

**H.727, An act relating to the exploration, formation, and organization of union school districts and unified union school districts**

*Section-by-section summary of the Senate Proposal of Amendment*

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**Sec. 1. (pg. 1):** Redesignates 16 V.S.A., chapter 11, subchapter 1 (Generally; Contracts Between Districts) to be 16 V.S.A., chapter 9, subchapter 6 and to read “Contracts Between Districts to Operate Schools Jointly”

**Sec. 2. (pg. 1):** Repeals 16 V.S.A., chapter 11 on passage.

**Sec. 3. (pg. 1):** Adds new 16 V.S.A., chapter 11

- **Subchapter 1. General Provisions (pg. 1)**
  - **§ 701 (pg. 2): Policy**
  - **§ 702 (pg. 2): Definitions**
  - **§ 703 (pg. 6): Application of other laws and articles of agreement**
    - The provisions of (this new) chapter 11 are intended to be in addition to the general provisions of law pertaining to school districts
    - If a USD joins with other districts to form a new USD, the articles of agreement of the new USD govern
    - If a USD joins another USD under §721, the articles of agreement of the enlarged USD govern
- **Subchapter 2. Exploration, Formation, and Organization (pg. 6)**
  - **§ 706 (pg. 6): Proposal to form study committee; budget and membership**
    - USD formation is explored through a study committee. § 706 governs how a study committee is formed and how the vote on the study committee budget proceeds
    - Each participating district’s share of the established budget and membership on the committee shall be the same as the proportion of the school district’s equalized pupils to the total equalized pupils of all school districts intending to participate
  - **§ 707 (pg. 11): Approval of Study Budget; appointment of study committee; participation**
    - If the proposed study committee budget exceeds \$50k, must be approved by voters, and THEN the study committee is formed
    - If the proposed study committee budget does not exceed \$50k, then the study committee can form
    - Additional costs
      - If the voters approve a budget over \$50k but the study committee later determines it will need more money, voters must approve additional funds

- If the original budget did not exceed \$50k and therefore did not go to the voters, but the committee later determines it will need over \$50k, voters must approve additional funds
  - Grants shall not be included when calculating whether budget exceeds \$50k
  - Addresses subsequent appointments and vacancies.
  - Differentiates between formal and informal participation
- **§ 708 (pg. 16): Study committee; necessary and advisable districts; contents of study committee report and proposed articles; dissolution of committee**
  - Staff of supervisory union(s) provide admin assistance
  - AOE shall cooperate with the study committee and may make AOE staff available for tech assistance
  - Study committee is a public body
  - Decisions shall be reached by a majority of members present and voting
  - Necessary vs. advisable districts
    - Necessary districts are identified by the study committee; USD is formed only if the voters in each necessary district vote to approve formation
    - Advisable districts are identified by study committee; approval vote by advisable district is not required for formation
  - Report and proposed articles of agreement
    - Study committee shall prepare a report analyzing the strengths and challenges to the current structures of the districts contemplating formation as well as the ways in which a USD promotes the policy in § 130, if it determines it is advisable to propose formation.
    - Study committee shall also prepare proposed articles of agreement that must contain certain information, all spelled out in this section
  - Study committee can determine it is not advisable to propose formation. They notify AOE in writing of a vote not to proceed and then cease to exist.
  - Study committee ceases to exist after a vote of electorate
- **§ 709 Review by local school district boards; consideration and approval by SBE**
  - If recommending formation, study committee transmits report and proposed articles to each necessary or advisable district and AOE
  - AOE reviews and submits the report and AOE's recommendation to SBE
  - SBE considers the report and proposed articles of agreement and may ask the study committee or AOE to do further work
  - SBE shall approve the report and proposed articles of agreement as final if it finds that formation of the proposed new USD is:
    - in the best interests of the State, the students, and the school districts; and
    - aligns with the policy in § 701
  - Final reports and articles filed with each necessary or advisable district
- **§ 710 (pg. 24): Vote to form USD**

- Voters in necessary or advisable districts shall vote as applicable. Vote is held on the date specified in the final report, by Australian ballot, held at separate school district meetings on the same day.
- **§ 711 (pg. 25): Vote to elect initial members of the USD board**
  - At the same time they vote whether to form a USD, voters also elect initial members who will serve on the board if a USD is formed. The vote to elect initial members shall be by Australian ballot.
  - This section addresses eligibility for nomination, the nomination petition process, ballot preparation, and who votes depending on the representation method used. This section also sets out these requirements separately for unified union high school districts and union elementary/high school districts, although the substance under each different union district type is the same. Initial membership representation method is set forth in the articles of agreement.
    - Proportional to town population model: representation is apportioned to each potential town within the proposed district in a number that is closely proportional to the town's relative population; weighted voting may be used to achieve proportionality under this model
    - Modified-at-large model: representation is allocated to each potential town within the proposed district, but the allocation is not closely proportional to the town's relative population and the board member is elected at large and therefore deemed to represent the interests of all members of the union district
    - At-large representation: representation is not apportioned or allocated to the potential towns within the proposed district and member is elected at-large
- **§ 712 (pg. 38): Contents of warning on votes to establish the union school district and elect the initial members of the USD board.** This section addresses the information that shall be in the warning for the vote on formation of the USD.
- **§ 713 (pg. 40): Certification of votes; designation of district as USD; recording by Secretary of State.** If the voters in each necessary district vote to form the USD, then the necessary school districts constitute the new USD together with any advisable districts that voted to form the proposed USD. The Secretary of Education designates the newly formed district and sends certification to the Secretary of State. Once the Secretary of State records AOE's certification, the USD becomes a body politic and corporate with the powers incident to a municipal corporation§.
- **§ 714 (pg. 42): Initial members of USD board; tallying of at-large votes; oath of office and assumption of duties.** At large votes are counted by the clerk of each school district voting and submitted to AOE, which calculates the total votes cast for each candidate and certifies the votes case for each candidate. The clerk of each forming district and AOE transmit the names of the newly elected board members to the Secretary of State. The superintendent of the new USD swears in the new board members and new members shall assume office upon swearing in.

- **§ 715 (pg. 44): Organizational meeting; notice; business to be transacted.** The new USD holds an organizational meeting within 60 days after the Secretary of State files the certified copy of the recorded certification with each clerk. The Secretary of Education prepares and executes the warning for the organizational meeting and the superintendent posts the warning in at least one public place in each town within the USD and publishes once in a newspaper, with costs born by the USD. This section lists the business that must be considered at the organizational meeting.
- **§ 716 (pg. 48): Transition to full operations.** The operational date is July 1 next following the date on which the voters vote to approve formation of the district, unless the articles of agreement establish a different date. During the transitional period, the forming districts continue to be responsible for the education of their respective students. This section states the business the new USD board shall engage in during the transitional period, including developing district policies, adopting curriculum, negotiating contracts, set the school calendar, prepare a proposed budget for the first year, etc. Until the voters approve a budget, the board of the new USD can borrow sufficient funds to meet pending obligations. This section also addresses the transfer of assets and liabilities.
- **§ 717 (pg. 52): Dissolution, reorganization, and discontinuation of forming districts.** This section addresses what happens to the districts that voted to form the new USD once the new USD becomes operational.
- **§ 718 (pg. 54): Transfer of real property to town in which is located.** This section addresses the process for sale of real property to the town in which the property is located after the operational date.
- **§ 719 (pg. 55): Supervisory union; supervisory district.** The State Board of Education shall assign each USD to a supervisory union or designate a UUSD as a supervisory district. This section allows for the State Board to adjust the supervisory union board representation, if at least one member is a USD, to more fairly and accurately reflect the relative number of students for which each district within the supervisory union is responsible.
- **§ 721 (pg. 56): Joining an existing union school district.** School districts can join an existing union school district in two ways:
  - If a district outside of a USD determines it would be advisable to join an existing USD, it requests approval from the State Board. If the State Board makes certain findings, then the voters shall vote whether to apply to the existing USD for membership. If those voters vote yes, then the USD has two years within which to hold a vote to accept the new district. Holding a vote is optional for the USD.
  - If the USD itself invites an outside district to join, it's the same process, just in reverse.
  - All votes under this section shall be by Australian ballot.
- **§ 722 (pg. 59): Amendments to Articles of Agreement:** This section establishes when voters can amend articles of agreement, when board members can amend articles of agreement, and voting process.
  - Only voters may amend a specific condition or agreement in the district's articles of agreement if the condition or agreement was set forth as a

- distinct subsection in the warning to establish a USD or in a subsequent warning to amend the articles
- The Board of a USD may amend a specific condition or agreement only if it was not set forth as a distinct subsection in the warning to establish a USD or a subsequent warning to amend the articles, but was instead incorporated by reference or if the original articles of agreement or voter-approved amendments authorize the board to amend a specific condition or agreement. If board membership is proportional to town population, Board members may also adjust board membership to conform to new decennial census.
  - Voters cannot vote to reduce the grades the USD operates without approval from the State Board.
  - Authority to amend articles of agreement in State created districts is governed by Article 14 as issued by the State Board or amended by voters.
- **§ 723 (pg. 62): Decision to vote by Australian ballot.** If the articles of agreement do not provide for voting by Australian ballot, then the voters may vote to do so at any annual or special meeting. Any category of vote to be taken by Australian ballot shall proceed in that manner in all towns within the member districts.
- UUSD ballots shall be commingled.
  - UESD/UHSD voters shall determine whether to commingle or not if voting by Australian ballot.
- **§ 724 (pg. 63): Withdrawal from or dissolution of a unified union district.** This section addresses the withdrawal process for UUSDs
- Study committee is formed when individual petitions indicating petitioning town's desire to withdraw, signed by 5% of voters from each town within UUSD, are submitted to the clerk of the UUSD. The board of the UUSD then appoints a liaison subcommittee to represent the interests of the UUSD
    - Before seeking technical help from the UUSD staff or beginning the study, the study committee shall obtain a letter of commitment from an SU board to explore the provision of SU services if withdrawal is approved
    - Study committee conducts an analysis of the strengths and challenges of UUSD structure and must consider (pg. 65):
      - Educational advantages of remaining UUSD/withdrawing
      - Financial advantages and disadvantages to withdrawal/remaining in UUSD
      - Financial viability of withdrawing
      - Any other advantages or disadvantages to withdrawal
      - Potential source of SU services
    - If the study committee votes not to propose withdrawal, it writes a brief report explaining why, it's discussed at a UUSD mtg, and the study committee ceases to exist
    - If the study committee votes to propose withdrawal, it must write a report with their findings (pg. 67), including details of their analysis, proposed financial terms of withdrawal, a detailed

- timeline/plan to ensure readiness on the operational date, proposal for SU services. The report is given to the UUSD board
- Within 45 days of recv'ing the report, study committee report is discussed at a UUSD mtg
- Secretary review & opinion (pg. 69). Study committee submits the withdrawal report to the Secretary for review within 30 days of UUSD mtg. The Secretary shall provide the study committee, liaison subcommittee, and proposed SU, an opportunity to be heard at a mtg held in the petitioning town
    - Positive recommendation: If the Secretary finds that it's in the best interests of State, region, students, school districts, and aligns with policy in § 701, then, within 90 days of recv'ing study committee report, the Secretary shall issue an opinion approving withdrawal and providing a preliminary assessment of SU services. The withdrawal proposal can then proceed to a vote of the electorate.
    - Negative recommendation: If Secretary finds it is NOT in the best interest of the State, region, etc., then it issues a written opinion recommending disapproval of withdrawal
  - State Board of Education review (pg. 72). Within 30 days of receipt of a negative opinion from the Secretary, the study committee votes whether to cease withdrawal efforts or proceed with withdrawal and petition SBE for a final review. If the study committee petitions for review, the SBE provides same parties an opportunity to be heard at a meeting within the petitioning town and issues a final written decision within 90 days:
    - Vote to approve: If SBE finds withdrawal is in the best interests of State, etc, then it shall approve the study committee report and withdrawal goes to a vote of the electorate
    - Vote not to approve: If SBE finds withdrawal is not in the best interests of State, etc., then the process stops and the petitioning town remains a town within the UUSD.
  - Vote of the electorate: All reports are filed with UUSD and towns within the union district. Within 90 days of receipt of the reports, all towns within the UUSD vote whether to approve withdrawal. The vote is by Australian ballot. Withdrawal only occurs if a majority of the voters in each town within the district vote to approve withdrawal. If one town does not vote in favor, withdrawal does not occur. Voters in petitioning district also vote for 3 initial board members
  - If withdrawal is approved by the voters, the SBE declares the withdrawal approved and declares the creation of the new school district and determines how SU services will be provided
    - UUSD provides education until new school district operational date
    - New school district takes steps necessary to be operational
  - Withdrawal cannot be initiated within UUSD's 1<sup>st</sup> year
  - If withdrawal efforts are unsuccessful, petitioning town cannot initiate withdrawal until 2 years after failed attempt

- **§ 725 (pg. 80): Withdrawal from or dissolution of a UESD/UHSD.** Process is the same as § 724
- **Subchapter 3. Unified Union School Districts: This subchapter addresses governance of a UUSD.**
  - **§ 729 (pg. 99). Board members; term; conduct of meetings; quorum and voting; powers and duties.** Board members serve terms of 3 years. A majority of members shall constitute a quorum and a concurrence of a majority of members present at the UUSD mtg shall be necessary and sufficient for board action. If weighted voting is used, a majority of the total number of weighted votes constitutes a quorum and a majority of the weighted votes are needed for board action. The board shall elect a chair and clerk, the later of which prepares minutes of proceedings and may receive a stipend.
  - **§ 730 (pg. 101). UUSD board members; nomination and election; bond.**
    - Australian ballot: This section is essentially the same as § 711 and addresses eligibility for nomination of UUSD board members, the nomination petition process, ballot preparation, and who votes depending on the representation method used. Initial membership representation method is set forth in the articles of agreement (proportional to town population; modified at-large; at-large). This section specifies when responsibility falls to a clerk of a town within the UUSD or the UUSD clerk.
    - Not by Australian ballot: nomination and election of candidates occurs at a warned meeting of the UUSD, except if there are members elected under the proportional to town population model, those nominations and elections occur at a mtg of the town in which the candidate resides
    - Board members are covered by the district's blanket bond or crime insurance coverage.
  - **§ 731 (pg. 107). Vacancy on a UUSD board.** If seats are apportioned or allocated to a specific town, the UUSD board appoints an eligible person to fill the vacancy after consultation with the selectboard. If the seat is not apportioned/allocated to a specific town, UUSD board just appoints eligible person. This section also specifies what happens if there is a vacancy of a majority or all seats.
    - \*\*\*This section codifies session law that has been around since 2017. Last piece of session law was 2020 Acts and Resolves 154, Sec. B.1117 and it sunsets this year.
  - **§ 732 (pg. 109). UUSD budget preparation and authorization.** Board prepares an annual budget just like a town school district. If the voters do not approve a budget, board shall prepare a revised proposed budget pursuant to 17 V.S.A. § 2680. If budget is not approved by June 30<sup>th</sup>, the UUSD may borrow funds.
  - **§ 732 (pg. 110). Annual Report; data.** The board prepares an annual report concerning the affairs of the district and provides answers to statistical questions for AOE.
- **Article 2. UUSD Districts—Officers, Annual Meetings, and Special Meetings**
  - **§ 735 (pg. 110). Officers; Election; Term; Vacancy; Bond.** At an annual meeting, voters elect a moderator, clerk, and treasurer of the district. The voters may also authorize the board to appoint the clerk or treasurer. The moderator and

clerk shall be elected or appointed from UUSD voters but the treasurer does not need to be a resident of the district. Officers serve 1 year terms unless voters extend terms up to 3 years. Officers shall be covered by the district's blanket bond or crime insurance.

- **§ 736 (pg. 112). Officers; powers, duties, and liabilities.** UUSD officers have the same duties as officers of town school districts.
- **§ 737. (pg. 113). Warnings of UUSD meetings.** District clerks post warnings in at least one place in each town within the UUSD and publish once in a newspaper in general circ in the UUSD. The warning shall set out by separate articles the business to be transacted. This section also contains a provision for warnings in a UUSD that elects board members under the proportional to town population model.
- **§ 738. (pg. 116). Checklist for UUSD mtgs where voting is conducted from the floor.** Town clerks send voter checklists to the district clerk, at the expense of the district. During the mtg, someone from the town's board of civil authority shall assist the district clerk in determining voter eligibility.
- **§ 739. (pg. 117). Conduct of vote if by Australian ballot.** District voters vote by AB in their town of residence, voting shall occur in each town on the same day, boards of civil authority of each town are responsible for determining eligibility of voters, early and absentee voting applies.
- **§ 740. (pg. 117). Preparation and form of Australian ballot.** District clerk prepares the ballot, only warned questions can appear on the ballot, UUSD questions cannot appear on same ballot as legislative body of a town within the UUSD.
- **§ 741 (pg. 118). Counting of Australian ballots.**
  - Process: At least two members of boards of civil authority of each town within the UUSD transport the ballots case in that town in a sealed container to a central location for counting. Boards of civil authorities shall not count ballots to determine outcome, but may count total number of ballots cast at that polling location. The district clerk supervises representatives of the boards of civil authority and UUSD board members not on the ballot while they count at the central location. Ballots shall be counted within 24 hours of polls closing.
  - Applicability: Counting of ABs proceeds this way unless statute explicitly permits or requires a different method, the ballots are cast to elect a UUSD board member under the proportional to town population model, or UUSDs in existence at time of passage explicitly provide for towns to report own results
- **§ 742 (pg. 120). Commingling and reporting of all votes case by Australian ballot and from the floor.** Votes cast in a UUSD shall be commingled, unless statute explicitly permits or requires a different method, the ballots are cast to elect a UUSD board member under the proportional to town population model, or UUSDs in existence at time of passage explicitly provide for towns to report own results
- **§ 743 (pg. 121). Bond issues; debt limit.** UUSDs may make improvements and may incur indebtedness for improvements. Debt limit is 10 times the total



education grand list of towns within the UUSD. Bond issues shall be determined by AB and shall be commingled.

- **Subchapter 4. Union Elementary School Districts and Union High School Districts (pg. 122)**
  - **§§ 745-760 (pg. 122-148)** contain the same concepts as above, except applicable to UESDs/UHSDs (member districts vs. towns within a district), except:
    - commingling is not required in UESDs/UHSDs—the voters decide whether or not to commingle.
    - when filling a vacancy on a UESD/UHSD board, if the member was elected under the proportional to town population model, the vacancy is filled by the member district appointing someone to fill the seat
- **Subchapter 5. Districts Formed Pursuant to Prior Laws (pg. 148)**
  - **§ 763 (pg. 149). Ratification; articles of agreement; application of charter.** Each UUSD in existence on July 1, 2022 is ratified and subject to provisions of this new chapter 11, regardless of whether it was a voter created or state created district. References to voter approved articles of agreement also mean articles of agreement issued by SBE. This new chapter 11 shall govern all matters not addressed in articles of agreement on June 30, 2022, and shall take precedence in the vent of conflict with any article.
  - **§ 764 (pg. 149).** Secretary of State; recording certificates. AOE shall forward copies of certification of State created districts to SOS and SOS shall record them and file with the clerks of each state created school district.

**Sec. 4. Withdrawal Actions Approved by State Board; New Districts with an Operational Date on or after July 1, 2023. (pg. 150) (Ripton)**

- Application of section: This section applies to a voter created UUSD where all towns within the district have voted to approve withdrawal of the petitioning town and the SBE has approved withdrawal and declared a new school district.
- Status report: On or before July 1, 2022, the new school district shall submit a written report to SBE detailing the actions they have taken and will take to ensure the new school district will meet educational quality standards and ensure the provision of SU services by the operational date.
- Review by SBE
  - The SBE shall consider the report and provide the new school district an opportunity to be heard at one or more of the Board’s regularly scheduled meetings. SBE issues a final determination of preparedness on or before September 1, 2022.
  - Preparedness deemed likely (pg. 151): If the SBE determines the new school district will be prepared to provide education that meets educational quality standards and SU services, then the new school district shall continue to take all steps necessary to be operational.
  - Preparedness deemed unlikely (pg. 152): If the SBE determines the new school district will NOT be prepared to provide education that meets educational quality standards and to ensure the provision of SU services, the SBE shall void earlier declarations approving withdrawal.
    - The town that withdrew shall remain a town within the USD

- SBE's determination is final
- This section is repealed on July 1, 2023.

**Sec. 5. Withdrawal Proposals on which the State Board has not Taken Action; Alternative Governance Proposals Previously Presented (pg. 153) (Stowe)**

- Application of section: This section applies to a State created UUSD that, prior to being merged, submitted an alternative governance structure proposal to AOE under Sec. 9 of Act 46; the voters of the UUSD voted to approve the withdrawal of the petitioning town; and SBE has not approved the withdrawal action yet.
- Report & plan. On or before the SBE September 2022 mtg, the self-selected representatives of the petitioning town and the board of the UUSD shall submit a written report to the SBE explaining the ways in which the current withdrawal plan conforms to or differs from the original alternative governance structure proposal, as well as a plan, including a detailed timeline, of all actions that will be taken to ensure that by the operational date, the proposed new school district will be prepared to provide education that meets educational quality standards and SU services will be in place. The plan must include the actions listed in subsection (d) of this section.
- Review by SBE
  - SBE shall consider the report and plan and allow the self-selected members of the petitioning town and the board of the UUSD to be heard.
  - Advisory opinion. SBE shall determine if the proposed new school district is likely to be prepared on the proposed operational date to provide education that meets educational quality standards and ensure SU services. If the SBE determines preparedness is unlikely, it shall issue a written advisory statement detailing the factors supporting its conclusion. Regardless of the preparedness determination, the SBE SHALL approve the withdrawal proposal.
- Readiness actions (pg. 157). After the SBE approves withdrawal, the new school district shall take all steps necessary to be operational, including electing board members, negotiate proposed financial terms and obtain voter approval of such terms, prepare a budget, prep for SU services, etc.
- Off-ramp (pg. 158). If SBE determined the new school district will not be ready on the operational date, the new school district shall post the Board's report on its website and schedule the contents for a public meeting.
  - Continue with withdrawal. The new school district can continue to plan for the operational date.
  - Off-ramp. On its own motion, or if petitioned to do so by at least 5% of the voters in the new school district, the board of the new school district shall warn a vote to request the SBE to reverse its declaration approving withdrawal and add the petitioning town back into the UUSD. If the voters vote to request the SBE to reverse its declaration approving withdrawal
    - SBE reverses withdrawal approval
    - UUSD continues to be responsible for education of students in petitioning town
    - new school district can exist for up to 6 months to wrap up business
- Subsection (f) addresses how this section would apply to a UESD/UHSD

- This section is repealed on July 1, 2024.

**Sec. 6. Withdrawal Proposals on which the State Board has not Taken Action; Union District Created by the Electorate (pg. 161) (Lincoln)**

- Application of Section: This section applies to a voter created USD where all towns within the USD have voted to approve the withdrawal of the petitioning town but the SBE has not approved withdrawal yet.
- Report & plan. Before July 1, 2022, the self-selected representatives of the petitioning town shall submit a report describing the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and reconfigured USD, and ways in which both new districts would be able to meet educational quality standards if withdrawal is approved. The plan shall address the actions taken or actions that will be taken to ensure education in new school district will meet educational quality standards and ensure SU services by operational date. The report shall address:
  - Educational advantages/disadvantages of withdrawal for both proposed new school district and USD;
  - Financial advantages/disadvantages of withdrawal for both proposed new school district and USD;
  - Likely operational and financial viability/sustainability of proposed new school district and USD;
  - Other advantages/disadvantages
  - Potential source of SU services
- Review and preparedness determination by SBE (pg. 164)
  - SBE shall consider the report and plan and allow the petitioning town and USD to be heard at a meeting held within the petitioning town and then issue a determination of preparedness no later than August 1, 2022.
  - Preparedness deemed likely. If SBE determines it is likely the proposed new school district will be prepared to provide education that meets educational quality standards and ensure SU services by operational date, then the SBE shall vote to approve withdrawal.
  - Preparedness deemed unlikely. If the SBE determines there is a reasonable risk that the proposed new school district will not be able to be prepared, on the proposed operational date, to provide education that meets educational quality standards and ensure SU services, then:
    - the SBE shall deny petitioning town's withdrawal proposal;
    - SBE determination is final;
    - Petitioning town remains a town within the USD
    - Voters can initiate a new withdrawal process under Sec. 3, 16 V.S.A. § 724 of this act.
- Readiness actions (pg. 166). After the SBE approves withdrawal, the new school district shall take all steps necessary to be operational, including electing board members, negotiate proposed financial terms and obtain voter approval of such terms, prepare a budget, prep for SU services, etc.
- Subsection (e) addresses how this section would apply to a UESD/UHSD
- This section is repealed on July 1, 2024.

**Sec. 7. Withdrawal Proposals; No Final Ratification Votes (pg. 169) (Starksboro)**

- **Applicability.** This section applies to a voter created USD where a vote to withdraw has been warned in the petitioning town to occur on or before June 1, 2022 and the voters in each of the other towns within the UUSD have NOT voted to ratify the withdrawal proposal yet.
- **Ratification vote.** If the petitioning town votes to approve withdrawal, then within 90 days of receiving notice that the vote is final, the other towns within the USD shall vote whether to approve the withdrawal proposal. If a majority of the voters in one or more of the towns within the USD do not vote in favor of withdrawal, then the proposed withdrawal fails and any efforts to withdraw in the future shall be done under Sec. 3, 16 V.S.A. § 724 of this act. If a majority of the voters in each of the other towns vote to approve withdrawal, the withdrawal proposal goes to the SBE.
- **Report & plan.** Within 30 days after the ratification votes, the self-selected representatives of the petitioning town shall submit a report describing the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and reconfigured USD, and ways in which both new districts would be able to meet educational quality standards if withdrawal is approved. The plan shall address the actions taken or actions that will be taken to ensure education in new school district will meet educational quality standards and ensure SU services by operational date. The report shall address:
  - Educational advantages/disadvantages of withdrawal for both proposed new school district and USD;
  - Financial advantages/disadvantages of withdrawal for both proposed new school district and USD;
  - Likely operational and financial viability/sustainability of proposed new school district and USD;
  - Other advantages/disadvantages
  - Potential source of SU services
- **Review and preparedness determination by SBE (pg. 172)**
  - SBE shall consider the report and plan and allow the petitioning town and USD to be heard at a meeting held within the petitioning town and then issue a determination of preparedness within 90 days of receiving the report and plan.
  - **Preparedness deemed likely.** If SBE determines it is likely the proposed new school district will be prepared to provide education that meets educational quality standards and ensure SU services by operational date, then the SBE shall vote to approve withdrawal.
  - **Preparedness deemed unlikely.** If the SBE determines there is a reasonable risk that the proposed new school district will not be able to be prepared, on the proposed operational date, to provide education that meets educational quality standards and ensure SU services, then:
    - the SBE shall deny petitioning town’s withdrawal proposal;
    - SBE determination is final;
    - Petitioning town remains a town within the USD
    - Voters can initiate a new withdrawal process under Sec. 3, 16 V.S.A. § 724 of this act.

- Readiness actions (pg. 166). After the SBE approves withdrawal, the new school district shall take all steps necessary to be operational, including electing board members, negotiate proposed financial terms and obtain voter approval of such terms, prepare a budget, prep for SU services, etc.
- Subsection (f) addresses how this section would apply to a UESD/UHSD
- This section is repealed on July 1, 2025.

**Sec. 8. Temporary Moratorium on Union School District School Closures (pg. 177)**

- This section prohibits a union school district from closing a school building within its district unless the closure has been accounted for 2023 budget or closure is approved by the voters of the town within which the building is located. “Closing a school building” means the district ceases to use the building to provide direct education for a majority of the grades operated within the building on or before July 1, 2022. This section is repealed on July 1, 2024.

**Sec. 9. Union School District Closures; Report (pg. 177)**

- This section requires AOE to issue a written report to the Education Committees on USD school building closures on or before September 1, 2023. The Agency shall consult with the State Board of Education, the Vermont League of Cities and Towns, and the V’s. The report shall include examples of recent school closures; an examination of the impact school closures have had or are anticipated to have on towns or member districts seeking to withdraw from a USD; an examination of the issues leading to consideration of a closure and options to address the issue short of school closure; an examination of the factors that should be used to determine school viability and sustainability; an examination of creating a statewide school closure process and definition; recommendations on school closure standards and processes; and recommendations for legislative action.

**Sec. 10. Union School District Withdrawal; Annual Report (pg. 179)**

- This section requires AOE to issue an annual report to the Education Committees on withdrawal action during the preceding year and any recommendations for legislative action.

**Sec. 11. § 1804 Employment Transition; New School District Created Upon Withdrawal from a Union School District (pg. 179)**

- This section adds a new statute to Chapter 53 in Title 16, which addresses teacher contracts, compensation, and sick leave. This new statute establishes how employment contracts are handled when a new school district is created after withdrawal from a union school district.
- During the transitional period between the new school district being created and the operational date, the new school district appoints a school board negotiations council to negotiate with the representatives of future employees of the new district. The new

school district is required to recognize the representatives of the employees of the USD as the recognized representatives of the employees of the new district.

- The new district school board negotiation council negotiates employment contracts, pursuant to Title 16, chapter 57 for teachers and Title 21, chapter 22 for other employees, with the representatives of the employees of the new school district.
- If the parties do not ratify an agreement at least 90 days prior to the new district's operational date, then the new employees shall be governed by the terms of the collectively bargained agreement in place for the USD in the year preceding the new school district's initial operating year, unless the parties agree otherwise.
- If an employee of the new school district was an employee of the USD in the year preceding the new school district's initial operational year, and that employee was not a probationary employee in the USD at the conclusion of that year, the employee shall not be considered a probationary employee if employed by the new school district in the initial operational year.
- Before the operational date, the board of the USD, the board of the new school district, and the representatives of the employees may negotiate a temporary MOU to adjust provisions in the USD contract regarding seniority, RIFs, layoffs, and recalls in order to meet the workforce needs of both the USD and the new district and the best interests of the employees of both.
- The new district shall assume all non-collectively bargained contracts on the operational date, including accrued leave and associated benefits, if the employee worked in the building located in the new district in the year preceding the initial operational year and who chooses to stay and work in the same capacity in the new school district.
- The same provisions for school district employees apply to SU employees if the SBE created a new SU to provide services to the new district and the employee was previously employed by the USD to provide services typically provided by an SU employee and would be employed by the SU in the initial operational year to provide the same services.

**Sec. 12. Application of Employment Transition Provisions (pg. 184)**

- This section makes clear that Sec. 11 applies to any school district with an operational date of July 1, 2023 or later or if the SBE created the district as the result of a withdrawal action initiated pursuant withdrawal process in effect on January 1, 2022.

**Sec. 13. Effective date (pg. 185). This act takes effect on passage.**