

1 H.753

2 Introduced by Committee on Education

3 Date:

4 Subject: Education; supervisory unions; superintendents; school districts;  
5 school boards; contracts; merger; incentives

6 Statement of purpose: This bill proposes to delete the requirement that each  
7 supervisory union board vote by October 2012 whether to perform a  
8 comprehensive analysis of merger; redesign the system of incentives provided  
9 to school districts and supervisory unions that enter into agreements to provide  
10 services jointly or to consolidate governance structures; clarify existing  
11 statutory language regarding the process to change provisions in the final  
12 report creating a union school district; and create a working group to plan the  
13 2015 implementation of employment of all special education staff by  
14 supervisory unions.

15 An act relating to encouraging school districts and supervisory unions to  
16 provide services cooperatively or to consolidate governance structures

17 It is hereby enacted by the General Assembly of the State of Vermont:

18 \* \* \* Regional Education Districts; Comprehensive Analysis Vote \* \* \*

19 Sec. 1. Sec. 2 of No. 153 of the Acts of the 2009 Adj. Sess. (2010) is amended  
20 to read:



1 Sec. 4. REIMBURSEMENT OF FEES FOR CONSULTING SERVICES;  
2 JOINT ACTIVITY OTHER THAN MERGER; SUPERVISORY  
3 UNIONS; SCHOOL DISTRICTS; SUNSET

4 (a) From the education fund, the commissioner of education shall  
5 reimburse up to \$10,000.00 of fees paid by two or more supervisory unions or  
6 two or more school districts for:

7 (1) legal and other consulting services necessary to analyze in detail the  
8 advisability of providing services or performing duties jointly that will result in  
9 a measurable increase in opportunities for students and a decrease in costs; or

10 (2) transitional costs necessary to enter into and implement agreements  
11 to provide those services or perform those duties jointly; or

12 (3) both subdivisions (1) and (2) of this subsection.

13 (b) Each group of supervisory unions or school districts shall forward  
14 invoices to the commissioner on a quarterly basis. The commissioner shall  
15 reimburse one-half of the total amount reflected in each set of invoices and the  
16 remaining one-half upon submission to the commissioner of a written  
17 statement of the entities' analysis and conclusions, provided that no payment  
18 shall cause the total amount paid to exceed the \$10,000.00 limit.

19 (c) A group of supervisory unions or school districts that receives  
20 reimbursement under this section shall not be eligible to receive additional  
21 reimbursement under Sec. 5 or 8 of this act for the same proposal.

22 (d) This section is repealed on July 1, 2017.

1           \* \* \* Reimbursement and Incentives; Merger of Supervisory Unions \* \* \*

2           Sec. 5. REIMBURSEMENT OF FEES FOR CONSULTING SERVICES;

3                       MERGER; SUPERVISORY UNIONS; SUNSET

4           (a) From the education fund, the commissioner of education shall  
5           reimburse up to \$20,000.00 of fees paid by two or more supervisory unions for  
6           legal and other consulting services necessary to analyze the advisability of the  
7           merger into a fewer number of supervisory unions and to prepare a petition to  
8           the state board of education requesting adjustment of supervisory union  
9           boundaries.

10          (b) Each group of supervisory unions shall forward invoices to the  
11          commissioner on a quarterly basis. The commissioner shall reimburse one-half  
12          of the total amount reflected in each set of invoices and the remaining one-half  
13          upon submission of either a petition to the state board requesting that the  
14          boundaries be redrawn or a written statement of the entities' analysis  
15          supporting preservation of the current boundaries, provided that no payment  
16          shall cause the total amount paid to exceed the \$20,000.00 limit.

17          (c) Any transition facilitation grant funds paid pursuant to Sec. 6 of this act  
18          shall be reduced by the total amount of reimbursement provided under this  
19          section.

20          (d) This section is repealed on July 1, 2017.

1       Sec. 6. TRANSITION FACILITATION GRANT; MERGER;  
2                   SUPERVISORY UNIONS; SUNSET

3           (a) After state board of education approval of the petition of two or more  
4           supervisory unions to merge into a fewer number of supervisory unions, the  
5           commissioner of education shall pay to the new supervisory union board or the  
6           new group of boards a transition facilitation grant from the education fund of  
7           \$150,000.00, less reimbursement funds received under Sec. 5 of this act.

8           (b) This section is repealed on July 1, 2017.

9       Sec. 7. APPLICABILITY; RUTLAND-WINDSOR AND WINDSOR  
10                   SOUTHWEST SUPERVISORY UNIONS

11           If on or before July 1, 2012 the state board of education approves the  
12           petition of the Rutland-Windsor and Windsor Southwest Supervisory Unions  
13           to merge into a single, new supervisory union on or before July 1, 2013, then  
14           the new supervisory union shall be eligible to receive:

15                   (1) the transition facilitation grant available under Sec. 6 of this act; and

16                   (2) a one-time grant of \$100,000.00 from the education fund for the  
17           purposes of reducing taxes in the affected towns during fiscal year 2014.

18                   \* \* \* Reimbursement and Incentives; Merger of School Districts \* \* \*

19       Sec. 8. REIMBURSEMENT OF FEES FOR CONSULTING SERVICES;  
20                   MERGER; SCHOOL DISTRICTS; SUNSET

21           (a) From the education fund, the commissioner of education shall  
22           reimburse up to \$20,000.00 of fees paid by a study committee established

1 under 16 V.S.A. § 706 for legal and other consulting services necessary to  
2 analyze the advisability of creating a union school district or a unified union  
3 school district and to prepare the report required by 16 V.S.A. § 706b.

4 (b) The study committee shall forward invoices to the commissioner on a  
5 quarterly basis. The commissioner shall reimburse one-half of the total  
6 amount reflected in each set of invoices and the remaining one-half upon  
7 submission of the final report pursuant to 16 V.S.A. § 706c, provided that no  
8 payment shall cause the total amount paid to exceed the \$20,000.00 limit.

9 (c) Any transition facilitation grant funds paid to the union school board  
10 pursuant to Sec. 10 of this act shall be reduced by the total amount of  
11 reimbursement provided under this section.

12 (d) A regional education district (“RED”) receiving incentives pursuant to  
13 Sec. 4 of No. 153 of the Acts of the 2009 Adj. Sess. (2010) as amended by this  
14 act is not eligible to receive reimbursement under this section.

15 (e) This section is repealed on July 1, 2017.

16 Sec. 9. REPEAL

17 Sec. 168a of No. 122 of the Acts of the 2003 Adj. Sess. (2004), as amended  
18 by Sec. 23 of No. 66 of the Acts of 2007 and further amended by Sec. 5 of  
19 No. 153 of the Acts of the 2009 Adj. Sess. (2010) (\$150,000.00 or five-percent  
20 transition aid to merging school districts), is repealed.

1 Sec. 10. TRANSITION FACILITATION GRANT; MERGER;  
2 SCHOOL DISTRICTS; SUNSET

3 (a) After voter approval of the establishment of a union, unified union, or  
4 interstate school district, the commissioner of education shall pay to the district  
5 a transition facilitation grant from the education fund equal to the lesser of:

6 (1) five percent of the base education amount established in 16 V.S.A.  
7 § 4001(13) multiplied by the combined enrollment of the merging districts on  
8 October 1 of the year in which the successful vote is taken; or

9 (2) \$150,000.00.

10 (b) A grant awarded under this section shall be reduced by the total amount  
11 of reimbursement paid under Sec. 8 of this act.

12 ~~(c) A RED receiving incentives pursuant to Sec. 4 of No. 153 of the Acts of~~  
13 ~~the 2009 Adj. Sess. (2010) as amended by this act is not eligible to receive~~  
14 ~~reimbursement under this section.~~

(c)(1) A RED receiving incentives pursuant to Sec. 4 of No. 153 of the Acts  
of the 2009 Adj. Sess. (2010) as amended by this act ("Act 153") is not eligible  
to receive a grant under this section.

(2) An interstate, union, or unified union school district, including a  
RED, that expands by merging with one or more additional school districts is  
not eligible to receive a grant under this section if the original merged district  
received a transition facilitation grant under this section, Act 153, or Sec.  
168a of No. 122 of the Acts of the 2003 Adj. Sess. (2004), as amended by Sec.

23 of No. 66 of the Acts of 2007, as further amended by Sec. 5 of No. 153 of the Acts of the 2009 Adj. Sess. (2010), and as repealed by Sec. 9 of this act.

1       (d) This section is repealed on July 1, 2017.

*Sec. 10a. APPLICABILITY; JOINT CONTRACT SCHOOL*

A transition facilitation grant pursuant to Sec. 10 of this act shall be paid proportionally based on enrollment to any group of districts if in fiscal year 2012 or 2013 the voters of each district approve the issuance of bonds upon which establishment of a joint contract school is conditioned. The combined enrollment of the grades newly being offered jointly by the contracting districts shall be used to calculate the amount awarded.

2                                   \* \* \* Incentives; Regional Education Districts \* \* \*

3       Sec. 11. Sec. 4 of No. 153 of the Acts of the 2009 Adj. Sess. (2010) is  
4       amended to read:

5       Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

6               (a) Equalized homestead property tax rates or RED incentive grant. A  
7       RED's plan of merger shall provide whether, upon merger, the RED shall  
8       receive an equalization of its homestead property tax rates during the first four  
9       years following merger or an incentive grant during the first year following  
10       merger.

11               (1)(A) Equalized homestead property tax rates. Subject to the  
12       provisions of subdivision ~~(2)~~(C) of this ~~subsection~~ subdivision (1) and



1 notwithstanding any other provision of law, the RED's equalized homestead  
2 property tax rate shall be:

3 (i) decreased by \$0.08 in the first year after the effective date of  
4 merger;

5 (ii) decreased by \$0.06 in the second year after the effective date  
6 of merger;

7 (iii) decreased by \$0.04 in the third year after the effective date of  
8 merger; and

9 (iv) decreased by \$0.02 in the fourth year after the effective date  
10 of merger.

11 (B) The household income percentage shall be calculated  
12 accordingly.

13 ~~(C)~~ During the years in which a RED's equalized homestead  
14 property tax rate is decreased pursuant to this subsection, the rate for each  
15 town within the RED shall not increase or decrease by more than five percent  
16 in a single year. The household income percentage shall be calculated  
17 accordingly.

18 (2) RED incentive grant. During the first year after the effective date of  
19 merger, the commissioner of education shall pay to the RED board a RED  
20 incentive grant from the education fund equal to \$400.00 per pupil based on  
21 the combined enrollment of the participating districts on October 1 of the year

1 in which the successful vote was taken. The grant shall be in addition to funds  
2 received under 16 V.S.A. § 4028.

3 (3) ~~On~~ Common level of appraisal. Regardless of whether a RED  
4 chooses to receive an equalization of its homestead property tax rates or a RED  
5 incentive grant, on and after the effective date of merger, the common level of  
6 appraisal shall be calculated independently for each town within the RED for  
7 purposes of determining the homestead property tax rate for each town.

8 \* \* \*

9 (e) Consulting services reimbursement grant. From the education fund, the  
10 commissioner of education shall pay up to \$20,000.00 to the merger study  
11 committee established under 16 V.S.A. § 706 to reimburse the participating  
12 districts for legal and other consulting fees necessary for the analysis and  
13 report required by 16 V.S.A. § 706b. The study committee shall forward  
14 invoices to the commissioner on a quarterly basis. The commissioner shall  
15 reimburse one-half of the total amount reflected in each set of invoices and the  
16 remaining one-half upon completion of the final report, provided that no  
17 payment shall cause the total amount paid to exceed the \$20,000.00 limit. In  
18 addition, any transition facilitation grant funds paid to the RED pursuant to  
19 ~~Sec. 5 of this act~~ subsection (g) of this section shall be reduced by the total  
20 amount of ~~funds provided~~ reimbursement paid under this subsection (e).

21 \* \* \*

1           ~~(g) Recent merger. If the Addison Northwest Unified Union School~~  
2           ~~District becomes a body corporate and politic on or before July 1, 2010, then~~  
3           ~~the merged district shall be entitled to receive any of the benefits set forth in~~  
4           ~~this section that it elects and is otherwise eligible to receive if, on or before~~  
5           ~~July 1, 2011:~~

6                     ~~(1) it notifies the commissioner of its election; and~~

7                     ~~(2) it provides the commissioner with a cost-benefit analysis as required~~  
8           ~~by Sec. 3(h) of this act. Transition facilitation grant.~~

9                     (1) After voter approval of the plan of merger, the commissioner of  
10           education shall pay the RED a transition facilitation grant from the education  
11           fund equal to the lesser of:

12                     (A) five percent of the base education amount established in  
13           16 V.S.A. § 4001(13) multiplied by the combined enrollment of the merging  
14           districts on October 1 of the year in which the successful vote is taken; or

15                     (B) \$150,000.00.

16                     (2) A transition facilitation grant awarded under this subsection (g) shall  
17           be reduced by the total amount of reimbursement paid under subsection (e) of  
18           this section.

19                     (h) This section is repealed on July 1, 2017.

20                                     \* \* \* Interstate School Districts \* \* \*

21           Sec. 12. Sec. 2(a) of No. 153 of the Acts of the 2009 Adj. Sess. (2010) is  
22           amended to read:

1 (a) Program created. There is created a school district merger incentive  
2 program under which the incentives outlined in Sec. 4 of this act shall be  
3 available to each new unified union school district created pursuant to Sec. 3 of  
4 this act ~~and~~ to each new district created under ~~that section~~ Sec. 3 of this act by  
5 the merger of districts that provide education by paying tuition; and to the  
6 Vermont members of any new interstate school district that, if all of the  
7 merging districts were located in Vermont, would meet the requirements of  
8 Sec. 3 of this act. Incentives shall be available, however, only if the effective  
9 date of merger is on or before July 1, 2017.

10 \* \* \* Other Types of Mergers Eligible for RED Incentives \* \* \*

11 Sec. 13. TWO OR MORE MERGERS; REGIONAL EDUCATION

12 DISTRICT INCENTIVES

13 (a) Notwithstanding Sec. 3(a)(1) of No. 153 of the Acts of the 2009 Adj.  
14 Sess. (2010) that requires a single regional education district (“RED”) to have  
15 an average daily membership of at least 1,250 or result from the merger of at  
16 least four districts, or both, two or more new districts shall be eligible jointly  
17 for the incentives provided in Sec. 4 of No. 153 if:

18 (1) each new district is formed by the merger of at least two existing  
19 districts;

20 (2) each new district meets all criteria for RED formation other than the  
21 size criterion of Sec. 3(a)(1) of No. 153;

1           (3) one of the new districts provides education in all elementary and  
2           secondary grades by operating one or more schools and the other new district  
3           or districts pay tuition for students in one or more grades;

4           (4) each new district has the same effective date of merger;

5           (5) the new districts, when merged, are members of one supervisory  
6           union; and

7           (6) the new districts jointly satisfy the size criterion of Sec. 3(a)(1) of  
8           No. 153.

9           (b) This section is repealed on July 1, 2017.

10          Sec. 14. UNION ELEMENTARY SCHOOL DISTRICTS; REGIONAL

11                               EDUCATION DISTRICT INCENTIVES

12           (a) If a majority of the local elementary school districts in the member  
13           towns of an existing union high school district merge to form a union  
14           elementary school district pursuant to 16 V.S.A. chapter 11 that operates all  
15           grades not offered by the union high school district, then, notwithstanding  
16           provisions of No. 153 of the Acts of the 2009 Adj. Sess. (2010) to the contrary,  
17           the new union elementary school district is eligible for the incentives provided  
18           to a regional education district ("RED") in Sec. 4 of that act, provided that the  
19           effective date of the merger into the union elementary school district is within  
20           the period required for RED formation.

21           (b) This section is repealed on July 1, 2017.

*Sec. 14a. MODIFIED UNIFIED UNION SCHOOL DISTRICT*

(a) Notwithstanding any provision of law to the contrary:

(1)(A) if all local elementary school districts in the member towns of an existing union high school or union middle school-high school district (“union high school district”) vote whether to establish a unified union school district providing prekindergarten or kindergarten through grade 12, and

(B) if a majority but not all of the elementary school districts votes in favor of establishing the unified union school district, then

(2) a new modified union school district (the “modified union school district”) shall be established that shall:

(A) provide to the students residing in the member towns of the union high school district education in those grades provided by the union high school district; and

(B) provide elementary education to the students residing in the current elementary school districts that voted in favor of the unified union school district.

(b) Establishment of the modified union school district shall:

(1) dissolve the union high school district, and any assets or liabilities held by the union high school district shall be transferred to the modified union school district; and

(2) dissolve the elementary school districts that voted in favor of establishing the unified union school district, and any assets or liabilities they

hold as individual districts shall be transferred to the modified union school district.

(c) Notwithstanding provisions of No. 153 of the Acts of the 2009 Adj. Sess. (2010) as amended by this act to the contrary, the modified union school district is eligible for the incentives provided to a regional education district ("RED") in Sec. 4 of that act, provided that the effective date of the merger into the modified union school district is within the period required for RED formation.

(d) This section is repealed on July 1, 2017.

1                   \* \* \* Union School Districts Including REDs; Process \* \* \*

2           Sec. 15. 16 V.S.A. § 706c is amended to read:

3           § 706c. CONSIDERATION BY LOCAL SCHOOL DISTRICT BOARDS

4                   AND APPROVAL BY STATE BOARD OF EDUCATION

5           (a) If a study committee prepares a report under section 706b of this  
6           chapter, the committee shall transmit the report to the school boards of each  
7           school district that the report identifies as necessary or advisable to the  
8           establishment of the proposed union school district for the review and  
9           comment of each school board.

10           (b) The study committee shall transmit the report to the commissioner who  
11           shall submit the report with his or her recommendations to the state board of  
12           education. That board after notice to the study committee and after giving the  
13           committee an opportunity to be heard shall consider the report and the

1 commissioner's recommendations, and decide whether the formation of such  
2 union school district will be for the best interest of the state, the students, and  
3 the school districts proposed to be members of the union. The board may  
4 request the commissioner and the study committee to make further  
5 investigation and may consider any other information deemed by it to be  
6 pertinent. If, after due consideration and any further meetings as it may deem  
7 necessary, the board finds that the formation of the proposed union school  
8 district is in the best interests of the state, the students, and the school districts,  
9 it shall approve the report submitted by the committee, together with any  
10 amendments, as a final report of the study committee, and shall give notice of  
11 its action to the committee. The chair of the study committee shall file a copy  
12 of the final report with the town clerk of each proposed member district at least  
13 20 days prior to the vote to establish the union.

14 Sec. 16. 16 V.S.A. § 706n is amended to read:

15 § 706n. AMENDMENTS TO AGREEMENTS REACHED BY

16 ESTABLISHMENT VOTE, ORGANIZATION MEETING, OR

17 FINAL REPORT

18 (a) ~~Any~~ A specific condition or agreement set forth as a distinct subsection  
19 under Article 1 of the warning required by section 706f of this chapter and  
20 adopted by the member districts pursuant to section 706f of this chapter at the  
21 vote held to establish the union school district, or any amendment subsequently  
22 adopted pursuant to the terms of this section, may be amended only at a special



1 or annual union district meeting; provided that the prior approval of the state  
2 board of education shall be secured if the proposed amendment concerns  
3 reducing the number of grades that the union is to operate. The warning for  
4 the meeting shall contain each proposed amendment as a separate article. The  
5 vote on each proposed amendment shall be by Australian ballot. Ballots shall  
6 be counted in each member district, and the clerks of each member district  
7 shall transmit the results of the vote in that district to the union school district  
8 clerk. ~~Results~~ Although the results shall be reported to the public by member  
9 district; ~~however, no, an~~ amendment is effective ~~unless if~~ approved by a  
10 majority of ~~those~~ the electorate of the union district voting at that meeting.

11 (b) Any decision at the organization meeting may be amended by a  
12 majority of those present and voting at a union district meeting duly warned for  
13 that purpose.

14 (c) Any provision of the final report ~~which was not contained in a separate~~  
15 ~~article~~ that was included in the warning required pursuant to section 706f of  
16 this chapter for the vote to form the union by reference to or incorporation of  
17 the entire report but that was not set forth as a distinct subsection under  
18 Article 1 of the warning may be amended by a simple majority vote of the  
19 union board of school directors, or by any other majority of the board as is  
20 specified for a particular matter in the report.

21 \* \* \* Regional Education Districts; Plan of Merger; School Closing \* \* \*

1 Sec. 17. Sec. 3(d) of No. 153 of the Acts of the 2009 Adj. Sess. (2010) is  
2 amended to read:

3 (d) Operation of schools.

4 (1) A RED shall not close any school within its boundaries during the  
5 first four years after the effective date of merger unless the electorate of the  
6 town in which the school is located consents to closure.

7 (2) The participating districts' plan of merger may include a provision,  
8 which shall be set forth in full as a distinct subsection under Article 1 of the  
9 ballot required by 16 V.S.A. § 706f, that one or more schools within its  
10 boundaries shall not be closed for an additional six or fewer years after the first  
11 four years unless the combined electorate of the merged district consents to its  
12 closure.

13 (3) The participating districts' plan of merger ~~may~~ shall include  
14 processes governing the manner in which the RED may close schools ~~after the~~  
15 ~~fourth year,~~ including:

16 (A) preparation of a cost-benefit analysis of both the student  
17 opportunities and financial efficiencies within the RED related to closure  
18 versus continued operation,

19 (B) presentation of a plan for educating the students currently  
20 enrolled in the school that will be closed; and

21 (C) convening of at least two public hearings concerning the closure.

22 \* \* \* Special Education; Transition to Employment

1 by Supervisory Unions \* \* \*

2 Sec. 18. Sec. 23(b) of No. 153 of the Acts of the 2009 Adj Sess. (2010), as  
3 amended by Sec. 1 of No. 30 of the Acts of 2011, is further amended to read:

4 (b) Secs. 9 through 12 of this act shall take effect on passage and shall be  
5 fully implemented on July 1, 2013, subject to the provisions of existing  
6 contracts; provided, however, that the special education provisions of Sec. 9,  
7 16 V.S.A. § 261a(a)(6), shall be fully implemented on July 1, 2015.

8 Sec. 19. SUPERVISORY UNION EMPLOYEES; SPECIAL EDUCATION;  
9 WORKING GROUP

10 (a) On or before July 1, 2012, the commissioner of education or the  
11 commissioner's designee shall convene a working group to develop a detailed  
12 plan by which supervisory unions shall fully implement, by July 1, 2015, the  
13 transition of special education staff employed by school districts to  
14 employment by supervisory unions as required by 16 V.S.A. § 261a(a)(6).

15 (b) The working group shall include department staff and representatives  
16 from at least the following constituencies: superintendents; school boards;  
17 principals; special educators; a teachers' organization as defined in 16 V.S.A.  
18 chapter 57; and business managers.

19 (c) The working group shall report to the advisory council on special  
20 education created by 16 V.S.A. § 2945 and to the house and senate committees  
21 on education during the first week of the 2013 and 2014 legislative sessions  
22 regarding the progress of the plan required by this section, including a

1 description of the ways in which specific impediments to implementation are  
2 being addressed. The working group also shall identify any amendments to  
3 statute necessary to achieve implementation by July 1, 2015 of the  
4 requirements of 16 V.S.A. § 261a.

*Sec. 19a. APPROPRIATION*

*The sum of \$650,000.00 is appropriated from the education fund to be used  
for the purposes of this act in fiscal year 2013.*

*Sec. 19b. 16 V.S.A. § 4001(6)(B)(viii) is added to read:*

*(viii) For a regional education district formed pursuant to the  
provisions of Sec. 3 of No. 153 of the Acts of the 2009 Adj. Sess. (2010), as  
amended from time to time, that provides for the education of resident pupils in  
one or more grades by paying tuition and does not maintain a school that  
includes the grade or grades:*

*(I) a budget deficit under the terms set forth in subdivision (vi)  
of this subdivision (6)(B); or*

*(II) unexpected tuition costs under the terms set forth in  
subdivision (vii) of this subdivision (6)(B).*

5 Sec. 20. EFFECTIVE DATE

6 This act shall take effect on passage.