

* * * Goals * * *

Sec. 1. GOALS

By enacting this legislation, the General Assembly intends to modernize Vermont's school district governance structure in a manner that:

(1) improves governance efficiency;

(2) enables higher quality educational delivery;

(3) moderates the growth rate of education spending;

(4) preserves local voice where it demonstrably supports quality and cost-effectiveness;

(5) is sensitive and responsive to the diverse needs of the State; and

(6) uses a structured voluntary process first, with a limited and targeted involuntary mechanism only if necessary to meet statewide goals.

* * * Supervisory Unions * * *

Sec. 2. 16 V.S.A. § 301 is redesignated to read:

§ ~~301~~ 265. APPORTIONMENT OF EXPENSES

Sec. 3. 16 V.S.A. chapter 7, subchapter 2 is amended to read:

Subchapter 2. ~~Supervisory Union Expenses~~ Division of State into Supervisory Unions

§ 280. SUPERVISORY UNIONS

The State is divided into the supervisory unions of Southwest Area Supervisory Union, Windham South Supervisory Union, Windham North Supervisory Union, Upper Valley Area Supervisory Union, Rutland Area

SU/SD TBD

Changes from last draft

Supervisory Union, Randolph Area Supervisory Union, Central Area
Supervisory Union, Caledonia Area Supervisory Union, Lamoille Area
Supervisory Union, Essex-Orleans Area Supervisory Union, Northwest Area
Supervisory Union, Champlain Valley Supervisory District, Essex Westford
Supervisory District, Burlington Supervisory District, Mount Mansfield
Unified Union Supervisory District, South Burlington Supervisory District,
Maple Run Unified Supervisory District, Colchester Supervisory District,
Barre Unified Union Supervisory District, Franklin West Supervisory Union,
Harwood Unified Union Supervisory District, Addison Central Supervisory
District, Milton Town Supervisory District, Washington Central Unified Union
Supervisory District, Mount Abraham Unified Supervisory District,
Montpelier Roxbury Supervisory District, Addison Northwest Supervisory
District, Winooski Supervisory District, Caledonia Supervisory District, and
Lincoln Supervisory District.

§ 281. SUPERVISORY UNION ONE: SOUTHWEST AREA

The Southwest Area Supervisory Union is formed of the following member
school districts and their member municipalities:

(1) School district A, which is composed of XXX...

Arlington, Bennington, Danby, Dorset, Dover, Glastenbury, Landgrove,
Londonderry, Manchester, Middletown Springs, Mount Tabor, Pawlet, Peru,
Pownal, Rupert, Sandgate, Searsburg, Shaftsbury, Somerset, Stratton,
Sunderland, Wardsboro, Wells, Weston, Winhall, and Woodford

1 **§ 282. SUPERVISORY UNION TWO: WINDHAM SOUTH**

2 The Windham South Supervisory Union is formed of the following member
3 school districts and their member municipalities:

4 (1) School District A, which is composed of XXX...

5 Brattleboro, Brookline, Dummerston, Guilford, Halifax, Jamaica,
6 Marlboro, Newfane, Putney, Readsboro, Stamford, Townshend, Vernon,
7 Whitingham, Wilmington

8 **§ 283. SUPERVISORY UNION THREE: WINDHAM NORTH**

9 The Windham North Supervisory Union is formed of the following member
10 school districts and their member municipalities:

11 (1) School District A, which is composed of XXX...

12 Andover, Athens, Baltimore, Cavendish, Chester, Grafton, Ludlow,
13 Mount Holly, Rockingham, Springfield, Westminster, Windham

14 **§ 284. SUPERVISORY UNION FOUR: UPPER VALLEY AREA**

15 The Upper Valley Area Supervisory Union is formed of the following
16 member school districts and their member municipalities:

17 (1) School District A, which is composed of XXX...

18 Barnard, Bridgewater, Hartford, Hartland, Killington, Pittsfield,
19 Plymouth, Pomfret, Reading, Weathersfield, West Windsor, Windsor,
20 Woodstock

21 **§ 285. SUPERVISORY UNION FIVE: RUTLAND AREA**

The Rutland Area Supervisory Union is formed of the following member
school districts and their member municipalities:

(1) School District A, which is composed of XXX...

Benson, Brandon, Castleton, Chittenden, Clarendon, Fair Haven,
Goshen, Hubbardton, Ira, Leicester, Mendon, Orwell, Pittsford, Poultney,
Proctor, Rutland City, Rutland Town, Shrewsbury, Sudbury, Tinmouth,
Wallingford, West Haven, West Rutland, Whiting

§ 286. SUPERVISORY UNION SIX: RANDOLPH AREA

The Randolph Area Supervisory Union is formed of the following member
school districts and their member municipalities:

(1) School District A, which is composed of XXX...

Bethel, Braintree, Brookfield, Chelsea, Granville, Hancock, Randolph,
Rochester, Royalton, Sharon, Stockbridge, Strafford, Thetford, Tunbridge

§ 287. SUPERVISORY UNION SEVEN: CENTRAL AREA

The Central Area Supervisory Union is formed of the following member
school districts and their member municipalities:

(1) School District A, which is composed of XXX...

Bradford, Corinth, Groton, Newbury, Northfield, Orange, Ryegate,
Topsham, Washington, Williamstown

§ 288. SUPERVISORY UNION EIGHT: CALEDONIA AREA

The Caledonia Area Supervisory Union is formed of the following member
school districts and their member municipalities:

1 (1) School District A, which is composed of XXX...

2 Barnet, Burke, Concord, Danville, Lunenburg, Lyndon, Newark,

3 Peacham, Saint Johnsbury, Sheffield, Sutton, Waldon, Waterford, Wheelock

4 **§ 289. SUPERVISORY UNION NINE: LAMOILLE AREA**

5 The Lamoille Area Supervisory Union is formed of the following member

6 school districts and their member municipalities:

7 (1) School District A, which is composed of XXX...

8 Belvidere, Cambridge, Craftsbury, Eden, Elmore, Greensboro,

9 Hardwick, Hyde Park, Johnson, Morristown, Stannard, Stowe, Waterville,

10 Wolcott, Woodbury

11 **§ 290. SUPERVISORY UNION 10: ESSEX-ORLEANS AREA**

12 The Essex-Orleans Area Supervisory Union is formed of the following

13 member school districts and their member municipalities:

14 (1) School District A, which is composed of XXX...

15 Albany, Averill, Avery's Gore, Barton, Bloomfield, Brighton,

16 Brownington, Brunswick, Canaan, Charleston, Coventry, Derby, East Haven,

17 Ferdinand, Glover, Granby, Guildhall, Holland, Irasburg, Jay, Kirby,

18 Lemington, Lewis, Lowell, Maidstone, Morgan, Newport City, Newport

19 Town, Norton, Troy, Victory, Warner's Grant, Warren's Gore, Westfield,

20 Westmore

21 **§ 291. SUPERVISORY UNION 11: NORTHWEST AREA**

SU/SD TBD

Changes from last draft

The Northwest Area Supervisory Union is formed of the following member school districts and their member municipalities:

(1) School District A, which is composed of XXX...

Alburgh, Bakersfield, Berkshire, Enosburgh, Franklin, Grand Isle, Highgate, Isle La Motte, Montgomery, North Hero, Richford, Sheldon, South Hero, Swanton

§ 292. SUPERVISORY UNION 12: CHAMPLAIN VALLEY

SUPERVISORY DISTRICT

The Champlain Valley Supervisory District is formed of the Champlain Valley School District, which is composed of the member municipalities of Charlotte, Hinesburg, Shelburne, St. George, and Williston.

§ 293. SUPERVISORY UNION 13: ESSEX WESTFORD SUPERVISORY

DISTRICT

The Essex Westford Supervisory District is formed of the Essex Westford Educational Community Unified Union School District, which is composed of the member municipalities of Essex, Essex Junction, and Westford.

§ 294. SUPERVISORY UNION 14: BURLINGTON SUPERVISORY

DISTRICT

The Burlington Supervisory District is formed of the Burlington School District, which is composed of Burlington.

§ 295. SUPERVISORY UNION 15: MOUNT MANSFIELD UNIFIED

UNION SUPERVISORY DISTRICT

1 The Mount Mansfield Unified Union Supervisory District is formed of the
2 Mount Mansfield Unified Union School District, which is composed of the
3 member municipalities of Bolton, Buel’s Gore, Huntington, Jericho,
4 Richmond, and Underhill.

5 **§ 296. SUPERVISORY UNION 16: SOUTH BURLINGTON**

6 **SUPERVISORY DISTRICT**

7 The South Burlington Supervisory District is formed of the South
8 Burlington School District, which is composed of South Burlington.

9 **§ 297. SUPERVISORY UNION 17: MAPLE RUN UNIFIED**

10 **SUPERVISORY DISTRICT**

11 The Maple Run Unified Supervisory District is formed of the Maple run
12 Unified School District, which is composed of Fairfield, St. Albans City, and
13 St. Albans Town.

14 **§ 298. SUPERVISORY UNION 18: COLCESTER SUPERVISORY**

15 **DISTRICT**

16 The Colchester Supervisory District is formed of the Colchester School
17 District, which is composed of Colchester.

18 **§ 299. SUPERVISORY UNION 19: BARRE UNIFIED UNION**

19 **SUPERVISORY DISTRICT**

20 The Barre Unified Union Supervisory District is formed of the Barre
21 Unified Union School District, which is composed of Barre City and Barre
22 Town.

1 **§ 300. SUPERVISORY UNION 20: FRANKLIN WEST SUPERVISORY**

2 **UNION**

3 The Franklin West Supervisory Union is formed of the following member
4 school districts and their member municipalities:

5 (1) Fairfax School District, which is composed of Fairfax;

6 (2) Fletcher School District, which is composed of Fletcher; and

7 (3) Georgia School District, which his composed of Georgia.

8 **§ 301. SUPERVISORY UNION 21: HARWOOD UNIFIED UNION**

9 **SUPERVISORY DISTRICT**

10 The Harwood Unified Union Supervisory District is formed of the Harwood
11 Unified Union School District, which is composed of Duxbury, Fayston,
12 Moretown, Waitsfield, Warren, and Waterbury.

13 **§ 302. SUPERVISORY UNION 22: ADDISON CENTRAL SUPERVISORY**

14 **DISTRICT**

15 The Addison Central Supervisory District is formed of the Addison Central
16 School District, which is composed of Bridport, Cornwall, Middlebury,
17 Ripton, Salisbury, Shorham, and Weybridge.

18 **§ 303. SUPERVISORY UNION 23: MILTON TOWN SUPERVISORY**

19 **DISTRICT**

20 The Milton Supervisory District is formed of the Milton Town School
21 District, which is composed of Milton.

22 **§ 304. SUPERVISORY UNION 24: WASHINGTON CENTRAL UNIFIED**

1 **UNION SUPERVISORY DISTRICT**

2 The Washington Central Unified Union Supervisory District is formed of
3 the Washington Central Unified Union School District, which is composed of
4 Berlin, Calais, East Montpelier, Middlesex, and Worcester.

5 **§ 305. SUPERVISORY UNION 25: MOUNT ABRAHAM UNIFIED**

6 **SUPERVISORY DISTRICT**

7 The Mount Abraham Unified Supervisory District is formed of the Mount
8 Abraham Unified School District, which is composed of Bristol, Monkton,
9 New Haven, and Starksboro.

10 **§ 306. SUPERVISORY UNION 26: MONTPELIER ROXBURY**

11 **SUPERVISORY DISTRICT**

12 The Montpelier Roxbury Supervisory District is formed of the Montpelier
13 Roxbury School District, which is composed of Montpelier and Roxbury.

14 **§ 307. SUPERVISORY UNION 27: ADDISON NORTHWEST**

15 **SUPERVISORY DISTRICT**

16 The Addison Northwest Supervisory District is formed of the Addison
17 Northwest School District, which is composed of Addison, Ferrisburgh,
18 Panton, Vergennes, and Waltham.

19 **§ 308. SUPERVISORY UNION 28: WINOOSKI SUPERVISORY**

20 **DISTRICT**

21 The Winooski Supervisory District is formed of the Winooski School
22 District, which is composed of Winooski.

1 **§ 309. SUPERVISORY UNION 29: CALEDONIA SUPERVISORY UNION**

2 The Caledonia Supervisory Union is formed of the following member
3 school districts and their member municipalities:

- 4 (1) Cabot School District, which is composed of Cabot; and
5 (2) Twinfield Unified Union School District, which is composed of
6 Marshfield and Plainfield.

7 **§ 310. SUPERVISORY UNION 30. LINCOLN SUPERVISORY DISTRICT**

8 The Lincoln Supervisory District is formed of the Lincoln School District,
9 which is composed of Lincoln.

10 Sec. 4. 16 V.S.A. § 261 is amended to read:

11 § 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY
12 UNIONS

13 ~~(a) The State Board shall review on its own initiative or when requested as~~
14 ~~per subsection (b) of this section and may regroup the supervisory unions of~~
15 ~~the State or create new supervisory unions in such manner as to afford~~
16 ~~increased efficiency or greater convenience and economy and to facilitate~~
17 ~~prekindergarten through grade 12 curriculum planning and coordination as~~
18 ~~changed conditions may seem to require. The board of a member school~~
19 ~~district may propose to the General Assembly to adopt, repeal, or amend~~
20 ~~boundaries of the supervisory union it belongs to in accordance with the~~
21 following procedure:

1 (1) A proposal to adopt, repeal, or amend a supervisory union boundary
2 may be made by a member school district board or by petition of five percent
3 of the total voters of a member school district.

4 (2) An official copy of the supervisory union boundary adjustment
5 proposal shall be filed as a public record with the clerk of the member school
6 district pursuing a boundary adjustment at least 10 days before the first public
7 hearing regarding the boundary adjustment proposal. The school district clerk
8 shall certify the date on which the clerk received the official copy and the date
9 copies shall be made available to members of the public upon request.

10 (3)(A) The member school district board shall hold at least two public
11 hearings prior to the vote on the boundary adjustment proposal.

12 (B) The first public hearing shall be held in accordance with
13 subdivision (a)(2) of this section and at least 30 days before the vote.

14 (4)(A) If the boundary adjustment proposal is made by a member school
15 district board, the board may revise the proposal as a result of suggestions and
16 recommendations made at a public hearing, but in no event shall such revisions
17 be made less than 20 days before the date of the meeting to vote on the
18 boundary adjustment proposal.

19 (B) If revisions are made, the school board shall post a notice of these
20 revisions in the same places as the warning for the meeting not less than 20
21 days before the date of the meeting and shall attach such revisions to the

1 official copy of the request kept on file for public inspection in the office of the
2 clerk of the member school district.

3 (5)(A) If the boundary adjustment proposal is made by petition, the
4 second public hearing shall be held not later than 10 days after the first public
5 hearing. The school board shall not have the authority to revise a boundary
6 adjustment proposal made by petition.

7 (B) After the warning and hearing requirements of this section are
8 satisfied, the boundary adjustment proposal shall be submitted to the voters of
9 the member school district proposing the boundary adjustment at the next
10 annual meeting, primary election, or general election in the form in which it
11 was filed, except that the school board may make technical corrections.

12 (6)(A) Notice of each public hearing and of the annual or special
13 meeting shall be given in accordance with 17 V.S.A. § 2641.

14 (B)(i) Each notice shall specify the supervisory union boundaries to
15 be adjusted, repealed, or amended, setting out those boundaries in the amended
16 form, with deleted matter struck through and new matter underlined.

17 (ii) If the school board determines that the boundary adjustment
18 proposal is too long or unwieldy to set out in amended form, the notice shall
19 include a concise summary of the boundary adjustment proposal and shall state
20 that an official copy of the boundary adjustment proposal is on file for public
21 inspection in the office of the clerk of the school district and that copies thereof
22 shall be made available to members of the public upon request.

1 (7)(A) Voting on a boundary adjustment proposal shall be by Australian
2 ballot.

3 (B)(i) The ballot shall show each boundary adjustment to be adopted,
4 repealed, or amended in the amended form, with deleted matter struck through
5 and new matter underlined, and shall permit the voter to vote on each separate
6 proposal contained within the boundary adjustment request.

7 (ii) If the school board determines that the boundary adjustment
8 proposal is too long or unwieldy to be shown in the amended form, voters shall
9 be permitted to vote upon each separate proposal in its entirety in the form of a
10 yes or no proposition.

11 (C) An official copy of the boundary adjustment proposal shall be
12 posted conspicuously in each ballot booth for inspection by the voters during
13 the balloting.

14 ~~(b)(1) Any school district that has so voted at its annual school district~~
15 ~~meeting, if said meeting has been properly warned regarding such a vote, may~~
16 ~~request that the State Board adjust the existing boundaries of the supervisory~~
17 ~~union of which it is a member district. The clerk of the member school district~~
18 ~~shall announce and post the results of the vote immediately after the vote is~~
19 ~~counted.~~

20 ~~(2) Any group of school districts that have so voted at their respective~~
21 ~~annual school district meeting, regardless of whether the districts are members~~
22 ~~of the same supervisory union, may request that the State Board adjust existing~~

1 ~~supervisory union boundaries and move one or more nonrequesting districts to~~
2 ~~a different supervisory union if such adjustment would assist the requesting~~
3 ~~districts to realign their governance structures into a unified union school~~
4 ~~district pursuant to chapter 11 of this title.~~ The clerk of the school district,
5 within 10 days after the day of the meeting, shall certify to the Secretary of
6 State each separate boundary adjustment contained within the boundary
7 adjustment proposal, showing the facts as to its origin and the procedure
8 followed, which shall include:

9 (A)(i) if the boundary adjustment proposal was made by the school
10 board, the minutes recorded by the school board that detail the origins and
11 intent of each separate boundary adjustment proposal; and

12 (ii) if the boundary adjustment proposal was made by voter
13 petition, the body of the petition and evidence of the required number of
14 petition signatures;

15 (B) a copy of the official certified copy of the boundary adjustment
16 proposal filed with the clerk of the school district pursuant to subdivision
17 (a)(2) of this section;

18 (C) copies of the warnings and published notices for each of the
19 public hearings held pursuant to subdivision (a)(3) of this section;

20 (D) minutes recorded by the school board that detail each of the
21 public hearings held pursuant to subdivision (a)(3) of this section;

1 (E) copies of warnings and published notices for the meeting to vote
2 on the boundary adjustment proposal;

3 (F) a copy of the ballot and the results of the vote or votes on the
4 boundary adjustment proposal; and

5 (E) the results of the advisory supervisory union board votes made
6 pursuant to subsection (c) of this section.

7 ~~(3) The State Board shall act on a request made pursuant to this~~
8 ~~subsection within 75 days of receipt of the request and may regroup the school~~
9 ~~districts in the area so as to ensure reasonable supervision of all of these public~~
10 ~~schools. If the voters do not approve the boundary adjustment proposal, no~~
11 ~~further action shall be taken unless and until a new boundary adjustment~~
12 ~~proposal is initiated pursuant to this section.~~

13 ~~(c) The State Board may designate any school district, including a unified~~
14 ~~union district, as a supervisory district if it will provide for the education of all~~
15 ~~resident students in prekindergarten through grade 12 and is large enough to~~
16 ~~support the planning and administrative functions of a supervisory union. If~~
17 ~~the voters of the member school district vote to approve the boundary~~
18 ~~adjustment proposal, the boards of the supervisory unions affected by the~~
19 ~~boundary adjustment request shall hold an advisory vote to approve the~~
20 ~~boundary adjustment proposal within 45 days after the results of the school~~
21 ~~district vote. The clerk of the school district requesting the boundary~~
22 ~~adjustment shall submit the results of the advisory supervisory union board~~

1 votes to the Secretary of State with the information required to be submitted
2 pursuant to subdivision (b)(2) of this section.

3 (d) ~~Upon application by a supervisory union board, the State Board may~~
4 ~~waive any requirements of chapter 5 or 7 of this title with respect to the~~
5 ~~supervisory union board structure, board composition, or board meetings, or~~
6 ~~the staffing pattern of the supervisory union, if it can be demonstrated that such~~
7 ~~a waiver will result in efficient and effective operations of the supervisory~~
8 ~~union; will not result in any disproportionate representation; and is otherwise~~
9 ~~in the public interest. If the voters of the member school district vote to~~
10 approve the boundary adjustment proposal, after confirming that the clerk of
11 the member school district has certified each of the documents listed in
12 subdivision (b)(2) of this section, the Secretary of State shall file the certificate
13 and deliver copies of it to the Agency of Education, the State Board of
14 Education, the Clerk of the House, the Secretary of the Senate, and the chairs
15 of the committees concerned with supervisory union boundaries of both houses
16 of the General Assembly.

17 (e) The boundary adjustment proposal shall become effective upon
18 affirmative enactment of the proposal, either as proposed or as amended by the
19 General Assembly.

20 Sec. 5. TRANSITION TO NEW SUPERVISORY UNIONS; **REPORT**

21 (a) Transition board formation. Within 30 days following the passage of
22 this act, the Secretary of Education shall separately call a meeting of the school

1 directors of the member school districts within each supervisory union. The
2 number of directors shall be determined and directors shall be elected
3 according to 16 V.S.A. § 266. Within 30 days thereafter, the Secretary shall
4 call a meeting and the board shall elect a chair and other necessary officers to
5 serve as a transition board until the first regular annual election of officers.
6 The operational date of the new supervisory unions shall be July 1, 2027.

7 (b) Roles and authority during transitional period. During the transition
8 period:

9 (1) The supervisory unions in existence on July 1, 2026, shall continue
10 to provide administrative, planning, and educational services for their member
11 school districts until the new supervisory unions created pursuant to this act are
12 operational.

13 (2) The transition board shall develop bylaws for the new supervisory
14 union that shall address how the expenses of the supervisory union, including
15 those associated with the central office and those associated with the provision
16 of special education services, shall be assessed to member school districts.

17 (3) The transition board shall take all actions necessary to ensure the
18 supervisory union is able to fully comply with and execute each duty assigned
19 to a supervisory union pursuant to 16 V.S.A. § 261a not later than the
20 operational date of the new supervisory union.

21 (4) The transition board shall comply with 16 V.S.A. chapter 53,
22 subchapter 3 for the transition of employees.

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Sec. 6. REDUCTION IN NUMBER OF SCHOOL DISTRICTS

(a) Reduction in number of school districts; goal. On or before July 1, 2029, the State shall provide educational opportunities through 50 percent fewer school districts than exist on July 1, 2026, through the actions described in this section.

(b) Supervisory union member district mergers. On or before September 1, 2026, the member school district boards of the following supervisory unions shall establish study committees to study the advisability of forming a new or expanded union school district in any combination that results in the reduction in the number of individual member school districts by 50 percent across all supervisory unions, pursuant to the processes and requirements of 16 V.S.A. chapter 11:

(1) Southwest Area Supervisory Union;

(2) Windham South Supervisory Union;

(3) Windham North Supervisory Union;

(4) Upper Valley Area Supervisory Union;

(5) Rutland Area Supervisory Union;

(6) Randolph Area Supervisory Union;

(7) Central Area Supervisory Union;

(8) Caledonia Area Supervisory Union;

(9) Lamoille Area Supervisory Union;

(10) Essex-Orleans Area Supervisory Union; and

(11) Northwest Area Supervisory Union.

Sec. 7. OPERATION MODEL PROTECTION

(a) Intent. Nothing in this act shall be construed to restrict or repeal, or to authorize, encourage, or contemplate the restriction or repeal of, the ability of a school district that, as of the effective date of this section, provides for the education of all resident students in one or more grades:

(1) by paying tuition on the students' behalf, to continue to provide education by paying tuition on behalf of all students in the grade or grades; or

(2) by operating a school offering the grade or grades, to continue to provide education by operating a school for all students in the grade or grades.

(b) School operation. All governance transitions contemplated pursuant to this act shall preserve the ability of a district that, as of the effective date of this section, provides for the education of all resident students in one or more grades by operating a school for all students in the grade or grades if it chooses to do so and shall not require the district to pay tuition for students if it ceases to exist as a discrete entity and realigns into a supervisory district or union school district.

(c) Tuition payment. All governance transitions contemplated pursuant to this act shall preserve the ability of a district that, as of the effective date of this section, provides for the education of all resident students in one or more grades by paying tuition on the students' behalf, to continue to provide education by paying tuition on behalf of all students in the grade or grades if it

1 chooses to do so and shall not require the district to limit the options available
2 to students if it ceases to exist as a discrete entity and realigns into a
3 supervisory district or union school district.

4 (d) Different operating structures. Nothing in this section shall prohibit
5 school districts, regardless of their operating structure, from voluntarily
6 merging pursuant to the processes and requirements of 16 V.S.A. chapter 11.

7 Sec. 8. EVALUATION BY THE STATE BOARD OF EDUCATION

8 School districts. When evaluating a proposal to create a union school
9 district pursuant to 16 V.S.A. chapter 11, including a proposal submitted
10 pursuant to the provisions of Sec. 6 of this act, the State Board of Education
11 shall:

12 (1) consider whether the proposal is designed to meet the goals set forth
13 in Sec. 1 of this act and to reduce the number of school districts as set forth in
14 Sec. 6(a) of this act; and

15 (2) be mindful of any other district in the region that may become
16 geographically isolated, including the potential isolation of a district with low
17 fiscal capacity or with a high percentage of students from economically
18 deprived backgrounds as identified in 16 V.S.A. § 4010(d).

19 (A) At the request of the State Board, the Secretary of Education
20 shall work with the potentially isolated district and other districts in the region
21 to move toward voluntary merger that does not result in such isolation.

1 (B) The State Board is authorized to deny approval to a proposal that
2 would geographically isolate a district that would not be an appropriate
3 member of another governance structure in the region; provided, however, that,
4 notwithstanding 16 V.S.A. § 709(c)(2), the State Board shall approve other
5 mergers formed pursuant to this act that do not geographically isolate a district.

6 Sec. 9. NONMERGING DISTRICT PROPOSALS

7 On or before November 30, 2027, the board of each school district listed in
8 Sec. 6(b) that is not a member of a newly formed school district or that does
9 not expect to become a member of a newly formed school district on or before
10 July 1, 2029, solely on behalf of its own district or jointly with the boards of
11 other districts, shall submit a proposal to the Secretary of Education and the
12 State Board of Education in which the district:

13 (1) proposes to retain its current governance structure, to work with
14 other districts to form a different governance structure, or to enter into another
15 model of joint activity;

16 (2) demonstrates, through reference to enrollment projections,
17 student-to-staff ratios, the comprehensive data collected pursuant to 16 V.S.A.
18 § 165, and otherwise, how the proposal submitted pursuant to this section
19 supports the district's or districts' ability to meet or exceed each of the goals
20 set forth in Sec. 1 of this act; and

1 (3) identifies detailed actions it proposes to take to continue to improve
2 its performance in connection with each of the goals set forth in Sec. 1 of this
3 act.

4 Sec. 10. FINAL STATE ACTION

5 (a) Agency of Education’s proposal. In order to modernize Vermont’s
6 school district governance structures and meet the goals set forth in Sec. 1 of
7 this act while reducing the number of school districts located within the
8 supervisory unions listed in Sec. 6(b) by 50 percent, the Secretary shall:

9 (1) Review the governance structures of the school districts and
10 supervisory unions listed in Sec. 6(b) as they will exist, or are anticipated to
11 exist, on July 1, 2029. This review shall include consideration of any
12 proposals submitted by districts or groups of districts pursuant to Sec. 9 of this
13 act and conversations with those and other districts.

14 (2) On or before June 1, 2028, the Secretary shall develop, publish on
15 the Agency of Education’s website, and present to the State Board of
16 Education a proposed plan that, to the extent necessary to promote the purpose
17 stated at the beginning of this subsection, would merge districts into larger
18 school districts in an effort to reduce the number of school districts located
19 within the supervisory unions listed in Sec. 6(b) by 50 percent, to not more
20 than 56 total school districts statewide. The Agency shall only recommend
21 merging districts with the same operating structures and districts within the
22 same supervisory union. If it is not possible or practicable to develop a

1 proposal that realigns some districts, where necessary, in a manner that adheres
2 to the protections of Sec. 7 of this act (protection for tuition-paying and
3 operating districts), then the proposal may also allow some school districts not
4 to merge and instead to continue to exist and operate as they did as of July 1,
5 2026.

6 (3) Any mergers proposed by the Agency shall meet the following
7 criteria:

8 (A) only school districts with small student counts shall be merged;

9 (B) while school districts do not need to be contiguous in order to be
10 merged, such mergers shall take into account the geography of each applicable
11 school district and any other geographical areas affected by a proposed merger;

12 (C) only school districts with adequate infrastructure capacity to
13 consolidate schools should such a need develop shall be merged;

14 (D) mergers shall lead to improved opportunity for resident students;
15 and

16 (E) mergers shall lead to the potential to gain staffing and
17 administrative efficiencies.

18 (b) State Board's plan.

19 (1) School districts. On or before November 30, 2028, the State Board
20 shall review and analyze the Secretary's proposal under the provisions in
21 subsection (a) of this section, may take testimony or ask for additional
22 information from districts and supervisory unions, shall approve the proposal

1 either in its original form or in an amended form that adheres to the provisions
2 of subsection (a) of this section, and shall publish on the Agency’s website its
3 order merging and realigning districts. The Board shall be prohibited from
4 merging school districts whose operating structures differ as of July 1, 2026,
5 and shall only order the merger of districts that are members of the same
6 supervisory union.

7 (2) Supervisory unions after mergers. On or before November 30, 2028,
8 the State Board shall submit a written report to the House and Senate
9 Committees on Education with recommended supervisory union boundaries
10 that reflect the new school districts created through voluntary merger pursuant
11 to Sec. 6 of this act and the Board’s order merging and realigning school
12 districts pursuant to subdivision (1) of this subsection.

13 (c) Applicability. This section shall not apply to:

14 (1) an interstate school district;

15 (2) a school district not listed in Sec. 6(b);

16 (3) a regional career technical center school district formed under
17 16 V.S.A. chapter 37, subchapter 5A; or

18 (4) a school district that, between July 1, 2026, and July 1, 2028, began
19 to operate as a unified union school district or obtained an affirmative vote of
20 all necessary districts to voluntarily merge into a new union school district
21 pursuant to Sec. 6 of this act; provided, however, that as part of the State
22 Board’s plan developed pursuant to subsection (b) of this section, the State

1 Board may realign a newly formed unified union school district to include a
2 geographically isolated district where necessary to achieve the goals of this act.

3 Sec. 11. QUALITY ASSURANCE; ACCOUNTABILITY; DATA
4 COLLECTION; REPORT

5 The Secretary of Education shall regularly review, evaluate, and keep the
6 State Board of Education and the General Assembly apprised of the following:

7 (1) the discussions, studies, and activity among districts to move
8 voluntarily toward creating new, larger school districts pursuant to Sec. 6 of
9 this act; and

10 (2) the data and other information collected in connection with
11 education quality standards pursuant to 16 V.S.A. § 165, and related on-site
12 education quality reviews, including data and information regarding the equity
13 of educational opportunities, academic outcomes, personalization of learning, a
14 safe school climate, high-quality staffing, and financial efficiency.

15 * * * Exploration and Transition Grants * * *

16 Sec. 12. EXPLORATION AND TRANSITION GRANTS; REPORT

17 Notwithstanding 16 V.S.A. § 4025:

18 (1) Supervisory union transition facilitation grant. Within 15 days
19 following the date each transitional board of each supervisory union created
20 pursuant to this act holds a meeting to elect a chair and other necessary officers
21 pursuant to Sec. 5(a), the Secretary of Education shall, from the Education

1 Fund, pay each transitional board a supervisory union transition facilitation
2 grant in the amount of \$250,000.00.

3 (2) Study committee grant. The Secretary of Education shall, from the
4 Education Fund, reimburse up to \$10,000.00 of fees paid by two or more
5 school districts for facilitation, legal, and other consulting services necessary
6 for the initial exploration of the advisability of forming a new union school
7 district for study committees that convene pursuant to 16 V.S.A. chapter 11 on
8 or after July 1, 2026, pursuant to Sec. 6 of this act.

9 (3) Merger support grant.

10 (A) After voter approval of a plan of merger that was developed by a
11 study committee established pursuant to 16 V.S.A. chapter 11 pursuant to
12 Sec. 6 of this act on or after July 1, 2026, the Secretary of Education may pay
13 the transitional board of the new union school district a transition facilitation
14 grant from the Education Fund equal to the lesser of:

15 (i) 10 percent of the base education amount established in
16 16 V.S.A. § 4001(13) multiplied by the greater of either the combined
17 enrollment or the average daily membership of the merging districts on
18 October 1 of the year in which the successful vote is taken; or

19 (ii) \$300,000.00.

20 (B) A new school district formed pursuant to the recommendation of
21 a study committee established pursuant to 16 V.S.A. chapter 11 pursuant to

1 Sec. 6 of this act on or after July 1, 2026, shall be eligible for a grant under this
2 subdivision (3) if the newly formed union school district has:

3 (i) an average daily membership of 3,000 or more students; or

4 (ii) at least 15 separate towns or cities located within the new
5 district's geographical boundaries.

6 (C) Merger support grants shall be available through fiscal year 2032.

7 Eligible newly formed union school districts shall only be eligible for a merger
8 support grant pursuant to this section during the fiscal year following voter
9 approval of a plan of merger.

10 (4) Report. Beginning on December 1, 2026, and annually thereafter
11 until December 1, 3031, the Agency of Education shall submit a written report
12 to the House Committees on Education and on Ways and Means and the
13 Senate Committees on Education and on Finance with information regarding
14 contemplated and active school district mergers and a proposed appropriation
15 amount for the applicable fiscal year to cover the costs associated with the
16 grants created pursuant to this section. The report shall include:

17 (A) a list of school districts that are members of active study
18 committees formed pursuant to 16 V.S.A. chapter 11, the date the study
19 committee formed, and the status of any such study committee;

20 (B) a list of anticipated new union school districts that are likely to be
21 formed during the applicable fiscal year and the forming members and
22 anticipated average daily membership of each; and

1 (C) proposed appropriation amounts for study committee grants and
2 merger support grants for the applicable fiscal year based on the merger
3 activity observed in the field.

4 (5) Recommended appropriations. The Agency shall include
5 recommended appropriation amounts for supervisory union transition
6 facilitation grants, study committee grants, and merger support grants as part of
7 its budget submitted to the Governor pursuant to 16 V.S.A. § 212(21).

8 Sec. 13. APPROPRIATION; TRANSITION FACILITATION, STUDY
9 COMMITTEE, AND MERGER SUPPORT GRANTS

10 (a) Notwithstanding 16 V.S.A. § 4025, the sum of \$2,750,000.00 is
11 appropriated from the Education Fund to the Agency of Education in fiscal
12 year 2027 for the purpose of awarding supervisory union transition facilitation
13 grants pursuant to Sec. 12(1) of this act.

14 (b) Notwithstanding 16 V.S.A. § 4025, the sum of \$50,000.00 is
15 appropriated from the Education Fund to the Agency of Education in fiscal
16 year 2027 for the purpose of awarding study committee support grants
17 pursuant to Sec. 12(2) of this act.

18 (c) Notwithstanding 16 V.S.A. § 4025, the sum of \$600,000.00 is
19 appropriated from the Education Fund to the Agency of Education in fiscal
20 year 2027 for the purpose of awarding merger support grants pursuant to Sec.
21 12(3) of this act.

* * * Foundation Formula * * *

(16) “Base amount” means a per pupil cost-factor amount of \$15,033.00

Sec. 15. 2025 Acts and Resolves No. 73, Sec. 70 is amended to read:

* * *

(f) The following sections shall take effect on July 1, 2028, provided that the new school districts contemplated by this act have assumed responsibility for the education of all resident students and that the expert tasked with

1 ~~developing a cost-factor foundation formula has provided to the General~~
2 ~~Assembly the report pursuant to Sec. 45a to provide the General Assembly an~~
3 ~~opportunity to enact legislation in consideration of the report July 1, 2029:~~

- 4 (1) ~~In Sec. 27, 16 V.S.A. § 823(a) and (d) (tuition);~~
5 (2) ~~Sec. 28 (tuition repeals);~~
6 (3) ~~Secs. 34–43 (transition to cost-factor foundation formula);~~
7 (4) ~~Sec. 45b (educational opportunity payment transition);~~
8 (5) ~~Secs. 46, 47, 49, and 50 (statewide education tax; supplemental~~
9 ~~district spending tax);~~
10 (6) ~~Sec. 46a (supplemental district spending tax; cap; transition);~~
11 (7) ~~Sec. 48a (tax rate transition);~~
12 (8) ~~Secs. 51, 52, and 54–56 (property tax credit repeal; creation of~~
13 ~~homestead exemption);~~
14 (9) ~~Sec. 57 (Education Fund Advisory Committee; review of foundation~~
15 ~~formula); and~~
16 (10) ~~Secs. 60 and 61 (property tax classifications).~~
17 (g) ~~In Sec. 27, 16 V.S.A. § 823(b) and (c) shall take effect on July 1, 2028,~~
18 ~~provided that the new school districts contemplated by this act have assumed~~
19 ~~responsibility for the education of all resident students and that the cost-factor~~
20 ~~foundation formula report required pursuant to Sec. 45a contains evidence that~~
21 ~~it costs more to educate students in grades nine through 12 but the General~~

SU/SD TBD

Changes from last draft

1 ~~Assembly has failed to enact legislation to add a secondary student weight.~~

2 [Deleted.]

3 (h) Sec. 62 (regional assessment districts) shall take effect on January 1,
4 2029.

5 * * * Effective Dates * * *

6 Sec. 16. EFFECTIVE DATES

7 This act shall take effect on July 1, 2026, except that Sec. 14 (16 V.S.A.

8 § 4001(16)) shall take effect on July 1, 2029.