

1       **Sec. 4. WITHDRAWAL ACTIONS APPROVED BY STATE BOARD;**  
2       NEW DISTRICTS WITH AN OPERATIONAL DATE ON OR AFTER JULY  
3       1, 2023

4           (a) **Application of this section.** This section shall apply solely to a  
5       withdrawal action initiated pursuant to the provisions of 16 V.S.A. § 724 that  
6       were in effect prior to the effective date of Sec. 3 of this Act (“former § 724”),  
7       if each of the following actions occurred prior to that effective date:

8           (1) the State Board of Education gave final approval to the voter-  
9       approved and voter-ratified proposal to withdraw from the union school  
10       district;

11           (2) the State Board declared a new school district to be reconstituted;

12           (3) the State Board established the new school district’s operational  
13       date as July 1, 2023 or after;

14           (4) the voters of the new school district elected school board members;

15           (5) the voters of the towns within the union district voted to approve the  
16       financial terms of withdrawal negotiated by the boards of the new school  
17       district and the union district; and

18           (6) the State Board charged the new school district and its board with  
19       performing the transitional activities necessary to assume sole responsibility  
20       for the education of resident students on the identified operational date.

21           (b) **Status report.** On or before the regular July 2022 State Board meeting,  
22       the new school district shall submit a written status report to the Board.

1 detailing the actions the district has taken and will take to ensure that, as of its  
2 operational date, the district will be prepared to assume sole responsibility for  
3 the education of its students in prekindergarten through grade 12 in a manner  
4 that will meet educational quality standards as required by 16 V.S.A. § 165,  
5 and to ensure the provision of supervisory union services. The status report  
6 shall include a timeline indicating the date by which each action will be  
7 complete.

8 **(c) State Board review and findings.**

9 **(1) Review.** The State Board shall consider the status report and  
10 provide the board of the new school district an opportunity to be heard. The  
11 Board may, in its discretion, take testimony from other individuals and entities,  
12 including the union school district and the Agency of Education.

13 **(2) Preparedness deemed likely.** If the State Board determines that it  
14 is likely the new school district will be prepared, on the identified operational  
15 date, to assume full responsibility for the education of its resident students in a  
16 manner that substantially complies with educational quality standards as  
17 required by 16 V.S.A. § 165, and to ensure the provision of supervisory union  
18 services, then the new school district, the union district, and, if applicable, the  
19 supervisory union or unions shall continue to take all actions necessary to  
20 prepare for the realignment of duties on the operational date.

21 **(3) Preparedness deemed unlikely.** If the State Board determines  
22 there is a reasonable risk that the new district will not be able to be prepared,

1 on the operational date, to assume full responsibility for the education of its  
2 resident students in a manner that substantially complies with educational  
3 quality standards as required by 16 V.S.A. § 165, and to ensure the provision  
4 of supervisory union services, then:

5 (A) the prior declarations of the State Board concerning withdrawal  
6 from the union district and reconstitution of the new school district are **void** as  
7 of the date of the State Board's determination of reasonable risk; provided,  
8 however, upon order of the State Board, the new school district and its board  
9 may continue to exist for up to six months after the date of the State Board's  
10 determination for the sole purpose of completing any outstanding business that  
11 cannot legally be performed by another entity;

12 (B) the petitioning town shall be a town within the union district;

13 (C) the State Board's determination of reasonable risk and the  
14 consequences imposed by this subdivision (c)(3) shall be final and shall  
15 conclude the withdrawal action initiated pursuant to the provisions of the  
16 former § 724; and

17 (D) if voters residing in any town within the union district wish to  
18 initiate new withdrawal procedures, then they shall do so pursuant to the  
19 process set forth in Sec. 3, 16 V.S.A. § 724, of this Act.

20 (d) This section is repealed on July 1, 2023.

1     **Sec. 5. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD**  
2     **HAS NOT TAKEN ACTION; ALTERNATIVE GOVERNANCE**  
3     **PROPOSAL PREVIOUSLY PRESENTED**

4             **(a) Application of this section.**

5                     (1) For purposes of this section and notwithstanding any provision of  
6                     law to the contrary, the provisions of 16 V.S.A. § 724 that were in effect prior  
7                     to the effective date of Sec. 3 of this Act (“former § 724”) are deemed to  
8                     authorize withdrawal from a unified union school district created by the State  
9                     Board of Education in its “Final Report of Decisions and Order on Statewide  
10                    School District Merger Decisions Pursuant to [2015 Acts and Resolves No.]  
11                    46, Sections 8(b) and 10” dated November 28, 2018 (“Order”).

12                    (2) This section shall apply solely to a withdrawal action initiated by a  
13                    town within a union district (“petitioning town”) pursuant to the former § 724,  
14                    if each of the following actions occurred prior to the effective date of Sec. 3 of  
15                    this Act:

16                             (A) the State Board created the union district in its Order;

17                             (B) prior to issuance of the Order, the districts that merged to form the  
18                    union district submitted a proposal to the Secretary of Education and the State  
19                    Board setting forth the details of their self-evaluation and a proposal for an  
20                    alternative governance structure pursuant to 2015 Acts and Resolves No. 46,  
21                    Sec. 9 (“Section 9 proposal”);

1           (C) the voters of the petitioning town approved a proposal to  
2           withdraw from the union district;

3           (D) the voters of each of the other towns within the union district  
4           ratified the petitioning town's proposal to withdraw; and

5           (E) the State Board of Education has not approved or taken action to  
6           approve the withdrawal proposal or to declare that a new school district is  
7           reconstituted.

8           **(b) Report and plan.** At any time after the effective date of this section,  
9           but on or before the regular September 2022 State Board meeting, the self-  
10           selected representatives of the petitioning town and the board of the union  
11           district shall submit to the State Board in writing:

12           (1) a report explaining the ways in which the current plan of the  
13           petitioning town and the union district for operation after withdrawal conforms  
14           to or differs from the Section 9 proposal; and

15           (2) a plan, including a timeline, identifying the actions the petitioning  
16           town and the union district have taken and will take to transition to the  
17           proposed structure and to ensure that, as of an identified operational date, the  
18           proposed new school district will be prepared to assume sole responsibility for  
19           the education of its students in prekindergarten through grade 12 in a manner  
20           that will meet educational quality standards as required by 16 V.S.A. § 165,  
21           including the actions necessary to transition to the proposed method by which

1 supervisory union services would be provided. At a minimum, the plan and  
2 timeline should include the actions identified in subsection (d) of this section.

3 **(c) State Board review and action.**

4 **(1) Review.** The State Board shall consider the report and plan and  
5 shall provide the self-selected representatives of the petitioning town and the  
6 board of the union district an opportunity to be heard. The Board may, in its  
7 discretion, take testimony from other individuals and entities.

8 **(2) Preparedness deemed likely.** If the State Board determines that it  
9 is likely the proposed new school district, on the proposed operational date,  
10 will be prepared to assume full responsibility for the education of its resident  
11 students in a manner that substantially complies with educational quality  
12 standards as required by 16 V.S.A. § 165, and that it is also likely that  
13 supervisory union services will be available to both the proposed new school  
14 district and the union district on the operational date, then the State Board shall  
15 vote to:

16 **(A) approve the withdrawal proposal;**

17 **(B) approve any motion necessary for the withdrawal process to**  
18 proceed pursuant to subsection (d) of this section, including a motion to create  
19 a new school district as of the date of the motion in order to enable the election  
20 of members to the board of the proposed new school district, negotiation and  
21 voter approval of a withdrawal agreement pursuant to the former § 724(c), and

1 preparation to assume full responsibility for the education of resident students  
2 on the operational date;

3 (C) determine or set a schedule for determining the manner in which  
4 supervisory union services will be provided to the proposed new school district  
5 and, if appropriate, the union district, to be effective on the proposed new  
6 school district's operational date; and

7 (D) make any other findings or declarations and approve any other  
8 motions that are related and necessary to the withdrawal proposal.

9 **(3) Preparedness at risk; amendments to plan and timeline.** If the  
10 State Board determines there is a reasonable risk that the criteria set forth in  
11 subdivision (2) of this subsection (c) will not be met by the proposed  
12 operational date, then the State Board shall:

13 (A) explain its concerns to the petitioning town and union district;

14 (B) determine, in consultation with the petitioning town and the  
15 union district, a date by which the petitioning town and the union district shall  
16 present a revised explanation and plan for State Board review and action under  
17 subdivision (2) of this subsection (c).

18 **(d) Positive determination of preparedness; next steps.** If the State  
19 Board makes a positive determination of preparedness pursuant to subdivision  
20 (c)(2) of this section, then the new school district, the union district, and, if  
21 applicable, the supervisory union or unions, shall take all actions necessary to

1 be fully operational on the operational date. At a minimum, the required  
2 necessary actions shall include:

3 (1) election of initial school board members by the voters of the new  
4 school district, whose terms of office shall be arranged so that one each expires  
5 on the day of the second, third, and fourth annual meeting of the new school  
6 district, and whose sole responsibility until the new school district's  
7 operational date shall be to prepare for the district to assume sole responsibility  
8 for the education of resident students on that date;

9 (2) negotiation of the proposed financial terms of withdrawal by the  
10 board of the new school district and the board of the union district in order to  
11 comply with the requirements of the former § 724(c);

12 (3) approval by the voters of each town within the union district of the  
13 negotiated proposed financial terms of withdrawal in order to comply with the  
14 requirements of the former § 724(c);

15 (4) preparation of a proposed budget by the board of the new school  
16 district for the fiscal year beginning on the district's operational date, together  
17 with presentation to and approval by the district's voters prior to that date;

18 (5) preparation for the provision of supervisory union services to the  
19 new school district and, if applicable, for the transition of the union school  
20 district from a supervisory district structure to a supervisory union structure;

21 and

1           (6) all other actions necessary to transition from one school district to  
2           two districts and, if applicable, to transition from a supervisory district  
3           structure to a supervisory union structure, including all actions necessary to  
4           address the collectively bargained rights of employees of the current  
5           employing entity.

6           **(e) Negative determination of preparedness; future withdrawal actions.**

7           If the State Board cannot make a positive determination of preparedness  
8           pursuant to subdivision (c)(2) of this section, **either after an initial review of**  
9           the report and plan **or** after review of **subsequent plans** pursuant to  
10           subdivision (c)(3) of this section, then:

11           (1) the State Board shall declare that the petitioning town’s proposal to  
12           withdraw initiated under the former § 724 **is denied**;

13           (2) the petitioning town shall remain a town within the union district;

14           (3) the State Board’s determination of preparedness and the  
15           consequences imposed by this subsection (e) shall be final and shall conclude  
16           the withdrawal action initiated pursuant to the provisions of the former § 724;  
17           and

18           (4) if voters residing in any town within the union district wish to  
19           initiate new withdrawal procedures, then they shall do so pursuant to the  
20           process set forth in Sec. 3, 16 V.S.A. § 724, of this Act.

21           (f) This section is repealed on July 1, 2024.

1       **Sec. 6. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD**  
2       **HAS NOT TAKEN ACTION; UNION DISTRICT CREATED BY THE**  
3       **ELECTORATE**

4           (a) **Application of this section.** This section shall apply solely to a  
5       withdrawal action initiated by a town within a union district (“petitioning  
6       town”) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior  
7       to the effective date of Sec. 3 of this Act (“former § 724”), if each of the  
8       following actions occurred prior to that date:

9           (1) the union district formed pursuant to the provisions of 16 V.S.A. §§  
10       706-706j that were in effect prior to the effective date of Sec. 3 of this Act;

11          (2) the voters of the petitioning town approved a proposal to withdraw  
12       from the union district;

13          (3) the voters of each of the other towns within the union district  
14       ratified the petitioning town’s proposal to withdraw;

15          (4) the State Board of Education has not approved or taken action to  
16       approve the withdrawal proposal or to declare that a new school district is  
17       reconstituted.

18           (b) **Report and plan.** At any time after the effective date of this section,  
19       but on or before the regular September 2022 State Board meeting, the self-  
20       selected representatives of the petitioning town shall submit a written report  
21       and plan to the State Board.

1           (1) Report. The report shall describe the analysis that has been  
2           performed by the petitioning town to evaluate the likely strengths and  
3           challenges for the proposed new school district and for the reconfigured union  
4           district if withdrawal is approved, and the ways in which withdrawal would  
5           enable both districts to provide for the education of their respective resident  
6           students in a manner that will meet educational quality standards as required  
7           by 16 V.S.A. § 165. The report should address:

8                   (A) the educational advantages and disadvantages likely to result  
9                   from withdrawal for the students in the proposed new school district and the  
10                  students in the remaining towns within the union district, and the ways in  
11                  which they are preferable to those of continuing in the current governance  
12                  structure;

13                   (B) the financial advantages and disadvantages likely to result from  
14                  withdrawal for the taxpayers in the proposed new school district and the  
15                  taxpayers in the remaining towns within the union district, and the ways in  
16                  which they are preferable to those of continuing in the current governance  
17                  structure;

18                   (C) the likely operational and financial viability and sustainability of  
19                  the proposed new school district and the union district after withdrawal of the  
20                  petitioning town;

1           (D) any other advantages and disadvantages of withdrawal, including  
2           any advantages and disadvantages to the students and taxpayers of the region  
3           and the State; and

4           (E) the potential source of supervisory union services for the new  
5           school district and, if appropriate, for the union district, including discussions  
6           with the board of any supervisory union to which the petitioning town  
7           proposes assignment.

8           (2) **Plan.** The plan shall describe the actions that the petitioning town  
9           has taken and will take to ensure that, as of its proposed operational date, the  
10           proposed new district will be prepared to assume sole responsibility for the  
11           education of its students in prekindergarten through grade 12 in a manner that  
12           will meet educational quality standards as required by 16 V.S.A. § 165,  
13           including the actions necessary to transition to the proposed method by which  
14           supervisory union services would be provided. The plan shall include a  
15           timeline indicating the date by which each action will be complete. At a  
16           minimum, the plan and timeline should include the actions identified in  
17           subsection (d) of this section.

18           **(c) State Board review and action.**

19           (1) **Review.** The State Board shall consider the report and plan and  
20           shall provide the self-selected representatives of the petitioning town and the  
21           board of the union district an opportunity to be heard. The Board may, in its  
22           discretion, take testimony from other individuals and entities.

1           (2) Preparedness deemed likely. If the State Board determines that,  
2           on the proposed operational date, it is likely that the proposed new school  
3           district will be prepared to assume full responsibility for the education of its  
4           resident students in a manner that substantially complies with educational  
5           quality standards as required by 16 V.S.A. § 165 and that supervisory union  
6           services will be available to the proposed new school district, then the State  
7           Board shall vote to:

8                   (A) approve the the withdrawal proposal;

9                   (B) approve any motion necessary for the withdrawal process to  
10           proceed pursuant to subsection (d) of this section, including a motion to create  
11           a new school district as of the date of the motion in order to enable the election  
12           of members to the board of the proposed new school district, negotiation and  
13           voter approval of a withdrawal agreement pursuant to the former § 724(c), and  
14           preparation to assume full responsibility for the education of resident students  
15           on the operational date;

16                   (C) determine or set a schedule for determining the manner in which  
17           supervisory union services will be provided to the proposed new school district  
18           and, if appropriate, the union district, to be effective on the proposed new  
19           school district's operational date; and

20                   (D) make any other findings or declarations and approve any other  
21           motions that are related and necessary to the withdrawal proposal.

1           (3) **Preparedness deemed unlikely.** If the State Board determines  
2           there is a reasonable risk that the criteria set forth in subdivision (2) of this  
3           subsection (c) will **not be met by postponing the proposed operational date,**  
4           then:

5                   (A) the State Board shall declare that the petitioning town’s proposal  
6           to withdraw initiated under the former § 724 is **denied;**

7                   (B) the petitioning town shall remain a town within the union  
8           district;

9                   (C) the State Board’s determination of reasonable risk and the  
10          consequences imposed by this subdivision (c)(3) shall be final and shall  
11          conclude the withdrawal action initiated pursuant to the provisions of the  
12          former § 724; and

13                  (D) if voters residing in any town within the union district wish to  
14          initiate new withdrawal procedures, then they shall do so pursuant to the  
15          process set forth in Sec. 3, 16 V.S.A. § 724, of this Act.

16                  (d) **Positive determination of preparedness; next steps.** If the State  
17          Board makes a positive determination of preparedness pursuant to subdivision  
18          (c)(2) of this section, then the new school district, the union district, and, if  
19          applicable, the supervisory union or unions, shall take all actions necessary to  
20          be fully operational on the identified operational date. At a minimum, the  
21          required necessary actions shall include:

1           (1) election of initial school board members by the voters of the new  
2           school district, whose terms of office shall be arranged so that one each expires  
3           on the day of the second, third, and fourth annual meeting of the new school  
4           district, and whose sole responsibility until the new school district's  
5           operational date shall be to prepare for the district to assume sole responsibility  
6           for the education of resident students on that date;

7           (2) negotiation by the board of the new school district and the board of  
8           the union district of the proposed financial terms of withdrawal in order to  
9           comply with the requirements of the former § 724(c);

10           (3) approval by the voters of each town within the union district of the  
11           negotiated proposed financial terms of withdrawal in order to comply with the  
12           requirements of the former § 724(c);

13           (4) preparation of a proposed budget by the board of the new school  
14           district for the fiscal year beginning on the district's operational date, together  
15           with presentation to and approval by the district's voters prior to that date;

16           (5) preparation for the provision of supervisory union services to the  
17           new school district and, if applicable, for the transition of the union school  
18           district from a supervisory district structure to a supervisory union structure;  
19           and

20           (6) all other actions necessary to transition from one school district to  
21           two districts and, if applicable, to transition from a supervisory district  
22           structure to a supervisory union structure, including any actions necessary to

1 address the collectively bargained rights of employees of the former employing  
2 entity.

3 (e) This section is repealed on July 1, 2024.

4  
5 *Something similar to the following could be added to the end of both Sec. 5*  
6 *and Sec. 6 in the event that – before the effective date of this Act – a State*  
7 *Board-created or voter-approved union elementary or union high school*  
8 *district votes to withdraw under the current statute and the voters in the other*  
9 *towns ratify the vote:*

10 **(b) Application of this section to withdrawal from a union elementary**  
11 **or union high school district.**

12 (1) The processes outlined in this Sec. (b) shall apply to an action of a  
13 member school district to withdraw from a union elementary or union high  
14 school district if the elements set forth in subdivisions subsection (a) are met

15 (2) For purposes of applying the process in this section to withdrawal  
16 from a union elementary or union high school district under this subsection (b),  
17 the terms used in subsections (a) through (b) have the following meanings:

18 (A) “petitioning town” means the member district of the union  
19 elementary or union high school district that initiated the withdrawal process  
20 pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the  
21 effective date of Sec. 3 of this Act (“former § 721a”);

22 (B) “self-selected representatives of the petitioning town” means the  
23 board of the member district that initiated the withdrawal process pursuant to  
24 the provisions of the former § 721a; and

- 1                    (C) “town within the union school district” means a member district
- 2                    of the union elementary or union high school district.