

I) Pre-Act 46:

- A) [2010 Acts and Resolves No. 153](#). An act relating to voluntary school district merger, virtual merger, supervisory union duties, and including secondary students with disabilities in senior year activities and ceremonies
- 1) Created a school district merger incentive program for newly formed union school districts that:
    - (a) Had an ADM of at least 1,250 or were the result of the merger of at least 4 school districts, or both—called Regional Education Districts, or “REDS”—with 3 alternative models also eligible for incentives
    - (b) Were organized to educate K-12 resident students—with two exceptions for tuitioning districts
    - (c) Had a merger plan with a cost-benefit analysis
    - (d) SBE designated as an SD or assigned to an SU
    - (e) No school closed in first 4 years unless consent by voters of town where located
    - (f) Single elected school board
    - (g) Statewide public high school choice and access to CTE
  - 2) Approved by electorate by 7/1/17; not subject to State Board’s final merger order
  - 3) Incentives
    - (a) Tax rate reductions
    - (b) Incentive grant--\$400 per pupil paid in 1<sup>st</sup> year of operation
    - (c) Merger support grants
    - (d) Consulting services grant
    - (e) Transition facilitation grant
    - (f) State paying portion of eligible capital debt interest
- B) [2012 Acts and Resolves No. 156](#). An act relating to prevention, identification, and reporting of child abuse and neglect at independent schools
- 1) Provides varying levels of reimbursement and incentive grants to encourage school districts and SUs to work together, either contractually or by merging governance structures; provides variations of the RED structure that would also be eligible for incentives
  - 2) Required Sec. of Administration to explore the purpose, structure, duties, and authority of SUs and design a revised struct based on CTE center regions, with no more than 3 SUs per regions
  - 3) Created a working group to review and evaluate how VT spends financial and other resources to provide high quality, equitable education opportunities throughout the state.

II) [2015 Acts and Resolves No. 46](#). An act relating to making amendments to education funding, education spending, and education governance

- A) Goals: “...to move the State toward sustainable models of education governance. The legislation is designed to encourage and support local decisions and actions” that meet the following goals:
- 1) Substantial equity in the quality and variety of educational opportunities statewide;
  - 2) Lead students to achieve or exceed the State’s Educational Quality Standards;

- 3) Maximize operational efficiencies through increased flexibility to manage, share, and transfer resources, with a goal of increasing the district-level ratio of students to full-time staff;
  - 4) Promote transparency and accountability; and
  - 5) Education that is delivered at a cost that parents, voters, and taxpayers value.
- B) Explicit Legislative intent not to “close small schools, but rather to ensure that those schools have the opportunity to enjoy the expanded educational opportunities and economies of scale that are available to schools within larger, more flexible governance models.”
- C) Requires all changes contemplated pursuant to Act 46 to preserve the ability of tuitioning districts to continue to tuition and operating districts to continue to operate
- D) Requires the State, on or before July 1, 2019, to provide educational opportunities through sustainable governance structures designed to meet the goals of the act through one of the following models:
- 1) Preferred structure:
    - (a) Responsible for the education of all resident pre-k-12 students;
    - (b) Own supervisory district (one school district)
    - (c) Minimum ADM of 900; and
    - (d) Organized and operates according to one of the following models:
      - (i) Operates pre-k-12;
      - (ii) Operates pre-k-8; tuition for 9-12;
      - (iii) Operates pre-k-6; tuition for 7-12; or
      - (iv) Non-operating, tuition for pre-k-12
  - 2) Alternative structure
    - (a) SU with multiple member districts can meet the State’s goals if:
      - (i) The member districts consider themselves to be “collectively responsible for the education of all pre-k-12 students in the SU;
      - (ii) SU operates in a manner that maximizes efficiencies through economies of scale and the flexible management, transfer, and sharing of nonfinancial resources among member districts;
      - (iii) SU has the smallest number of member school districts practicable, achieved wherever possible by the merger of districts with similar operating and tuitioning patterns; and
      - (iv) The combined ADM of all member districts is not less than 1,100
    - (b) School districts with governance structures different from the preferred structure required to:
      - (i) Evaluate ability to meet or exceed State goals;
      - (ii) Meet with other districts in the area to discuss ways to promote improvement in meeting the State’s goals throughout the region; and
      - (iii) Submit an alternative governance structure proposal to the State Board, individually or with other districts
  - 3) Incentives
    - (a) Accelerated activity: If operational by 7/1/17, a supervisory union merging into a supervisory district per the preferred structure
      - (i) Tax rates that decrease over the first 5 fiscal years of a new district’s operation

- (ii) Merger support grant
    - (iii) Transition facilitation grant (\$150,000 or 5% of base education amount multiplied by ADM, whichever is less)
  - (b) Extended eligibility for RED incentives: If the electorate votes by 7/1/17:
    - (i) Tax reduction during first 4 years of operation
    - (ii) Merger support grant
    - (iii) Transition facilitation grant
  - (c) Later mergers: Group of districts that merge into one of the four most common structures and the new district is operational by 7/1/19
    - (i) Tax rate reduction during first 4 years of operation
    - (ii) Merger support grant
- 4) State approval
- (a) Secretary of Education required to review the governance structures as they would exist on July 1, 2019 and submit a plan to the State Board of Education to move districts into the preferred structure or, if necessary, into alternative governance structures
  - (b) State Board of Education required to review the Secretary's proposal and issue an order merging and realigning districts and supervisory unions where necessary to meet the State's goals and the purpose and goals of the act. Not applicable to interstate school districts, CTE districts, and recently/voluntarily merged districts
  - (c) \*\*\*The State Board was still required to approve voluntary mergers under 16 V.S.A. chapter 11. Act 46 required the Board to consider the goals of the act in considering the voluntary mergers

III) Post Act 46: [2017 Act and Resolves No. 49](#). An act relating to making miscellaneous changes to education law: Purpose of act was to make "useful changes to the merger timelines and allowable governance structures under Act 46 without weakening or eliminating that Act's fundamental phased merger and incentive structures and requirements."