

1 Sec. 4. WITHDRAWAL ACTIONS APPROVED BY STATE BOARD;
2 NEW DISTRICTS WITH AN OPERATIONAL DATE ON OR
3 AFTER JULY 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 16 V.S.A
7 § 724), 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 date
13 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.

1 **(b) Status report. On or before the regular July 2022 State Board**
2 meeting, the new school district shall submit a written status report to the
3 Board detailing the actions the district has taken and will take to ensure that, as
4 of its operational date, the district will be prepared to assume sole
5 responsibility for the education of its students in prekindergarten through grade
6 12 in a manner that will meet educational quality standards as required by 16
7 V.S.A. § 165 and to ensure the provision of supervisory union services. The
8 status report shall include a timeline indicating the date by which each action
9 shall be complete.

10 (c) State Board review and findings.

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

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

1 supervisory union or unions shall continue to take all actions necessary to
2 prepare for the realignment of duties on the operational date.

3 (3) Preparedness deemed unlikely. If the State Board determines there
4 is a reasonable risk that the new district will not be able to be prepared, on the
5 operational date, to assume full responsibility for the education of its resident
6 students in a manner that substantially complies with educational quality
7 standards as required by 16 V.S.A. § 165, and to ensure the provision of
8 supervisory union services, then:

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

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

17 (C) the State Board's determination of reasonable risk and the
18 consequences imposed by this subdivision (c)(3) shall be final and shall
19 conclude the withdrawal action initiated pursuant to the provisions of the
20 former 16 V.S.A. § 724; and

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

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

5 Sec. 5. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD
6 HAS NOT TAKEN ACTION; ALTERNATIVE GOVERNANCE
7 PROPOSAL PREVIOUSLY PRESENTED

8 (a) Application of this section.

9 (1) For purposes of this section and notwithstanding any provision of
10 law to the contrary, the provisions of 16 V.S.A. § 724 that were in effect prior
11 to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) are deemed
12 to authorize withdrawal from a unified union school district created by the
13 State Board of Education in its “Final Report of Decisions and Order on
14 Statewide School District Merger Decisions Pursuant to Act 46, Secs. 8(b) and
15 10” dated November 28, 2018 (Order).

16 (2) This section shall apply solely to a withdrawal action initiated by a
17 town within a union district (petitioning town) pursuant to the former
18 16 V.S.A. § 724 if each of the following actions occurred prior to the effective
19 date of Sec. 3 of this act:

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

1 (B) prior to issuance of the Order, the districts that merged to form
2 the union district submitted a proposal to the Secretary of Education and the
3 State Board setting forth the details of their self-evaluation and a proposal for
4 an alternative governance structure pursuant to 2015 Acts and Resolves
5 No. 46, Sec. 9 (Section 9 proposal);

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

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

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

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

17 (1) A report explaining the ways in which the current plan of the
18 petitioning town and the union district for operation after withdrawal conforms
19 to or differs from the Section 9 proposal.

20 (2) A plan, including a timeline, identifying the actions the petitioning
21 town and the union district have taken and will take to transition to the

1 proposed structure and to ensure that, as of an identified operational date, the
2 proposed new school 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 including the actions necessary to transition to the proposed method by which
6 supervisory union services would be provided. At a minimum, the plan and
7 timeline should include the actions identified in subsection (d) of this section.

8 (c) State Board review and action.

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

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

21 (A) approve the withdrawal proposal;

1 (B) approve any motion necessary for the withdrawal process to
2 proceed pursuant to subsection (d) of this section, including a motion to create
3 a new school district as of the date of the motion in order to enable the election
4 of members to the board of the proposed new school district, negotiation and
5 voter approval of a withdrawal agreement pursuant to the former 16 V.S.A.
6 § 724(c), and preparation to assume full responsibility for the education of
7 resident students on the operational date;

8 (C) determine or set a schedule for determining the manner in which
9 supervisory union services will be provided to the proposed new school district
10 and, if appropriate, the union district to be effective on the proposed new
11 school district’s operational date; and

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

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

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

19 **(B) determine, in consultation with the petitioning town and the**
20 **union district, a date by which the petitioning town and the union district shall**

1 present a revised explanation and plan for State Board review and action under
2 subdivision (2) of this subsection (c).

3 (d) Actions necessary to be fully operational; preparedness deemed likely.

4 If the State Board makes its determination of preparedness and approves the
5 withdrawal process pursuant to subdivision (c)(2) of this section, then the new
6 school district, the union district, and, if applicable, the supervisory union or
7 unions shall take all actions necessary to be fully operational on the operational
8 date. At a minimum, the required necessary actions shall include:

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

15 (2) negotiation of the proposed financial terms of withdrawal by the
16 board of the new school district and the board of the union district in order to
17 comply with the requirements of the former 16 V.S.A. § 724(c);

18 (3) approval by the voters of each town within the union district of the
19 negotiated proposed financial terms of withdrawal in order to comply with the
20 requirements of the former 16 V.S.A. § 724(c);

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

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

8 (6) all other actions necessary to transition from one school district to
9 two districts and, if applicable, to transition from a supervisory district
10 structure to a supervisory union structure, including all actions necessary to
11 address the collectively bargained rights of employees of the current
12 employing entity.

13 (e) Preparedness deemed unlikely. If the State Board cannot make a
14 positive determination of preparedness pursuant to subdivision (c)(2) of this
15 section, either after an initial review of the report and plan or after review of
16 subsequent plans required by subdivision (c)(3) of this section, then:

17 (1) the State Board shall declare that the petitioning town’s proposal to
18 withdraw initiated under the former 16 V.S.A. § 724 is denied;

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

20 (3) the State Board’s determination of preparedness and the
21 consequences imposed by this subsection shall be final and shall conclude the

1 withdrawal action initiated pursuant to the provisions of the former 16 V.S.A.
2 § 724; and

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

6 (f) Application of this section to withdrawal from a union elementary or
7 union high school district.

8 (1) The processes outlined in this section shall apply to an action of a
9 member school district to withdraw from a union elementary or union high
10 school district if the five elements set forth in subdivisions (A)–(E) of
11 subdivision (a)(2) are met.

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

15 (A) “Petitioning town” means the member district of the union
16 elementary or union high school district that initiated the withdrawal process
17 pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the
18 effective date of Sec. 3 of this act.

19 (B) “Selectboard” means the board of the member district that
20 initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a
21 that were in effect prior to the effective date of Sec. 3 of this act.

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

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

4 Sec. 6. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD
5 HAS NOT TAKEN ACTION; UNION DISTRICT CREATED BY
6 THE ELECTORATE

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

12 (1) the union district formed pursuant to the provisions of 16 V.S.A.
13 §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

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

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

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

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

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

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

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

1 (C) the likely operational and financial viability and sustainability of
2 the proposed new school district and the union district after withdrawal of the
3 petitioning town;

4 (D) any other advantages and disadvantages of withdrawal, including
5 any advantages and disadvantages to the students and taxpayers of the region
6 and the State; and

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

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

21 (c) State Board review and action.

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

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

12 (A) approve the withdrawal proposal;

13 (B) approve any motion necessary for the withdrawal process to
14 proceed pursuant to subsection (d) of this section, including a motion to create
15 a new school district as of the date of the motion in order to enable the election
16 of members to the board of the proposed new school district, negotiation and
17 voter approval of a withdrawal agreement pursuant to the former 16 V.S.A.
18 § 724(c), and preparation to assume full responsibility for the education of
19 resident students on the operational date;

20 (C) determine or set a schedule for determining the manner in which
21 supervisory union services will be provided to the proposed new school district

1 and, if appropriate, the union district, to be effective on the proposed new
2 school district's operational date; and

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

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

9 (A) the State Board shall declare that the petitioning town's proposal
10 to withdraw initiated under the former 16 V.S.A. § 724 is denied;

11 (B) the petitioning town shall remain a town within the union
12 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 16 V.S.A. § 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) Positive determination of preparedness; next steps. If the State Board
21 makes a positive determination of preparedness pursuant to subdivision (c)(2)

1 of this section, then the new school district, the union district, and, if
2 applicable, the supervisory union or unions shall take all actions necessary to
3 be fully operational on the identified operational date. At a minimum, the
4 required necessary actions shall include:

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

11 (2) negotiation by the board of the new school district and the board of
12 the union district of the proposed financial terms of withdrawal in order to
13 comply with the requirements of the former 16 V.S.A. § 724(c);

14 (3) approval by the voters of each town within the union district of the
15 negotiated proposed financial terms of withdrawal in order to comply with the
16 requirements of the former 16 V.S.A. § 724(c);

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

20 (5) preparation for the provision of supervisory union services to the
21 new school district and, if applicable, for the transition of the union school

1 district from a supervisory district structure to a supervisory union structure;

2 and

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

8 (e) Application of this section to withdrawal from a union elementary or
9 union high school district.

10 (1) The processes outlined in this section shall apply to an action of a
11 member school district to withdraw from a union elementary or union high
12 school district if the four elements set forth in subdivisions (1)–(4) of
13 subdivision (a) are met.

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

1 (B) “Selectboard” means the board of the member district that
2 initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a
3 that were in effect prior to the effective date of Sec. 3 of this act.

4 (C) “Town within the union school district” means a member district
5 of the union elementary or union high school district.

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

7 Sec. 7. WITHDRAWAL PROPOSALS; NO FINAL RATIFICATION

8 VOTES

9 (a) Unified union school districts. If a town within a unified union school
10 district voted to withdraw from the union district pursuant to the provisions of
11 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this
12 act, and if the voters of each of the other towns within the union district have
13 not voted whether to ratify the withdrawal proposal prior to the effective date
14 of this section or if they each voted but the votes are not final prior to the
15 effective date, then the withdrawal action is deemed to have been withdrawn.
16 The voters residing in any town within the union district may initiate new
17 withdrawal procedures pursuant to the process set forth in Sec. 3, 16 V.S.A.
18 § 724, of this act.

19 (b) Union elementary and union high school districts. If a member district
20 of a union elementary or union high school district voted to withdraw from the
21 union district pursuant to the provisions of 16 V.S.A. § 721a that were in effect

1 prior to the effective date of Sec. 3 of this act, and if the voters of each of the
2 other member districts of the union district have not voted whether to ratify the
3 withdrawal proposal prior to the effective date of this section or if they each
4 voted but the votes are not final prior to the effective date, then the withdrawal
5 action is deemed to have been withdrawn. The voters residing in any member
6 district of the union district may initiate new withdrawal procedures pursuant
7 to the process set forth in Sec. 3, 16 V.S.A. § 725, of this act.

8 Sec. 8. EFFECTIVE DATE

9 This act shall take effect on July 1, 2022.