

## S.122 – Side-by-Side Comparison

- S.122
- House Proposal of Further Amendment to H.513

**Prepared by Jim DesMarais, Office of Legislative Council on April 28, 2017**

Subject (Sec. references are to House Proposal of Further Amendment to H.513)	S.122	House Proposal of Further Amendment to H.513
<p><b>Sec. 7.</b> Findings</p>	<ul style="list-style-type: none"> <li>• Sets out findings and purpose of the act</li> </ul>	<ul style="list-style-type: none"> <li>• Adds new finding that “While Vermont generally does an excellent job educating our children, we fall short in two critical areas. First, we are not as successful as we need to be in educating children from families with low-income, and second, while we have a very high graduation rate from our high schools, not enough of our graduates continue their education. Fulfilling the goals of Act 46 is a critical step in addressing these shortcomings.”</li> <li>• Adds new purpose that “Nothing in this act should suggest that it is acceptable for a school district to fail to take reasonable and robust action to seek to meet the goals of Act 46.”</li> </ul>
<p><b>Sec. 8.</b> Amendment To Two-By-Two Side-By-Side Structure</p>	<ul style="list-style-type: none"> <li>• Amends Act 156, which created the Two-By-Two Side-by-Side Structure, to provide greater flexibility</li> <li>• Current requirement is that one district in the side-by-side must operate K–12</li> <li>• Would eliminate that requirement and instead require that each district in the side-by-side have a model of operating schools or paying tuition that is different from the model of the other</li> </ul>	<ul style="list-style-type: none"> <li>• Amends to extend deadline for the vote by the electorate to approve the Two-By-Two Side-by-Side Structure from July 1, 2017 to November 30, 2017.</li> </ul>
<p><b>Sec. 9.</b> New Three-By-One Side-By-Side Structure</p>	<ul style="list-style-type: none"> <li>• Creates a new incentivized governance structure, where three or more districts merge into a newly formed district, and, together with an existing district, are members of the same supervisory union following the merger</li> </ul>	<ul style="list-style-type: none"> <li>• Amends to:               <ul style="list-style-type: none"> <li>○ Permit one or two existing districts to be members of the Three-By-One Side-By-Side Structure</li> <li>○ Delete the qualification criteria for an existing</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>• The existing district must, as of March 7, 2017 (Town Meeting Day), be:                             <ul style="list-style-type: none"> <li>○ geographically isolated, due to lengthy driving times or inhospitable travel routes between the existing district’s school or schools and the nearest school in which there is excess capacity as determined by the State Board of Education;</li> <li>○ structurally isolated, because all adjoining school districts have operating or tuitioning models that differ from the existing district; or</li> <li>○ unable to reach agreement to consolidate with one or more other adjoining school districts because the school districts that adjoin the existing district have greatly differing levels of indebtedness per equalized pupil from that of the existing district as determined by the State Board of Education</li> </ul> </li> <li>• The merged district and the existing district must have a model of operating schools or paying tuition that is different from the model of the other</li> <li>• The districts proposing to merge must receive final approval from their electorate for the merger proposal on or before November 30, 2017, and the merged district must be fully operational on or before July 1, 2019</li> <li>• The incentives would be available to the merged district and would not be available to the existing district</li> <li>• The existing district would be exempt from the State Board of Education State-wide plan (the merged district would be exempt under existing law)</li> </ul>	<ul style="list-style-type: none"> <li>○ district that is unable to reach agreement to consolidate with one or more other adjoining school districts due to greatly differing levels of indebtedness</li> <li>○ Permit the existing districts to have the same model of operating/tuitioning if they are geographically isolated from each other</li> <li>○ Require existing districts to obtain approval by electorate by November 30, 2017</li> <li>○ Add detail as to process for application to State Board for approval</li> <li>○ Provide that neither the merged district nor the existing districts shall receive incentives, but they shall be exempt from the statewide plan</li> </ul>

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<p><b>Sec. 10.</b>                      New Two-By-Two-By-One Side-By-Side Structure</p>	<ul style="list-style-type: none"> <li>• Creates a new incentivized governance structure, where (i) two or more districts merge into a newly formed district, (ii) two or more districts merge into another newly formed district, and (iii) together with an existing district, the newly formed districts are members of the same supervisory union following the mergers</li> <li>• The terms and conditions of this structure are the same as in the Three-By-One Side-By-Side Structure</li> </ul>	<ul style="list-style-type: none"> <li>• Amends to:                             <ul style="list-style-type: none"> <li>○ Delete the qualification criteria for an existing district that is unable to reach agreement to consolidate with one or more other adjoining school districts due to greatly differing levels of indebtedness</li> <li>○ Add detail as to process for application to State Board for approval</li> </ul> </li> </ul>
<p><b>Sec. 11.</b>                      Temporary Authority To Withdraw From Union School District</p>	<ul style="list-style-type: none"> <li>• Permits a school district to withdraw from a union high school district without approval by the remaining members of the union high school district if the school district proposing to withdraw from the union high school district operates a school or schools for all resident students in prekindergarten through grade 6 and pays tuition for resident students in grade 7 through grade 12 (Vernon)</li> <li>• The electorate of the withdrawing district must approve the withdrawal</li> <li>• The State Board of Education must approve the withdrawal</li> <li>• The withdrawing district must settle its obligations to the remaining school districts in the union high school before withdrawing</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>
<p><b>Sec. 12.</b>                      Repeal</p>	<ul style="list-style-type: none"> <li>• The authority enabled in Sec. 11 (Temporary Authority To Withdraw From Union School District) is repealed on July 2, 2019</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>
<p><b>Sec. 13.</b>                      Guidelines for alternative structures</p>		<ul style="list-style-type: none"> <li>• Amends alternative structure guidelines in Sec. 5 of Act 46 to:                             <ul style="list-style-type: none"> <li>○ Add that a supervisory union that is proposing an alternative structure should comply with statutory requirements imposed on alternative structures (e.g.,</li> </ul> </li> </ul>

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		<ul style="list-style-type: none"> <li>○ special education) and operate with the goal of increasing the ratio of students to staff</li> <li>○ Add a guideline that the supervisory union should have the smallest number of school districts practicable after consideration of greatly differing levels of debt</li> <li>○ Reduce ADM guideline from 1,100 to 900</li> <li>● Amended the Sec. 5 designation in Act 46 by striking out the section designation “PREFERRED EDUCATION GOVERNANCE STRUCTURE; ALTERNATIVE STRUCTURE” and inserting in lieu thereof “PREFERRED EDUCATION GOVERNANCE STRUCTURE; ALTERNATIVE STRUCTURE <u>GUIDELINES</u>”.</li> </ul>
<p><b>Sec. 14.</b></p> <p>Process for State Board approval of alternative structures</p>		<ul style="list-style-type: none"> <li>● Adds new subsection (c) to the Act 46 section (Sec. 10) that requires the Secretary and the State Board to consider proposals for alternative structures that states “On and after October 1, 2017, the Secretary and State Board shall consider any proposals submitted by districts or groups of districts under Sec. 9 of this act. Districts that submit such a proposal shall have the opportunity to add to or otherwise amend their proposal in connection with the Secretary’s consideration of the proposal and conversations with the district or districts under subsection (a) of this section, and in connection with testimony presented to the State Board under subsection (b) of this section. The State Board may, in its discretion, approve an alternative governance proposal at any time on or before November 30, 2018.”</li> <li>● Adds new subsections ((d)-(f)) to the Act 46 section (Sec. 10) that requires that the Board issue default Articles of Agreement to be used by new unified union school districts</li> </ul>

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		created under the statewide plan
<p><b>Sec. 15.</b>  Publication of list of geographically isolated districts</p>		<ul style="list-style-type: none"> <li>• Moves the date established in Act 46 (Sec. 21) by which the State Board is required to publish a list of geographically isolated districts from July 1, 2018 to September 30, 2017</li> </ul>
<p><b>Sec. 16.</b>  Alternative structures; Self-Evaluation, Meetings, and Proposal</p>	<ul style="list-style-type: none"> <li>• Amends Act 46 (Sec. 9)</li> <li>• Clarifies that districts that have merged under Acts 46/153/156 and have qualified for incentives do not need to submit an alternative governance structure proposal to the Secretary of Education</li> <li>• Provides more time to submit an alternative governance structure proposal to the Secretary of Education (from November 30, 2017 to January 31, 2018) if the district:                             <ul style="list-style-type: none"> <li>○ proposed a school district consolidation plan under Acts 46/153/156 that was rejected by voters;</li> <li>○ is a member of a study committee that provides to the Secretary a declaration that another school district wants to join the district’s study committee; or</li> <li>○ is a member of a supervisory union that, on or after July 1, 2010, combined with another supervisory union</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Amends Act 46 (Sec. 9) to:                             <ul style="list-style-type: none"> <li>○ Same as in second bullet in S.122 column</li> <li>○ Replaces provision in third bullet in S.122 column with new provision that moves deadline to submit an alternative governance structure proposal to the Secretary of Education from November 30, 2017 to “the date that is the earlier of six months after the date the State Board’s rules on the process for submitting alternative governance proposals take effect or January 31, 2018.”</li> </ul> </li> </ul>
<p><b>Sec. 17.</b>  Time Extension For Vote Of Electorate</p>	<ul style="list-style-type: none"> <li>• Provides more time for a district to receive final approval from its electorate for its merger proposal under Acts 46/153/156 (from July 1, 2017 to November 30, 2017) if the district (same as above):                             <ul style="list-style-type: none"> <li>○ proposed a school district consolidation plan under Acts 46/153/156 that was rejected by voters;</li> <li>○ is a member of a study committee that provides to</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>

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<b>Sec. 18.</b>  School Districts Created After Deadline For Accelerated Activity; Tax Incentives; Small School Support; Joint Contract Schools	<ul style="list-style-type: none"> <li>• Amends Act 46 (Sec. 7)</li> <li>• Clarifies that a newly formed school district that merges into the preferred model after the initial accelerated phase is eligible for a transition facilitation grant (appr. \$150,000.00)</li> <li>• Clarifies that a newly formed school district that merges into the preferred model after the initial accelerated phase will not be disqualified for incentives if the State Board assigns it to a supervisory union</li> </ul>	<ul style="list-style-type: none"> <li>• Same as in S.122, except moved the last bullet from the S.122 column to new Sec. 17 (see below) and expands protection of incentives to cover any district that merged into the preferred structure (not just districts that merge into the preferred model after the initial accelerated phase)</li> </ul>
<b>Sec. 19.</b>  Reimbursement Of Fees For Consulting Services; Merger; School Districts; Sunset	<ul style="list-style-type: none"> <li>• Amends Act 156 (Sec. 9)</li> <li>• Permits a study committee to use up to 30% of legal and consulting grant fees for community outreach, including communications with voters, limited to those that are reasonably designed to inform and educate</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>
<b>Sec. 20.</b>  Transition to Sustainable Governance Structures; Proposal; Final Plan	<ul style="list-style-type: none"> <li>• Amends Act 46 (Sec. 10)</li> <li>• Provides a \$10,000.00 grant to school districts that have consolidated under Act 46/153/156 and that, at the request of the State Board of Education or on own initiative, agrees to merge with another district (qualified merger)</li> <li>• The grant amount is paid for each qualifying merger even if more than one qualifying merger occurs on same date</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>

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<p><b>Sec. 21.</b>                       Organization and Adjustment of Supervisory Unions</p>	<ul style="list-style-type: none"> <li>• Amends Title 16 (Sec. 261)</li> <li>• Requires the State Board of Education to act within 75 days of receipt of a request to adjust supervisory union boundaries</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>
<p><b>Sec. 22.</b>                       Union Elementary School Districts; Regional Education District Incentives</p>	<ul style="list-style-type: none"> <li>• Amends Act 156 (Sec. 16); layered mergers</li> <li>• Moves the repeal date of this section from July 1, 2017 to July 1, 2019 to clarify that this provision, which enables layered mergers, remains in effect until the date by which this type of merger is required to be completed and the newly merged entity fully operational</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>
<p><b>Sec. 23.</b>                       Modified Unified Union School District</p>	<ul style="list-style-type: none"> <li>• Amends Act 156 (Sec. 17); modified union school district mergers</li> <li>• Moves the repeal date of this section from July 1, 2017 to July 1, 2019 to clarify that this provision, which enables modified union school district mergers, remains in effect until the date by which this type of merger is required to be completed and the newly merged entity fully operational</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>
<p><b>Sec. 24.</b>                       Availability of Tax and Other Incentives</p>	<ul style="list-style-type: none"> <li>• Clarifies that tax and other incentives under Acts 153/156 are only available if the new governance structure formed under these acts becomes fully operational on or before July 1, 2019</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>
<p><b>Sec. 25.</b>                       Declining Enrollment; Transition</p>	<ul style="list-style-type: none"> <li>• Amends Act 46 (Sec. 23)</li> <li>• Clarifies how the phantom student count is computed for districts for which the transitional declining enrollment provisions are delayed (districts that formed a study committee on or before July 1, 2016)</li> </ul>	<ul style="list-style-type: none"> <li>• No change</li> </ul>

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<p><b>Sec. 26.</b> Protection for Preferred Structures</p>		<ul style="list-style-type: none"> <li>• Clarifies in Act 46 that a newly formed school district that merges into the preferred model will not be disqualified for incentives if the State Board assigns it to a supervisory union</li> </ul>
<p><b>Sec. 27.</b> State Board Rulemaking Authority</p>		<ul style="list-style-type: none"> <li>• Adds new subsection (c) to Sec. 8 of Act 46 to state that “The State Board may adopt rules designed to assist districts in submitting alternative structure proposals, but shall not by rule or otherwise impose more stringent requirements than those in this act.”</li> </ul>
<p><b>Sec. 28.</b> Education Tax Relief</p>		<ul style="list-style-type: none"> <li>• Allows Lemington to merge into NEK District at average tax rate of other merging districts and not be subject to 5% annual limit on tax rate changes</li> </ul>
<p><b>Sec. 29.</b> Modified Unified Union School Districts; Tax Incentives</p>		<ul style="list-style-type: none"> <li>• Disallows incentives for a district that did not join a Modified Unified Union School Districts(MUUSD) for all grades; applies to a MUUSD that began full operation after July 1, 2015</li> </ul>
<p><b>Sec. 30.</b> Elections to Unified District Boards</p>		<ul style="list-style-type: none"> <li>• Provides that the election of a director on the board of a unified union school district shall be held at the unified union school district’s annual meeting, rather than at the member town’s annual meeting, in accordance with the district’s articles of agreement</li> <li>• Provides that vacancies on the board of a unified union school district shall be filled by the district’s board, in consultation with the town selectboard, rather than by the selectboard</li> </ul>