or operate no schools and pay tuition for
5 all resident students in prekindergarten through grade 12.

6 (c) The tax incentives provided in 2010 Acts and Resolves No. 153, Sec. 4
7 shall be available to the Merged District and shall not be available to the
8 Existing District. The tax incentives shall be available only if the merger
9 receives final approval of the electorate prior to July 1, 2017, and the Merged
10 District formed by the merger becomes fully operational on or before July 1,
11 2019.

12 (d) Notwithstanding 2015 Acts and Resolves No. 46, Secs. 9 and 10, the
13 Existing District shall be exempt from the requirement to self-evaluate and
14 make a proposal to the Secretary of Education and State Board of Education
15 and from the State Board’s plan.

16 * * * Time Extension for Qualifying Districts * * *

17 Sec. 3. QUALIFYING DISTRICTS; TIME EXTENSION

18 Notwithstanding 2010 Acts and Resolves No. 153, Sec. 2, as amended by
19 2012 Acts and Resolves No. 156, Sec. 1, as amended by 2015 Acts and
20 Resolves No. 46, Sec. 16, and notwithstanding 2015 Acts and Resolves
21 No. 46, Sec. 9, the date by which a qualifying district must receive final

1 approval from the electorate for its merger proposal is extended from July 1,
2 2017 to November 30, 2017, and the date by which a qualifying district must
3 self-evaluate and make a proposal to the Secretary of Education and State
4 Board of Education is extended from November 30, 2017 to [_____]. A
5 qualifying district is a district that:

6 (1) proposed a school district consolidation plan under 2010 Acts and
7 Resolves No. 153 or 2012 Acts and Resolves No. 156, which was rejected by
8 voters; or

9 (2) provides to the Secretary a declaration that another school district
10 wants to join the district's study committee formed under 16 V.S.A. § 706,
11 signed by each member of the study committee and the district that proposes to
12 join the study committee.

13 * * * Grants and Fee Reimbursement * * *

14 Sec. 4. 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.

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. 5. 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
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.

5 * * *

6 Sec. 6. 2015 Acts and Resolves No. 46, Sec. 10 is amended to read:

7 Sec. 10. TRANSITION TO SUSTAINABLE GOVERNANCE
8 STRUCTURES; PROPOSAL; FINAL PLAN

9 * * *

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

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

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

20 § 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY
21 UNIONS

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

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

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

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

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* * * Technical Corrections; Clarifications * * *

Sec. 8. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

Sec. 9 SELF-EVALUATION, MEETINGS, AND PROPOSAL

(a) On or before November 30, 2017, the board of each school district in the State that:

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

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

* * *

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

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

* * *

(b) The incentives under this section shall be available only if the mergers receive final approval of the electorate prior to July 1, 2017, or for qualifying districts, prior to November 1, 2017, and the new districts formed by the mergers become fully operational on or before July 1, 2019. This section is repealed on July 1, ~~2017~~ 2019. A qualifying district is a district that:

1 (1) proposed a school district consolidation plan under 2010 Acts and
2 Resolves No. 153 or 2012 Acts and Resolves No. 156, which was rejected by
3 voters; or

4 (2) provides to the Secretary a declaration that another school district
5 wants to join the district’s study committee formed under 16 V.S.A. § 706,
6 signed by each member of the study committee and the district that proposes to
7 join the study committee.

8 Sec. 10. 2012 Acts and Resolves No. 156, Sec. 16 is amended to read:

9 Sec. 16. UNION ELEMENTARY SCHOOL DISTRICTS; REGIONAL
10 EDUCATION DISTRICT INCENTIVES

11 * * *

12 (b) The incentives under this section shall be available only if the merger
13 receives final approval of the electorate prior to July 1, 2017, or for qualifying
14 districts, prior to November 1, 2017, and the new district formed by the merger
15 becomes fully operational on or before July 1, 2019. This section is repealed
16 on July 1, ~~2017~~ 2019. A qualifying district is a district that:

17 (1) proposed a school district consolidation plan under 2010 Acts and
18 Resolves No. 153 or 2012 Acts and Resolves No. 156, which was rejected by
19 voters; or

20 (2) provides to the Secretary a declaration that another school district
21 wants to join the district’s study committee formed under 16 V.S.A. § 706,

1 signed by each member of the study committee and the district that proposes to
2 join the study committee.

3 Sec. 11. 2012 Acts and Resolves No. 156, Sec. 17 is amended to read:

4 Sec. 17. MODIFIED UNIFIED UNION SCHOOL DISTRICT

5 * * *

6 (d) The incentives under this section shall be available only if the merger
7 receives final approval of the electorate prior to July 1, 2017, or for qualifying
8 districts, prior to November 1, 2017, and the new district formed by the merger
9 becomes fully operational on or before July 1, 2019. This section is repealed
10 on July 1, ~~2017~~ 2019. A qualifying district is a district that:

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

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

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

19 Sec. 23. DECLINING ENROLLMENT; TRANSITION

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

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

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

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

11 (c) Notwithstanding the provisions of subsections (a) and (b) of this
12 section, if a district is actively engaged in merger discussions with one or more
13 other districts regarding the formation of a regional education district (RED) or
14 other form of unified union school district pursuant to 16 V.S.A. chapter 11,
15 then Sec. 22 of this act shall apply to the district in fiscal year 2018 and after,
16 and each of the dates in subsection (b) of this section shall be adjusted
17 accordingly. A district shall be “actively engaged in merger discussions”
18 pursuant to this subsection (c) if on or before July 1, 2016, it has formed a
19 study committee pursuant to 16 V.S.A. chapter 11. Until such time as Sec. 22
20 of this act shall apply to the district, the district’s equalized pupil count shall be
21 calculated under 16 V.S.A. § 4010(f), as in effect on June 30, 2016.

