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March 28, 2019

(Very) Unofficial Version of as passed Senate version of H.39

Compiled by Jim DesMarais, Legislative Counsel

Sec. 1. SCHOOL DISTRICT MERGERS; STATE BOARD OF
EDUCATION ORDER

(a) Statement of intent.

(1) 2017 Acts and Resolves No. 49 made “useful changes to the merger time lines” contained in 2015 Acts and Resolves No. 46 “without weakening or eliminating the Act’s fundamental phased merger and incentive structures and requirements.” Act 49 reemphasized this point by noting that “[n]othing in this act should be interpreted to suggest that it is acceptable for a school district to fail to take reasonable and robust action to seek to meet the goals of Act 46.”

(2) Similarly, nothing in this act, which permits a final extension of the deadline for mergers required by the State Board of Education, should be interpreted to weaken or undermine in any way the State Board’s final merger order of November 28, 2018 or to encourage delay for school districts that want to merge on July 1, 2019. Except as modified by this act, school districts

1 remain under all obligations under Acts 46 and 49, whether or not they choose
2 to delay the operational date of their merger.

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

4 (1) “Default Articles” means the Default Articles of Agreement issued
5 with the State Board Report.

6 (2) “Existing district” means a union school district created by vote of
7 the electorate on or after July 1, 2014 into which a merging district is ordered
8 by the State Board Order to merge.

9 (3) “Forming district” means a school district that is ordered by the State
10 Board Order to merge with other forming districts to create a newly formed
11 district.

12 (4) “Initial members” mean the initial members of the board of a newly
13 formed district elected under Article 10 of the default articles.

14 (5) “Merging district” means a school district that is ordered by the State
15 Board Order to merge into an existing district.

16 (6) “Newly formed district” means a union school district that is formed
17 by the State Board Order by merging forming districts.

18 (7) “State Board Order” means the section of the State Board Report
19 entitled “State Board of Education’s ‘order merging and realigning districts
20 and supervisory unions where necessary pursuant to Act 46, Sec. 10(b).”

1 (8) “State Board Report” means the “Final Report of the Decisions and
2 Order on Statewide School District Merger Decisions Pursuant to Act 46,
3 Sections 8(b) and 10” issued by the State Board of Education dated
4 November 28, 2018.

5 (c) Notwithstanding any provision of law to the contrary:

6 (1) Merger deadline extension.

7 (A) Except as provided in subdivisions (1)(B) and (C) of this
8 subsection, the operational deadline for school district mergers under the State
9 Board Order shall be on July 1, 2019 or July 1, 2020.

10 (i) For the mergers of forming districts into a newly formed
11 district, the school board of the newly formed district, operating in accordance
12 with the default articles, shall, on or before June 30, 2019, determine, by
13 majority vote of the initial members representing a quorum, the operational
14 date of merger.

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15 (ii) For the merger of a merging district into an existing district,
16 the school board of the existing district shall, on or before June 30, 2019,
17 determine, by majority vote of members representing a quorum, the
18 operational date of merger.

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19 (B) The operational deadline for school district mergers under the
20 State Board Order shall be on July 1, 2019 if the relevant board does not, on or

1 before June 30, 2019, determine the operational date of the merger under
2 subdivision (1)(A) of this subsection.

3 (C) The deadline for mergers that, in the State Board Order, are
4 conditioned upon approval of voters of the existing district shall be as specified
5 in the State Board Order.

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6 (2) Default Articles. The Default Articles for each newly formed
7 district that has an operational deadline of July 1, 2020 are amended as
8 follows:

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9 (A) by striking out the date “June 30, 2019” wherever it appears and
10 inserting in lieu thereof the date “June 30, 2020”;

11 (B) by striking out the date “July 1, 2019” wherever it appears and
12 inserting in lieu thereof the date “July 1, 2020”; provided, however, the date
13 “July 1, 2019” shall not be changed in Article 9 (Transitional Board);

14 (C) by striking out the date “December 31, 2019” wherever it appears
15 and inserting in lieu thereof the date “December 31, 2020”;

16 (D) by striking out the date “July 1, 2020” wherever it appears and
17 inserting in lieu thereof the date “July 1, 2021”;

18 (E) by striking out the academic year “2019–2020” wherever it
19 appears and inserting in lieu thereof the academic year “2020–2021”;

20 (F) by striking out the academic year “2020–2021” wherever it
21 appears and inserting in lieu thereof the academic year “2021–2022”;

1 (G) by striking out the academic year “2021–2022” wherever it
2 appears and inserting in lieu thereof the academic year “2022–2023”;

3 (H) by striking out the fiscal year “2020” wherever it appears and
4 inserting in lieu thereof the fiscal year “2021”, provided, however, the fiscal
5 year shall not be changed in Article 9(D)(i) (Transitional Board; Specific
6 Duties; First Draft of Proposed Budget) and Article 10(D)(iii)(b) (New Union
7 District Board of School Directors-Initial Members; Swearing-in and
8 Assumption of Duties; Presentation of Proposed Budget);

9 (I) by striking out Article 9(D)(i) (Transitional Board; Specific
10 Duties; First Draft of Proposed Budget) and Article 10(D)(iii)(b) (New Union
11 District Board of School Directors-Initial Members; Swearing-in and
12 Assumption of Duties; Presentation of Proposed Budget) in their entirety; and

13 (J) by making conforming changes to cross-referenced years in
14 Article 14 (Amendments).

15 (3) Small schools grant.

16 (A) If a forming district or merging district that merges under the
17 State Board Order has an operational merger date of July 1, 2019, and that
18 district was an “eligible school district” as defined in 16 V.S.A. § 4015, as in
19 effect on June 30, 2019, that received a small schools support grant under that
20 section in the fiscal year two years prior to the first fiscal year of merger, then
21 the newly formed district or existing district, as applicable, shall receive an

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1 annual small schools support grant in an amount equal to the small schools
2 support grant received by the forming district or merging district, as applicable,
3 in the fiscal year two years prior to the first fiscal year of merger. If more than
4 one forming district or merging district was an eligible school district and
5 merged into the same newly formed district or existing district, as applicable,
6 then the small schools support grant for the newly formed district or existing
7 district, as applicable, shall be in an amount equal to the total combined small
8 schools support grants the forming districts or the merging districts, as
9 applicable, received in the fiscal year two years prior to the first fiscal year of
10 merger.

11 (B) Payment of the grant under subdivision (3)(A) of this subsection
12 shall continue annually unless explicitly repealed by the General Assembly;
13 provided, however, that the Secretary shall discontinue payment of the grant in
14 the fiscal year following closure by the school district of a school that qualified
15 the district for the grant; and further provided that if a school building that
16 housed a school that qualified the district for the grant is closed in order to
17 consolidate with another school into a renovated or new school building, then
18 the Secretary shall continue to pay the grant during the repayment term of any
19 bonded indebtedness incurred in connection with the consolidation-related
20 renovation or construction.

21 (C)(i) This subdivision (3) shall also apply if:

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1 (I) two or more school districts voluntarily merged to form a
2 unified union school district that is operational on July 1, 2019;

3 (II) one or more of these school districts was an “eligible
4 school district” as defined in 16 V.S.A. § 4015, as in effect on June 30, 2019,
5 that received a small schools support grant under that section in fiscal year
6 2018;

7 (III) the unified union school district is not eligible for
8 incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves
9 No. 156, or 2015 Acts and Resolves No. 46, each as amended; and

10 (IV) the unified union school district is an existing district, the
11 board of which determines pursuant to subdivision (c)(1)(A)(ii) of this section
12 that the operational date of merger of one or more merging districts into the
13 existing district shall be July 1, 2019.

14 (ii) If the conditions in subdivision (i) of this subdivision (C) are
15 met, then beginning in fiscal year 2020, the existing district, as enlarged, shall
16 receive an annual small schools support grant in an amount equal to the small
17 schools support grant received in fiscal year 2018 by the district or districts
18 that originally formed it, under the same terms that apply to a newly formed
19 district under this subdivision (c)(3).

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1 (4) Union school district budget.

2 (A) If the first budget of a newly formed district has not been
3 approved by voters on or before June 30 for the 2020 or 2021 fiscal year, the
4 Agency of Education shall authorize an amount of education spending for that
5 newly formed district equal to:

6 (i) the cumulative education spending amount authorized by the
7 most recently voter approved school budgets of the forming districts;
8 multiplied by

9 (ii) the percentage that represents the average statewide increase
10 from the prior fiscal year to the current fiscal year in school district education
11 spending authorized by voter approved school district budgets, based on data
12 received by the Agency of Education on or before June 14 of the prior fiscal
13 year. As used in this subdivision (ii), for mergers under the State Board Order
14 that are operational on July 1, 2019, the prior fiscal year shall be fiscal year
15 2019 and the current fiscal year shall be fiscal year 2020, and for mergers
16 under the State Board Order that are operational on July 1, 2020, the prior
17 fiscal year shall be fiscal year 2020 and the current fiscal year shall be fiscal
18 year 2021.

19 (B) The amount authorized by the Agency of Education under
20 subdivision (4)(A) of this subsection shall be the “education spending” of the
21 newly formed district for the relevant fiscal year under 16 V.S.A. chapter 133.

1 (C) The school board of the newly formed district, operating in
2 accordance with the default articles, shall determine how funds shall be
3 expended in the relevant fiscal year under this subdivision (4). In addition, the
4 school board of the newly formed district shall have the authority to expend
5 any other funds received from other sources in the relevant fiscal year under
6 this subdivision (4), including endowments, parental fundraising, federal
7 funds, nongovernmental grants, or other State funds such as special education
8 funds paid under 16 V.S.A. chapter 101.

9 (D)(i) This subdivision (4) shall also apply if:

10 (I) two or more school districts voluntarily merged to form a
11 unified union school district that is operational on July 1, 2019;

12 (II) the unified union school district is an existing district, the
13 board of which determines pursuant to subdivision (c)(1)(A)(ii) of this section
14 that the operational date of merger of one or more merging districts into the
15 existing district shall be July 1, 2019; and

16 (III) the unified union school district is not eligible for
17 incentives under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves
18 No. 156, or 2015 Acts and Resolves No. 46, each as amended.

19 (ii) If the conditions in subdivision (i) of this subdivision (D) are
20 met, then the unified union school district shall be considered a “newly formed
21 district” under subdivision (c)(4), and the school districts that voluntarily

1 merged to form the unified union school district and the merging districts that
2 enlarge it shall be considered “forming districts” under subdivision (c)(4). The
3 school board of the existing district enlarged by the merging districts,
4 operating in accordance with its voter-approved Articles of Agreement, shall
5 determine how funds shall be expended in fiscal year 2020.



6 Sec. 2. 16 V.S.A. § 4015 is amended to read:

7 § 4015. SMALL SCHOOL SUPPORT

8 (a) ~~In~~ As used in this section:

9 * * *

10 (2) “Enrollment” means the number of students who are enrolled in a
11 school operated by the district on October 1. A student shall be counted as one
12 whether the student is enrolled as a full-time or part-time student. Students
13 enrolled in prekindergarten programs shall not be counted.

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15 (f) In determining whether a school district is an eligible school district
16 under subdivision (1)(B)(ii)(III) of subsection (a), under which the State Board
17 considers a school’s student-to-staff ratio in assessing its operational
18 efficiency, the State Board shall not count a person who works in a school as a
19 member of that school’s staff if:

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20 (1) the person is employed by another school district (the sending school
21 district);

1 (2) the sending school district and the school district responsible for the
2 school (the receiving school district) have a reciprocity agreement under which
3 they share staff; and

4 (3) the person is working in the school in the receiving district under the
5 reciprocity agreement to support a student from the sending school district who
6 is receiving special education services. 

7 Sec. 3. EFFECTIVE DATES

8 This act shall take effect on passage, except that Sec. 2 (small school
9 support) shall take effect on July 1, 2019.