

1 § 724. WITHDRAWAL FROM OR DISSOLUTION OF A UNIFIED
2 UNION SCHOOL DISTRICT

3 (a) Definitions. As used in this section:

4 (1) “Petitioning town” means the town within a unified union school
5 district that seeks to withdraw from the union district pursuant to the
6 provisions of this section.

7 (2) “Town within a unified union school district” has the same meaning
8 as in subdivision 702(9) of this chapter.

9 (b) Initiation of process; study committee creation; authority and initial
10 duties.

11 (1) To initiate the process set forth in this section, the voters residing in
12 the petitioning town shall submit a petition to the board of the unified union
13 school district indicating the petitioners’ desire to withdraw the petitioning
14 town from the union district. The petition shall be signed by at least five
15 percent of the voters residing in the petitioning town and five percent of the
16 voters residing in each of the other towns within the union district. Appended
17 to the petition shall be the names of three voters residing in the petitioning
18 town to serve on a withdrawal study committee and a signed statement by each
19 of the three named voters consenting to serve.

20 (2) Within 30 days after receiving the petition, the board of the union
21 district shall appoint three individuals to sit on the withdrawal study

1 committee, at least one of whom shall be a current member of the union district
2 board.

3 (3) Within 30 days following the board's appointment of its three
4 members, the superintendent of the union district shall convene a meeting of
5 the withdrawal study committee.

6 (A) The withdrawal study committee is a public body pursuant to
7 1 V.S.A. § 310(4) and is subject to the requirements of chapter 5, subchapter 2
8 of that title.

9 (B) The withdrawal study committee shall elect one committee
10 member identified in the petitioning town's petition and one committee
11 member appointed by the union district board to serve as co-chairs. The
12 committee shall notify the Secretary in writing of the committee's creation and
13 the co-chairs' election within 30 days following the committee's initial
14 meeting.

15 (4) In the form of a written request to the board of the union district and
16 to the board of the supervisory union if the supervisory union provides services
17 to multiple districts, the withdrawal study committee shall identify the nature
18 and extent of technical and analytical services it proposes to be provided by the
19 union district staff or the supervisory union staff, or both. After approving the
20 request, with or without modifications, the board shall direct its staff to comply

1 with requests for assistance pursuant to the terms of the approved written
2 request.

3 (5) The withdrawal study committee may hire outside legal counsel and
4 other assistance and may seek advice from the legal counsel for the union
5 district and the supervisory union. The withdrawal study committee may use
6 up to \$25,000.00 of union district funds to finance this assistance. The
7 withdrawal study committee shall obtain approval from the union district
8 voters to spend more than \$25,000.00.

9 (c) Analysis. The withdrawal study committee shall evaluate the strengths
10 and challenges of the current union district structure and consider the ways in
11 which the union district promotes or fails to promote the State policy set forth
12 in section 701 of this chapter. At a minimum, the withdrawal study committee
13 shall evaluate:

14 (1) the educational advantages and disadvantages likely to result from
15 the proposed withdrawal of the petitioning town from the union district:

16 (A) on the students residing in the proposed new school district; and
17 (B) on the students remaining in the union district if withdrawal is
18 approved;

19 (2) the educational advantages and disadvantages likely to result from
20 the continued inclusion of the petitioning town as a town within the union
21 district:

- 1 (A) on the students residing in the petitioning town; and
- 2 (B) on the students residing in the other towns within the union
- 3 district;
- 4 (3) the financial advantages and disadvantages likely to result from the
- 5 proposed withdrawal of the petitioning town from the union district:
- 6 (A) on the taxpayers residing in the proposed new school district; and
- 7 (B) on the taxpayers remaining in the union district if withdrawal is
- 8 approved;
- 9 (4) the financial advantages and disadvantages likely to result from the
- 10 continued inclusion of the petitioning town as a town within the union district:
- 11 (A) on the taxpayers residing in the petitioning town; and
- 12 (B) on the taxpayers residing in the other towns within the union
- 13 district;
- 14 (5) the likely operational and financial viability and sustainability of:
- 15 (A) the proposed new school district; and
- 16 (B) the union district if withdrawal is approved;
- 17 (6) any other advantages and disadvantages of withdrawal, including
- 18 any advantages and disadvantages to the students and taxpayers of the region
- 19 and the State; and
- 20 (7) the potential source of supervisory union services for the proposed
- 21 new school district, including discussions with the board of any supervisory

1 union to which the report of the withdrawal study committee might propose
2 assignment.

3 (d) Vote of committee; preparation of report. Within one year after its first
4 meeting convened pursuant to subdivision (b)(3) of this section, the withdrawal
5 study committee shall vote whether to advance the withdrawal process as
6 further outlined in this section. Upon the request of a majority of the
7 withdrawal study committee members and for good cause shown, the Secretary
8 may extend this deadline for a time certain not to exceed an additional six
9 months.

10 (1) Approval by a majority. If a majority of the withdrawal study
11 committee members vote to approve advancement of the withdrawal process,
12 then the withdrawal study committee shall prepare a report, which it shall
13 deliver electronically to the union district board and publish on the district's
14 website.

15 (A) At a minimum, the report shall include:
16 (i) the analysis conducted pursuant to subsection (c) of this
17 section, describing the ways in which the data and analysis:
18 (I) support withdrawal; and
19 (II) do not support the continuation of the union district in its
20 current configuration;

1 (ii) a proposed agreement negotiated by the withdrawal study
2 committee members setting out the financial terms of withdrawal, including
3 the proposed ownership of buildings and other assets and the proposed
4 responsibility for financial and other contractual obligations, including debts;
5 (iii) a plan, including a detailed timeline, for the actions the
6 proposed new school district would take to ensure that, once fully operational,
7 it could provide for the education of its students in prekindergarten through
8 grade 12 by operating all grades, tuitioning all grades, or operating some
9 grades and tuitioning the remainder in a manner that will meet educational
10 quality standards as required by section 165 of this title, and including, if
11 applicable, the process by which the proposed new school district would
12 explore formation of a new union school district with one or more other school
13 districts in the region and integrate or condition any votes to withdraw and
14 votes on formation of a new union district;
15 (iv) a proposal, including analysis, for the potential source of
16 supervisory union services for the proposed new school district, including, if
17 applicable to the proposal:
18 (I) a recommendation of one or more potential supervisory
19 unions to which the State Board could assign the proposed new school district;
20 and

1 (II) a statement from the board of the potential supervisory
2 union or unions regarding the ability and willingness to accept the proposed
3 new school district as a member district.

4 (B) The union district board shall invite the members of the
5 withdrawal study committee to attend the board's next regularly scheduled
6 meeting to present the contents of the report and to answer any questions posed
7 by the board. The withdrawal study committee has sole authority to determine
8 the contents of the report.

9 (2) Approval by all members representing the petitioning town and by
10 no board-appointed members. If all committee members identified in the
11 petitioning town's petition vote to approve advancement of the withdrawal
12 process and none of the members appointed by the union district board vote to
13 approve advancement, then:

14 (A) The petitioning town's members shall prepare a written report,
15 which they shall deliver electronically to the union district board and the
16 board-appointed committee members and publish on the union district's
17 website. At a minimum, the report shall include:

18 (i) the analysis conducted pursuant to subsection (c) of this
19 section, describing the ways in which the data and analysis:

20 (I) support withdrawal; and

1 (II) do not support the continuation of the union district in its
2 current configuration;
3 (ii) a proposal regarding the financial terms of the petitioning
4 town's withdrawal, including the proposed ownership of buildings and other
5 assets and the proposed responsibility for financial and other contractual
6 obligations, including debts;
7 (iii) a plan, including a detailed timeline, for the actions the
8 proposed new school district would need to take to ensure that, once fully
9 operational, it could provide for the education of its students in prekindergarten
10 through grade 12 by operating all grades, tuitioning all grades, or operating
11 some grades and tuitioning the remainder in a manner that will meet
12 educational quality standards as required by section 165 of this title, and
13 including, if applicable, the process by which the proposed new school district
14 would explore formation of a new union school district with one or more other
15 school districts in the region and integrate or condition any votes on
16 withdrawal with votes on that formation; and
17 (iv) a proposal, including analysis, for the potential source of
18 supervisory union services for the proposed new school district, including, if
19 applicable to the proposal:

1 (I) a recommendation of one or more potential supervisory
2 unions to which the State Board could assign the proposed new school district;
3 and

4 (II) a statement from the board of the potential supervisory
5 union or unions regarding the ability and willingness to accept the proposed
6 new school district as a member district.

7 (B) Within 60 days of receiving the report required by subdivision
8 (A) of this subdivision (d)(2), the board-appointed members shall prepare a
9 responsive written report, which they shall deliver electronically to the union
10 district board and the petitioning town's committee members and publish on
11 the union district's website. To the extent the board-appointed members
12 disagree with the report of the petitioning town's members, the board-
13 appointed members' report shall, at a minimum, include:

14 (i) the analysis conducted pursuant to subsection (c) of this
15 section, describing the ways in which the data and analysis:

16 (I) support the continuation of the union district in its current
17 configuration; and

18 (II) do not support withdrawal;
19 (ii) a proposal regarding the financial terms of withdrawal,
20 including the proposed ownership of buildings and other assets and the

1 proposed responsibility for financial and other contractual obligations,
2 including debts, if withdrawal were to occur; and
3 (iii) a proposal, including analysis, for the potential source of
4 supervisory union services for the proposed new school district, if withdrawal
5 were to occur, including, if applicable to the proposal, a recommendation of
6 one or more potential supervisory unions to which the State Board could assign
7 the proposed new school district.

8 (C) The union district board shall invite the members of the
9 withdrawal study committee to attend the board's next regularly scheduled
10 meeting to present the contents of both reports and to answer any questions
11 posed by the board. The members of the withdrawal study committee have
12 sole authority to determine the contents of their respective reports.

13 (3) Approval by less than a majority. Except as provided in subdivision
14 (2) of this subsection (d), if fewer than four members of the withdrawal study
15 committee vote to approve advancement of the withdrawal process, then:

16 (A) the withdrawal study committee shall prepare a brief written
17 statement explaining the reasons underlying the votes supporting and not
18 supporting advancement, which it shall deliver electronically to the union
19 district board and the Secretary and publish on the district's website;

20 (B) the union district board shall invite the members of the
21 withdrawal study committee to attend the board's next regularly scheduled

1 meeting to present the contents of the written statement and to answer any
2 questions posed by the board; and

3 (C) the withdrawal study committee shall cease to exist upon
4 adjournment of the union district board's meeting.

5 (e) Secretary and State Board.

6 (1) Secretary. Within 30 days after attending the union district board
7 meeting pursuant to subdivision (d)(1)(B) or (d)(2)(C) of this section, the
8 withdrawal study committee shall deliver the report or reports electronically to
9 the Secretary for review. The Secretary shall submit the report or reports, with
10 recommendations, to the State Board.

11 (2) State Board review. The State Board:

12 (A) shall consider the report or reports and the Secretary's
13 recommendations;

14 (B) shall provide representatives of the withdrawal study committee
15 an opportunity to be heard;

16 (C) may, in its discretion, take testimony from other individuals and
17 the representatives of other entities;

18 (D) may ask the Secretary, the withdrawal study committee, or both
19 to make further investigation and may consider any other information the State
20 Board deems to be pertinent; and

1 (E) may request the members of the withdrawal study committee to
2 amend the report or reports.

3 (3) State Board action.

4 (A) Vote to approve. If the State Board finds that the plan for
5 withdrawal, including the most feasible options for the provision of
6 supervisory union services to the proposed new school district, is in the best
7 interests of the State, the region, the students, and the school districts, and
8 aligns with the policy set forth in section 701 of this title, then the State Board
9 shall:

10 (i) approve the report supporting withdrawal, together with any
11 amendments, as the final report and proposal of withdrawal;

12 (ii) provide a preliminary assessment of most feasible options for
13 the provision of supervisory union services to the proposed new school district;

14 (iii) declare that the withdrawal process will proceed to a vote of
15 the union district voters pursuant to subsection (f) of this section; and

16 (iv) make any other finding or declaration, and approve any other
17 motion, related and necessary to the withdrawal proposal.

18 (B) Vote not to approve. If the State Board finds that the plan for
19 withdrawal, including the most feasible options for the provision of
20 supervisory union services to the proposed new school district, is not in the

1 best interests of the State, the region, the students, and the school districts, or
2 does not align with the policy set forth in section 701 of this title, or both, then:
3 (i) the State Board shall not approve the report supporting
4 withdrawal;
5 (ii) the process will not proceed to a vote of the electorate; and
6 (iii) the withdrawal study committee shall convene a meeting
7 within 30 days following the State Board's decision to vote whether to approve
8 continuation of the analysis and discussions until a date certain or to dissolve
9 the withdrawal study committee and shall notify the Secretary in writing of the
10 committee's vote within 30 days following its meeting.
11 (f) Vote of the electorate; withdrawal. If the State Board approves the plan
12 of withdrawal pursuant to subdivision (e)(3)(A) of this section, then each of the
13 following actions shall occur.
14 (1) The superintendent shall file the final report and proposal of
15 withdrawal with the clerk of the union district and with the town clerk of each
16 town within the union district.
17 (2) The voters of the union district shall vote whether to approve
18 withdrawal as set forth in the final report and proposal of withdrawal. The
19 question shall be determined by Australian ballot and shall proceed pursuant to
20 sections 737 (warnings of unified union school district meetings) and 739–742
21 (vote by Australian ballot) of this chapter.

1 (3) Withdrawal from the union district shall occur if the question is
2 approved, separately, by a majority of the union district voters living in each
3 town within the union district, including in the petitioning town. If a majority
4 of the voters living in one or more towns within the union district do not vote
5 in favor of withdrawal, then the withdrawal shall not occur.

6 (4) Within 45 days after the vote or 15 days after a vote to reconsider the
7 original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each
8 town within the union district shall certify the results of the vote to the
9 Secretary of Education, and the Secretary shall advise the State Board of the
10 certified results. Each clerk shall submit the certification regardless of whether
11 the voters in that town approved withdrawal. The withdrawal study committee
12 shall cease to exist when each clerk has submitted a certification to the
13 Secretary.

14 (g) Election of potential board members. On the day on which they vote
15 whether to approve withdrawal, the union district voters residing in the
16 proposed new school district shall vote for three individuals to serve as the
17 initial members of the proposed new school district's board if withdrawal is
18 approved. The nomination and election of the initial members shall proceed
19 pursuant to subdivision 730(a)(1) of this chapter (election of board members
20 under the proportional to town model by Australian ballot). The term of office
21 for each initial member shall be arranged so that one term expires on the day of

1 the second annual meeting of the proposed new school district, one term
2 expires on the day of the third annual meeting, and one term expires on the day
3 of the fourth annual meeting.

4 (h) State Board's duties if withdrawal is approved. If the union district
5 voters approve withdrawal, then upon receiving notice from the Secretary
6 pursuant to subdivision (f)(4) of this section, the State Board shall:

7 (1) Declare the withdrawal approved as of the date of the Board's
8 meeting; provided, however, that the withdrawal shall not be final until the
9 date identified in the voter-approved proposal of withdrawal.

10 (2) Declare the creation and existence of the new school district,
11 effective on the date of the Board's declaration; provided, however, that:

12 (A) the new school district shall assume full and sole responsibility
13 for the education of its resident students on the operational date identified in
14 the voter-approved proposal of withdrawal; and

15 (B) until the identified operational date, the new school district shall
16 exist for the sole purposes of:

17 (i) convening an organizational meeting of the voters of the new
18 school district to prepare the district to assume its responsibilities;

19 (ii) organizing the school board of the new school district, which
20 shall be responsible for preparing a proposed budget for the fiscal year
21 beginning on the identified operational date;

1 (iii) approving the budget of the new school district for the fiscal
2 year beginning on the identified operational date; and
3 (iv) taking any other actions necessary, as district voters or as a
4 school board, for the new school district to assume full responsibility for
5 providing for the education of the district's resident students in all grades,
6 prekindergarten through grade 12, on the identified operational date.

7 (3) Determine or set a schedule for determining the manner in which
8 supervisory union services will be provided to the new school district, to be
9 effective on the new town district's operational date identified in the voter-
10 approved proposal of withdrawal. If assigned to a multi-district supervisory
11 union, then the board of the new school district may appoint its members to the
12 supervisory union board pursuant to section 266 of this title, where they may
13 participate as non-voting members of that board until the new town district's
14 operational date.

15 (i) Certification; Secretary of State. If the State Board declares the creation
16 and existence of a new school district pursuant to subdivision (h)(2) of this
17 section, then the Secretary of Education shall certify the adjustment of the
18 towns within the union district to the Secretary of State. When the Secretary of
19 State records the certification of the Secretary of Education, the towns within
20 the union district shall be adjusted accordingly; provided, however, that the
21 voter-approved proposal of withdrawal shall establish the date on which

1 withdrawal shall be final, the new town district shall assume full and sole
2 responsibility for the education of its resident students, and the union school
3 district shall no longer have responsibility for the education of those students.
4 The Secretary of State shall file a certified copy of the recorded certification
5 with the clerk of the union district and the clerk for the town in which the new
6 school district is located. The Secretary of State shall file the certified copies
7 not later than 14 days after the date the Secretary of Education certifies the
8 adjustment to the Secretary of State. Filing a certified copy with the clerks
9 shall be prima facie evidence of full compliance with the requirements for
10 adjusting the union school district by withdrawal as set forth in this section.
11 Sec. 4. EFFECTIVE DATE
12 This act shall take effect on July 1, 2022.